From: Pat Galley [mailto:pgalley@phoenix-graphics.com]
Sent: Monday, May 20, 2013 10:36 AM
To: Director - FASB
Subject: Accounting for leases proposal

To the director:

I am opposed to this standard. I feel that this unnecessarily complicates accounting, especially for small businesses. Operating leases are adequately accounted for and **disclosed** in the notes to the financial statements. That is why a five year schedule is provided in the notes for lease payments. All this standard does is increase assets and liabilities. If you want to enact this for public companies, fine (although I still fail to see what this accomplishes). But for small privately owned companies, this seems to put an unnecessary and expensive burden on them.

Also, I see where a lease under one year is exempt from these rules, so what do you do about a month-to-month lease that has been in effect for years? Technically it is under one year so it is exempt. Realistically this lease covers several years since the lessee continues to lease the asset. Although they are under no obligation to lease the asset, the facts would indicate that they intend to keep on leasing the asset. So where do you draw the line? If you say that month-to-month leases are exempt, this will simply encourage companies to get this type of lease (especially if they are leasing from a related party). So are you going to apply yet another standard for these types of leases? Again, way too complicated for something that is not an issue.

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