GSG FINANCIAL

September 12, 2013

Mr. Russell Golden
Chairman
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856

Mr. Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London EC 4M 6XH
United Kingdom

Re: File Reference: No. 2013-270, Exposure Draft: Leases (Topic 842)

Dear Sirs:

I am writing to you on behalf of GSG Financial LLC ("GSG") in response to your open invitation to comment on FASB No. 2013-270 "Leases (Topic 842)"; the Revision of the 2010 Proposed Accounting Standards Update entitled "Leases (Topic 840)" ("Exposure Draft").

GSG, headquartered in Brooklyn, NY, is an independent equipment finance company that specializes in the technology, industrial and energy sectors. The proposed accounting standards will dramatically impact our business and operations as two of our core products are operating leases and finance leases. We are also concerned about the potential impact on our vendor partners as well as the lessee customers who will incur implementation costs.

We appreciate the hard work of the Financial Accounting Standards Board ("FASB") and the International Accounting Standards Board ("IASB") and value the opportunity to provide comments. Below is a brief summary of our analysis.

The current revisions do not achieve the goal of transparency and will, to the contrary, create confusion. The new rules are complex and do not represent the true economics of leasing transactions. For example, the front-loading of expenses does not reflect the actual usage of a leased asset as accurately as straight line expense recognition. The rules will create additional compliance costs that will not be justified by the unclear benefits.

In addition, the proposed changes may negatively impact the sales of our vendor partners and the economy as a whole. Since the introduction of the proposal we have worked with several multi-national

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corporations which have indicated that they are delaying key acquisitions until they determine how the accounting boards will converge. We have also spoken with small business and emerging technology customers who note that the front-loading of expenses will require them to purchase less equipment. There have been a number of studies indicating that the rules could have a negative effect on an economy that is still recovering.

As a company that lends to customers based on an analysis of financial statements, our recommendation would be to increase disclosure to make financial statements more transparent with regard to off-balance sheet obligations, rather than changing FAS 13/IAS 17. According to the study released in July by the American Accounting Association, FAS 13 has become an established standard whereby both end users and the companies that analyze their information understand the current structure. To make changes that will not provide additional transparency, and may in fact add confusion, at substantial costs seems at odds with the goal of the project.

I appreciate the opportunity to voice my opinion.

Sincerely,

Andrew A. Bender
Chief Executive Officer
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