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May 29, 2013

Technical Director
FASB
401 Merritt 7
Norwalk, CT 06856

RE: File Reference No. 2013-260

Dear Board Members:

We have reviewed the Fair Value Measurement (Topic 820) and the Proposed Accounting Standards Update and we have several comments for your consideration. Stern Brothers Valuation Advisors provides valuation services to ESOP companies.

We agree that because the regulator makes available to the public (via its website the Form 5500 and an employee benefit plan's audited financial statements filed by the plan sponsor) the required quantitative information on inputs to the Level 3 fair value measurement, that this information could provide insight into the financial performance of the nonpublic entity plan sponsor and its financial condition. The availability of the financial statements on the regulator's website, therefore, could provide proprietary information about the nonpublic entities that otherwise would not be available publicly. This could result in subjecting the company to possible damages as discussed below.

We agree with the Board that the quantitative information, if made available to the general public, may contain certain proprietary information that could result in unintended consequences.

We understand that these disclosures could include items such as i) the weighted average cost of capital used in the discount cash flow method, ii) pricing multiples applied (i.e., price to earnings, revenue multiples, etc.), iii) operating margins, iv) long-term revenue growth rates, and v) other sensitive information. This is consistent with the example in the implementation guidance and illustrations included within the Standard. Although these disclosures are required for each class of assets or liabilities, generally, the investment in the Sponsor's equity securities is the only Level 3 measurement in the financial statements of an ESOP and therefore there is only one asset within the class. Therefore, the information disclosed would be specific to the entity, and disclosing a range or weighted average does not appear to be an available option.

These disclosures would provide the public with information regarding private ESOP companies that otherwise would not be available. This information could be damaging to the company and ultimately its employee-owners. We are concerned with the ability of private equity firms or competitors to ascertain the financial condition of otherwise private companies, enabling them to disrupt company operations which would be a detriment to the employee-owners who could lose the opportunity to own their companies. We believe it is important not to disclose this type of information as it relates to private ESOP companies.

We believe the primary user of employee benefit plan financial statements is the Department of Labor ("DOL"). The DOL has always had and will continue to have the ability to interact directly with company management to answer questions or to obtain additional information related to Level 3 fair value measurements. Plan participants may also be viewed as potential users of the plans financial statements. By law, they have historically had the ability to obtain copies of the plan financial statements but have rarely done so. However, by law, participants are not required to receive financial information regarding the company. Participants are also not entitled to receive information regarding the company valuation. We believe that the disclosure of this information provides little or no practical

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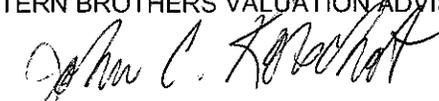
value to the primary users of the financial statements but may negatively impact existing and potential plan participants as discussed above because it may harm their companies and discourage the creation of new plans. We therefore believe the cost outweighs the benefits associated with this disclosure.

Therefore, we request that FASB exempt employer securities held by ESOPs and other non-public employee benefit plans (benefit plans other than those required to file financial statements with the SEC on Form 11-K) from the quantitative and qualitative disclosures required for Level 2 and Level 3 fair value measurements required under ASC 820-10-50 as amended by ASU 2011-04 (specifically paragraphs 820-10-50-2-bbb, f and g). We believe that a permanent deferral is appropriate.

We appreciate the opportunity to share our concerns with FASB and welcome further discussion on the topic. Thank you.

Sincerely,

STERN BROTHERS VALUATION ADVISORS



John C. Korschot, CFA, ASA, CBA, CPA/ABV
President