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**From:** David\_Haralson@amat.com  
**Sent:** Thursday, June 17, 2004 4:11 PM  
**To:** Director - FASB  
**Subject:** File Reference 1102-100: Accounting for Stock O

**Letter of Comment No: 4635**  
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I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs).

Let me first state that Employee Stock Options offered as an incentive for positive performance are in no way direct compensation. I personally hold several thousand stock options in my corporation that have not vested and are useless to me until they do. Further, those that have vested are often worthless due to the current stock price being below the option price.

Contrary to what many may view as a "cash cow" of millions of options given to high powered executives, I receive only about 1000 stock options per year as a low level manager. However, past options have proved valuable in the past. I would like to share two specific examples.

First, I had nearly \$1000 worth of car repairs that came due this January. Since I am the sole income source for a family of five, there was no way for us to pay this bill with our monthly income. Fortunately, I was able to cash in a portion on my stock options and pay for the repairs without having to go further in to debt.

Then, just this past spring, we were forced to make a home purchase when the owners of our leased residence decided to sell. Again, instead of going further in to debt, I was able to cash in the remainder of my stock options to cover the down payment of our new home.

My plan was to hold these options until the stock price rose approximately \$10 per share above the vesting price. This would have allowed me to pay off ALL my credit card debt and place my family in a strong financial position. But life threw me some curve balls, so I sold what I had for less than \$3 per share profit and netted only about \$2000.

I am very thankful for what I was given, but I want to ensure I can continue to receive this source of income without negatively impacting my company.

Please allow corporations like mine to continue to offer these important incentives and help valued employees like myself meet the ever increasing cost of living.

Thank You,  
David Haralson  
Applied Materials Inc.