Technical Director January 16, 2021

File Reference No. 2020-1100

Financial Accounting Standards Board

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To the Technical Director :

This commenter greatly appreciates the opportunity to provide a narrative and feedback as invited on the subject of this Proposed Accounting Standards Update : Intangibles—Goodwill and Other (Topic 350) as goodwill is often of material and significant consideration in transactions and disclosures involving the equity method of accounting and is no less important in annual and interim disclosures of the reporting unit or entity. This commenter also requests that any reviewer of this note also comprehend the importance to the reporting unit or entity overall any goodwill and intangible asset impairment and evaluation in its costs and complexities, and of such an event or events as significant and material that trigger such impairment(s). This applies both to the effects of transactions and externalities upon the entity, and specific attention should be dedicated as to the way in which goodwill impairment affects the current value of the business, an important indicator of the economic substance of the ongoing business activity or activities of the entity and related items of revenue, income and gains, expenses and losses, and capital formation. In no way, shape nor form should the evaluation of goodwill as impaired be viewed opportunistically nor as a propitious undertaking to purposefully "shrink" a balance sheet. The substantive economic activities of a business entity are to create value through revenue, gains and income, and goodwill and intangibles should by this be perceived and then evaluated and reported as impaired when the impairment is actually material to the revenue creation and transaction gains of the entity and its capital formation, and then material as well to disclosures in the financial statements. The value of goodwill and intangibles is often affected by transactions using the equity method of accounting and guidance here should avoid in spirit any application that is not relevant to applicable transactions and applicable and proper triggering events.

The provisions of this proposed Update have been reviewed and overall agreed upon given the proposed guidance. Where called for in responses to the questions below, this commenter endeavors to clearly illustrate relevant issues as these are invited and are possibly in need of explanation in the responses to questions to which they relate. Question stems in the proposed Update and associated responses are as follows :

Question 1: Do you support introducing an accounting alternative to allow certain entities to evaluate goodwill impairment triggering events only as of the annual reporting date? Why or why not? Answer : The provision for an accounting alternative by this Update is reasonable to allow certain entities to evaluate goodwill impairment triggering events only as of the annual reporting date -- many private entities given the economic scale of the entity only issue annual statements unless there is an entity - level transaction and financial statements are needed or demanded to assure completion of the transaction. One might agree that private companies with a capitalization below, mention 75 million dollars, should be able to evaluate goodwill impairment given triggering events only as of the annual reporting date.

Question 2: Should the scope of the amendments in this proposed Update include private companies and not-for-profit entities that only report goodwill that subsequently is accounted for in accordance with Subtopic 350-20 (or any line item that would be affected by a goodwill impairment) on an annual basis? Is the scope of the proposed guidance clear? If not, why? Answer : The scope of the amendments in this proposed Update should include private companies and not - for - profit entities with a capitalization tiered below, e.g., 75 million dollars that report goodwill in accordance with Subtopic 350 - 20 on an annual basis. In this way, with a tiering of the rules for those above 75 million dollars in capitalization and those below, the proposed guidance would be clearer.

Question 3: As part of its broader recognition and measurement project on the accounting for goodwill, should the Board consider permitting an entity that reports goodwill that subsequently is accounted for in accordance with Subtopic 350-20 on an interim basis to evaluate goodwill impairment triggering events as of the interim reporting date rather than monitoring for triggering events throughout the interim period? Alternatively, should an entity that reports goodwill that subsequently is accounted for in accordance with Subtopic 350-20 on an interim basis be permitted to evaluate goodwill impairment triggering events as of their annual reporting date only? If yes, would you support this guidance for public and nonpublic entities? Why or why not? Answer : The Board should consider permitting an entity that reports goodwill that subsequently is accounted for in accordance with Subtopic 350 - 20 an evaluation of goodwill impairment on an interim basis, and monitoring events throughout the interim period should be considered an option by these rules. In the event a tiered entity already evaluates goodwill impairment triggering events as of their annual reporting date only, and the capitalization of the entity is below, e.g., 75 million dollars, the entity should be permitted to evaluate goodwill impairment triggering events as of their annual reporting date. This guidance should hold for public and non - public entities below a capitalization of 75 million dollars, analogous to the tiers, for example, for large issuer and lower tier reporting entities as regulated by public company disclosure rules even as these are private or not – for – profit businesses.

Question 4: Should the proposed amendments be limited to goodwill accounted for under Subtopic 350-20? Would you support expanding the proposed amendments to other assets that are subject to triggering event evaluations, for example, long-lived assets and other intangibles? Please explain your answer. Answer : It is reasonable that the evaluation of impairments, and given triggering events, on long – lived and other assets other than goodwill ought to be subject to triggering event evaluation. These would include for example, long - lived and other assets and other intangibles evaluations, on a case - by - case basis and depending upon the materiality, relevance and significance of the triggering event and impairment value to a tiered entity.

Question 5: Would the proposed amendments be operable? Why or why not? Answer : The proposed amendments by this Update that apply to evaluating goodwill impairment triggering events are better operable with a tiering of the entities subject to the proposed guidance, and given the market capitalization of the reporting unit(s) or entity or entities below, e.g., 75 million dollars. This would make the disclosure of a significant goodwill impairment more relevant given its importance and materiality with respect to the capitalization of the entity and the triggering event, and result in more reliable and useful goodwill impairment disclosures.

Question 6: Would the existing disclosure requirements in Topic 235 and Subtopic 350-20 be sufficient to provide financial statement users with decision-useful information? If not, what other disclosures would be necessary? Answer : Capitalization tiering combined with the disclosure requirements in Topic 235 and Suptopic 350 - 20, given their relevance and materiality and other considerations of triggering events and goodwill impairment, would be sufficient to provide financial statement users with decision - useful information.

Question 7: Should the proposed amendments be effective for annual reporting periods beginning after December 15, 2019, on a prospective basis? Should an entity be permitted to early adopt the proposed amendments as of the beginning of any reporting period for which the entity has not yet issued financial statements or made financial statements available for issuance? If not, why? Answer : The proposed amendments should be effective for annual reporting periods beginning after December 15, 2019, on a prospective basis and that early adoption should be permitted as of the beginning of any reporting period for which the entity has not yet issued financial statements or made financial statements available for issuance.

Question 8: Should the proposed amendments include an unconditional one-time transition election allowing an entity within the scope of the guidance to prospectively adopt the proposed amendments after the effective date without applying the guidance on preferability in Topic 250? If not, why? Answer : Yes, the proposed amendments need to include an unconditional one - time transition allowing an entity within the scope of the guidance to prospectively adopt the proposed amendments after the effective date without applying the guidance on preferability in Topic 250.

Question 9: Should the proposed amendments be available on an ongoing basis, or, conversely, should they be applicable for a limited time period (for example, available for reporting periods ending before December 31, 2023)? Please explain your answer. Answer : The proposed amendments should be available on an ongoing basis, and while a limited time period for this guidance is inviting, discretion of the Board on the matter of a time period for this guidance should also be necessary in view of any preservation or change in the appropriate and standard proposed time - period rules going forward.

Question 10: If a change in an entity's reporting requirements causes it to no longer meet the scope of the proposed amendments, should the entity discontinue application of the alternative on a prospective basis? If that entity meets the scope in a future period, should it be permitted to re-adopt the alternative? If so, should the transition upon re-adoption be on a prospective basis? Should the entity be required to apply the guidance on preferability in Topic 250 once it has determined it is re-eligible? Please explain your answer. Answer : This commenter is a firm believer in one - time unconditional transitions. Given a one - time unconditional transition as referred to in question stem 8, and given any future non - conformity with the scope of these proposed amendments, the entity should be allowed an additional provision by the Board for discontinuance or re – adoption of the present amendments alternative based upon the capitalization tier of the reporting unit or entity, and any additional provision and related transition should be prospective, unconditional and one - time. On the applicability of the preferability provisions in Topic 250, once the reporting unit or entity has determined it is re - eligible to apply the guidance proposed by this Update, the reporting unit or entity need not discuss in disclosures the preferability of the change(s) in reporting as long as there are no new significant or other material intangible assets subsumed into goodwill as disclosed.

By,

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