



COMMENT LETTER



RE: PROPOSED FSP FAS 157-f
MAY 29, 2009

May 29, 2009

Mr. Russell G. Golden
Director, TA&I
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Proposed FSP FAS 157-f

Dear Mr. Golden,

Pluris Valuation Advisors LLC appreciates the opportunity to comment on proposed FSP FAS 157-f, Measuring Liabilities under FASB Statement No. 157 (the "FSP").

Observations

We appreciate the opportunity to make the following recommendations:

- In paragraph 9 of the FSP, four approaches are provided for circumstances in which a quoted price in an active market for an identical liability is not available. The first of the four approaches listed says to use the quoted price of the identical liability when traded as an asset in an active market. Additional clarification is needed to explain the difference, if any, between "a quoted price in an active market for an identical liability" and "quoted price of the identical liability when traded as an asset in an active market".
- The four approaches referred to above from paragraph 9 exclude consideration of quoted prices for similar assets in markets that are not active. We are so certain that this approach should be included, we questioned whether its exclusion was an unintentional oversight. This approach should be included between the third approach and the fourth approach to fully maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Additional clarification is needed on the use of prices of similar assets in markets that are not active. For example, in the case of illiquid securities, consideration of trades in similar securities in markets that are not active is vital. To exclude such trades, while at the same time including trades in identical securities in markets that are not active, is a departure from the maximization of observable inputs and the minimization of unobservable inputs. When considering prices from markets that are not active in the pricing of illiquid securities, it is mission critical to include the greatest quantity of relevant data as practicable. Otherwise, the result is a fair value that is based on too few trades. For markets that are not active, the most proficient approach is to include more information.

Conclusion

In its current form, this FSP reflects a significant departure from the relevance of quotes of similar liabilities in markets that are not active.

We thank the Board for the opportunity to provide our comments and recommendations.

Sincerely,



Rick Martin, CPA
Vice President - Head of Technical Accounting
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¹ Pluris Valuation Advisors LLC is a valuation services firm based in New York that specializes in providing fair value measurements of illiquid and distressed securities that typically trade in secondary markets or not at all. An integral part of the firm's client-focused work is the research, data collection, and analysis of trading activity in inactive and secondary markets.