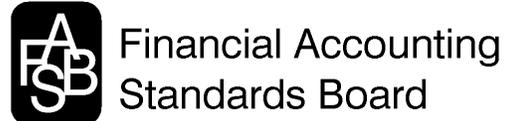


MINUTES



To: Board Members

From: Ham (ext. 443)

Subject: Minutes of the October 17, 2007 Board Meeting: Proposed FSP—AICPA Statement of Position 07-1 Implementation Issues **Date:** Novemeber 6, 2007

cc: Leisenring, Bielstein, Golden, MacDonald, Barker, Cospers, Lott, Roberge, J. Johnson, Posta, Gabriele, Chookaszian, Klimek, Richter, Allen, Sutay, FASB Intranet

The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue a final Statement, Interpretation, or FASB Staff Position.

Topics: AICPA Statement of Position 07-1 Implementation Issues

Basis for Discussion: Board Memorandum entitled Proposed FSP—SOP 07-1 and Statement 159 Implementation Issues, dated September 21, 2007

Length of Discussion: 2:00 to 2:15 p.m.

Attendance:

Board members present:	Herz, Batavick, Crooch, Herz, Linsmeier, Seidman, Smith, and Young
Board members absent:	None
Staff in charge of topic:	Barker
Other staff at Board table:	Golden, Cospers, Roberge, J. Johnson, and Ham

Summary of Decisions Reached:

The Board decided to issue a proposed FASB Staff Position (FSP) that would indefinitely defer the effective date of AICPA Statement of Position 07-1, *Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies*. For entities that have not yet adopted the provisions of SOP 07-1, early adoption would not be permitted. The Board directed the staff to prepare a draft of the proposed FSP for vote by written ballot. The Board decided that the proposed FSP should have a 30-day comment period.

Objective of Meeting:

The objective of the meeting was for the Board to discuss a proposed deferral of SOP 07-1 and possibly discuss certain implementation issues with SOP 07-1. The objective was met.

Matters Discussed and Decisions Reached:

1. Ms. Barker opened the meeting by explaining that constituents have raised questions about the application of SOP 07-1. In particular, the securities, real estate, and insurance industries have expressed concern with their ability to fully comply with the requirements of the SOP. Ms. Barker noted that the final SOP was issued in June 2007 and is effective for fiscal years beginning on or after December 15, 2007. Due to the implementation issues and short transition period, the staff recommended an approximate one-year deferral of the SOP's effective date. To have most of the financial services industry adopt the provisions of the SOP at approximately the same time, the staff recommended an effective date of November 15, 2008.

2. Ms. Seidman noted that the staff recommendation would not provide a deferral for constituents with fiscal year-ends of November 31. She questioned why it was necessary to set an effective date now. Mr. Linsmeier and Mr. Herz agreed, noting that the current implementation issues may be more significant than the original issue SOP 07-1 tried to solve. Accordingly, the Board may need to reconsider substantial parts or all of the SOP.

As a result, all seven Board members (Herz, Batavick, Crooch, Linsmeier, Seidman, Smith, and Young) agreed to indefinitely defer the effective date of SOP 07-1 with a plan to further examine the requirements of the SOP and deliberate issues as necessary.

3. Ms. Seidman asked if anyone had early adopted SOP 07-1. Ms. Barker informed her that the staff is not aware of any early-adopters. Mr. Batavick suggested that early adoption no longer be permitted for the SOP. All seven Board members (Herz, Batavick, Crooch, Linsmeier, Seidman, Smith, and Young) agreed to not permit early adoption for entities that have not yet adopted the provisions of SOP 07-1.

4. Finally, Mr. Golden asked the Board how long it would like to expose the deferral for comment. All seven Board members (Herz, Batavick, Crooch, Linsmeier, Seidman, Smith, and Young) agreed to issue the proposed FSP for a 30-day comment period. In addition, the Board directed the staff to prepare a draft of the proposed FSP for vote by written ballot.

Follow-Up Items:

None.

General Announcements:

None.