



Partnership Consultants, Inc.

A LEADER IN PARTNERSHIP RESEARCH

2477 Stickney Point Road
Suite 301-B
Sarasota, Florida 34231-4071
941-923-5836 Fax 941-923-8769

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Marcia E. Asquith
Office of the Corporate Secretary
FINRA
1735 K Street, NW
Washington, DC 20006-1506

Via email: pubcom@finra.org

Ms. Asquith:

It would seem that FINRA should discuss this issue with the FASB, the SEC, the IRS and the program sponsors to reduce the valuation confusion. Such discussions could include ASC 820, ASC 825, IRS Rev Ruling 59-60, IRC 2031, NASD 2710 and the proposed FINRA 11-44. The discussions could also include the terms "fair value", "fair market value" and "net value".

An actual example might help demonstrate the confusion-

American Realty Capital Trust – IPO dated Feb 2008 – July 2011 (Source – Edgar filings)
Shares at \$10 each in the regular offering or \$9.50 per share in the DRIP program.
Offering expenses approx. 11.5%. Redemptions available after 1 year.
The \$10 per share offering was still open on June 30, 2011

Value estimates for shares of American Realty Capital Trust as of June 30, 2011 -

Method	Estimated Price per share on 6-30-11	Comment
Current offering price	\$10.00	This could be an ASC 820 Level 1 "active market" price.
FINRA 11-44 "Net Value"	8.85	Offering price less approx. 11.5% of offering expenses.
DRIP program offering price	9.50	Per reports filed with SEC Edgar system
Capital Account or "Tax Value"	8.2878	Reflects approx. average capital account – per Form 10-Q
NASD Rule 2710(f)(2)(M) value	10.00	Per manager, as reported in the Form 10-K
Redemption values -		
Investors from 2-2008 to 6-2008	10.00	Per agreement – This is an ASC 820 Level 3 approach.
Investors from 7-2008 to 6-2009	9.75	Per agreement – This is an ASC 820 Level 3 approach.
Investors from 7-2009 to 6-2010	9.625	Per agreement – This is an ASC 820 Level 3 approach.
Investors from 7-2010 to 6-2011	No redemption yet	Redemption available after 1 year.
Rev. Ruling 59-60	Most of the above.	"Willing buyer and willing seller"
IRC 2031	Usually the redemption	"Highest and best" price available to the seller
Partnership Secondary	Unknown	We did not find any recent secondary trades.

Respectfully,

Partnership Consultants, Inc.
By: Jon Hale, President