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**From:** Paul\_Coggins@amat.com  
**Sent:** Thursday, June 17, 2004 5:23 PM  
**To:** Director - FASB  
**Subject:** File Reference 1102-100: Accounting for Stock Options and ESPPs

**Letter of Comment No: 4525**  
**File Reference: 1102-100**

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

The notion of expensing Stock Options will affect me, the little guy. I have been with the company for over 13 yrs and did not have the opportunity to receive even small batches of Stock Options until just 7 yrs ago. Until then, only Directors and Executives benefited from huge stock option grants. This generous attempt by Applied Materials to attract and retain employees like me. The notion of expensing all Stock Options will definitely make my company reconsider rewarding the hard work of regular employees, who now have a vested interest in ensuring our company is profitable. How can FASB actually request that large companies "guess" on the value to a particular stock "might" be at a future date. That's like asking them to "guess" on how much we "might" make this year and put that in our annual report. In essence, you are encouraging companies to lie instead of looking at the whole picture. I am against putting a blanket ruling into effect to expense all stock options, however I am all for expensing stock options of the executives with whom are responsible for the company's books. The objective should be to actually report a "real expense" verses a "hypothetical charge". Remember, the actual cost to stock holders is "zero" if the stock option does not increase, so why penalize the company and it's hard working incentivized employees. I have been able to keep my head above water during the recent down turn years by supplementing my income with stock option proceeds I received 7 years ago. If this was not available to me, I would be worse off. After all, they helped me to afford to put a down payment on my home which is something that is hard to come by and owning a home is considered an American dream. In essence, FASB is attacking my hopes at living the American Dream and this is something that I must defend.

Sincerely,  
Paul Coggins  
Applied Materials Inc.

6/18/2004