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From: Martin_J_Seamons@amat.com

Sent: Thursday, June 17, 2004 3:56 PM

To: Director - FASB

Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

Letter of Comment No: 4664
File Reference: 1102-100

To whom it may concern:

I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs). I believe that expensing of stock options and stock purchase plans will lead to many US companies dropping them. I feel that would be very detrimental to US companies because they would lose a critical compensation tool in competing for highly skilled employees in the global market. The options and stock purchase plan also are effective in increasing employee dedication to the company and motivating innovation. These programs allow all employees from the entry level technician to the CEO to own part of company and feel an important role in the making the company profitable. These programs can also provide income critical for non-executive employees. With cost of housing sky-rocketing in California and even more so in Silicon Valley, options and stock purchase plans can provide critical sources of cash for down payments. By selling stock purchase shares in 1999, I was able to come up with a 20% down payment on a starter home in San Jose valued at $300,000 at the time. Without that cash, I would have been saving and investing for an indeterminant amount of time to come up with a down payment. My starter home is now valued at $500,000, and I am sure my rate of savings and investment returns could never have gained on that rate of inflation. Without the stock purchase plan, I would still be saving and with little hope of having a 20% down payment on a starter home.

Please consider the effect that reporting options and stock purchase plans will on company competitiveness and the millions of "little guys" who work for them.

Sincerely,
Martin Seamons