Letter of Comment No: 1 File Reference: 1204-001 Date Received: 7, 9,05

----Original Message-----

From: ValHall52@aol.com [mailto:ValHall52@aol.com]

Sent: Saturday, July 09, 2005 11:57 AM

To: Director - FASB

Subject: File Reference 1204-001

TO: Financial Accounting Standards Board (FASB)

From: Valerie Hall, CPA and General Manager Concord Cooperative Market

RE: Pooling vs Aquisition accounting for merged cooperatives

Date: July 9, 2005

I am writing to urge you to follow the recommendations made by the National Cooperative Business Association regarding the accounting for cooperative business combinations. The pooling method seems to make the most sense for this type of business model, to protect the rights of each cooperative's owner/members.

This proposed change in accounting for mergers has the potential to bring a halt to mergers between cooperatives. For cooperatives-owned and controlled by members who enjoy a one-member, one-vote status-identifying an "acquirer" would be tantamount to relinquishing member control. In addition, there is a lack of market information to determine fair value for co-ops. Cooperative equity is not traded on an exchange and member shares are generally non-transferable. To require a change to fair value accounting would create confusion and add costs to already mounting auditing and accounting fees. A change to fair value could cause confusion about the cooperative's financial status and does not add any discernible value for the primary users of financial information of cooperatives, members and lenders.

I hope you will carefully consider these important issues.

Sincerely,

Valerie Hall
General Manager
Concord Cooperative Market
24 1/2 South Main Street
Concord, NH 03301
603.227.9696
valhall52@aol.com