



LETTER OF COMMENT NO. 208

August 8, 2008

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

File Reference No. 1600-100

Dear Sir or Madam:

Imagine going to buy a used car and hanging a sign around your neck stating the maximum amount you are willing to pay. Or imagine playing poker with the other side already privy to the entire contents of your hand. Corporate counsel is faced with an even worse scenario if the current changes to the Financial Accounting Standards Board's ("FASB" or "Board") Statement No. 5 is adopted. Counsel will be faced with an obligation to waive the attorney client privilege, work product protections, and their ethical duty of zealous advocacy to their client, the shareholders. The costs of this proposal far outweigh any benefit.

This letter is submitted on behalf of TrueBlue, Inc. to provide comments to the Exposure Draft, which has been proposed as a change FASB Statement No. 5 *Accounting for Contingencies*.

TrueBlue, Inc. is in the blue-collar staffing industry. TrueBlue's subsidiaries, Labor Ready, CLP, PlaneTechs, BusTechs, Spartan Staffing, PMI, and TLC, match people to jobs throughout the United States, Canada, and Great Britain. Each year, TrueBlue's family of brands dispatches approximately 600,000 temporary workers to more than 300,000 customers in a diverse range of industries, including construction, transportation, aviation, warehousing, hospitality, landscaping, light manufacturing, distribution and sanitation.

Given the size of the company's workforce—and the ever changing political and legal environments in which the TrueBlue brands operate—the company is subject to litigation as part of ordinary course of operations.

TrueBlue, like many of the other entities that have submitted comments, supports the goal of enhancing the transparency and quality of information provided to investors and other uses of financial statements. The current Exposure Draft does not accomplish this

1015 A Street
Tacoma, Washington 98402
800-610-8920

NYSE Symbol: TBI
TrueBlueInc.com



goal. TrueBlue joins the American Bar Association, the Chicago Bar Association, and the Association of Corporate Counsel, along with others in expressing strong objection to the proposed rule change.

A. The Expansion of the Board's Disclosure Requirements Harms Investors

Virtually all litigation is highly speculative and subject to a continuous array of changing factors, such as new evidence, new law, the assignment of a particular judge, or the whims of a highly unpredictable jury. Parties to litigation almost always have varied perceptions of risk. In fact, it is this profound uncertainty, and differences in perception, that are the key impediments to resolution.

The Exposure Draft expands the scope of disclosure to contingencies in which the parties themselves—the very parties who are privy to all the facts, law, and risk—cannot determine liability as being “at least reasonably possible.” Presumably, the Draft contemplates the disclosure of cases where corporate counsel believes the risk is less than reasonably possible, or more likely is unable to make any determination of risk. These additional disclosures by their very nature are so speculative as to add no value to the consumers of financial information.

By illustration, if the Board required the plaintiff's attorney in a given action to provide a report on “the most likely outcome of the contingency” and “best estimate of exposure” they may in good faith report that liability is probable (they would not be expending significant monetary resources in bringing the action if they thought otherwise) and that the estimated payout is \$2,000,000.

An in-house attorney, on the other hand, given the same report, on the same piece of litigation, may render an opinion that liability is unlikely and exposure is no more than \$100,000 even in the rare chance of an adverse verdict. Who is correct? The answer is likely both. Depending upon the development of facts, witness testimony, and rulings by the court these assessments can be true, false, or change on a week-to-week basis.

Requiring the disclosure at this point in litigation would be gravely misleading to investors by creating a false sense of a quantitative evaluation that could provide some sort of indicator of a future outcome.

Even more detrimental, as explained by the Association of Corporate Counsel, there becomes a tremendous incentive by corporate counsel to overstate the risk in order to insulate themselves from potential shareholder liability, as well as internal pressures. In that scenario you no longer have useless information being disclosed but inaccurate information that overstates risks and in the aggregate creates market inefficiency, as investor decisions are being based on bad information.

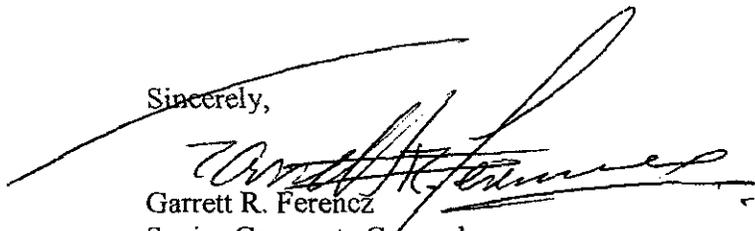
B. The Expansion of the Board's Disclosure Requirements Harms Shareholders

Modern litigation is more about successful negotiation than about trial outcomes. Recent studies have confirmed that over ninety percent of cases are resolved through settlement. What these trends indicate is that virtually all litigation being contemplated by the Exposure Draft will be resolved through some type of settlement. Of course, the key to any negotiation, whether buying a car, or resolving a class action, is to attempt to pay as little as possible while still getting the relief you are seeking, while the other side strives for the opposite. As anyone who has participated in a settlement conference knows, the entire day is spent speculating: What facts do they know? How much will they pay? What are our risks? Are they really committed to bringing the case to trial?

The Exposure Draft seeks to answer all of these questions for the plaintiffs' attorneys to the grave detriment of the company. The Exposure Draft demands that corporate counsel tell the world: (1) how much they think they will pay; (2) the risks and factors behind those risks; and (3) when/how the case should be resolved (mediation? trial?). Information, that is at the heart of the attorney client privilege and protected in every tribunal as work product. The reason for these recognized protections are not for corporate counsel, but for the client, the shareholder, who find themselves increasingly under assault by vexatious and ever increasing litigation.

In summary, it is the position of TrueBlue that although the goals of the Exposure Draft are commendable, the true practical result would be a redistribution of shareholder wealth to the coffers of plaintiffs' attorneys with no appreciative gain to investors. It is not the "rare exception" that these proposals will prejudice a company's ongoing litigation but almost a certainty. Therefore, TrueBlue urges the Board to decline the adoption of the proposed amendments.

Sincerely,



Garrett R. Ferencz
Senior Corporate Counsel
TrueBlue, Inc.
gferencz@trueblueinc.com
(253) 680-8442