



LETTER OF COMMENT NO. 168

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**Sent:** Sunday, March 29, 2009 3:10 PM  
**To:** Adrian Mills; Kristofer Anderson; Peter Proestakes; Kevin Stoklosa; Mark Trench; Vita Martin; Meghan Clark; Wade Fanning; Joe Vernuccio; Diane Inzano; Russell Golden  
**Subject:** FW: File Reference: Proposed FSP FAS 157-e.

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**From:** Ralph "Buck" DeMarco [mailto:gobuck@pacbell.net]  
**Sent:** Sunday, March 29, 2009 12:45 PM  
**To:** Director - FASB  
**Subject:** File Reference: Proposed FSP FAS 157-e.

Assets should be marked to market at what they could be sold for at any point in time regardless of whether someone argues subjectively that a market is distressed or frozen. Changing the rules to allow banks to report asset values at a higher price than they could be currently sold for is ethically and morally wrong. Changing these rules to allow greater discretion to mask true values whether distressed or otherwise is a recipe for disaster and will exacerbate the lack of trust in financial reporting. The financial and capital markets are frozen and in freefall precisely because of a lack of fair disclosure as to the true value of toxic assets on financial institutions balance sheets. There is a total lack of confidence because people believe these banks are using phony books. No one wants to enter into transactions with counterparties that aren't being truthful about their true financial condition and changing the accounting rules to allow them to misrepresent their current distressed value will harm the level of trust and confidence in the marketplace. In the best case there will be a short term improvement in bank sector stock prices which politicians are trying to engineer. The lasting long term impact will be damaging to the improvement in financial and capital markets as well as damaging to investors who will not receive fair and full disclosure. Do not change the rules to relax disclosure. The rules should be made more stringent so that bad banks can fail like they should in a healthy marketplace. The proposed rules changes will only create zombie banks that no one will trust.