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Re: File Reference No. 1850-100

November 24, 2010

To Whom It May Concern:

I am writing in response to the Exposure Draft of the proposed Accounting Standards Update to Leases (Topic 840). I agree with most of the proposed changes to Lease accounting and financial reporting, but have a few opinions and responses to some of the questions in the Exposure Draft.

In response to Question 7 regarding Purchase Options in leases, I do not agree that a lessee or a lessor should only account for purchase options when they are exercised. It seems that this may be misleading to investors. The lessee should make a decision "more likely than not" on whether they will return the equipment at the end of the lease, extend the lease terms, or buy out the lease by purchasing the equipment at a discount. Whichever option is chosen should be included in the valuation of the lease on the financial statements from the beginning of the lease term.

Regarding Question 8 on Lease Terms, I agree that a lessee or a lessor should determine the lease term as the longest possible term that is more likely than not to occur. The only thing that I feel may need to be updated is the "more likely than not" requirement. Companies should use lease terms such as "highly probable" rather than "more likely than not" to occur. Lessee and lessors should also take into account the effect of any options to extend or terminate the lease.

In the Exposure Draft, Question 10 refers to the reassessment of lease accounting when changes occur. I agree that lessees and lessors should remeasure assets and liabilities arising under a lease when changes in facts or circumstances indicate that there is a significant change in the liability to make lease payments or in the right to receive lease payments. This would occur with changes in the lease term or

contingent payments between reporting periods. Companies should have to reevaluate lease agreements and terms quarterly while preparing financial statements and report any changes as an adjustment to the lease asset or liability accounts. This will give investors a better idea of a company's lease contracts and know that the information they are provided is the most recent.

And finally, in regards to Question 15 on Disclosures of Leases, I agree that lessees and lessors should have a responsibility to disclose the amounts recognized in the financial statements arising from leases and disclose how leases may affect the amount, timing and uncertainty of the entity's future cash flows. These requirements are more extensive than they have been in the past, but I think it is important in informing investors on the true details of all leases of a company.

I appreciate the opportunity to be able to comment on these proposed changes and I look forward to seeing these Accounting Standards updated in the near future.

Thank you for your time.

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