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To: Director - FASB

Subject: File Reference No. 1600-100

I am a Vice President of Advisory Research, Inc. We are an investment manager with \$6 billion under management, headquartered in Chicago, Illinois. I am writing regarding the Exposure Draft (ED) of a proposed Statement of Financial Accounting Standards, *Disclosure of Certain Loss Contingencies*—an amendment of FASB Statements No. 5 and 141(R).

I believe the ED should be rejected, and the current standards retained. The modification called for in regards to estimating litigation liabilities will invade parties' work product immunities under state and federal law. FASB has no authority to force a waiver of these legal immunities by demanding greater detail on the amount that litigation will cost parties.

I practiced litigation at Sidley Austin, an international law firm, for 12 years. Having experience in both fields -- litigation and investment management -- I believe the ED goes too far and will force companies to reveal information about potential outcomes of litigation that will prejudice their ability to defend and settle cases. In this regard, the "prejudicial exemption" in Paragraph 11 is insufficient. Having a company state that it is not disclosing an amount based on prejudice, in and of itself, can prejudice a company's ability to defend and settle litigation. On its own, this disclosure, given the particular circumstances of a case, may alter the positions of the parties and make it more difficult for defendant companies to settle litigation on fair and reasonable terms.

The current standards balance the needs of companies in litigation and investors, and they allow for adequate disclosure. Further, companies can and do disclose data on litigation loss contingencies in appropriate circumstances. I agree completely with the August 7, 2008 Wall Street Journal editorial on the same subject. Accordingly, I would encourage FASB to reject the ED.

Please note that the foregoing is my personal opinion and may not be the opinion of Advisory Research, Inc., its employees, or its shareholders.