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April 3, 2013

Via email to director@fasb.org Susan M. Cosper Technical Director Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

RE: FASB Accounting Standard Codification (ASC) 805 - Bargain Purchase Accounting

Dear Ms. Cosper:

In my capacity as chair of a private company's audit committee, I have become acquainted with the "bargain purchase rule" conforming to ACS 805. Although well intentioned, the bargain purchase rule is inconsistent with the normal practice of valuing assets at the lower of cost or market. This inconsistency could provide an entity broad latitude in overstating the acquired asset's value and the commensurate profit related thereto.

Specifically, ignoring market derived pricing in favor of a third party valuation may or may not prove "closer to reality" when looked upon with hindsight. Why should evidence in the form of an actual transaction be trumped by a third party opinion based on "comparable" assets or other factors which may or may not be directly analogous to the acquired assets? Why are bargain purchase assets subject to a write up while other legacy assets on the balance sheet continue to be valued at the lower of cost or market despite the fact a current "fair market valuation" may provide a justification for increasing the carrying value of said legacy assets? An example would be land purchased 50 to 100 years ago for which the "value" disparity may be much larger than the "value disparity" for recently acquired bargain purchase assets. I suspect entities such as Enron would have been pleased with the latitude provided by third party valuations performed in conformance with the bargain purchase rule. Perhaps the Financial Accounting Standards Board would be willing consider an alternative; limit the disclosure of any "value disparity" from a bargain purchase to a footnote which would affect neither the balance sheet nor the income statement.

I appreciate your attention in this matter. I would be pleased to discuss my comments with the FASB staff if appropriate.

Sincerely,

ohn D. Alexander. Jr.