

Dear Leslie Seidman,

I recently saw your name in an article relating to the issue of disclosure requirements for public company stock valuation as proposed through ASU 820-10-50-2(bbb). I wanted to reach out and propose the following and hope it will be of use to you and your colleagues at FASB.

Thank you in advance,

John Stockel

Proposed changes to the disclosure requirements for the Level 3 investment: Private Company Stock

Instead of causing all of this extra work and cost associated with the disclosure requirements set forth in the 2011-04 release of topic 820 (specifically ASU 820-10-50-2(bbb)), I propose the following for private company stock valuation disclosure requirements:

The valuation specialist assigned to valuing the sponsor's stock price must sign a certification letter of their valuation. This certification should hold similar prestige to certifications received from plan custodians regarding the values of investments under management obtained during a limited scope audit.

The certification must be filed with Form 5500 under a new "financial schedule". The certification must include the sponsor company stock price valuation and the method used to determine the stock price of the sponsor company. Furthermore, the evaluation specialist must place emphasis that this valuation is a tool for the plan trustee to make adequate consideration for the plan sponsor's stock price and that this responsibility lies solely with the plan trustee. The certification letter must be signed by the valuation specialist.

A second "certification letter" or "representation letter" from the plan trustee must be included in Form 5500 under a new "financial schedule". This letter should contain information of the following:

- Confirmation that a FMV of the sponsor's stock price was received from a valuation specialist
- The FMV of the sponsor's stock price provided by the valuation specialist

- Considerations of good faith and professional judgment
- The FMV of the sponsor's stock price determined by the Plan Trustee
- Detailed explanations for any variances between the Plan Trustee's FMV of the sponsor's stock price and the valuation specialist's FMV of the sponsor's stock price
  - o Considerations for the variance
  - o Reasons for higher/lower valuation
  - o Supporting evidence
- Must be signed by the Plan Trustee

With these two letters included in Form 5500, a proper amount of disclosure should satisfy those charged with oversight of Level 3 investments while at the same time protecting proprietary private company information.

Thank you in advance for your time,

John Stockel

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