

Letter of Comment No: 4918
File Reference: 1102-100

ikon

From: Steven_Corvi@amat.com
Sent: Friday, June 18, 2004 7:14 PM
To: Director - FASB
Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

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).

Stock options are one of the only ways that an average employee can accumulate wealth through his or her job. By eliminating this incentive you eliminate an extremely important piece of a person's financial potential. Beyond this, stock options really do make employees feel like owners and therefore act in the best interest of the company. I can't tell you how many times I have heard the expression, "Don't you own this company, too?" when important (or even minor issues) are being discussed. From my view this has had a profound impact on how diligent the 'worker bees' are in carrying out their day to day activities. This, in the long run benefits all shareholders.

Another thing that removing stock options will lead to is lack of loyalty to a company, leading to higher turnover and ultimately higher costs for the company. Salaries will need to be greatly increased to attract and retain solid employees now that a large incentive may be removed. Again, higher costs for companies.

Personally, I would not have been able to buy a house without stock options and know many others in the same situation. Options are a vital part of the American dream of gaining wealth for the average worker (while also building it for the stockholders).

Please do not eliminate this important piece to compensation and wealth building for companies and its employees.

Regards.

Steven Corvi
Applied Materials

6/21/2004