City of Carroll

112 E. 5th Street   Carroll, Iowa 51401-2799   (712) 792-1000   FAX: (712) 792-0139

February 1, 2005

Mr. Lawrence W. Smith
Director of Technical Application and Implemen
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 140
File Reference: AICPA ICG
Date Received:

Dear Mr. Smith:

I have learned that the AICPA Investment Companies Expert Panel and Accounting Standards Executive Committee recently provided you with an issues paper requesting guidance on generally accepted accounting principles for valuing fully benefit responsive investment contracts held by non-registered investment companies (commingled stable value funds).

Many of our plan participants are invested in a fund of such nature and will be impacted by any requirement that would reduce the return or increase costs to maintain commingled stable value funds. All of our plan participants voluntarily contribute to the 457 plans, over and above, mandatory contributions they make to a state operated retirement plan. This appears to be prudent, in light of the constant information that U. S. residents are not appropriately planning for retirement.

ANY ACTION that would reduce the plans ability to earn at its highest potential rate would be counter productive. Many of the participants have smaller amounts of cash placed in commingled stable value funds that produce a larger return when held in volume instead of singularly by each investor. Is it necessary to segregate the funds to assure safety? I would submit, not. One of the safest methods would be for all of us to have our money at home in a jar where we can see it each day. Over complicating the segregation of investment funds is perhaps as ludicrous in the other direction. Some risk is necessary to gain an equitable return.

ICMA Retirement Corporation maintains a Vantage Trust PLUS Fund (commingled stable value funds) where a portion of my personal retirement funds is held. I do not feel that I need a new protection level, nor as the Plan Sponsor representative, do I believe that any of our participants need the "added" protection.

It is not in the best interest of thoughtful, planning retirement investors to add any burdens to a fair return policy, especially if it is to over correct for the deceitful corporate and auditing firm executives of the recent past.

Sincerely,

Gerald L. Clausen

Gerald L. Clausen
City Manager