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From: Donna_Sullivan@amat.com

Sent: Friday, June 25, 2004 3:58 PM

To: Director - FASB

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

Letter of Comment No: 5362 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).

Dear Sir or Madam,

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

It is essential that I convey the personal impact that this accounting change would have on me and my family. My family and I have benefited greatly from participation in Applied Material stock option and ESPP programs. The programs have afforded us many of the home repairs and inprovements we have been fortunate enough to make over the past 6 years

These employee incentives have effectively tied employee performance to shareholder return in a way that no other incentive can match.

FASB is assuming that employee stock options are employee compensation, over which stockholders have no control. That is not true because in almost all cases the NYSE and NASDAQ require that companies receive the approval of their stockholders before they issue employee stock options. Stockholders are willing to forgo a piece of their company because they believe that the employees LIKE ME will put in extra effort and go "above and beyond," which ultimately may increase the value of their investment. They are right!

Thank you for your time,

Donna Sullivan