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Letter of Comment No: 4728
File Reference: 1102-100

From: Marlowe_Davis@amat.com
Sent: Tuesday, June 22, 2004 3:34 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 have fully participated in the ESPP plan since I've been with AMAT in 1995. Stock options are great incentive for workers. It allows employees to become a shareholder. Once you "too" are an owner in a company you begin to change your behavior. Employees become much more cost conscious. This is now your money you are impacting. In addition, you take quality to heart. Ownership means responsibility and accountability. Shareholder wealth is always enhanced when you have these two things present.

As I've moved up in the company, I started to participate in the option programs. These programs are a key differentiator between AMAT and other companies in the Austin area and incentivize talented employees to stay with the company. The only other company in the area to offer stock options on the same level is Dell Computers. So unless you are able to secure a position with Dell, no other company can compete with AMAT in terms of overall compensation.

My family has grown with AMAT. We've used the ESPP savings and stock options to purchase our first home. I do not want to leave AMAT for another company. However without the ESPP and stock option plans, other companies benefits offerings start to look very competitive. Being a technology company it is imperative that talented employees are attracted and retained. As a shareholder and an employee, I am very concerned about the negative impact this change will have on AMAT's ability to keep great employees, continue cost conscious focus, and drive increases in shareholder wealth.

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