From: Peterson, B. [mailto:Barrett_Peterson@ttx.com]

Sent: Tuesday, December 23, 2008 9:45 AM

To: Russell Golden

Dear Mr. Golden:

Subject: "Fair Value" Measurement and disclosure



LETTER OF COMMENT NO. 5

I want to take a moment to suggest the FASB's focus on "Fair Value" be subordinated to a general concept of realizable value. Fair Value is often current spot market value, a worthwhile disclosure basis in highly structured, actively traded markets, but a measure that becomes more problematic in less structured markets and in time of severe system stress or other often temporary conditions. A primary focus on fair value can, in effect, be liquidation or bankruptcy value and does not reflect a going concern basis in many circumstances. I recognize that for certain business - financial institutions, in particular - fair value can often be the best measure of economic reality for the business – at least most of the time.

There may also be some advantage to "net realizable value" in toning down the rhetoric that can cloud the debate. I believe the accounting provisions using "net realizable value", with a preference for market prices in appropriate conditions, addresses both the need for appropriate and prudent valuation and the need for judgment in the valuation effort.

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