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LETTER OF COMMENT NO. 118

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

Proposed Statement of Financial Accounting Standards

“Disclosure of Certain Loss Contingencies an amendment of FASB Statements No. 5 and 141(R)”

We appreciate the opportunity to comment on the proposed amendment of FASB Statements No. 5 and 141(R). BB&T Corporation and its subsidiaries offer full-service commercial and retail banking and additional financial services such as insurance, investments, retail brokerage, corporate finance, treasury services, international banking, leasing and trust. With over \$136 billion in assets, BB&T Corporation is the nation's fourteenth largest financial holding company.

We support the FASB in its efforts to provide adequate information to investors and other users of financial statements in assessing the likelihood, timing, and amount of future cash flows associated with loss contingencies. However, the Exposure Draft raises a number of issues that may have unintended and adverse consequences for reporting entities. While the proposed changes address some of the perceived shortcomings of the current rules, we believe the current proposal creates additional concerns that offset the benefits in the Exposure Draft. In summary, we believe the Exposure Draft's requirements would be highly subjective, subject to error, be more confusing for users, lead to additional litigation risks for companies, and be expensive to apply. As a result, we do not support the Exposure Draft in its current form.

Here are our responses to the individual questions.

- 1. Will the proposed Statement meet the project's objective of providing enhanced disclosures about loss contingencies so that the benefits of those disclosures justify the incremental costs? Why or why not? What costs do you expect to incur if the Board were to issue this proposed Statement in its current form as a final Statement? How could the Board further reduce the costs of applying these requirements without significantly reducing the benefits?**

We do not believe the project's benefits justify the incremental costs. The volume of information to be disclosed would require a significant amount of time and effort to gather. This will be costly as the data will need to be compiled by company attorneys. In addition, these new disclosures will be difficult to audit, resulting in increased audit fees. Also, we do not believe any disclosures regarding remote contingencies would be beneficial to users of financial statements.

2. **Do you agree with the Board's decision to include within the scope of this proposed Statement obligations that may result from withdrawal from a multiemployer plan for a portion of its unfunded benefit obligations, which are currently subject to the provisions of Statement 5? Why or why not?**

We concur with the Board's decision regarding these obligations.

3. **Should an entity be required to provide disclosures about loss contingencies, regardless of the likelihood of loss, if the resolution of the contingencies is expected to occur within one year of the date of the financial statements and the loss contingencies could have a severe impact upon the operations of the entity? Why or why not?**

Regardless of when resolution is expected, we do not believe contingencies with a remote chance of loss should require disclosure. By definition, due to their remote likelihood, such contingencies disclosures are not meaningful. Any disclosure that is required just because something "could" occur makes no sense. Financial statement users need meaningful information and that does not equate to information overload.

4. **Paragraph 10 of Statement 5 requires entities to "give an estimate of the possible loss or range of loss or state that such an estimate cannot be made." One of financial statement users' most significant concerns about disclosures under Statement 5's requirements is that the disclosures rarely include quantitative information. Rather, entities often state that the possible loss cannot be estimated. The Board decided to require entities to disclose the amount of the claim or assessment against the entity, or, if there is no claim or assessment amount, the entity's best estimate of the maximum possible exposure to loss. Additionally, entities would be permitted, but not required, to disclose the possible loss or range of loss if they believe the amount of the claim or assessment is not representative of the entity's actual exposure.**

- a. **Do you believe that this change would result in an improvement in the reporting of quantitative information about loss contingencies? Why or why not?**

We do not believe the disclosure of claim amounts is meaningful since claim amounts are often set by claimants to either satisfy jurisdictional or pleading requirements or to provide an exaggerated value to their claim. In addition, the disclosure of the company's best estimate of the maximum possible exposure

would be highly subjective and most likely prejudicial to the company. Finally, the volatility of such an estimate based on the ever-changing facts and circumstances of individual cases could subject the company to securities litigation as the amounts fluctuate.

- b. Do you believe that disclosing the possible loss or range of loss should be required, rather than optional, if an entity believes the amount of the claim or assessment or its best estimate of the maximum possible exposure to loss is not representative of the entity's actual exposure? Why or why not?**

We do not believe disclosing the possible loss or range of loss should be required if a company does not believe it is likely to recognize such a loss.

- c. If you disagree with the proposed requirements, what quantitative disclosures do you believe would best fulfill users' needs for quantitative information and at the same time not reveal significant information that may be prejudicial to an entity's position in a dispute?**

We believe the current SFAS 5 requirements regarding the nature and measurement of loss contingencies is appropriate.

- 5. If a loss contingency does not have a specific claim amount, will an entity be able to provide a reliable estimate of the maximum exposure to loss (as required by paragraph 7(a)) that is meaningful to users? Why or why not?**

See # 4a above. Also as noted above, we do not believe any disclosures related to remote loss contingencies is meaningful.

- 6. Financial statement users suggested that the Board require disclosure of settlement offers made between counterparties in a dispute. The Board decided not to require that disclosure because often those offers expire quickly and may not reflect the status of negotiations only a short time later. Should disclosure of the amount of settlement offers made by either party be required? Why or why not?**

We do not believe that settlement offers should be disclosed due to the nature of settlements and their negotiation. We believe the accrual of probable and estimable losses as required by SFAS 5 is appropriate.

- 7. Will the tabular reconciliation of recognized loss contingencies, provided on an aggregated basis, provide useful information about loss contingencies for assessing future cash flows and understanding changes in the amounts recognized in the financial statements? Why or why not?**

We concur with the Board's view that such a table may be useful to users of financial statements.

- 8. This proposed Statement includes a limited exemption from disclosing prejudicial information. Do you agree that such an exemption should be provided? Why or why not?**

We do agree that such exemptions should be allowed, but we do not believe these would be rare if the Exposure Draft's requirements are approved as issued. We believe the disclosure of details regarding individual litigation cases would almost always be prejudicial. We do not believe Standards should state that items are expected to be "rare." The purpose of this proposal is to provide meaningful information to investors without compromising a company's legal position. The determination of whether a disclosure is prejudicial is a legal interpretation that is beyond the scope of responsibilities and should not be qualified.

- 9. If you agree with providing a prejudicial exemption, do you agree with the two-step approach in paragraph 11? Why or why not? If not, what approach would you recommend and why?**

We believe the exemption is too prescriptive. As noted, we do not believe the details of any individual contingency should be required to be disclosed, including the nature, status, timing and factors affecting the outcome.

- 10. The International Accounting Standards Board (IASB) continues to deliberate changes to IAS 37, Provisions, Contingent Liabilities and Contingent Assets, but has not yet reconsidered the disclosure requirements. The existing disclosure requirements of IAS 37 include a prejudicial exemption with language indicating that the circumstances under which that exemption may be exercised are expected to be extremely rare. This proposed Statement includes language indicating that the circumstances under which the prejudicial exemption may be exercised are expected to be rare (instead of extremely rare). Do you agree with the Board's decision and, if so, why? If not, what do you recommend as an alternative and why?**

We do not believe these exemptions would be rare. See response to # 8 above.

- 11. Do you agree with the description of prejudicial information as information whose "disclosure . . . could affect, to the entity's detriment, the outcome of the contingency itself"? If not, how would you describe or define prejudicial information and why?**

Yes.

- 12. Do you believe it is operational for entities to disclose all of the proposed requirements for interim and annual reporting periods? Should the tabular reconciliation be required only annually? Why or why not?**

We do not believe it is operational for companies to disclose all of these requirements on a quarterly basis due to the amount of time, effort and cost required. Additionally,

the tabular reconciliation should only be required annually. If significant changes occur during interim periods, these would be disclosed under existing requirements.

13. Do you believe other information about loss contingencies should be disclosed that would not be required by this proposed Statement? If so, what other information would you require?

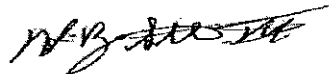
We do not believe there is any additional information needed.

14. Do you believe it is operational for entities to implement the proposed Statement in fiscal years ending after December 15, 2008? Why or why not?

We believe the Board should maintain flexibility in the effective date until all comment letters are received and the disclosure requirements are redeliberated. If most of the requirements in the exposure document are retained, then we believe the time required to accumulate and evaluate the potential disclosures would necessitate an effective date after 2009.

Thank you for the opportunity to express our views. If you would like to discuss our comments, please call me at 336-733-3020 or Dale Slate at 336-733-3006.

Very truly yours,



Henry R. Sturkie, III
Senior Accounting Policy Manager