ikon

From: C

Oran_Davis@amat.com

Sent:

Thursday, June 17, 2004 8:10 PM

To:

Director - FASB

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

Letter of Comment No: 4536 File Reference: 1102-100

Dear Sirs

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

I strongly believe that your attempt to make stock option plans and employee stock purchase plans expenses on the corporate balance sheet is a knee jerk reaction by people who are outsiders to the high tech industry and who lack an intuitive understanding of the meaning of stock incentive to silicon valley employees.

It is most apparent that due to corporate mismanagement in the late 90's and early 2000's political rhetoric and lip service has created a monster of actions which as usual in government and oversight boards are lacking a fundamental understanding of the issues and are overshooting with the rules and regulations.

As usual in many such cases is will not be the governance boards that are hurt but the small weaker employees that work hard and gather small amounts of options month to month. These are the people who's stock is the bulk liability of the corporation are going to see their potential incentives disappear.

I URGENTLY DEPLORE YOU TO REVIEW YOUR DECISION AND ACTION AS THEY NEW DEMANDS ARE NOT WITHIN NORMAL REASONABLE ACCOUNTING PRACTICES.

Sincerely

Oran Davis Sr. Director