

Letter of Comment No: 3 File Reference: 1123-001 Date Received: 8 | 29 | 0

August 29, 2001

Mr. Timothy S. Lucas Director of Research Financial Accounting Standards Board 401 Merritt 7 Norwalk, CT 06856-5116

Dear Tim:

RE: Proposed Agenda Project on Disclosure of Information About Intangible Assets Not Recognized in Financial Statements

Thank you for considering our opinions in your selection of projects for FASB to consider. In answer to your four questions:

1. <u>Is there a need for the FASB to comprehensively address the reporting of information about intangibles...?</u>

Disclosure issues are one of the most important issues that should be considered by the business community. Financial disclosure issues should be publicly considered by the appropriate accounting standards group, which most of us believe to be FASB. Non-financial disclosure issues may also need to be considered as they affect the risk analysis of specific intangible assets.

Many groups related to intangible assets, particularly intellectual property, are beginning to address the issue of disclosure. FASB should not allow other organizations by default to establish the standards for financial disclosure related to intangible assets.

2. Is the proposed scope of project insufficient, appropriate, or too ambitious?

I believe the proposed scope is very appropriate. As the project develops it may become apparent that the project should be modified, at that time appropriate changes can be made.



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3. Should specific issues identified above be excluded from the scope of the proposed project?

The proposed project mentions on Page 5 "Values of those assets." <u>Valuation</u> of intangibles should be considered as a separate project. FASB 142 will create a lot of good public discussion of the valuation issues. After review of these discussions over time, it would be appropriate for FASB to consider the need for a project on valuation of intangibles.

4. Should specific issues, not identified above, be addressed?

Additional issues for the project to address or issues to be deleted from the project will come to the forefront as the project develops. As stated above, the project should be refined as the public discussion develops with input from interested parties.

I strongly support the incorporation of the intangibles disclosure project at the top of the FASB agenda. It is hard to find today, a more timely and economically important financial issue than intangibles.

Sincerely:

THE FINANCIAL VALUATION GROUP

Jm Rigby CPA/ABV, ASA Managing Director

JSR:nhw