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Tuesday Morning

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February 18, 2009

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OFFICE OF THE SECRETARY

Ms. Florence E. Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Subject: File Number S7-27-08, International Financial Reporting Standards (IFRS)

Dear Ms. Harmon:

Tuesday Morning Corporation is a closeout retailer of upscale home furnishings, housewares, gifts and related items in the United States. We have a customer base consisting primarily of women ranging in age from 35 to 54 from middle and upper-income households. Based in Dallas, Texas, our shares are traded on the NASDAQ stock exchange (ticker: TUES).

We appreciate the opportunity to offer comments on the ongoing project to transition U.S. issuers from the use of U.S. generally accepted accounting principles (GAAP) to IFRS. We agree in principle that a single set of high quality accounting standards would be somewhat beneficial to issuers and users of financial statements. However, we believe that before any timeline for implementation can be established:

(1) A deeper understanding should be sought of how such an adoption would affect the consistency and comparability of financial statements given IFRS' susceptibility to inconsistent interpretation of accounting principles by companies;
(2) Further significant analysis on the economic impact of such an adoption on the retail industry in particular, and the broader marketplace in general. **The economic impact is more important now relative to any time in recent history in light of the dire economic situation that we as a nation are enduring;** and
(3) An understanding of the potential negative impact of disallowing the retail method of accounting for U.S. retailers must be obtained.

Consistency and comparability: We recognize that over 100 countries already require, allow or are in the process of converging their national accounting standards with IFRS. Unfortunately, many of the countries that have adopted IFRS have amended or have not fully adopted the standard as prescribed by the International Accounting Standards Board (IASB). Consequently, when the U.S. adopts IFRS, it may very well differ from IFRS adopted by the Economic Union and other regions around the world. In addition, as IFRS is "principles based," U.S. companies will need to devote considerable resources to minimize inconsistent application of IFRS by developing increased policies and procedures.

Economic impact: Many of the companies that have adopted IFRS, either in part or in whole, have incurred significant implementation costs arising from issues such as:

- increased company procedure and policy requirements in a less prescriptive environment;
- the maintenance of parallel accounting systems (IFRS & GAAP);

- significant training costs;
- tremendous efforts involved in harmonizing inconsistencies between IFRS and statutes such as taxation; and
- costs associated with making all legal agreements with licensors, vendors, landlords, debt covenants with banks and external communications to investors, analysts, etc. IFRS compliant, and the potential additional financial exposure involved in doing so.

U.S. companies are currently facing the worst economic crisis since the Great Depression. Several companies, many of which were retailers, ceased operations in the past year, with the prospect of many more ceasing operations this year. The implementation of IFRS may exacerbate the current economic problems facing the U.S. economy during this critical time. Although the effective date of adoption is not until 2014 for some companies, they will be required to be prepared and have systems in place as of year-end 2011, assuming a two-year look back, necessitating that the implementation funds be available in the very near future. Given the harsh economic realities facing all industries, we believe that it is imprudent to expend resources needed to weather these difficult times on such an adoption.

Disallowance of Retail Method of Accounting: Of particular concern to us as a U.S. retailer is if the adoption of IFRS results in the disallowance of the present form of the retail method of inventory accounting, as currently permitted under GAAP, it may worsen the myriad of problems facing the U.S. retail industry. U.S. retailers will be forced to depart from an accurate, reliable, time-tested method of valuing inventory – typically the largest current asset on the balance sheet – and spend significant time and resources developing the infrastructure to support a new valuation method. We estimate that the conversion of our inventory tracking system, our merchandise planning system and the related re-training of our associates will generate an incremental cost to our business of approximately $5 million.

In conclusion, we believe that the significant issues discussed above require further in-depth analysis and consideration before a proper "roadmap" can be agreed upon and executed.

We appreciate the opportunity to submit these comments. If you have questions, or need additional information, please contact me at (972) 934-7251.

Sincerely,

Stephanie Bowman

Stephanie Bowman
Chief Financial Officer