

March 31, 2009

Technical Director, FASB Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116



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Proposed FASB Staff Position

"FSP FAS 157-e, — "Determining Whether a Market Is Not Active and a Transaction Is Not Distressed""

We appreciate the opportunity to comment on the above-proposed FSP. We commend the FASB on its efforts to improve the accounting related to fair value and avoid the egregious and unintended consequences caused by the recent market disruption. We believe the proposal results in meaningful and necessary change.

We encourage the Board to finalize this FSP as soon as possible to enable constituents to close their March books in accordance with the revisions. We believe it would be reasonable to apply to any financial statements that had not been previously issued.

The factors listed in step 1 provide reasonable considerations in making a determination whether a market is inactive. We do not think it necessary to attempt to provide an exhaustive list. Reasonable judgment must be used in making this determination.

We believe that step 2 should allow more judgment. Similar to step 1, step 2 should provide factors that indicate a distressed transaction in an inactive market, and allow for the evaluation of such factors by the entity in determining whether the sale is distressed. Such factors could include whether there was sufficient time before the measurement date to allow for usual and customary marketing activities for the asset, whether there were multiple bidders, the regulatory and financial status of the selling entity, and the regulatory and financial status of the market participants. If the reporting entity concludes in step 2 that the transaction is distressed, then we agree with the Board that the reporting entity should use a valuation technique other than one that uses the quoted price without significant adjustment. We believe that this requirement is consistent with paragraph 9 of FSP FAS 157-3.

We believe that the term "reasonable risk premium" may lead to significant diversity in practice and warrants additional clarification. While we think this should be a judgment and not prescribed, factors to consider should be added to assist preparers and auditors in deriving an appropriate estimate. For example, the credit rating of the counterparty may be a factor to consider. We also believe it would be helpful to list factors, such as a liquidity discount, that should not be taken into consideration in determining the discount rate.

We would be pleased to discuss our comments with the Board members or the FASB staff at your convenience.

Very truly yours,

Henry R. Sturkie, III Senior Accounting Policy Manager