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From: Sent:

Jason\_McCabe@amat.com Friday, June 25, 2004 5:16 PM

To:

Director - FASB

Subject:

File Reference 1102-100: Accounting for Stock Optic

Letter of Comment No: 5363 File Reference: 1102-100

## 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 have participated in my company's ESPP for several years, and this plan has benefited me and my family greatly over the last few years.

By participating in our ESPP and investing in my company's stock, I have received a greater rate of return on our money then I would have had I invested in a traditional savings plan (i.e. a savings account). ESPP and Stock Options have afforded us many opportunities—opportunities we may not have had otherwise. It has enabled us to purchase a new home, new cars, as well as save for our children's education. Though we are not dependent on the ESPP or stock options for our livelihood, we do use these benefits as a means of saving for future expenses.

Prior to getting married, my wife and I had as a goal to eliminate all debt, such as student loans. Because I was able to save and invest money in our ESPP, we were able to pay off our student loans ahead of schedule. In addition, the stock options helped us eliminate all of our other outstanding debt.

In 1999, my wife and I were able to purchase our new home. The money we invested in ESPP enabled us to put a sizable down payment on the house, and thus reduce the amount we had to get on loan. In the months that followed, my wife and I were able to furnish the home using proceeds from ESPP stock sales.

When our first child was born in 2000, again, we used the proceeds from the ESPP to help purchase the necessities that come along with having a child. We were able to furnish our son's nursery with a new crib and other furniture. When my son was born, we decided it would be best if my wife were to stay at home, as opposed to going back to work and putting him day-care. The return we received on our investment in the ESPP reduced the impact we felt in going from a two-income household to a one-income household.

In 2003, we again used proceeds from Stock Options and ESPPs to help us when our daughter was born. In addition, in 2003 we sold our first and purchased a new home. Though the real estate market wasn't exactly beneficial to the seller, our investment in ESPP, as well as the Stock Option grants, off-set this.

As our children get older, we are constantly worrying about the rising costs of education. We are currently saving money for our children's education via 529 plans. However, investing in our company's ESPP is an excellent supplement that could offset the rising cost of education.

I urge you to reconsider your position on changing the accounting treatment for stock options and ESPP. The changes proposed could have a detrimental effect to not only our family, but other families across the nation.

SIncerely,

Antony Jason McCabe