

VIA Electronic Mail (director@fasb.org)

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Technical Director

Financial Accounting Standards Board

401 Merritt 7, P.O. Box 5116

Norwalk, CT 06856-5116

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Dear Board Members and FASB Staff:

I am delighted in having the opportunity to comment on the Proposed Accounting Standards Update Topic 605, *Revenue Recognition from Contacts with Customers*. The dominant objective of the proposed update is to remove the imperfections in the existing revenue recognition standards by incorporating clearer standards.

The time in which a company recognizes revenue from a sales transaction is crucial. Proper revenue recognition is extremely important to ensure a companies sales other revenue accounts are accurate by the end of the fiscal year. There are several companies such as: Costco, JC Penny, and Nordstrom with an extremely open return policy. Customers can return items even if several months have passed. I believe that this phenomenon creates a big problem in the accuracy of the sales figures for these companies. In addition, the Income Statement's sole purpose is to measure the performance of a company. The constant purchase and return scenario is causing the reliability of the Income Statement to decrease.

We must realize that when we are dealing with revenue recognition, "One size does not fit all." The judgment of when to recognize revenue can vary from person to person, and country to country. The phenomenon of purchasing products and returning them at a later date is most dominant in the United States and is not so prevalent in the rest of the world. How do we ever recognize the actual sale if customers return products constantly? How do we account for this type of human behavior?

Once again, I am thankful for the opportunity to share these comments with everyone. If you have any questions about my comments, feel free to contact me at salzam25@hotmail.com.

Sincerely,

Salvador Zamora

Member California CPA Society

Woodbury University