From:

Director - FASR

Sent:

To:

Subject:

FW: Proposed FSP FAS 107-b and APB 28-a.

----Original Message----

From: Alan Guillaudeu [mailto:alanguil@yahoo.com]

Sent: Thursday, February 12, 2009 7:40 AM

To: Director - FASB

Subject: Proposed FSP FAS 107-b and APB 28-a.

Dear Sirs,



LETTER OF COMMENT NO.

I am writing about your proposed standard to ask you to address the issue of fair value versus distressed value. I thought fair value was the price that a willing buyer was willing to pay and a willing seller was willing to sell. The banks are not willing to sell, yet your Board is mandating the use of any sales price as "fair value".

This policy is resulting in the freezing of the credit markets, the destruction of ten of trillions of dollars of debt, and the coming bankruptcy of hundreds of banks. There has to be a better way to determine "fair value" especially during periods of economic distress. The method has to be reasonable, easy to understand, and straight forward. I would propose that you determine, during periods of economic distress, that fair value be determined by cash receipts divided by an annual interest rate of six percent.

This way you would have an easy method to value debt at a fair value instead of a distressed value. It would eliminate the forced sale or writedown of debt, yet be reasonably accurate for determining "fair value" for reporting purposes.

Tens of trillions of dollars of debt and the continuing prosperity of the world are dependent on your immediate resolution of this problem.

Sincerely yours,

Alan Guillaudeu, CPA