

Hopefully, this SEC meeting today will bring some sanity back into the IFRS debate (aggressive IFRS PR campaign). My perspective as a CPA is - the sub-prime lending crisis would have been even more difficult to detect and uncover under IFRS subjective accounting rules. The sub-prime lending was driven by greed and a desire to entice Americans in over their heads in debt thus making them more dependent on others.

Look at the head of Countrywide and how he was handsomely rewarded for taking that organization to the next level of stupidity. Politically motivated or just good capitalism? Look at all the foreclosures. Where are these people going to fix their mistakes? They are going back to the people who convinced them to make the mistake in the first place.

Those that want to topple our financial system are working hard to seize control of it right now. Changing to their standards quickly without thorough study is an effective means to facilitate their goals. The current American transition of wealth transcends the foreign oil predicament, it also is the baby boom parents passing along their life savings to children and grandchildren. We have got to pay very close attention and carefully monitor whether this transfer of wealth is done orderly or in a state of financial chaos. Since the price of crude has been rapidly escalating since the Spring of 2007, we are in a state of financial chaos. This is not the time for fundamental change in accounting standards.

Here is how E&Y defines fair value measurement under IFRS. "Various IFRS standards use slightly varying wording to define fair value. Generally, fair value is neither an exit nor an entry price, but represents the amount that an asset COULD BE exchanged, or a liability settled between willing parties."

So, in a stretch, if you agree to support particular charities or otherwise compromise your personal set of values, then the mortgage lender could forgive your debt? As long as the willing parties are agreeable? What is to stop this kind of manipulation?

Capitalism dismantled? Who ever has the gold makes the rules, right?

Let's follow this closely.

Joe Jefferis