

ikon

From: Marvin_Rader@amat.com
Sent: Thursday, June 24, 2004 9:36 AM
To: Director - FASB
Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

Letter of Comment No: 5262
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).

I would like to encourage you to keep the accounting methods for stock options, and Employee Stock Purchase Plans as they currently are. Changing the accounting methods as the Financial Accounting Standards Board is suggesting would seriously increase the cost of offering these great programs to employees, in most cases making them too cost prohibitive to offer. I have found the Employee Stock Purchase Plan at Applied Materials to be a great benefit, which has significantly helped me in paying off debt, and saving for the future. While working for other companies that did not offer an ESPP, it was much harder to save money, as well as being difficult to get a good return on money saved. These plans offer a great return potential on money saved by employees, it would be a terrible loss if they were no longer offered by companies like Applied Materials. The current reporting methods already address our concerns as share holders, by allowing us to vote on the approval of these programs. These programs do not put our stock at risk due to the fact that the employees only make money from the programs when the stock actually increases, allowing this to be offered without ever paying out if the company stock price does not increase. I am speaking of this not only as the benefactor of the programs, but also as a share holder because much of my money is invested in our company's stock thanks to the Employee Stock Purchase Plan, and my 401K plan.

Thank You
Marvin Rader

6/24/2004