

Dear Sir or Madam:

I believe the general public reporting community, in particular the professionals who work with the derivative disclosure issues, were asking for relief from an extremely costly and burdensome derivative disclosure requirement whose value was questionable. Due to the wide fluctuations in stock prices both up and down, the resulting calculations will never really made sense. The new recommendations pretty much seems to go the opposite direction by increasing that burden as well as the cost of providing such additional disclosure by trying to explain information whose value is already at issue with the professionals dealing with it.

I believe the Financial Accounting Standards Board understands our feeling that this disclosure is pretty confusing and its value is at issue by most of us in that it makes the financial statements misleading, and therefore without any true benefit to the investor.

Creating another layer of confusing and burdensome disclosure is not the answer. Keep in mind you are creating a new disclosure that makes the analysis clearer for you, not the general public.

My recommendation, for what it's worth, would be to remove the FAS 133 and EITF 0019 derivative liabilities and costs from the P&L and Balance sheet and have a separate footnote for them. As a matter of fact, there already is a separate footnote for them that is more than adequate.

Please take a step back and reexamine what you are really trying to accomplish and just do it. Creating layers of costly disclosures of questionable real value to the public does not seem the right way to go.

Sincerely,

Owen Naccarato

Owen Naccarato Naccarato & Associates 18301 Von Karman, Suite 430 Irvine, California 92612

Tel: 949-851-9261 Fax: 949-851-9262 Cell: 949-300-2487