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Letter of Comment No: 5806 File Reference: 1102-100

From: Orlando Zapata@amat.com

Sent: Wednesday, June 30, 2004 4:20 PM

To: Director - FASB

Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

## To Whom It May Concern:

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

I am an employee of Applied Materials Inc. and have taken part in the company's stock option program and ESPP for the last four years. During that time, my family has been able to enjoy the purchase of a new home and car. Neither of these purchases would have been possible without the aforementioned programs.

I am also a practicing CPA. As a CPA I have significant issues with the proposed methods for expensing stock options and/or other future benefits. I believe the proposed models would grossly mislead and miscontrue the future value of stock options and/or other stock benefits.

I would like to strongly advise against changing this accounting treatment until a better methodology is developed.

Best Regards, Orlando M. Zapata, CPA Applied Materials Inc.