



December 7, 2010

Ms. Leslie Seidman
Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Subject: FASB 13 Changes

Dear Chairman Seidman:

I wanted to take a few moments to relay my experiences in the healthcare field and hopefully give you another perspective when considering the proposed changes to FASB13. Throughout my career in leasing I have partnered with the management teams at hundreds of healthcare organizations to formulate strategy for capital acquisitions and implement lease financing structures. The reason that my company has continued to grow in the current economic climate is that we provide one of the few lifelines for healthcare organizations that are being squeezed from every direction. Cash strapped facilities are struggling to stay above water and operating leases have allowed them to honor their debt covenants while obtaining the latest (and most effective) medical technologies.

One of my main concerns is that the proposed changes are being made under the auspices of transparency and clarity when operating lease obligations are already spelled out in the footnotes of the financial statements. I don't believe that moving that information from the footnotes to the balance sheet will provide a better financial picture of a company. If anything, the effect will be a clamping down on new acquisitions to avoid the violation of debt covenants and to conserve what little capital they have left. The Fed recently introduced another round of quantitative easing (QE2) to push yields on Treasuries and bonds down and produce a surge in investment and consumption expenditures. In a time when the Fed is taking such drastic measures to stimulate the economy it does not make any sense to move lease transactions onto the balance sheets of companies and discourage additional lending.

I'm sure that many people will be writing to explain the effect that the proposed changes will have on employment in the financing/manufacturing sector, the reporting burden that it will place on companies, and the inaccuracy of estimating renewals and contingent rents in advance. My point of view is more macro and has to do with the fact that the proposed changes will hamper growth and innovation for countless companies with almost no upside unless you are an accounting professional. Many hospitals are trying to stay on the cutting edge of technology and are already faced with the challenge of reallocating budgets to support the implementation of EHR (Electronic Health Records), seismic retrofit and other mandated projects. The proposed FASB changes could very well be the straw that breaks the camel's back for some of these facilities. I believe that improvements can be made

made to FASB13 but I would caution that this is not the time to place hurdles in front of a faltering economy.

Thank you for your consideration.

Sincerely,

Chad Faust

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Cc Sir David Tweedie, Chairman IASB

Cc Russell Golden, Technical Director FASB