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**Sent:** Thursday, June 24, 2004 1:42 PM

**To:** Director - FASB

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

**Letter of Comment No: 5269**

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I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs) both as an employee, and a stockholder.

Stock options are a tremendous incentive for employees- they motivate employees to be more productive and dedicated while creating a desire for achievement and advancement. These stock options give the employees a reason to stay with their company for longer periods of time while the options vest, providing the company with a skilled worker, and no training costs for replacement workers.

The rewards of this cause and effect are many:

- improved performance for the company, both financial and technological
- increased compensation for the employee, to be invested, saved for retirement, or spent, stimulating the economy
- higher taxes paid on exercised options to federal, state and local governments

As a stockholder, the future value of stock options is unknown since they cannot be traded or transferred, and have varied vesting schedules. Adding an estimated value to the P&L will not help me to understand the true health of my company, it will only confuse it, as the value of the options may change over time. Although the options should be referenced, they do not belong in the body of the actual performance.

Also as a stockholder, I expect to have a say in how stock options are used, and I do, since stockholders need to approve option grants before they are given.

I have personally benefitted from stock options, enabling me to make home improvements and invest for retirement. In exercising these options, I have also paid taxes. In exercising options, I have benefitted, as has the economy, and government, and most of all, my company, as they have retained a dedicated and skilled worker.

I do not support an accounting change which would cause a company to reduce or eliminate stock options for its employees. This hurts the company, the investors, and the employees.

6/24/2004