



From: Renee Harwell [mailto:rharwell@cj-pc.com]
Sent: Wednesday, October 01, 2008 1:55 PM
To: Robert Herz
Subject: FV & Mark to Market

LETTER OF COMMENT NO. **3**

For years we in the valuation arena with years of experience have been complaining – unheard by FASB – as to the follies of FV reporting in financial statements. Now as I predicted when 141/142 came out, that FV had no place in the 1920's and has no place today in financial statements, we face an international financial crisis.

Financial statements serve as a solid basis from which an investor makes adjustments and decisions. Flowing fair value through financial statements does not assist the investor because:

- 1) Fair value is outdated by the time the financial statements reach the investor
- 2) The income statement and equity accounts are tainted with unknown adjustments to supposed but probably erroneous FV "estimates"
- 3) The FASB promulgated FV definition defies valuation logic and common sense

The arrogance of FASB and the AICPA for refusing to listen to the valuation community – ASA, IBA, NACVA, etc on the ills of 141/142 and 157 are costing this nation billions and in the future a few will profit billions while you and I and the rest of America pay for their huge profits because the write downs are in large part artificial.

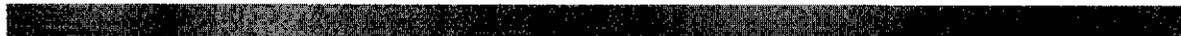
The AICPA and FASB do NOT belong in the valuation world and CPA's are woefully under qualified to work in this arena.

Hopefully, the SEC will carry through and terminate FASB's involvement in the public sector. The damage FASB has caused is inexcusable and hopefully its days are numbered for the public's benefit.

So as to prevent a multitude of future bailouts, hopefully the \$700 billion bailout will not be passed without the requirement that FASB be removed or at a minimum, fair value financial statements are thrown in the trash. Otherwise, this will only be the beginning of multiple bailouts to come.

Please distribute this to your FASB valuation folks. What a travesty for the world and for the American taxpayer.

AICPA Media Center – FAQs About Fair Value Accounting



Fair Value Basics Explained

- **What is fair value accounting?** Fair value accounting, also called "mark-to-market," is a way to measure assets and liabilities that appear on a company's balance sheet and income statement. Measuring companies' assets and liabilities at fair value may affect their income statement. SFAS 157 was issued

in 2006 by the Financial Accounting Standards Board (FASB) effective for fiscal year 2008. SFAS 157 defines in one place the meaning of "fair value."

Renee Harwell
C&J Valuation Advisors
900 South Gay Street, Ste 700
Knoxville, TN 37902-1819
Tel: 865-637-4161
Fax: 865-524-2952
www.cj-va.com
a division of Coulter & Justus, P.C.

Renee Harwell
C&J Valuation Advisors
900 South Gay Street, Ste 700
Knoxville, TN 37902-1819
Tel: 865-637-4161
Fax: 865-524-2952
www.cj-va.com
a division of Coulter & Justus, P.C.

The information contained in this message may be privileged and confidential and protected from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication and you are not the intended recipient, please notify us immediately by replying to the message and deleting it from your computer. Thank you. Coulter & Justus, P.C. 900 South Gay Street, Suite 700 Riverview Tower, Knoxville, TN 37902; Telephone 865-637-4161; Fax: 865-524-2952

IRS CIRCULAR 230 WRITTEN ADVICE STANDARDS: IRS regulations require us to advise you that, unless otherwise specifically noted, any federal tax advice in this communication (including any attachments, enclosures, or other accompanying materials) is not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding penalties; furthermore, this communication is not intended or written to support the promotion or marketing of any of the transactions or matters it addresses.