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Letter of Comment No: 5370
File Reference: 1102-100

From: Vicky_Hunter@amat.com
Sent: Friday, June 25, 2004 5:28 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).

I am currently an employee at Applied Materials. I began my participation in a stock purchase plan first with IBM, where I was employed for 13 years. From the day I joined IBM, right after graduation from Texas A&M, I enrolled in the stock purchase plan. When I moved to Applied Materials nearly 10 years ago, I joined the program at the earliest opportunity. The shares I bought through the ESPP programs, and later sold with gains, became an important part of my earnings and positively impacted my life and those of my family's. They have enabled me to buy my first house, to buy cars and to better provide for my family. We have started savings plans to send my three children to school.

Since moving to Applied Materials, I have had a chance to also participate in the stock options plan. I have been both on the receiving side and the giving side, as a manager. The options given to employees have been tied to performance and have been an outstanding way to motivate and retain employees. As a recipient of stock options, and being able to take advantage of an upward turn in our stock price, I have been able to provide even more for my family, today and in the future. We have been able to move into a larger house and we continue to invest in our future and the future of our kids. Through exercising my options, I have continued with the college funds and retirement investments. I have also been able to contribute more financially to my community, to non-profits and to my church. My hope is, when I do decide to retire, the money from my options and stocks will provide for me and my family when my employment income goes away. The options have been great, since the risk of losing money is eliminated. If the stocks go "under water" than I have experienced no personal loss and with time and good company performance, their value can be restored.

Please, please do not change the accounting treatment for stock options and our employee stock purchases. These are as vital to me today as they were when I first evaluated Applied Materials as a potential employer.

Please feel free to contact me if you have any questions. Regards, Vicky Hunter