

ikon

Letter of Comment No:4900  
File Reference: 1102-100

**From:** Timothy\_Bailey@amat.com

**Sent:** Monday, June 21, 2004 12:15 PM

**To:** Director - FASB

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

I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs).

Since I began working for my company, the stock option and ESPPs have been an incredible opportunity for my family and for a majority of my coworkers. These plans have aided my family by providing access to additional funds when we most critically needed them, a few of these instances I will list here for your reference and consideration:

- My parents live in another country and when my father suddenly fell ill with a serious heart condition, we were able to sell options to fund the trip. Without these options, we would not have been able to afford the high cost of travel to be with my parents.

- Property taxes on our home increased dramatically in the course of a year and we found ourselves scrambling to make up the difference. Options from both my wifes plan and mine were instrumental in making up this shortage and allowing us to keep our home.

In the future, our son is planning to attend university and the only significant means we have to assist with his tuition will be through the use of stock purchase plan savings and whatever options we have available at the time. Due to the uncertainty in market prices, our options may or may not be worth anything when they are needed, but have the potential to be very useful.

Over the years, options and ESPP have contributed greatly in the dedication we have for our companies. These additional performance bonuses have retained our skills and abilities for use in continued production of quality American Made products. I feel that forcing companies to report these items as an expense will lead to a reduced number of options being made available to employees. Stock purchase plans would also suffer, resulting in employees having a lower dedication to their companies, customers and products. Not a promising future for American goods and services on a global scale.

In summary, ESPP and stock option plans are not just for the executives, they are for all employees; providing us with a direct link to the performance of our companies and our families. Please do not take away this opportunity from the American workers.

Sincerely,  
Timothy Bailey

6/22/2004