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Mr. Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Via Email to *director@fasb.org*

File Reference: 1760-100

Dear Mr. Golden:

We are pleased to comment on the Exposure Draft, *Proposed Accounting Standards Update*, Subsequent Events (Topic 855), Amendments to Certain Recognition and Disclosure Requirements (the ED). We believe the ED provisions will be helpful to typical issuer entities that file or furnish their financial statements with the SEC. However, we question whether different requirements are warranted for those private entities that do not have a "current expectation of widely distributing" their financial statements compared to those that do expect to widely distribute their financial statements. We believe the ED could result in a significant burden on these latter types of private entities. This issue as well as our responses to the specific issues raised in the ED are described in the remainder of this letter.

Issue 1: **Do the amendments to paragraph 855-10-50-1 assist in clarifying which date, if any, an entity is required to disclose when evaluating subsequent events?**

We agree that the amendments to paragraph 855-10-50-1 that eliminate the requirement to disclose the date the financial statements were issued for entities that file or furnish their financial statements to the SEC, are helpful to typical issuers. We believe the amendment is consistent with prior practice and one of the Board's original goals of not changing practice as it relates to subsequent events.

We believe the requirement to evaluate subsequent events through the date the financial statements are available to be issued, and disclosure of that date, for an entity that does not file or furnish its financial statements with the SEC, and does not have an expectation of widely distributing its financial statements, is useful information and clear in the ED.

We believe the requirement to evaluate subsequent events through the date the financial statements are issued and to disclose that date could be burdensome for private entities that widely distribute their financial statements. These entities by definition are not public issuers; however, this requirement would require more coordination and effort for a non-public issuer to comply with the requirements than many public entities. For example, a private entity that may widely distribute their financial statements may do so by issuing (mailing) a glossy type report or one professionally prepared by an outside printer. In this situation, management would be required to complete their financial statements, send them to the printer with an estimated future date included for the subsequent event footnote to approximate printing completion and the expected mailing date. Management would be required to continue evaluating subsequent events through this mailing date and also coordinate with their auditors who would likely date their opinion the same date. While this is not an impossible task, it is one that could be burdensome to these types of entities, and could be avoided if they were allowed to use the date the financial statements were available to be issued (albeit not as a result of mass production). We believe certain industries may be more impacted than others such as not-for-profits, that often widely distribute their financial statements and employee benefit plans (EBPs), due to recent changes in Department of Labor (DOL) requirements. Our observations related to this latter issue are described in Sub-Issue 1a, 1b and 1c.

Sub-Issue 1a

To provide some perspective on the magnitude of EBP financial statements that would be subject to the requirements of the ED, the Department of Labor (DOL) recently reported that there are currently over 75,000 EBPs subject to Title 1 under the Employee Retirement Income Security Act of 1974 (ERISA), which require annual financial statements to be prepared on Form 5500 and filed with the DOL's Employee Benefits Security Administration (EBSA). The ED applies to all entities within its scope, and therefore EBP financial statements prepared in accordance with generally accepted accounting principles would be subject to the ED's requirements. A new change issued by the DOL, which is effective for plan years beginning on or after January 1, 2009, specifies that EBPs that are required to submit an annual report on Form 5500 to the EBSA must do so electronically. The electronically filed Form 5500s, which includes the EBPs financial statements, will be available to the public through the DOL's website. Previously, Form 5500s were available from the DOL; however, the EBP's financial statements that were attached to the Form 5500 filings were not available to the public, other than upon specific request to the DOL.

Does the DOL change described above result in "widely distributing financial statements to shareholders and other users"? While EBPs do not have shareholders in the traditional sense, other users, such as plan participants would appear to be applicable. Plan participants for many plans are the primary users. We believe the DOL change could be deemed to result in "widely distributing" consistent with ASC 855-10-25-2, and therefore would require the date the financial statements are issued to be the evaluation date as well as the date disclosed.

This issue highlights whether the term "widely distributing" is useful in all situations or whether different criteria should be considered. For example, even though plan participants, the primary users, will now have access to the EBP's financial statements through the DOL website, participants could have requested the financial statements from the plan sponsor in the past, so in substance the financial statements are now only being "widely distributed' to comply with DOL regulation. In addition, it is not likely non-plan-participants would have the same reason to access the EBP's financial statements as a potential investor would when they access a public company's financial statements. This situation also could occur in other industries should rules or laws change in the future that require periodic filings to be available to the public, such as for broker dealers or financial institutions.

Sub-Issue 1b
If the answer to Issue 1a is that the new DOL change meets the criteria of "widely distributing", these EBPs would be required to evaluate subsequent events and disclose the evaluation date as of the date the financial statements are filed with the EBSA. Evaluating and disclosing subsequent events through this date will likely create operational challenges for EBPs.

Currently, it is not uncommon for an EBP's financial statements to be available to be issued for some period of time before they are actually filed as an attachment to a Form 5500 with the EBSA. While EBPs have more time to file their financial statements with the EBSA, than an issuer does with the SEC, from a practical perspective, many EBP Form 5500s are filed in a short period of time near the filing deadline. Unlike SEC issuers however, subsequent events information is not currently required to be evaluated through the filing date with the EBSA, and therefore the ED would result in a significant change in practice. Due to the number of EBPs and their typical filing period, we believe a practical solution would be to allow EBPs to evaluate subsequent events as of the date the financial statements are available to be issued, with disclosure of that same date.

Sub-Issue 1c
Some EBPs are registered plans that file a Form 11-K with the SEC. These EBPs would therefore appear to meet the criteria of "files or furnishes financial statements with the SEC" and evaluate subsequent events through the date the 11-K is filed, however, would not be required to disclose such date. These same EBPs are also required to file a Form 5500 with the EBSA. Many plan sponsors of registered plans also have other non-registered EBPs that would be required to evaluate subsequent events through the date the EBP's financial statements are issued and disclose that date as well (as outlined under the ED). If a financial statement user accessed all of the EBPs' financial statements that he participated in, some of the financial statements would disclose the subsequent event evaluation date and some would not. While this sub-issue does not create any operational difficulties it highlights an inconsistency in the disclosures related to EBPs and may not be apparent to a user of these financial statements.

Issue 2: Do the amendments to paragraph 855-10-50-4 better clarify when, if ever, an entity is required to disclose the date through which subsequent events were evaluated when issuing restated financial statements?

Outside of the observations we made in Issue 1 above, the amendments in the ED clarify when an entity is required to disclose subsequent events in restated financial statements. We believe the same points made in Issue 1 should be applied to the dating provisions in Issue 2.

Issue 3: Is the proposed effective date operational and are the transition provisions appropriate?

We believe the intent of the proposed effective date is to make it effective for financial statements that have not yet been issued, subject to the transition provisions of the original standard (effective for interim or annual financial periods ending after June 15, 2009). It would be clearer if the transition provisions used the wording in the parenthesis in the previous sentence.

We understand and agree with the Board's general view that scope and other exceptions create complexity and need to be carefully considered in the standard setting process. We believe the situations described above may result in operational difficulties for many entities, especially EBPs, and therefore allowing all entities that do not file or furnish their financial statements with the SEC to use the date the financial statements were available to be issued, would resolve the specific issues described in this letter, as well as provide one answer for all entities of this type. We are available to discuss any of the issues contained in this letter.

Should you have any questions please contact James A. Dolinar.

Very truly yours,

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