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**Letter of Comment No: 2501**  
**File Reference: 1102-100**

**From:** Debbie.Pelfrey@ctimi.com  
**Sent:** Tuesday, May 18, 2004 10:53 AM  
**To:** Director - FASB  
**Subject:** File Reference 1102-100

To whom it may concern:

I am a shareholder of my company's stock. I value the fact that my company awarded me those options in the past for a job well done.

I am not a senior executive or even senior management within my company, so it means even more to me to be able to receive such awards. If the way stock options are handled, it can and will affect many people just like myself. Stock options would be reserved for senior management, essentially eliminating the possibility of someone holding a position such as myself to receive these types of awards.

Stock options give employees at all levels a stake in the success of our companies. They encourage the hard work and entrepreneurial spirit that fuel innovation, increase productivity and boost shareholder returns.

Many technology companies grant options to the vast majority - and often to 100 percent - of their employees. If options are required to be treated the same as a cash expense, companies would drastically reduce the number of people who receive options, probably restricting them to the most senior executives. This legislation recognizes the importance of broad-based employee stock options to rank and file employees, to innovation, and to economic growth that benefits all of us.

I believe that if companies are forced to expense all employee stock options, my company will no longer be able to grant them to the majority of employees. This would negatively impact morale, productivity and innovation.

Expensing stock options is bad accounting. The potential dilution of each investor's share of company ownership is the real cost of employee stock options. A cost that is already reflected in "diluted earnings per share" estimates in company financial statements. Broad-based stock option plans enhance productivity, increase shareholder value and benefit employees. Broad-based plans should be encouraged, not eliminated.

Thank you for your time in this matter.

Respectfully,

Debbie Pelfrey  
CTI Data Management Specialist  
CTI Change Analyst - (CCS, CDC, CSI, CSS & PETNet)  
CTI Agile Administrator  
CTI Molecular Imaging, Inc.  
810 Innovation Dr.  
Knoxville, TN 37932  
Voice 865-218-2311  
debbie.pelfrey@CTIMI.com  
Home: 317 Fiske Road  
Harriman, TN 37748  
debpelfrey@comcast.net (home)

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