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Letter of Comment No: 4580 ■
File Reference: 1102-100

From: Russell_Poling@amat.com
Sent: Thursday, June 17, 2004 3:41 PM
To: Director - FASB
Subject: File Reference 1102-100: Accounting for Stock Optic

I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs). I am a lower level employee of 6 years at Applied Materials. I have a wife who stays home with my sons, age 2 and 5. The stock option and ESPP plans offered here are allowing me to save more money than I would if I were only saving part of my salary. Since my wife does not work, we are using these programs to make up for retirement savings she isn't able to contribute. In fact, these programs are big reason she is staying home with our children in the first place. No one can raise our kids better than she can, so it is very important to us that she is able to stay home. We are also planning on using the money gained from these assets to help with college tuition for the boys. Who knows, maybe we can use some for private school tuitions for their primary education as well. These programs have helped me develop a sense of loyalty to the company. Granted, the fact that the stock option grants don't become available for some years is a big reason for this loyalty. I have heard options referred to as "Golden handcuffs ". The fact is, the programs retain employees and this builds loyalty.