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Letter of Comment No: 5807
File Reference: 1102-100

From: Ray_Leubner@amat.com
Sent: Wednesday, June 30, 2004 3:48 PM
To: Director - FASB
Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

What attracted me to Applied Materials 8 years ago was it's stock option and employee stock purchase plans. The salary offered to me was actually under the going rate, but when I looked at the total package being offered, Applied was my choice. Stock options in particular have motivated me to work 10 plus hour days, whatever it takes to improve the company's performance. Yes it has been rewarding to me! Given the number of stock splits I think it has been rewarding to our shareholders as well. In my own case, I know that the federal treasury is more than $1m better off because of my stock options. I fear that if stock options are expensed this benefit will be much reduced, perhaps even eliminated for the vast majority of Applied's employees. I will suffer; the government will suffer, and I believe our shareholders will suffer.....why would I bust my butt for an ordinary salary? What would attract and hold the best talent for Applied? Certainly not an ordinary salary.....this business is way too volatile and complex for it to be considered fun, so why continue to put up with it? What keeps me here and motivated is the chance to make an impact and be rewarded for it. Please do not take this away from us.

Respectfully Yours,
Ray Leubner