

ikon**Letter of Comment No: 4906**
File Reference: 1102-100

From: Gil_Ontiveros@amat.com
Sent: Friday, June 18, 2004 4:04 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 a naturalized Mexican-American, like most latins/hispanics in America I come from an impoverished background were we do not know much about stocks, bonds, the stock market, and/or stock options. For the few of us who had heard about stocks and bonds it seemed to be like hearing about Santa Clause, a simple myth. Now that I have worked for some mildly successful midsize companies, I have become familiar with stock options and Employee Stock Purchasing Programs (ESPP's), and I have become to know that these stock benefits are a blessing. Not only do they help supplement my income, they also provide a financial mechanism that can potentially assist us in getting out of debt. These incentives also assist companies with improving employees morale, they push us to do the best job possible in our work so we can assist our company in becoming successful. We all internally know that great personal performance can equal; a better product, better sales, more production, more jobs, better profit margin, more investors, job satisfaction, and great stock prices. So the incentive for each individual employee to perform is directly tide to us being stock holder and share owners.

Well, I been working in the semiconductor industry since 1988 first making, a misly, \$6 and hour, and later \$12 an hour in 1998. Let me tell you that living; 1) in California, 2) living in the Silicon Vallley, 3) in this era, is very expensive, so the only employment incentive that makes my family's living here possible is my company stock options, and ESPP's incentives. I would not be able to earn sufficient money to live in the Silicon Valley because the pay is simply not enough. ESPP also indirectly allows me to put money into my 401K. If I was to share my family financial status with FASB, you would conclude that financially my home operates in the RED all the time, so if I was to lose my ESPP and stock options my family would be devastated. I would need to look for a second job, or move out of California. Our ESPP and stock option provide a financial apparatus to allow us to potentially assist us in getting out of debt.

Please I beg of you to allow companies to provide these incentives for us, I see it as a blessing to employees. Not only do they promote morale, but they also make us responsible for our personal performance at work. We know we need to do our job well, but when we know that we are part share holders, and part owners of our company, us as employees strive harder to make a better product for the company, for ourselves, and for our families. I realize that for some people without these incentives that next vacation, that satellite dish, the DSL line, that HP computer, or that dream car would not be possible, but for my family...it's much more than a vacation. These incentives mean the a roof over our heads, running water, a warm living room in the winter, the car insurance, and food on our table. My high school history teacher said once, "Money makes the world go around". Well, in this case whether you're the guy using the ESPP incentives for that \$80,000 car, or the guy supplementing their income for the electricity bill, I have one saying of my own, "Money makes Capatalism in the U.S.A. possible, Capatalism makes Capitalist money which makes the U.S.A. democracy possible". Whether it's a nickel I'm putting back in the system, or \$10,000, money is circulating and that is how our economy works. This is why we need incentives such as Stock Options, or ESPP to provide a money making potential, money spending potential for all of us not just that "fat rich cat". It's the American dream...don't wake me!!!

Regards,
 Gil Ontiveros
 Sr. Engineering Process Technician
 Applied Materials

6/21/2004