

March 27, 2007



LETTER OF COMMENT NO. 6

Mr. Lawrence W. Smith
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
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Proposed FSP FAS 128-a, "Computational Guidance for Computing Diluted EPS under the Two-Class Method"

Dear Mr. Smith:

We appreciate the opportunity to comment on proposed FASB Staff Position FAS 128-a, "Computational Guidance for Computing Diluted EPS under the Two-Class Method." We support issuance of an FSP that provides computational guidance for diluted earnings per share when applying the two-class method. We believe it would be helpful to readers if the FSP included the staff's basis for the three-step process described in paragraph 4 of the proposed FSP. For example, the application of the if-converted, treasury stock, or contingently issuable share method in step 2a to calculate diluted EPS in scenarios 2a and 3 in the proposed FSP appears to be inconsistent with paragraph 13 of Statement 128, *Earnings per Share*. That paragraph provides that the effect of potential common shares should not be included in the computation of diluted EPS if the effect is antidilutive. The result in step 2a of scenario 2a also appears to be inconsistent with paragraph 61 of Statement 128, which provides that the if-converted method should be used for participating securities that are convertible into common stock provided the effect is dilutive.

We would be pleased to discuss our comment with Board members or staff. Please direct your questions or comments to Joseph Graziano at (732) 516-5560.

Sincerely,

/s/ Grant Thornton LLP