## **Dakota Central Telecommunications**

630 5th St. N Carrington, ND 58421

## Gentlemen:

I am writing to make comments on the proposed FASB 150.

As a General Manager/CEO for a telephone cooperative and also a CPA, I have a pretty good understanding of the adverse impact a reclassification of our members equity to debt could have on our cooperative's ability to meet current loan covenants and ability to obtain capital in the future.

We understand that this statement may cause the reclassification of the retained earnings of cooperative entities to be reclassified from equity to a liability. The retained earnings or patronage capital of a cooperative is generally all of its equity. Reclassification of equity to a liability is certain to create financial hardship for effected cooperatives. Restructuring terms for current debt obligations will be costly and future financing will be less favorable.

We do not believe it was the intent of FASB 150 to address cooperative organization equity through this pronouncement, accordingly we respectfully request that cooperative patronage capital be excluded from the definition of a financial instrument for purposes of FASB 150.

Please contact me at 701-652-6105 if you have any questions. Thank you for your consideration.

## Sincerely,

Keith A. Larson - General Manager/CEO

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