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Certified Public Accountants

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July 8, 2009

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference: Proposed FSP FAS 157-g

Dear Mr. Golden:

We are pleased to comment on the proposed FASB Staff Position (FSP) No. FAS 157-g, "Estimating the Fair Value of Investments in Investment Companies That Have Calculated Net Asset Value per Share in Accordance with the AICPA Audit and Accounting Guide, *Investment Companies*."

We support the efforts of the FASB to provide application guidance for estimating the fair value of investments in investment companies that have calculated net asset value per share in accordance with the AICPA Audit and Accounting Guide, *Investment Companies*. We agree that net asset value per share is the most relevant estimate of fair value available that would not require undue cost and effort for investments within the scope of this FSP. However, we do have some concerns about the proposed FSP as discussed below in our response to certain of the issues on which specific comment is sought and in one additional comment at the end of the letter.

Comments on Specific Issues

Issue 1: This proposed FSP would apply to an investment in an entity that meets the definition of an investment company in the investment companies Guide for which its net asset value per share (or its equivalent, for example, partners' capital per share for an investment in a partnership) has been calculated in accordance with that Guide. However, this proposed FSP would not apply if the fair value of the investment is readily determinable as defined in paragraph 3 of FASB Statement No. 115, Accounting for Certain Investments in Debt and Equity Securities (with one exception described in paragraph 13 of this proposed FSP). Do you believe there are other investments that should be within the scope of this proposed FSP? If so, what principle should be used to determine which investments are within the scope of the proposed FSP? Do you agree that the Board should not permit the application of the proposed FSP to investments in entities that have readily determinable fair values as defined in paragraph 3 of Statement 115? Are there other investments that the Board should exclude from the scope of this proposed FSP?

In general we believe that the scope of the proposed FSP is appropriate. We agree the Board should not permit the application of the proposed FSP to investments in entities that have readily determinable fair values. Some investment companies do not calculate per share or per unit amounts and only maintain a capital account for each investor. However, the amount of the capital account is determined in accordance with the Guide. Therefore, we

recommend the scope of the FSP be clarified to also include entities that maintain capital accounts calculated in accordance with the Guide, rather than just per share amounts, as being within the scope of the proposed FSP. This would avoid any confusion as to whether funds which do not utilize per share calculations are still within the scope of the proposed FSP.

Further, the proposed FSP "...applies to investments in entities that meet the definition of an *investment company* in paragraph 1.06 of the Investment Companies Guide for which the entity's net asset value per share (or its equivalent, for example, partners' capital per share for an investment in a partnership) has been calculated in accordance with that Guide." Some offshore funds do not follow U.S. GAAP and, therefore, would be excluded from the scope of this FSP. Such funds redeem investors at a reported NAV or capital account balance. Investments in such entities that meet the definition of an investment company in the Guide and determine their NAV under recognized accounting principles substantially consistent with the Guide (that is, based on fair value) should be included in the scope of this FSP.

Issue 4: The Board recognizes that permitting rather than requiring the application of this proposed FSP for entities within its scope potentially reduces comparability. The Board decided to permit rather than require that reporting entities apply this proposed FSP to investments within its scope, in part, to avoid potential conflicts with the "good faith" requirements of the Investment Company Act of 1940 and Accounting Series Releases No. 113, Statement Regarding "Restricted Securities," and No. 118, Accounting for Investment Securities by Registered Investment Companies. Do you agree with the Board's decision to permit rather than require the application of this proposed FSP? Are there any other unintended consequences of requiring the application of this proposed FSP to investments within its scope?

We agree with the Board's decision to permit rather than require application of this proposed FSP.

Issue 5: Are the disclosure requirements of this proposed FSP operational? Should the Board require all of the disclosure by major category (or should it permit some of them on a more aggregated basis)? If the final FSP is effective upon issuance (for example, assume issuance is July 31, 2009), can the disclosures be provided for prior periods for which financial statements have not been issued? Are there other disclosures that the Board should consider requiring?

Paragraph 16 indicates the disclosures are applicable to all investments within the scope of the proposed FSP regardless of whether a reporting entity applied the practical expedient provided in paragraph 15 of the proposed FSP. Further, the FSP appears to imply that disclosures in paragraphs 16b through 16f should be provided for each individual investment subject to the proposed FSP's scope. Given the large number of individual investments that a reporting entity may potentially hold, we believe these disclosure requirements would be burdensome for preparers and onerous for users. We recommend paragraph 16 only require summarized disclosures for investments for which the reporting entity has applied the practical expedient provided by the proposed FSP.

In addition, we believe implementation of the disclosure requirements may not be operational for many entities, particularly if the final FSP is issued in late July or early August. A calendar year-end registrant filing its second quarter Form 10-Q may not have the time necessary to implement the disclosure requirements prior to the filing. Further, employee benefit plans, with calendar year-ends are required to file their Forms 5500, along with audited financial statements, by July 31, unless an extension is obtained. Therefore, we recommend that the FASB consider providing for a later effective date, such as for periods ending after December 15, 2009, with early adoption permitted.

McGladrey & Pullen Comment Letter on FSP FAS 157-g

Other Comment

Clarification of Measurement Guidance

In paragraph 15 the phrase, "In circumstances in which net asset value per share of an investment is not determinative of fair value", is confusing and unnecessary. We recommend that phrase be deleted.

We would be pleased to respond to any questions the Board or its staff may have about any of the preceding comments. Please direct any questions to Jay D. Hanson (952-921-7785).

Sincerely,

A handwritten signature in cursive script that reads "McGladrey & Pullen, LLP".

McGladrey & Pullen, LLP