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Letter of Comment No: 5579 —
File Reference: 1102-100

From: Harlan_Mize@amat.com
Sent: Tuesday, June 29, 2004 12:10 PM
To: Director - FASB
Subject: ESPP and Stock Options Rules Change

Dear Sir,
I am disappointed in the FASB's proposed rules change in the reporting of Employee Stock Purchase Plan shares, from a personal point of view and a company point of view. From both perspectives, it is not fair.

I rely on these shares to support my family and pay for the extras when times are lean. I live in Austin, Texas which has been hit hard with job cuts in the High Tech Industry, having both my wife and older son's IT jobs outsourced to India as an example. These shares, purchased using a few dollars out of my check each month, are a nest egg for future needs. My wife's unemployment benefits run out next month without a good paying job for her on the horizon, The shares I have purchased in the past, and am purchasing now, will be a godsend in 3 months. It will not be fair if this compensation is reduced or abolished because a accounting change creates unnecessary burdens on Applied Materials.

From an accounting point of view it is not fair. The company has no idea when the stock will be sold, let alone at what price. How can you require them to report that number when the shares are issued? That's nuts! Stockholders approve the use of these shares and they are reported as footnotes in Financial Statement. They are not kept a secrete.

I could go on and on with other arguments but I think you get my point. Do not ruin a benefit to the American Worker at a time when it is needed more than ever.
Please do not pass these changes.

Sincerely,
Harlan Mize
Master Scheduler, Applied Materials
512-272-2516

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6/29/2004