## Soren McAdam Christenson LLP Certified Public Accountants and Business Advisors

2011-200 Comment Letter No. 23

Sent via email to: director@fasb.org

January 3, 2012

Technical Director File Reference No. 2011-200

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Financial Accounting Standards Board 407 Merritt 7 PO Box 5116 Norwalk, Connecticut 06856-5116

RE: Proposed Accounting Standards Update: Financial Services—Investment Companies (Topic 946)

Amendments to the Scope, Measurement, and Disclosure Requirements

Proposed Accounting Standards Update—Real Estate—Investment Property Entities (Topic 973)

Soren McAdam Christenson LLP appreciates the opportunity to comment on the exposure draft of the Proposed Accounting Standards Updates referred to above. Soren McAdam Christenson LLP is a southern California firm of approximately 50 members, including seven partners.

The proposed ASU for investment companies would require an entity to meet six criteria to qualify as an investment company and this determination establishes whether the standards in the proposal would apply. Similarly, the proposed ASU for real estate investment property entities establishes criteria to be considered an investment property entity. It appears that an entity could hold combination of real estate and other investments (such as securities of other entities) but fail to meet the criteria of either proposed ASU and would then apply different standards than required by either proposed standard.

We believe that the criteria should be revised so that the accounting for an economic activity is consistently applied to all entities whose purpose is to provide investment returns to it owners regardless of the number of owners, the legal form of the entity or other factors.

Secondly, the nature of the investments should not accidently preclude the proper accounting for investment returns.

We would be glad to discuss our opinions with you further should you have any questions or require additional information.

Sincerely,

Soren McAdam Christenson LLP

By: David P. Tuttle, CPA

DPT/bb