From: James McRitchie [mailto:jm@corpgov.net]

Sent: Wednesday, July 23, 2008 3:09 PM

To: Director - FASB

Subject: Reference No. 1600-100

Russell Golden, Technical Director Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, Connecticut 06856-5116



LETTER OF COMMENT NO.

11

Comment on Exposure Draft - Disclosure of Certain Loss Contingencies Amending FAS 5 - File Reference No. 1600-100

Dear Mr. Golden.

As an individual investor whose income depends on the value of my shares, it is critical to have accurate and complete information about liabilities in financial statements. Therefore, I generally support the FAS 5 exposure draft on loss contingencies. The current statement on disclosure of loss contingencies does indeed fail to "provide adequate information to assist users of financial statements in assessing the likelihood,

timing, and amount of future cash flows associated with loss contingencies."

The Exposure Draft goes a long way to improve disclosures but falls short with respect to long-term risks. I join with the Investor Environmental Health Network in urging the Board to require companies to disclose all severe threats, regardless of the timeline for their resolution, even if viewed as "remote" by the management of the reporting company.

In order to improve investor access to reliable information, I urge that FASB:

- Implement the proposed draft language that would require disclosure of all loss contingencies except those that meet certain narrow criteria (FAS 5 Exposure Draft, para. A12).
- Implement the proposed draft language that would require a reporting company to quantify the maximum potential loss in circumstances where it cannot estimate the *likely* loss (FAS 5 Exposure Draft, para. 7a).
- Expand the scope of both the expanded population of required disclosures, as well as the maximum loss disclosure requirement to include asset impairments. These loss contingencies should be disclosed using the same standards as loss liabilities.
- Eliminate or further restrict and define the "prejudicial" information nondisclosure exemption to ensure that it remains a rare exception, and retain the proposed requirement that filers must in any event quantify their liabilities even if other information does qualify for the prejudicial exemption (FAS 5 Exposure Draft, para. 11).

Sincerely,

James McRitchie, Publisher Corporate Governance http://corpgov.net/news/news.html 9295 Yorkship Court Elk Grove, CA 95758

916.869.2402