

From: Peter_Rascon@amat.com
Sent: Thursday, June 17, 2004 3:44 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).

To whom it may concern:

I have been employed by Applied Materials, Inc. for over 10 years now. I was able to purchase my mother's first house back in October of 2001 with the help of some ESPP shares that I had and some Stock Options that had vested and were at a real good price. I grow up in a very impoverished neighborhood back in El Paso, Texas and received my Bachelor's of Science Degree in Metallurgical Engineering from the University of Texas at El Paso. I was fortunate to be hired by Applied Materials back in 1994. My parents and I lived in Government housing for most of my childhood, and even into my first two years of college. While working full time and going to school full time, I was able to help my parents move into a modest apartment complex at the age of 22. My parents continued to live in that apartment up until 2001 when I finally was able to purchase their first home with the help the ESPP shares and stock options I mentioned previously. The house was by no means a new house, and was built in 1926. It needed a lot of work and I decided to put central heating and cooling since my parents are over 75 years old. Again, in November I acquired some more stock options that vested in November 14th. I sold these at a fair price and was able to put central heating and cooling in my parent's home. As for my home purchases with ESPP shares and stock options. I purchased my second primary residence back in 1997 with stock options used for the down payment. I then rented that home and was able to purchase another newly constructed home back in 1999. The home in which I live in now is my primary residence. As you can see, for a young guy like myself, 38 now, it would have been impossible to reach my long term dream of owning my own home and still being able to purchase my parents a home without the availability of stock options and ESPP shares. I pay taxes in three different counties now in the state of Texas. This I know helps in creating teaching jobs and schools via my property taxes that I pay out of my own pocket with , you guessed it, ESPP shares. I can't beat getting 15% off on my ESPP purchases guaranteed, better than any CD's or savings that I can put money into to pay property taxes in El Paso County, Williamson County, and Travis County. I was even able to purchase some land in Travis County with some ESPP shares that I sold back in 2001. I don't make a lot of money salary wise, but my good credit and the availability of ESPP shares and stock options allows me to invest in real estate in order to help others including my family.

sincerely,

Peter Rascon