

LETTER OF COMMENT NO. 732

Wednesday, March 25, 2009 3:20 PM Sent:

To: Adrian Mills; Diane Inzano; Joseph Vernuccio; Kevin Stoklosa; Kristofer Anderson; Mark Trench;

Meghan Clark; Peter Proestakes; Russell Golden; Vita Martin; Wade Fanning

Subject: FW: FAS 157 Comments

**From:** K Jeff Livingston [mailto:kil7@live.com] Sent: Wednesday, March 25, 2009 2:37 PM

To: Director - FASB Cc: 'Cliff Draughn'

Subject: FAS 157 Comments

FSP FAS 157-e appears tailor-made in response to pressure from Bank CEOs, etc. I do not agree with the need to rnodify FAS 157 as the standards already permit sufficient flexibility - particularly when evidence of abnormal environment/markets exist. FAS 157 should be maintained in its current form. By holding the line, FASB needs to send a message to politicians, lobbyists, etc that accounting integrity will not be sacrificed in the name of "stabilization" (or other various "crises" for that matter). Standard setting should not be "reactionary", rather proactive and stable over time.

The proposed effective date is "rushed" to provide immediate relief to certain reporting entities. The FASB was created to promulgate accounting standards which stand the test of time. The FASB was established at armslength from the legislative process in order to preserve its independence expecting to lead to more objective, measured and deliberate decision making. The retroactive application is simply a knee-jerk response to demands from various lobbies which without the retroactive application may suffer another quarter of painful write-downs (in most instances, are well deserved, I might add)

As a former CFO I was blown away by #12 offering that "the reporting entity shall use its judgment" to determine whether a market it "active". This certainly provides wide discretion to CFOs making it difficult to hold them accountable for the inevitable abuse of this language.

Please do not weaken FAS 157. If FASB does not hold the line on FAS 157 the standard will be sorely diluted and the hard earned progress of the last several years will go quickly down the drain.

Respectfully,

K. Jeff Livingston