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From: Enrique_Agorio@amat.com

Sent: Thursday, June 17, 2004 5:37 PM

To: Director - FASB

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

Dear Sirs,

I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs). I wish to relate to you how important these options have been to my overall compensation at Applied Materials.

Letter of Comment No: 4519 File Reference: 1102-100

The first time I exercised stock options when I worked Etec systems in 1997. At the time I earned \$60000. And I had I total of 1000 options with market value of ~\$30,000. This is money I used to make a down payment and settle closing costs for my first and only home. Without these options I might still be renting today.

The point here is that stock options have a profound effect on employee compensation large and SMALL. I strongly urge you to draft changes that allow this important compensation to continue. Stock options continue to motivate me to this day, and have been key to my professional growth and aspirations. At Applied Materials there are literally thousands of employees who have benefitted from options. You must understand that we are NOT all making monster amounts of money. The rewards for the majority of us can only be considered as an important and reasonable component to our compensation.

If Applied Materials stops issuing options due to changes in accounting rules, it will have a SEVERE impact on my compensation.

Regards,

Enrique Agorio Engineer

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