

From: Mike Kendig [mailto:MKendig@melvinmark.com]
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To: Director - FASB
Subject: Proposed Lease accounting changes

I've been to 2 seminars discussing this proposal so I think I understand the basic theory and I can't argue with it. I work in private industry for a commercial real estate company that is not publicly traded. Our company can ignore most of this except that we have a number of fairly large, publicly traded tenants. I'm worried that this change will tend to make these companies more tentative about leasing office space on a long term basis. I don't see enough benefit to justify the high level of complexity in the presentation and subjectivity in picking interest rates for amortization etc. I think financials are already difficult to read and this would greatly exacerbate the problem. Couple that with the potential effect of further destabilizing a somewhat shaky commercial real estate market , and I really question the wisdom of proceeding in this direction.

Leases are a complex subject and I can't say that GAAP ideally covers all the implications. I do think that this "solution" has the potential of making the problem worse by decreasing understandability and increasing the complexity and chance for errors.

Thanks.

Mike Kendig
Melvin Mark Companies
mkendig@melvinmark.com
(503)546-4515(direct dial)
(503)223-4606 (Fax)