



October 26, 2009

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

Via Email to director@fasb.org

Audit - Tax - Advisory

Grant Thornton LLP
175 W Jackson Boulevard, 20th Floor
Chicago, IL 60604-2687

T 312.856.0200
F 312.565.4719

www.GrantThornton.com

Re: File Reference No. EITF090E

Dear Sir:

Grant Thornton LLP appreciates the opportunity to comment on Proposed Accounting Standards Update (ASU), *Equity (Topic 505) and Earnings per Share (Topic 260): Accounting for Dividends, Including Distributions to Shareholders with Components of Stock and Cash (A consensus of the FASB Emerging Issues Task Force)*.

Our responses to the questions for respondents follow:

Do you agree that the stock portion of a distribution to shareholders that allows shareholders to elect to receive cash or shares with a limit on the amount of cash that will be distributed in total should be accounted for as a stock dividend?

*FASB Accounting Standards Codification*TM (ASC) 505, *Equity*, 20, "Stock Dividends and Stock Splits," states that the proportional interest of each shareholder remains the same in the case of a stock dividend. However in the case of a distribution to shareholders that offers them the ability to elect to receive their entire distribution in cash or stock of equivalent nature with a limit on the amount of cash that will be distributed in total, the proportional interest of each shareholder will not remain the same, unless all shareholders elected to receive cash and shares in equal proportion. We support the notion that the constant proportional interest measurement should be at the individual shareholder level. Accordingly, we believe that the stock portion of the distribution should not be considered a stock dividend for EPS purposes, but should rather be treated as a stock issuance.

We note that the EITF was split in arriving at a tentative consensus on this Issue. Although we agree that there are conceptual merits to the view expressed in the Exposure Draft, we are concerned that the proposed ASU, if adopted, unduly adds to financial reporting complexity. We believe that the treatment of the stock dividend in these circumstances as a stock issuance, while arguably a better conceptual answer, is certainly easier to apply in practice.

Do you agree that when shareholders are given the option to elect to receive cash or shares with a limit on the total amount of cash that will be distributed, only the minimum portion of the distribution that will be issued in shares should be accounted for as a stock dividend?

In the event the Board decides to issue the ASU without modification, we support the Board's decision that only the minimum portion of the distribution that will be issued in shares should be accounted for as a stock dividend.

Do you agree that if an entity issues financial statements before a stock dividend has been retroactively reflected in EPS, the entity should not be required to include the estimated shares that will be issued in the computation of diluted EPS?

We support the Board's decision to add ASC 260-10-50-3, requiring disclosure of shares that would be issued if the stock dividend occurred on the reporting date, we believe this will provide useful information to the financial statement users to assess the impact of the stock dividend.

Do you agree that an entity should reflect a stock dividend in EPS in its financial statements on the later of the ex-dividend date or the date the number of shares to be issued is known?

We agree with the Board's decision to eliminate the diversity in practice on the timing to recognize the impact of stock dividend on EPS.

Is the proposed effective date operational?

We believe that considering the retrospective application required by the proposed ASU, the Board should consider moving the effective date to be the first reporting period, including interim periods, ending after March 15, 2010.

We would be pleased to discuss our comments with you. If you have any questions, please contact L. Charles Evans, Partner at (832)476-3614.

Sincerely,

/s/ Grant Thornton LLP