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John J. Pinto
Executive Vice President &
Chief Accounting Officer

September 12, 2013

Via Electronic Mail

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

RE: File Reference No. 2013-270, Exposure Draft, Leases (Topic 842): a revision of the 2010 proposed FASB Accounting Standards Update, Leases (Topic 840)

Dear Mr. Golden,

We appreciate the opportunity provided by the Financial Accounting Standards Board (the “Board”) to comment on the above referenced exposure draft (the “ED”).

We believe the ED does not meet the Board’s objectives of improving quality of financial reporting, and as such, should not be implemented. We also believe the proposed ED will increase complexity, confusion, drive economic activity rather than reflect it, and will create adverse consequences and pressures on leasing and financial reporting systems, which will result in an unnecessary increase in costs.

Our primary concerns revolve around the following:

The ED does not improve transparency in accounting for leases, but serves to increase its complexity. We believe that lessee accounting is still too complicated and we are not convinced that the vast majority of financial statement users – especially lenders to small businesses – will obtain a sufficient increase in decision-useful value to justify the change. For example, will the non-accountant financial statement user understand and digest the concepts of “right of use assets” and “future lease payment liabilities,” which includes the additional component of discounted interest, which further leads to subjectivity?

The cost of implementation and compliance with the proposed ED will be greater than the benefit that would be realized. Given the enormous impact of the changes proposed, one of the most important steps of legitimate due process – a cost/benefit study supported by field testing – has not been disclosed. The requirements in the ED will essentially end the vast majority of off-balance sheet financing opportunities that are currently taken advantage of by companies in various industries. The breadth of change proposed is extensive and the complexity staggering to all but the most sophisticated of financial statement preparers. Considering that all lessees – from the largest

corporations that lease their heavy equipment to the local nonprofit organization that rents its store space – must comply with these requirements, the cost/benefit study must address the issues that apply to entities of all sizes.

In summary, we believe to comply with the proposed ED will result in a significant increase in expense and confusion, will not satisfy the Board's objectives with regards to lease accounting, and the costs will outweigh the benefits. It is our opinion that the current accounting is appropriate and should be retained. Where the need for additional information is required, supplementary disclosures can be provided in the footnotes to the financial statements. We ask the Board to carefully and specifically assess how the proposed changes will improve financial reporting for investors and the effects it will have on financial statement preparers.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'John J. Pinto', with a large, stylized initial 'J'.

John J. Pinto
Executive Vice President &
Chief Accounting Officer