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Letter of Comment No: 4927  
File Reference: 1102-100

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**From:** Romain\_Beudelomenie@amat.com  
**Sent:** Friday, June 18, 2004 9:43 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 worked for Applied Materials for the last 8 years. A key incentive for me to stay with the company and do well for the company is the perspective of a potential capital income accumulation thru stock options and ESPP programs. There is not doubt in my mind that stock options have resulted in higher productivity in my work as I own part of the success of the company thru its stock price and that I can be rewarded for it accordingly thru stock options and ESPP stock sales. I am sure that shareholders of Applied Materials, which I am part of and will continue to be part of if stock options and ESPP remain active at Applied, have benefited from this practice since overall company performance is boosted and stock price increases more than otherwise. I have no fear of more dilution because of stock options and ESPP programs. Again, I will continue to invest in Applied Materials as long as these programs stay in place and guarantee appropriate levels of incentives for employee to be top performers and rewards for their hard work.

Because of the vesting schedules and the growing number of options given as seniority level grows, I am invested in and want to contribute to Applied's success for the long run. What best culture can a company which to have than employees who think like that?

If options disappear, there is no doubt that I will be looking to relocate to regions of the world who still offer these rewards for hard work and top performance. With the increasingly highly mobile workforce in our industry and our world in general, it will not be long before Silicon Valley will be drained of its top talents and company valuation will go down. In addition, I find Stock option and ESPP and just and equitable system for treating employees of company as key members of the organization's success. If stock options go away, only top directors will be rewarded in this way, which will bring us back to a feeling of exploitation of company employees for the benefits of their executives. The inequality in the system will grow dramatically, which could unbalance social life and happiness of workers as a whole.

I truly hope this system will endure and be encouraged instead. All workers and investors in America will greatly benefit form it.

Best regards,

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6/21/2004