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To: [Director - FASB](#)
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I would like to comment on the “Questions for Respondents” given in the Exposure Draft regarding Fair Value Measurements and Disclosures (Topic 820). As background, I am a financial statement practitioner providing services to small to medium size nonpublic entities.

Issue 1: I do feel it is appropriate for financial statements to qualitatively disclose the various inputs that can affect fair value measurements. However, considering that the Level 3 items are by definition, measured using ‘unobservable inputs’, it appears to me that these measurements are already subject to a great deal of judgment and are highly subjective. Introducing a range for the fair value measurements would only further decrease the reliability of the information presented and would devalue the information already presented. This would introduce further confusion among financial statement users. While it is appropriate to discuss various inputs, such as interest rates, probability of defaults, etc, that could affect the ultimate fair value, attempting to assign a ‘range’ of possible values would not significantly improve the quality of the financial statements. The costs associated with evaluating all inputs could be significant and would not be cost effective, particularly considering this would only be adding a range to a disclosure that already incorporates the ‘best guess’ estimated amount, and therefore adds no usefulness to the user.

Issue 2: I feel this proposed requirement should be operational. The financial statement preparer should already have information related to purchases, sales, etc., available. It should not involve a great cost to present this information on a gross, rather than net, basis.

Issue 3: I would request the Board grant nonpublic companies a later effective date, and would also consider that nonpublic companies be permanently exempted from the ‘sensitivity disclosures’ as discussed in Issue 1. Most public companies have a great deal of assets and liabilities measured at fair value, and have extensive fair value disclosures in their financial statements already. However, most nonpublic companies probably deferred implementation of portions of FAS 157, as allowed by FSP FAS 157-2. Therefore, these fair value disclosures are still very new to smaller companies, and adding another layer of complexity so soon would be unnecessarily confusing, particularly considering this new guidance is purely to refine the disclosures that are already required.

Thank you for considering my comments.

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