

**From:** bkorn@barrettcapital.com <bkorn@barrettcapital.com>  
**Sent:** Sunday, September 02, 2018 4:45 PM  
**To:** Director - FASB <director@fasb.org>  
**Cc:** wbleasing101@aol.com  
**Subject:** Grossing up Insurance and Taxes is fraudulent

Dear Board,

While your intentions may be well founded, to require Lessors to “gross up” property taxes and insurance paid by lessees either directly or if paid by the Lessor and rebilled to the Lessee is grossly wrong. To increase the revenues of a Lessor for a reimbursement item is fraudulent. For leases wherein taxes and insurance are the responsibility of the lessee, these items clearly are NOT revenue (income) to the Lessor. To the extent the FASB is of the opinion that these items need to be disclosed, it should be by the Lessee as a lease related expense.

A number of years ago, as a member of the CFA Society New York Accounting Committee, our group met with the FASB regarding a proposed change in Accounting Standards. Despite our unanimous view that the result of the FASB change was wrong and would be misleading, the FASB issued the change. A few years later, the FASB reversed itself. So, I respectfully submit that you reconsider your position now and not issue this change to Lessor accounting, which would be flat out wrong.

Thank you for considering my opinion.

Best,  
Barry

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