McGladrey & Pullen
Certified Public Accountants

McGladrey & Pullen LLP
Third Floor
3600 American Blvd West
Bloomington, MN 55431

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Mr. Russell G. Golden
FASB Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference No. 1720-100

Dear Mr. Golden:

We are pleased to comment on the Exposure Draft of the Proposed Accounting Standards Update to Consolidation (Topic 810), *Accounting and Reporting for Decreases in Ownership of a Subsidiary-A Scope Clarification.*

We support the FASB's proposal to clarify the scope of Subtopic 810-10-40-4 and related modifications. However, including the requirement that the subsidiary or group of assets must be a business or nonprofit activity raises the question whether the definition of a business introduced in Statement 141R, *Accounting for Business Combinations* (Topic 805), is understood well enough to be applied consistently in practice. While the determination as to whether or not a business has been acquired will sometimes be clear-cut to most preparers and auditors, there will be many situations where the determination will be difficult. An expanded discussion of the principles, accompanied by more examples, is necessary to achieve consistent application of the concepts. We recommend the Board seek input from constituents on situations in which the determination is not clear and how best to address the questions.

We would be pleased to respond to any questions the Board or its staff may have about our comments. Please direct any questions to Jay D. Hanson (952-921-7785).

Sincerely,

McGladrey & Pullen, LLP

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