LEGG MASON

October 3. 2003

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

Re: Comments on Proposed FASB Staff Position No. FIN 46-c

In the interest of continuing quality financial reporting and due to the complexity and uncertainty regarding the application of Financial Accounting Standards Board (FASB) Interpretation No. 46 (FIN 46), Consolidation of Variable Interest Entities and the potential for misleading financial reporting results, Legg Mason, Inc. and its subsidiaries (Legg Mason) would like to comment on the Proposed FSP FIN 46-c (Proposed FSP).

As a preparer of financial statements under U.S. Generally Accepted Accounting Principles, Legg Mason and our audit committee are very concerned about financial reporting results that may confuse readers of our financial statements or imply financial results that do not reflect the economics of our transactions.

Overview

Legg Mason is commenting on this Proposed FSP because we believe that the collateral manager of a Collateralized Debt Obligation (CDO) entity is not a decision maker when the investors can terminate the collateral manager "without cause." In those instances, we believe the collateral manager is simply performing a service on behalf of the investors and does not ultimately control the activities of the entity. Therefore, when there are robust and substantive "without cause" termination rights given to investors in a CDO transaction, we believe that the collateral manager is not a decision maker and the fees received by the collateral manager should not be included on a gross basis. We believe the conclusion reached in the Proposed FSP is inconsistent with conclusions reached in other accounting literature, specifically SOP 78-9, Issue 97-2, Issue 96-19, and the Concept Statements (numbers 1, 2 and 6). That is, this conclusion seems inconsistent with the desire to reflect in the consolidated financial statements assets which the entity controls and receives the economic benefit, and liabilities that it is obligated to pay.

Legg Mason believes that the Proposed FSP should address our concerns above or specifically address why the FASB staff believes that control over a VIE's activities is

maintained by a collateral manager when a termination provision without cause is held by the variable interest holders of a VIE. We have rewritten the Proposed FSP in Exhibit A to reflect our comments above. The remainder of this comment letter addresses Legg Mason's involvement with CDOs and the apparent inconsistencies of FIN 46-c with the interpretation of existing accounting literature.

Legg Mason's Background

Legg Mason is a holding company that, through its subsidiaries, is principally engaged in providing asset management, securities brokerage, investment banking and related financial services to individuals, institutions, corporations and municipalities. Legg Mason operates through four business segments – Asset Management, Private Client, Capital Markets and Other – and has operations principally in the United States, the United Kingdom and Canada.

One of our asset management subsidiaries, Western Asset Management Company (Western Asset) is one of the leading managers of fixed income portfolios for institutional clients in the United States. Among the services Western Asset provides are management of separate accounts and management of mutual funds, closed-end funds and other structured investment products.

Legg Mason's Involvement with VIEs

Among the investment products mentioned above are contractual arrangements with CDO entities for which Western Asset acts as collateral manager. As a collateral manager, Western Asset is obligated to follow the investment parameters established by the governing documents of the entity. These parameters are established in agreement with the investors and the rating agencies. Western Asset, as collateral manager, acts as a service provider to the CDO entity and does not consider a CDO entity to be an operating business. Currently, Western Asset manages five CDO entities, three of which are products initiated by Western Asset; the remaining two are products for which Western Asset has been selected as the replacement collateral manager. Western Asset has become replacement manager as a result of the termination rights given to the investors. See Exhibit B for a list of the five CDO transactions in which Western Asset is involved and a listing of terms relating to these transactions. The CDO entities are unregistered investment products established solely as vehicles for accredited investors; we did not sell or transfer assets to the CDO entities. The CDO entities issue investmentgrade rated senior and subordinated debt, the proceeds of which are used to purchase a portfolio of high quality asset-backed securities. Western Asset does not have an equity interest in any of the CDO entities. In addition, we have no financial commitments or guarantees to the CDO entities and the underlying debt is non-recourse to us as collateral manager. For its services as collateral manager, Western Asset is entitled to receive senior management fees and may be eligible, under certain circumstances, to receive subordinated fees. As specified in the CDO indentures, Western Asset may be removed as collateral manager under certain conditions.

Similar to other investment products including separately managed accounts, the primary reason for Western Asset's involvement in CDO entities is to provide investment management services to its institutional clients for a management fee.

It is expected that in most cases, the equity holders of the CDO will absorb a substantial portion, if not all, of the expected losses. The equity shares are typically widely held, therefore one party will not have a majority of the expected losses. Legg Mason is not exposed to any expected losses.

Inclusion of gross collateral management fees in the calculation of residual benefits can result in Western Asset (as the collateral manager) maintaining a majority of the residual benefits even though Legg Mason has no equity interest in the CDO entity (other than a forward purchase contract in one transaction).

Pertinent Accounting Literature Supporting our Position (Exhibit E)

SOP 78-9, Issue 97-2, Issue 96-19 Discussion

The determination of control over an entity's activities by a party in a position to make decisions regarding its operations is often difficult. SOP 78-9 has previously addressed this issue within the context of real estate partnerships and Issue 97-2 within the context of possible control by contract. The concepts within SOP 78-9 and Issue 97-2 have been used to determine the existence of control.

SOP 78-9 discusses the concepts of control as it relates to general and limited partners. We understand the concepts in SOP 78-9 have also been utilized by entities other than real estate partnerships to determine the controlling financial interest over the entity. This presumption can be overcome depending on the facts and circumstances. Paragraph 9 of SOP 78-9 states "However, if limited partners have important rights, such as the right to replace the general partner or partners, approve the sale or refinancing of principal assets, or approve the acquisition of principal partnership assets, the partnership may not be under the control, directly or indirectly, of the general partnership interests." We believe the Proposed FSP should contain the same underlying principle, that if the underlying variable interest holders have important rights, then the collateral manager in a CDO should not be considered the decision maker.

Issue 97-2 lists and discusses criteria that would lead the Physician Practice Management entity (the PPM) to consolidate the physician's practice. The six requirements are as follows:

Term

The contractual arrangement between the PPM and the physician practice:

- 1. Has a term that is either (a) the entire remaining legal life of the physician practice entity or (b) a period of 10 years or more;
- 2. Is not terminable by the physician practice except in the case of gross negligence, fraud, or other illegal acts by the PPM, or bankruptcy of the PPM.

Control

The PPM has exclusive authority over all decision making related to both of the following:

- 3. Ongoing, major, or central operations of the physician practice, except for the dispensing of medical services;
- 4. Total practice compensation of the licensed medical professionals as well as the ability to establish and implement guidelines for the selection, hiring, and firing of them.

Financial Interest

The PPM must have a significant financial interest in the physician practice that meets both these criteria:

- 5. Is unilaterally saleable or transferable by the PPM;
- 6. Provides the PPM with the right to receive income, both as ongoing fees and as proceeds from the sale of its interest in the physician practice, in an amount that fluctuates based on the performance of the operations of the physician practice and the change in the fair value thereof." [footnote omitted]

Criterion 2 above requires that, in order for the PPM not to have "control by contract", the contract must be able to be terminated for reasons other than gross negligence, fraud, or other illegal acts by the PPM, or bankruptcy of the PPM. Therefore, we believe a substantive right to terminate the PPM would not result in consolidation under SOP 97-2. We believe this underlying principle, which is consistent with SOP 78-9, should be reflected in the Proposed FSP. As long as the rights to terminate are substantive and robust, FIN 46 should not require a biased approach towards the collateral manager.

Additionally, in our specific fact pattern, criterion 5 has not been met since the collateral management contract is not unilaterally saleable or transferable.

Issue 96-19 Discussion

The determination of whether an entity is acting as a principal or an agent is addressed in Issue 96-19. We believe that the agency concept should apply to situations where the collateral manager can be terminated under a without cause provision and is consistent

with the guidance in SOP 78-9 and Issue 97-2 that indicates that substantive termination provisions may preclude control over the entity's activities.

In Issue 96-19, an indicator that an intermediary is an agent is that they are not placing their own funds at risk. Since Legg Mason is typically not an equity holder, we believe that inclusion of substantive termination rights would indicate that Western Asset does not have control over the decision making of the CDOs and as such would be deemed an agent of the investors. That is, the collateral manager is acting on behalf of the investors based upon the parameters set in the governing documents of the entity. As such, we believe termination rights indicate that the investors are the ones controlling the decision-making through the ability to hire another service provider.

Concept Statements Discussion

Excerpts from the Concept Statements provided below support our conclusion by seeking to reflect, in the consolidated financial statements, assets that an entity controls and receives the economic benefits, and liabilities that it is obligated to pay.

As mentioned in the summary to FIN 46 (in part),

- CON 1 states that financial reporting should provide information that is useful in making business and economic decisions.
- Completeness is identified in CON 2 as an essential element of representational
 faithfulness and relevance. Thus, to faithfully represent the total assets that an
 enterprise controls and liabilities for which an enterprise is responsible, assets and
 liabilities of variable interest entities for which the enterprise is the primary
 beneficiary must be included in the enterprise's consolidated financial statements,
- CON 6 defines assets, in part, as probable future economic benefits obtained or controlled by a particular entity and defines liabilities, in part, as obligations of a particular entity to make probable future sacrifices of economic benefits. The relationship between a variable interest entity and its primary beneficiary results in control by the primary beneficiary of future benefits from the assets of the variable interest entity even though the primary beneficiary may not have the direct ability to make decisions about the uses of the assets. Because the liabilities of the variable interest entity will require sacrificing consolidated assets, those liabilities are obligations of the primary beneficiary even though the creditors of the variable interest entity may have no recourse to the general credit of the primary beneficiary.

The dissent to FIN 46 states, in part, "The objective of this Interpretation is to assist in determining when one entity controls another entity in circumstances where control is difficult to discern, because either the structure of the variable interest entity obviates the need for decisions or control has been disguised. Mr. Foster, does not believe this Interpretation consistently achieves that objective; rather, he believes that its application will in certain circumstances fail to identify the party that controls a variable interest entity and, instead, identify as the controlling party a party that does not control it. That,

in turn, has the potential to result in entities not reporting in their consolidated financial statements assets that they control and liabilities for which they are obligated and to require different entities to report in their consolidated financial statements assets they do not control and liabilities for which they have no responsibility. He believes that is inappropriate because the FASB's conceptual framework is clear that control is an essential characteristic of an asset and an obligation to sacrifice assets is an essential characteristic of a liability. Accordingly, he dissents from issuance of this Interpretation." [emphasis added]

Legg Mason agrees with Mr. Foster, particularly in the CDO transactions and specific fact patterns in which we are involved. To illustrate what we believe are the unintended results of applying the Proposed FSP to our facts and circumstances, we have included in Exhibit C pro forma financial results. In particular, assuming consolidation of all five CDO entities, we would add materially to our assets, liabilities and minority interest, total revenues, total expense and an interest attributable to variable interest holders. Furthermore, our financial ratios will be inappropriately distorted and volatile. For instance, in one proforma scenario, we have reflected a 10% decline in asset value. This scenario results in the CDO entities incurring losses of approximately \$110 million, which when consolidated with Legg Mason results in a net loss \$52 million rather than the previously reported net income of \$58 million. The drastic impact on diluted earnings per share is a loss of (\$1.57), from income of \$.83 to a loss of (\$.74) despite no change in our fundamental operations.

Conclusion

Legg Mason does not believe that the collateral manager is a decision maker, for all of the reasons discussed above, as contemplated in FIN 46, when the transaction documents contain robust and substantive rights to terminate the collateral manager. Exhibit D discusses in greater detail the termination rights and their application in practice.

Legg Mason believes that the impact of consolidating any of the CDOs discussed above would significantly distort its balance sheet, by grossing up assets it does not control or receive the economic benefit or loss and liabilities it is not obligated to pay (including a 100% minority interest). It would also distort the income statement by including in net revenues the gains or losses from marking the assets to fair value, interest income and interest expense as well as reflecting the associated minority interest.

Legg Mason also believes that the consolidation policy question is critical as it may lead to a host of other questions, namely how to consolidate a variable interest entity, particularly when the consolidators' net investment in the entity is zero and the entity incurs losses.

We would be pleased to discuss this letter with representatives of the FASB. If you wish to contact a representative from Legg Mason please call me at 410-454-2935.

Sincerely,

Charles J. Daley, Jr. Senior Vice President & Principal Financial Officer Legg Mason, Inc.

Exhibit A

Proposed FASB staff Position No. FIN 46-c

Impact of Kick-Out Rights Associated with the Decision Maker on the Computation of Expected Residual Returns under Paragraph 8(c) of FASB Interpretation No. 46, Consolidation of Variable Interest Entities

Q-Paragraph 8(c) of Interpretation 46 requires fees to the decision maker (if there is a decision maker) to be included in the calculation of expected residual returns, unless the fees are excluded from paragraph 8(c) by other guidance. Does an investor's or another party's ability to remove the decision maker (that is, kick-out rights), with or without cause, enable the decision maker's fees to be excluded from the computation of expected residual returns as required by paragraph 8(c)?

A-It depends. The existence of kick-out rights may affect the status of a decision maker in the application of paragraph 8(c). Depending upon the facts and circumstances, the ability of investors or other parties to remove a decision maker may obviate the requirement to include fees to the decision maker in the computation of expected residual returns (in accordance with paragraph 8(c)) and in the evaluation of whether the decision maker is the primary beneficiary of the entity. That is, if the termination rights held by the investors are only based upon certain events (such as gross negligence, fraud, illegal acts, or bankruptcy of the decision maker) then the fees to the decision maker would be included in the computation of expected residual returns and in the evaluation of whether the decision maker is the primary beneficiary of the entity. Conversely, if the investors can terminate the "decision maker" without cause then those fees would not be considered decision maker fees and would be included in the computation of expected residual returns on a basis consistent with other variable interest holders.

The paragraph 8(c) requirement results in a consideration, in all cases, of whether the decision maker receives a majority of the entity's expected residual returns in the determination of the primary beneficiary calculated pursuant to paragraph 14 of Interpretation 46.

Effective Date and Transition

The guidance in this FSP is effective for all arrangements to which Interpretation 46 has been or will be applied. If the application of the guidance in this FSP results in changes to previously reported information, the cumulative effect of the accounting change shall be reported as of the beginning of the quarter in which the final FSP is posted to the FASB website. (The quarter in which the final FSP is posted to be the quarter beginning October 1, 2003 for a calendar-year entity.)

The provisions of this FSP may be applied by restating previously issued financial statements for one or more years with a cumulative-effect adjustment as of the beginning of the first year restated.

For enterprises that have not yet applied the provisions of Interpretation 46 to variable interests in variable interest entities in accordance with the effective date provisions of paragraph 27 of Interpretation 46, the guidance should be applied as a part of its adoption.

WESTERN ASSET MANAGEMENT COMPANY CDOs SUMMARY OF TERMS

		Pasadena CDO	Beacon Hill CDO	DASH II CDO	Coronado CDO (3)		
	Arroye CDO				TBD		
Closing Date	16-Aug-01	21-Jun-02	21-Jur-02 29-Aug-00 13-Sep-00				
Initial or Replacement Manager	Initial	Initial	Replacement	Replacement	Initial		
Date of Replacement	N/A	N/A	3-Apr-03	2-Nov-02	N/A		
Collateral Type	ABS	ABS	ABS	ABS	ABS/CMBS		
Initial Deal Size	\$400,000,000	\$500,000,000	\$270,000,000	\$500,000,000	\$500,000,000		
Net Outstanding Principal Balance on Collateral (including defaults) (6)	\$401,510,000	\$495,030,000	\$237,810,000	\$472,000,000	\$432,500,000		
Initial Notes Issuance	\$383,200,000	\$480,000,000	\$260,500,000	\$472,000,000	\$479,250,000		
Equity Issuance	\$16,800,000	\$20,000,000	\$9,500,000	\$28,000,000	\$20,750,000		
Western Equity Investment	\$4,200,000 (1)	None	None	None	None		
Western Equity as % of Total Equity	25% (1)	0.00%	0.00%	0.00%	0.00%		
Net Outstanding Balance on Securities Issuance (6)	Class A - \$318,400,000	Class A - \$387,000,000	Class A-1 - \$22,380,000	Class A-1L - \$332,500,000	Class A - \$382,000,000		
	Class B - \$38,800,000	Class B - \$66,500,000	Class A-2 - \$186,630,000	Class A-1 - \$52,500,000	Class B · \$78,500,000		
	Class C-1- \$10,000,000	Class C - \$26,500,000	Class B-1 - \$9,250,000	Class A-2L - \$50,000,000	Class C · \$18,750,000		
	Class C-2 - \$16,000,000	Preference Shares - \$29,000,000	Class B-2 - \$10,000,000	Class B-1 - \$37,000,000	Preference Shares - \$20,750,000		
	Preference Shares - \$16,800,000		Class C - \$7,300,000	Equity - \$28,000,000			
			Class D - \$9,500,000 (Equity)				
	Total - \$400,000,000	Total - \$500,000,000	Total - \$245,060,000	Total - \$500,000,000	Total - \$500,000,000		
Senior Collateral Management Fee (2)	0.25%	0.30%	0.25%	0.25%	0.35%		
Subordinate Collateral Management Fee	0.125%	None	0.25%	0.25%	None		
Incentive Management Fee	None	0.20%	None	None	Note (4)		
Removal of Collateral Manager Without Cause	No	No	Note (5)		TBD		
Underwriter	Deutsche Bank	Deustche Bank	Credit Suisse First Boston	Deutsche	Deutsche Bank		
Insurance on Notes	No	Class A	Class A	No	Class A		
Insurer	N/A	MBIA	MBIA	N/A	МВІА		

NOTES

(The receipty has been noted to a chiral pury).

(The receipty has been noted to a chiral pury).

(2) Per annum of the average of the respective Aggregate Principal Balances of the Underlying Americ (other than Defaulted Assets and Equity Securides) that were included in the Collaboral on the second day of the calculate month in which such Psymone Date occurs.

(3) Proliminary estimates as transaction has not yet closed

(4) 10% of Equity Cash Few and an additional 10% once reach 12% IRR

(5) Class A Credit Enhancer or, if not Controlling Class, by the holders of at least 15% of outstanding Rated Notes

(8) Net Outstanking Principal Balance on Collected and Net Obstancing Balance on Securities Instance for Acroys, Passaless and Descon Hill were released from Mondy's Investor Services and included services from May 2001. The corresponding information for DASH It was obtained from Me Novi Valuation Report from Descondered 2002.

Proforma CDO Consolidation - June 2003

Exhibit C FSP FIN 46-c CL No. 10

Consolidation

Consolidation

Consolidated Statement of Financial Condition (Dollars in thousands, except per share amounts)

(Bollars in thousands, except per share amounts)	C	LM Inc. onsolidated s Reported June-03	Total CI June-0	00's C	Consolidation Assuming CDO Interest June-03	C	& Growth in DO FMV's June-03	Ass Gro and	msolidation suming 10% with in FMV Qtr Interest June-03	CI	Decrease in OO FMV's June-03	Ass Decr and	nsolidation numing 10% ease in FMV Qtr Interest June-03
Assets Cash and cash equivalents	\$	575,786	\$	- s	575,786	\$	-	\$	575,786	\$	-	\$	575,786
sh													
an		2,566,868		-	2,566,868		-		2,566,868		-		2,566,868
Securities purchased under agreements to resell		-		-	-		-		-		-		-
Receivables:		-			-		•						1.052.508
Customers		1,052,508		•	1,052,508		-		1,052,508		-		140,683
Investment advisory and related fees		140,683		-	140,683		-		140,683				77,737
Brokers and dealers		77,737		-	77,737		-		77,737 39.094				39,094
Others		39,094		-	39,094		-				•		311,617
Securities borrowed		311,617		-	311,617		-		311,617		-		
Trading assets, at fair value (1)		233,666		•	233,666		-		233,666		•		233,666
Investment securities, at fair value		55,915		-	55,915				55,915				55,915
Investment in CDO (2)		-	2,176	240	2,176,240		2,390,746		2,390,746		1,961,734		1.961,734
Equipment and leasehold improvements, net		68,765			68,765		-		68,765		•		68,765
Intangible assets, net		465,581		-	465,581		•		465,581				465,581
Goodwill		460,205			460,205		-		460,205		•		460,205
Other		160,656			160,656				160,656				160,656
Total Assets	\$	6,209,081	\$ 2,176	,240 \$	8,385,321	5	2,390,746	\$	8,599,827	\$	1,961,734	\$	8,170,815
Payables: Customers Brokers and dealers Securities toaned Short-term borrowings Trading liabilities, at fair value Notes payable of CDO (3) Accrued compensation Other Long-term debt Total Liabilities	\$	3,267,010 69,906 252,053 38,675 73,191 - 153,344 221,497 788,603 4,884,279	2,071	-	3,267,010 69,906 252,053 58,675 73,191 2,071,762 153,344 221,497 788,603 6,956,041	\$	2,071,762	5	3,267,010 69,906 252,053 58,675 73,191 2,071,762 153,344 221,497 788,603 6,956,041	\$	2,071,762	\$	3,267,010 69,906 252,053 58,675 73,191 2,071,762 153,344 221,497 788,603 6,956,041
Variable interest (4)			104	,478	104,478		318,984		318,984		-		
Stockholders' Equity Common stock Shares exchangeable into common stock Additional paid-in capital Deferred compensation and officer note receivable Employee stock trust Deferred compensation employee stock trust Retained earnings Accumulated other comprehensive income (loss), net Total Stockholders' Equity		6,549 8,153 377,434 (32,895) (113,033) 113,033 964,613 948 1,324,802 6,209,081	\$ 2.176	5.240 \$	6,549 8,153 377,434 (32,895) (113,033) 113,033 964,613 948 1,324,802 8,385,321		2,390,746	\$	6,549 8,153 377,434 (32,895) (113,033) 113,033 964,613 948 1,324,802 8,599,827	s	(110,028))	6,549 8,153 377,434 (32,895) (113,033) 113,033 854,585 948 1,214,774 8,170,815
Total Liabilities and Stockholders' Equity		0,207,001	₹ 2,17¢	,,2.10	0,505,521	-	-1 011 10	_			***		
Book value per share	\$	19.58		5	19.58			\$	19.58 38.5%			\$	17.96 31.6%

35.0%

Percentage change of proforma total assets from as reported

31.6%

38.5%

⁽¹⁾ Assumes securities of CDO's will meet criteria for Trading Securities under FASB 115.

⁽¹⁾ Assumes securines or CAO's will meet cities to Francia Securines under FAST 113.

(2) Represents \$2,145,060 of debt and equity securities adjusted for interest revenue and growth or decrease in FMV.

(3) Represents \$2,050,010 of debt securities adjusted for interest expense.

(4) Represents \$95,050 of CDO's Equity/Preference Shares, adjusted for interest income, interest expense and unrealized gains/losses.

Exhibit D- Discussion of Termination Rights

We believe the right to appoint and terminate the collateral manager to be the most substantive right or decision to be made in a CDO transaction. This termination right may be held by the controlling class or senior note holders/bond insurer. Since the termination right may not be held by the equity holders or may be held jointly with the equity holders, we do not believe these CDO entities can be considered a voting interest entity. The senior notes have the most at stake and the most to lose and therefore want to protect their interest. Since the senior note holders have first claim on the assets, we believe, that they should have the most rights, not the residual interest holders who have the last claim on assets. The residual interest holders know their investment is risky and highly speculative but the senior note holders are purchasing AAA investments and expect to receive timely interest and full repayment of principal. In summary, as long as the termination right is robust and substantive then the collateral manager should not be considered the decision maker.

We have attached a partial list in this Exhibit, which is by no means exhaustive, of CDOs in which the original manager has been terminated with "cause." A "cause" event is similar to the events mentioned in the second criterion of Issue 97-2 but depending upon the facts and circumstances, may also include a performance trigger. In all of these examples, the termination was driven by the note holders and in most cases the controlling class. We feel this list itself shows that there are substantive termination rights "with cause" since it has already happened on numerous occasions and Western Asset was directly involved in three of these examples (in two of these examples Western Asset was the replacement manager). We believe that the right to terminate the collateral manager at any time without specific cause will result in even more terminations.

Given this increased ability, manager terminations would become more likely to occur and occur earlier instead of note holders having to wait for a "cause" event to occur. We are confident based upon our discussions that other CDO participants would agree with this assessment including bond insurers who have been involved in numerous manager terminations.

Partial list of CDOs where Collateral Managers were Terminated

Exhibit E - Pertinent Accounting Literature

FASB Interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46)

American Institute of Certified Public Accountants Statement of Position 78-9, Accounting for Investments in Real Estate Ventures (SOP 78-9)

FASB Emerging Issues Task Force Issue No. 96-19, Debtor's Accounting for a Modification or Exchange of Debt Instruments (Issue 96-19)

FASB Emerging Issues Task Force Issue No. 97-2, Application of FASB Statement No. 94 and APB Opinion No. 16 to Physician Practice Management Entities and Certain Other Entities with Contractual Management Arrangements (Issue 97-2)

FASB Concepts Statement No. 1, Objectives of Financial Reporting by Business Enterprises (CON 1)

FASB Concepts Statement No. 2, Qualitative Characteristics of Accounting Information (CON 2)

FASB Concepts Statement No. 6, Elements of Financial Statements (CON 6)