Richard L. Hecht CPA MBA
10 Byron Place, Unit 502
Larchmont, NY 10538
914-907-4970
rlhecht@sprynet.com

Russell G. Golden Chairman
FASB
401 Merritt 7 PO Box 5116
Norwalk, CT 06856-5116

Dear Mr. Golden,

As a CPA and FASB member, I have been concerned about the lack of accountability of Directors and management for the corporate funds they spend to buy back the shares of their publicly held corporations. As you know, at the moment, the cost of these buybacks reduces the equity account on the balance sheet. There is no financial reporting of the expense or profitability to shareholders on this expenditure.

The accounting profession has stuck its head in the sand to avoid dealing with this major issue. I feel strongly that if the accounting profession, through the FASB, continues to ignore this issue, it will pay a heavy price.

This is likely to occur if there is a corporate debt crisis (corporate debt is higher than in 2007) and the press, shareholders and Congress realize that much of this debt was used to buy back stock at prices substantially higher than at the time the issue arises.

The current accounting method for recording stock buybacks needs to be changed so that shareholders know whether management made or lost money on the use of shareholder funds to buy back a company's own common stock.

I have contacted staff members of the FASB who have informed me that this issue would only be examined by the FASB if there was enough public pressure to do so. I feel that is an unwise position for the FASB to take, particularly on a practice that is increasingly used by public corporations who find the lack of accountability to the benefit of management, not shareholders.

I urge you to discuss this issue with your staff and begin to look at alternative ways to measure the performance of stock buybacks.

Sincerely,

Richard L. Hecht