## HEMINGFORD CO-OPERATIVE TELEPHONE CO.



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October 29, 2003

Letter of Comment No: /02
File Reference: 1100-LEU
Date Received: 10/29/03

Mr. Robert H. Heiz, Chairman Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116

Dear Chairman Heiz:

On behalf of Hemingford Cooperative Telephone Company and 744 members, I appreciate the opportunity to submit our comments on Statement of Financial Accounting Standards No. 150 (SFAS 150).

For years, Hemingford Cooperative Telephone Company has had agreements with its shareholders obligating the cooperative to redeem a shareholder's interest in the cooperative when the shareholder dies, retires or resigns. Frequently, these agreements are the only way for owners of the cooperative to realize the value for their interest other than through the sale of the entity. The cooperative itself represents the only source of assets available to enable departing shareholders to realize value for their interests.

Hemingford Cooperative Telephone Company has operated successfully for many years with redemption agreements in place, without having to recognize the effects of these arrangements directly on its balance sheets, and without creating any disclosure or other problems as to its financial condition.

SFAS 150 would have an impact on Hemingford Cooperative Telephone Company. It would eliminate our ability to raise capital to fund projects associated with technology advancements, including broadband and growth. This could even put our company into jeopardy with RUS on our current loans.

The consequences of SFAS 150 will be harsh to the telephone cooperatives. I urge the board to act promptly to reconsider or delay its decision to make SFAS 150 applicable to nonpublic entities. Thank you for your consideration, and for providing the opportunity to submit our written comments.

Sincerely.

Theron W. Jensen