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Letter of Comment No: 5595
File Reference: 1102-100

From: Michael_A_Belisle@amat.com
Sent: Wednesday, June 30, 2004 12:17 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 am basically a rank and file employee (wage earner) at the Applied Materials. Back in the late nineties they implemented a stock option program. Since then I've heard many stories from my friends and coworkers how they have benefitted from the program. Such as help paying off their home mortgage, reducing personal debt, and help purchasing a new vehicle.

I have yet to sell any options, but I hope to use the money on a down payment on my first home. That is my personal example of how I hope to benefit from the stock option program here at Applied Materials. In addition I have found that employees at Applied Materials are very conscientious when it comes to matters concerning expense and cost at our company. They are very motivated to do their best. I think that is in large part because we share in the success of the company. When the company does well, we are rewarded for it by the increase in value of our stock options. I feel that is a great motivator at work and something outside shareholders benefit immensely from as well.

I believe the present system of stock option accounting works best and brings the best shareholder value. It is a win / win deal for Applied Materials employees, management, shareholders and the government. I believe any attempt to make changes and add further regulations to the present accounting system will only result in a lose / lose deal to the above parties I mentioned. I encourage the board to allow the present accounting system to stand as is. As the average guy on the street, I am asking you to please not tamper with the accounting rules on stock options and employee stock purchase plans. These options are very important to my retirement and my aspirations to own my first home. As I person at the end of the baby boom generation there will be very little social security if any at all. Stock options are a very crucial program in helping me make up for the present and future shortcomings of the social security system.

I thank you for taking the time to read about my point of view.

Sincerely,

Mike Belisle

6/30/2004