

From: Ken Birdie [mailto:KBIRDIE@ffcsi.com]
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To: Director - FASB
Subject: Fair Market Value Financing

September 2, 2013

Mr. Russell G. Golden
Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856

Mr. Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London, EC4M6XH
United Kingdom

Gentleman;

I am a Regional Vice President with First Financial Corporate Leasing, Inc. First Financial is a California based independent healthcare, material handling and technology leasing company focused on hospitals and corporate entities throughout the country. As a provider of Fair Market Value Financing exclusively our ROI is significantly affected by residual values at end of term. The standards that are currently being proposed are without question adverse from both the lessee and the lessors perspective. There genuinely is no marked enhancement in a credit officer's capability of evaluating a corporation's fiscal strength and it undoubtedly will require a significant cost requiring adaptation of new software and additional personnel (man-hours) to deal with the changes. With a lagging economy and most businesses and hospitals struggling to maintain positive cash flow, both the timing and implementation of a process of this magnitude are wrong.

Working primarily with hospitals here in the New York Metropolitan area all of our clients are faced with serving a percentage of indigent patients. In an effort to maintain high quality care in the most cost effective manner many of my clients rely on off-balance sheet / operating lease structure to allow for access to capital while maintaining technological superiority.

From my perspective as a lessor I see absolutely no positive aspect to the change and only a negative outcome.

- a. My experienced Credit Officers have never had issue garnering information on long term lease obligations and simply by accessing and taking note of the notes portion of the financial statement they can gauge a client's credit worthiness.
- b. Hundreds and hundreds of lease schedules will require reclassification and the man hour requirements in dealing with that will in fact weigh heavily on the fiscal health of our "small company".

Although it appears that the new standards are inevitable, I strongly recommend the committees not require equipment lessees to treat the monthly expense any different than in the real estate industry. Our contention is a straight –line expense pattern for profit and loss reporting is a better accounting for the economics of a true lease.

Respectfully,

Ken Birdie

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Regional Vice President



First Financial Healthcare Solutions

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