



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Mr. James G. Livingston
Vice President
Zions Bancorporation
One South Main Street
Salt Lake City, UT 84111

October 17, 2007

Dear Mr. Livingston:

On May 29, 2007, you submitted a report and supplemental materials (collectively referred to herein as "Submissions") to the Office of the Chief Accountant that summarized Zions Bancorporation's auction of Employee Stock Option Appreciation Rights Securities (ESOARS) on May 4-7, 2007. In your Submissions, you described your basis for concluding that the market clearing price of ESOARS resulting from your auction is representative of the fair value, in accordance with FASB Statement No. 123R, "Share-Based Payment" (Statement 123R), of the underlying employee stock options granted on May 4, 2007. Furthermore, you have requested the views of the staff of the Office of the Chief Accountant as to whether the price obtained for ESOARS from your auction could be used as an estimate of the fair value, in accordance with Statement 123R, of your May 4, 2007 employee stock option grant.

In your Submissions, you indicated that your conclusion is based on an analysis of the ESOARS instrument design and of the May 2007 auction process, bidder participation and the resulting clearing price. From your analysis, you concluded that the ESOARS instrument is sufficiently designed and bidders were provided adequate information to meet the measurement objective of Statement 123R; that the auction process functioned appropriately; and that the market-clearing price of ESOARS is representative of the fair value, in accordance with Statement 123R, of the underlying employee stock options granted on May 4, 2007. In support of these conclusions, you compared the auction price with the value of ESOARS that would be derived through broadly accepted modeling techniques. Further, you considered the model-based assumptions implicit in the auction price and concluded that the implied assumptions were reasonable.

We do not object to your view that the ESOARS instrument in this case is sufficiently designed to meet the measurement objective of Statement 123R. Further, based on the information you provided, we do not object to your view that the market-clearing price of

