

LETTER OF COMMENT NO.

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LETTER OF COMMENT NO. 24

From:

Director - FASB

Sent:

Wednesday, April 01, 2009 10:33 AM

To:

Adrian Mills; Diane Inzano; Joseph Vernuccio; Kristofer Anderson; Mark Trench; Meghan Clark;

Peter Proestakes; Russell Golden; Vita Martin; Wade Fanning

Subject:

FW: FASB 157 comment

Importance: High

From: Wayne Jervis [mailto:wjervis@jaamco.com]

Sent: Wednesday, April 01, 2009 10:23 AM

To: Director - FASB

Subject: FASB 157 comment

Importance: High

FASB Statement No. 157, Fair Value Measurements. Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b, Recognition and Presentation of Other-Than-Temporary Impairments

Dear Sirs,

The fair value measurements contemplated in these proposed changes to accounting standards will water down fair value accounting to an unacceptable degree and provide management with too much discretion in avoiding acknowledging the economic value of their assets. I understand that tremendous political pressure is being placed on FASB on this matter because of the poor health of the financial system. However, I believe that the changes that FASB proposes will not serve the interests of investors, regulators or companies that are subject to FASB accounting rules. Investors will lose a hard fought battle to gain visibility into the financial health of the companies they analyze. Regulators will lose their grip on the financial stability of companies that are their mandate to keep healthy. Finally, management teams will lose the antiseptic of daylight, giving them freer rein to make poor decisions out of the sight of the investors or regulators who would force management to moderate poor risk taking.

If politicians desire to make companies less at risk of poor capital ratios, then the politicians should mandate that the regulatory capital ratios be lowered. But they are misquided when they suggest that it is in everyone's best interest to remove transparency in accounting.

As a result, I recommend that you not adopt these proposed changes.

Regards,

Wayne Jervis Managing Member of the General Partner JAAMCO