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From: Chris_Wood@amat.com
Sent: Thursday, June 17, 2004 5:52 PM
To: Director - FASB
Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

Letter of Comment No: 4523
File Reference: 1102-100

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

The proposed new accounting treatment for employee stock options is absurd.

Somehow, during the time when major and illegal Corporate accounting practices were in the daily news (Arthur Andersen/Enron, for example), traditional stock option plans have been (mistakenly) linked to "improper" Corporate accounting practices. I think Hewlett-Packard lead the way in the instigation of this association. Stock options because guilty by association.

People who do not receive stock options no little to nothing about them. At most, they hear that stock options have made many undeserving persons wealthy. In their ignorance, they are jealous of highly educated, exceptionally skilled, hard working persons, dedicated to the success of the Company they work for.

The superior quality and quantity of work that I and my fellow employees produce is directly related to the Stock Option incentives. For me, my quality of living can be tied directly to Stock Options I have received. It is a win win program.

Stock options are an alternative form of "bonus" compensation. But in general, the stock option bonus starts out worth ZERO and only becomes valuable (and there is no guarantee of that) after the passage of time and the growth of the Company.

For the last few years, the "grant price" of all stock options issued to me has been less than the actual value of the stock. Their value to me is, and has been, ZERO. At what value should the Company have expensed these options? The correct answer is ZERO. The proposed accounting change in the treatment of stock options would NOT HAVE BEEN zero. The Company and its investors would have been unjustly penalized.

The Companies Stock Option and other incentive programs have kept me at this Company for 19-1/2 years. They gave me the incentive to stay... so I stayed.

Kill the Bill,
Employee #98420

6/18/2004