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Dan_Deyo@amat.com

From:

Wednesday, June 23, 2004 3:49 PM Sent:

Director - FASB To:

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

Dear Director,

I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs). Stock options as well as Employee Stock Purchase Plan within my corporation have been a large factor in providing compensation within my career with the Tech Industry. The FASB forcing Corporations to expense employee stock options and employee stock purchase plans would create a non-cash expense to the bottom line of the corporations that provides no less clarity and lucidity than exists today. I believe that the mandatory expensing of stock options using the fair value tools available will not improve the simplicity, trustworthiness or comparability of financial statements. I, as well as many others within the "Tech Industry", are concerned with this approach for several reasons: first, the diluted effect on earnings per share would be double counted in both the income statement and weighted average shares outstanding calculation, secondly, the valuation tools available to calculate the fair value of stock options is imperfect and will give misleading and confusing information to investors and shareholders, and thirdly the expense impact will choke the entrepreneurial spirit of growth that the "Tech Industry" companies that relied upon in drawing the technical talent it needs to succeed.

Letter of Comment No: 5258

File Reference: 1102-100

I would strongly urge you to reconsider the impact this law will have on corporations across this country given the ever growing Trade Deficit that exists today. Do you really think this will this law will make U.S. held companies stronger, given the already strong pressure for corporations to increase their bottom line, and seek Out Sourcing to Other Countries to lower costs as a result.

Sincerely, Daniel M. Deyo

Daniel M. Deyo **Account Technologist** Applied Materials, Inc.