

LETTER OF COMMENT NO.

From: Santarelli, Philip [mailto:psantarelli@parentenet.com]

Sent: Saturday, October 04, 2008 8:28 AM

To: Volkert, Linda

Subject: RE: FASB Urgent Request for Individual Input on Proposed FSP FAS 157-d

The FSP is short and sweet and from one who is not an expert in these matters, would appear to be useful for preparers and auditors that are attempting to value these assets.

The only issue that I have, and I may be missing something in the standard, is the concept of an "inactive market." The standard discusses a principle of most advantageous market but does not describe an active market. The standard also discuses forced or liquidation sales but not an inactive market. The FSP introduces the concept of an inactive market, which is new to the standard, in paragraph 8. It then describes in paragraph A32B what an inactive market condition might be by using a specific illustration. Would it not be better to introduce a definition for inactive market into the body of the standard either as a footnote to paragraph 7 or another paragraph entirely? Maybe inactive markets are considered a common term and this should be a principle based interpretation. But some concepts/definitions such as very low volume/no volume of trades compared to historical levels, etc. might be useful in applying the guidance. Inactive markets may exist too much in the eye of the beholder.

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