Patricia Lapolla

LETTER OF COMMENT NO. 48

From: Janie Pass [hkuw@bellsouth.net]
Sent: Friday, January 26, 2007 2:15 PM
To: Director - FASB
Subject: File Reference 1500-100 & 1500-200

Dear sir:

I wish to comment on the FASB's October 9, 2006 Exposure Drafts of proposed Statements of Financial Accounting Standards, Not-for-Profit Organizations: Mergers & Acquisitions, and Not-for-Profit Organizations: Goodwill and Other Intangible Assets Acquired in a Merger or Acquisition. It is especially important to me as we have just completed a merger w/a neighboring United Way.

Mergers & Acquisitions: I don't agree w/the proposed requirement to treat all mergers as acquisitions. I believe very strongly that our merger was, in fact, a true merger of equals, with neither organization being an acquirer of the other. It was deliberately & carefully structured to be a merger of equals. This merger would never have occurred if either had felt it was being "acquired" by the other.

Goodwill: I do not agree w/the proposed requirement to treat donor lists as Identifiable Intangible Assets separate from Goodwill and record them at "fair market value" during a merger or acquisition. Donor lists are not marketable commodities that can be reasonably valued. My organization, along w/all other United Ways, is bound by confidentiality covenants whereby we do not sell a donor list to anyone & we assure our donors of such. These factors will make valuation virtually impossible. I find the proposed process of testing for impairment very cumbersome.

Accordingly I support the position of the United Way of America Financial Issues Committee in its formal response to FASB dated 1/25/07.

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