

MHM

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LETTER OF COMMENT NO.

8

December 4, 2008

FASB Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

**RE: Proposed Statement of Financial Accounting Standards,  
Going Concern  
File Reference No. 1650-100**

Dear Technical Director:

We appreciate the opportunity to comment on the Financial Accounting Standards Board's Exposure Draft *Going Concern*. As a Firm, we support the Board's efforts to promote further convergence with International Financial Reporting Standards (IFRS).

We also agree that the issuance of this statement will make it clear that it is managements' responsibility to evaluate the basis for the presentation of the financial statements and to disclose to the reader whether there are circumstances that may affect the presentation therein.

However, Paragraph 4 of the Exposure Draft states "*In assessing whether the going concern assumption is appropriate, management shall take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period.*" We understand that the Board is attempting to align AU Section 341 with IFRS, therefore lengthening the current guidance on how a going concern is assessed. We do not believe this would improve financial reporting for the following reasons:

1. With this assessment now becoming the responsibility of management, the elimination of bright lines from the standard may give some managements who have never considered going concern issues more difficulty in dealing with the concept. Such managements will benefit from a definite time frame when considering implementation of the new statement.

We believe this is an important distinction from, for example SEC-registered entities that have had to provide useful narrative information to the users of the financial statements in their compliance with SEC Regulation SK Item 303.

2. The Board, in paragraph A6 of the Exposure Draft, recognizes the limitations of the "*bright line time horizon*" which is currently allowed in AU 341. The Board should also give further consideration to the unique characteristics of the legal environment that exists in the United States as opposed to legal jurisdictions which accept IFRS. Expanding the time horizon, especially with no boundary, would increase the legal exposure of both preparers and auditors. We suggest that an appropriate guideline would be 12 months from the earlier of the date the company issues its financial information and makes it available to any of its various stakeholder groups or receives an audit or attest report from an independent CPA (the determination date). We also suggest that management should consider and disclose how it intends to resolve events that, as of the determination date, management knows will occur during a reasonably short time after that 12 month period.
3. We believe the current market turmoil affecting the capital and credit markets makes projection of possible actions that managements can take with respect to their plans to ameliorate going concern considerations difficult to perform at best. It is difficult to project what will happen tomorrow, much more so one or two years from today.

We would be pleased to discuss our comments in further detail with the Board at their convenience.

Sincerely,

A handwritten signature in black ink that reads "Mayer Hoffman McCann P.C." in a cursive, slightly slanted script.

Mayer Hoffman McCann P.C.