From: Director - FASB

Sent: Wednesday, November 16, 2005 10:18 AM

To:

Subject: FW: File Reference 1235-001

Letter of Comment No: 3
File Reference: 1235-001

Date Received: 1-16-05

----Original Message-----

From: Alfred M. King [mailto:alfredking@erols.com]
Sent: Wednesday, November 16, 2005 10:04 AM

To: Director - FASB
Cc: Robert Herz

Subject: File Reference 1235-001

Ladies and Gentlemen,

I have read the Invitation to Comment and it is quite theoretical in nature. Could someone at the Board prepare a few real-world examples of how adoption of these ideas would actually change current practice? For example:

- 1) Merck is facing innumerable lawsuits on Vioxx whose outcome cannot be predicted. There are no market participants, to the best of my knowledge, who stand ready to assume Merck's possible (probable?) future payments if they lose. What liability should Merck show, if any?
- 2. A company has acquired 100 lottery tickets at \$1.00 each for a drawing next month. What asset should they show on the balance sheet, if any at the end of the current month?

If you are going to obtain reasoned responses from users it is critical that the Board place the issues in the context that most users are familiar with. As written only the 'initiates' will understand the consequences.

Alfred M. King

P.S. This need not be considered a formal reply to the Invitation, although if you wish you may do so.