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Letter of Comment No: 489  
File Reference: 1102-100

**From:** Paul\_Sandoval@amat.com

**Sent:** Monday, June 21, 2004 12:04 PM

**To:** Director - FASB

**Subject:** Accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs).

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

Dear Representative,

My name is Paul Sandoval and I've been an Applied Materials employee for over seven years.

When I first heard and read HR3574 I became very concerned that more of my money is going to be drawn out of my family's potential yearly income. This bill HR3574 will eliminate my Stock Options and my ESPP (employee stock purchase plan) which I count on as part of my yearly income/compensation. Right now my stock options are not worth very much but it keeps me going. It's something that I've worked very hard for and was rewarded to me by Applied Materials as a job well done and dedication to my job. Stock options took the place of not having a raise for over 4 years.

I utilize my ESPP as a savings plan to help pay property taxes or any income tax owed to the federal government at the end of the year. If there is extra left over I put it aside into our "vacation fund".

With the economy and the semi conductor industry picking up, and my 401K looking a little better, I find this bill to be a wet blanket for the middle class who pay the overwhelming percentage of taxes to the federal government. This would deeply impact my life and many other employees of Applied Materials.

Please use all means possible to defeat this bill.

Thank you for your time.

Best Regards,

Paul Sandoval

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6/22/2004