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From: Glenn Jarutowicz@amat.com

Sent: Tuesday, June 29, 2004 12:40 PM

To: Director - FASB

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

Letter of Comment No: 5 5 80 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).

It saddens me to no end when individuals throughout the Company works so hard only the find out that their efforts are all in vain just because

someone (FASB) is willing to disrupte their rewards - Employees stock Purchase Plan (ESPP) and employee stock option plan. I take pride in working

for a Company such as Applied Matters because they are willing to reward their employees for their long hours and hard work.

More than I can

say for Companys that think of their self and reward only their pockets and not the Employees who make up the hearts and souls of a Company. Stock

options have helped attract and retain highly-skilled workers that are necessary in our globally competitive industry. Moving

forward in an increasingly

competitive world, we the United States should not lower the utility of these incentives while our technological competitors (China and Taiwan) are increasing their use of stock and stock options. I truely believe stock options have contributed to unprecedented levels of innovation. No one can predit the future value of employee stock options, particularly since they are not tradable or transferable and have varied vesting schedules. Adding an assumption to our Consolidated Statement of Operations will not improve clarity or accuracy for our investors. Our Stockholders are willing to forgo a piece of their company because they believe that the employees will put in extra effort and go above and beyond, which may increase the value of their investment.