

BDO Seidman, LLP Accountants and Consultants

FSP FAS 150-d

233 N. Michigan Ave. Chicago, IL 60601 Telephone: (312) 616-4661 Fax: (312) 856-9019

October 31, 2003

Mr. Lawrence Smith Director TA&I--FSP Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Dear Mr. Smith:

BDO Seidman, LLP is pleased to offer comments on the Proposed FASB Staff Position (FSP) FAS 150-d, "Issuers' Accounting for Employee Stock Ownership Plans under FASB Statement No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity."

We generally agree with the guidance in the Proposed FSP. Shares held in an employee stock ownership plan (ESOP) continue to be accounted for under AICPA Statement of Position (SOP) 93-6 for as long as they are held in the ESOP.

However, like other tax qualified retirement plans, ESOPs are required to commence benefit payments when participants reach normal retirement or specified ages. Once mandatorily redeemable shares leave an ESOP and become owned directly by a participant, we believe they fall within the scope of Statement 150. While the number of shares affected may be relatively small, because many participants ask for their benefits in cash, we suggest expanding the FSP to acknowledge this situation and note that the shares become subject to Statement 150.

Many shares contributed to leveraged ESOPs before 1993 continue to be accounted for in accordance with SOP 76-3. We understand from informal discussions with the FASB staff that the Board intended that ESOP shares accounted for in accordance with SOP 76-3 would be excluded from the scope of Statement 150. We recommend adding this point to the final FSP.

We would be pleased to discuss our comments with the FASB staff. Please direct questions to Ben Neuhausen at 312-616-4661.

Very truly yours,

s/BDO Seidman, LLP