

Kristofer Anderson; Mark Trench; Meghaning

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LETTER OF COMMENT NO. \

From: Nick Meyer [mailto:Nick@MNValleyFCU.Coop]

Sent: Wednesday, April 01, 2009 3:04 PM

To: Director - FASB **Cc:** Edie Lange

Subject: Comment on Amendments to FASB 157 and 115

Hello FASB Authority:

My opinion is not entirely unbiased as I'm the CEO of a credit union and the fate of Corporate Credit Unions is vitally important to me professionally and personally. My wife is a banker and has been for almost 30 years (US Bank now). I've been the CEO here for 10 years, before that 10 years with NCUA (the federal agency National Credit Union Administration) and before that 5 years in public accounting as a CPA. After finishing my MBA I taught at the state college level. So I approach these questions about "mark-to-market" from a few different angles.

Bottom line, we have a huge, complicated, ugly crisis that perhaps is unprecedented. A lot of mistakes have been and are being made. Should FASB "fold" to political pressure? No. To economic pressure? No. To threats? No. That said, FASB should consider the honest reality that "value" is really a difficult concept. Wow, could talk for days and you folks likely have. There are different measures and the "market" is often the best, sometimes just adequate, occasionally a poor guideline. We know this from experience.

The market is really quite chaotic. It's lost it's bearings. What matters is the underlying economics of an investment, not what folks "say" but what the instrument "pays." My 2002 Buick Regal with 130K miles has a very low market value. That market value doesn't really come close to measuring it's worth. Fact is, if I won a brand new BMW, I'd sell it. Don't need it. The incremental value is way too low relative to the market value....I'd sell it and invest the dollars. Don't have to....could hold on to it....have two cars...drive one then the other..... My used Buick is actually more valuable, to me, given the underlying economics of opportunity cost, cost per mile driven, etc....

I use this parable / analogy to hopefully create a scenario where really the only true

measure of worth is the underlying economics, the present value of future cash flows, tried and true principles. If a holder of an investment security can "prove" they can indeed "hold to maturity" (ample cash flows, access to liquidity, etc....) then the underlying economics create the true value and that's what we're really after for the balance sheet and income statement. Also, if it can be "proven" that a market is not functioning within reasonable boundaries, then the market isn't really a market, by definition really.

After all, if we have a building on the books at a depreciated value of \$1 million, though I could sell it for \$5 million based upon an appraisal, should I really book a \$4 million gain and increase net income? No. The reader / investor / regulator of the financial statements would be mislead. However, that'd be an informative foot note, no question about that, so put that information there.

Best regards and wishes. Nick.

Notice for Recipients

of This Proposed FASB Staff Position

This proposed FASB Staff Position (FSP) provides additional guidance on determining whether a market for a financial asset is not active and a transaction is not distressed for fair value measurements under FASB Statement No. 157, Fair Value Measurements.

ly explain the reasons for the positions taken. Those who disagree with provisions of this proposed FSP are asked to describe their suggested alternatives, supported by specific reasoning.

The Board requests that constituents provide comments on the following questions:

- 1. Is the proposed effective date of interim and annual periods ending after March 15, 2009, operational? YES
- 2. Will this proposed FSP meet the project's objective to improve financial reporting by addressing fair value measurement application issues identified by constituents related to determining whether a market is not active and a transaction is not