

LETTER OF COMMENT NO.

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To:

Adrian Mills; Diane Inzano; Joseph Vernuccio; Kevin Stoklosa; Kristofer Anderson; Mark Trench;

Meghan Clark; Peter Proestakes; Russell Golden; Vita Martin; Wade Fanning

Subject: FW: Proposed FSP FAS 157-e

From: aspacher [mailto:aspacher@gmail.com] Sent: Thursday, March 26, 2009 5:56 PM

To: Director - FASB **Cc:** aspacher@gmail.com

Subject: Proposed FSP FAS 157-e

http://www.fasb.org/news/nr031709.shtml

As a student I feel more transparency is required of the accounting profession allowing for market confidence to return. The rule change provides neither. How does this new language not perpetuate a false belief?

Are not financial reports put forward to advise market participants on the quality of an investment?

How can these investments be truly measured if the active market is in fact inactive. If I am unable to sell an asset because the market for the sale is unresponsive how exactly does reclassifying this asset under the proposed rule suddenly add value or improvement to the situation other then to move it off the books?

Furthermore the proposed rule states that

"Market-related losses would be recorded in other comprehensive income if it is not likely that the investor will have to sell the security prior to recovery"

Is the rule not being put forward to allow for this scenario, who are we kidding by moving these items off the books? Is in not a fact that by allowing this we are simply reclassifying items to improve the overall picture so the firms with these assets can sell them?

Seems a tad illogical to state such if others in the same market have active and similar assets that can be valued and can be liquidated.

The problem with this economic downturn has nothing to do with accounting tactics and everything to do with financial products being put forward that had a significant and known chance of default from the start. This was further compounded by a market product that leveraged insurance products with no reserves or ability to actually compensate against this default in the event of the default by consumers. Even when this

default became significant and far reaching further recourse to deal with and possibly re work these defaults was exasperated by a product that had been sliced into securities requiring consensus for modification by market participants who not were not only unknown but required full consensus from all parties. Highly informed Investors are not going to suddenly flock to these market participants because of a reclassification. FASB should be asking who stands to gain the most from these changes!

To simply allow firms to move assets into an inactive category allows for further manipulation of a companies bottom line.

An asset can either be sold or it can't. If it can't be sold because it has no value it would be inappropriate to reclassify this asset as inactive when the truth is the asset has no value because it's considered junk by its market participants and by market forces.

Where are the ethical considerations with regards to this policy and proposed rule change? Why when FASB has never agreed on anything so quickly is this rule being pushed under such an expedited time frame and in such a short period of time.

The rule change is being promulgated by a few firms that need desperately to improve their bottom line. It's not being done to strengthen the financial data so FASB shouldn't pretend that it is. If FASB continues to do what is best for companies over what is good for investor confidence then this body will once again be forced into reestablishing its integrity just as it has in the past?

If a firm wants to improve their assets and improve their bottom line, then force them into making better managerial decisions and work with what they have.

Accounting is a great profession and it will remain a great profession if we stop constantly changing the rules to perpetuate continued growth on paper over real and tangible growth. Just because you say its so, doesn't make it so!

It's irrational to believe that the current economic downturn has anything to due with accounting standards when it did not.

Finally what are other market factors are the other market factors aliens invading? Has the force suddenly become relevant in financial reporting? Please define other market factors!

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"Only a life lived for others is a life worthwhile"

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