

-----Original Message-----

From: Karl Searle [mailto:ksearle@pmt.coop]

Sent: Friday, October 31, 2003 5:59 PM

To: Larry Smith

Subject: FASB 150

It is my understanding that today, October 31, 2003, is the deadline for submitting comments regarding the implementation of FASB 150.

I hope this e-mail will arrive at the correct place in time. My understanding is written correspondence is to be sent to; Director, TA&I-FSP.

My comments regarding FASB 150 are in relation to the cooperative organization.

FASB 150 identifies and describes many financial instruments to which the FASB 150 applies. I am unable to interpret the FASB 150 to clearly understand its application (if any) to the patronage capital equity of a cooperative organization. The patronage capital equity of a cooperative is absolutely the working capital of the entity. If FASB 150 requires the reclassification to a liability, the whole structure of the cooperative will be turned upside down.

I believe the accounting rules from all the many governing institutions are clear as to the accounting for patronage. A reader of financial statements should clearly understand the special organization of a cooperative and interpret the financial statements according to the organizational structure.

When I read the financial statements of insurance companies or banks, I must apply the specific accounting applications to understand the financial statements.

I respectfully suggest to the Financial Accounting Standards Board to not apply the FASB 150 to the patronage capital equity of cooperative organizations.

Sincerely,

Karl Searle, CPA
Project Mutual Telephone Cooperative Association, Inc.
Sr. Vice President, CFO