

LEHMAN BROTHERS

ROBERT WILLENS
MANAGING DIRECTOR

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Mr. Timothy S. Lucas
Director
Research and Technical Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-0700

Dear Mr. Lucas:

Thank you for requesting my opinion regarding the FASB's Exposure Draft, *Consolidated Financial Statements: Policy and Procedures* and its potential for goodwill avoidance. It is true that at the time of the public hearings it appeared that possible abuse in this area was highly probable. However, after much deliberation with Lehman's market experts, we have concluded that the odds of a company structuring a transaction solely to accomplish such an accounting objective are more than remote. Further, while such a possibility is a relevant item for study from a theoretical viewpoint, it is entirely too impractical to be granted serious consideration. Accordingly, I would submit that the Exposure Draft not be altered with respect to goodwill.

Please contact me if I can be of any further assistance.

Very truly yours,



Robert Willens, CPA

RW/AJP