

From: Clifford Stoops [mailto:CStoops@hfplp.com]
Sent: Monday, October 13, 2008 2:25 PM
To: Director - FASB
Subject: File Reference: FINALIZED FSP FAS 157-d



LETTER OF COMMENT NO.

92 A

October 13, 2008

Mr. Russell G. Golden
FASB Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

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Mr. Golden:

We note that the Financial Accounting Standards Board (FASB) finalized the guidance for clarifying how FASB Statement No. 157, *Fair Value Measurements* (FAS 157), should be applied when valuing securities in markets that are not active. For the past week, preparers and users of financial statements and their independent accountants have been anxiously waiting to see if the finalized version would reflect the obvious shortcomings that were pointed out repeatedly in the numerous comment letters regarding the FSP. It was disappointing to see the final version did not promulgate substantive new guidance on any level, as it still ultimately binds the determination of fair value of an illiquid asset to an "exit price" based on market inputs, even when those inputs are widely believed to be incorrect and misleading.

As market participants and regulators struggle on a daily basis to restore order in the world's financial markets, it is a shame that one of the cornerstones of financial accounting and reporting in the United States, the FASB, chose to stick its head in the sand and not participate in the development of a resolution. It is apparent to me and many in our profession that your efforts regarding FSP 157-d were merely intended to give the appearance that the FASB was responding to the alarm bells ringing throughout the world regarding the valuations of illiquid assets, without actually promulgating anything meaningful. Because of your inaction, the credibility of our profession has been dealt a serious blow for which we will all be held accountable.

Please check the internal box and post the FSP on your website under a heading that reads something along the lines of "FASB Actions during the Credit Crisis", while the rest of us continue to labor under the yolk of accounting rules that "didn't contemplate exactly the current situation that has enveloped the credit and financial markets" and still don't today.

Sincerely,
Clifford Stoops
Chief Financial Officer
Highland Financial Partners, L.P.