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September 11, 2019

Mr. Shayne Kuhaneck
Acting Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference No. 2019-750
Re: Proposed Accounting Standards Update, Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842): Effective Dates.

Dear Mr. Kuhaneck:

Guggenheim Capital, LLC (Guggenheim) appreciates the opportunity to provide comments on the Proposed Accounting Standards Update, Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates (the "Proposed Update"). We are supportive of establishing an effective date methodology for new accounting standards that differentiates between large publicly traded reporting entities ("bucket one") and all other types of reporting entities ("bucket two").

Guggenheim is a private issuer and produces consolidated financial statements for the sole purpose of complying with its credit agreement ("Credit Agreement"). Guggenheim's domestic operations involve several reporting entities which issue either audited financial statements or regulatory filings, or both, prepared under U.S. GAAP. Such entities include Guggenheim broker-dealers registered with the SEC. As these broker-dealers are required to file the audited financial statements with the SEC, they meet the definition of an SEC filer. None of these broker-dealers are financed by means of public debt/equity as all are indirect wholly-owned subsidiaries of Guggenheim. Nevertheless, they have all had to adopt the new accounting standards on the Public Business Entity ("PBE") timeline. For example, Guggenheim invested significant resources in adopting Topic 606 on the broker-dealers but did not early adopt it for the entire organization. As such, Guggenheim has had to keep two sets of records, so that the impact of adoption on the broker-dealers could be reversed in Guggenheim's consolidated financial statements. Adopting Topic 606 on the PBE timeline proved to be a tremendously time-consuming exercise for the firm's internal resources, considering the amount of time and effort devoted to learning the new standard, devising the adoption plan, executing the plan, and getting all of it through the annual broker-dealer audit process. As mentioned above, the overall impact of adoption on the broker-dealers had to be reversed in Guggenheim's

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financial reporting. We are now facing similar challenges related to the implementation of ASC 842, *Leases*. We are devoting time and resources to this project, only to reverse the effects of implementation in Guggenheim's consolidated financial statements prepared on the non-PBE timeline. All of this creates significant burden in terms of time, effort, and cost.

Therefore, the purpose of our comment letter is to respectfully request that the FASB distinguish between large publicly traded reporting entities included in bucket one and the privately-held broker-dealers with no connection to public investors. Including such broker-dealers under the PBE definition unduly burdens them without providing much benefit to the regulators, who are the principal users of financial information produced by these broker-dealers. We understand that in deliberating the Proposed Update, FASB considered a three-bucket approach (Basis for Conclusions, BC10) and decided against it. We agree with that decision and the reasons articulated in BC10. However, we believe it is imperative to clarify that the definition of the PBE in the Master Glossary should not encompass privately owned broker-dealers. This would provide a much-needed relief not only for the standards considered by the Proposed Update, but also for any comprehensive and complex standards issued in the future. We believe this would benefit a meaningful number of privately held financial services organizations, which may utilize limited scope broker-dealers in their operations.

We would like to express our gratitude for the opportunity to provide feedback on the Proposed Update. Please don't hesitate to contact me at 212-518-9245 or at Nina.Deis@guggenheimpartners.com if you have any questions/concerns or would like to discuss our comment letter further.

Regards,

Nina Deis
Director of Accounting Policy and GAAP Reporting