



LETTER OF COMMENT NO. 156B

FW: Proposed FSP FAS 157-e

6 AM

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-----Original Message-----

From: Timothy Scott [mailto:tscott3@yahoo.com]
Sent: Monday, March 30, 2009 11:05 AM
To: Director - FASB
Subject: Proposed FSP FAS 157-e

Mark-to-Market in its current form is the counter weight to the problem below. At the beginning of this episode as losses started to appear on the balance sheets of banks they still paid out huge bonuses. How much do you think these payouts affect the willingness of the people taking large risks at these banks to be truthful about what's on the books?

Survey Finds Banks Aware of Pay Flaws
By STEPHEN FIDLER
MARCH 30, 2009, 12:03 A.M. ET

Banks almost unanimously agree that their compensation packages contributed to the global financial crisis but still are struggling to correct some of the flaws in their pay structures, according to a survey of financial institutions due for publication Monday.

The survey, conducted by U.K. management consultancy Oliver Wyman, was commissioned by the Institute of International Finance, a global association of banks and other financial companies based in Washington, D.C. It found 98% of responding banks "believe the compensation structures were a factor underlying the crisis."

<http://online.wsj.com/article/SB123837870249668339.html>