2013-200 Comment Letter No. 1A

From: Ron DiMattia [mailto:ron@corporatevaluepartners.com]

Sent: Thursday, January 17, 2013 2:13 PM

To: Ron Bossio

Subject: RE: Comment letter -- File Reference No. 2013-200

Ron,

Thank you for your Email. I appreciate, very much, your interest in my thoughts. As a supplement to my prior comment letter, please consider the following comments:

- 1. I agree with the proposal for both questions, but I believe that we are not addressing important issues:
  - a. Is it wise to exclude certain companies from the requirements, but make it mandatory for other companies based primarily on the size of the company? By doing so the FASB is creating a justification for separate standards for small and mid-sized entities. I do not think this is good for the profession, but it looks like we are headed in that direction.
  - b. We seem to be caught between a rules-based approach and a principles-based approach, which is adding to difficulties implementing the standards.
  - c. I believe that we are avoiding core problems with the fair value standards. Difficulties persist in implementing fair value accounting requirements (as regularly noted by the PCAOB) because the basic philosophy we have adopted is flawed. The standard-setting process has become compartmentalized because the underlying philosophy is so complex. We really need to take a step back and ask some hard questions about the fair value standards.

Thank you for your interest in my comments.

Take care, Ron

Ron DiMattia Corporate Value Partners, Inc. 440-333-1910

**From:** Ron Bossio [mailto:rjbossio@fasb.org] **Sent:** Thursday, January 17, 2013 10:19 AM **To:** 'ron@corporatevaluepartners.com'

Cc: John C. Gillard

Subject: Comment letter -- File Reference No. 2013-200

Dear Ron:

Thank you for taking an interest in the proposed ASU, "Financial Instruments (Topic 825) Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities." However, I noticed that you did not explicitly respond to either of the two questions that the clarification is directed at. Rather, your comments are commentary about matters that relate to the scope and requirements that were deliberated in the development of ASU 2011-04. Based on those comments we might *infer* that you agree with the proposed clarification but it would be much better if you could send a supplemental email noting your agreement or disagreement.

Please feel free to call me if you have any questions. Ron

Ronald J. Bossio | Senior Project Manager

**Financial Accounting Standards Board** 

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