

Private Company Financial Reporting Committee

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JUDITH H. O'DELL
Chair

January 23, 2009

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

Re: Proposed FASB Staff Position No. FAS 144-d, *Amending the Criteria for Reporting a Discontinued Operation* (“Proposed FSP”)

Dear Mr. Herz:

The PCFRC has reviewed Proposed FSP FAS 144-d and provides the following response to Question Numbers 1 and 2 of the Notice to Recipients section of the Proposed FSP.

Question Number 1. *The proposed FSP would amend the definition of a discontinued operation so that a discontinued operation is a component of an entity that is (a) an operating segment (as that term is defined in FASB Statement No. 131, Disclosures about Segments of an Enterprise and Related Information) and either has been disposed of or is classified as held for sale or (b) a business (as that term is defined in FASB Statement No. 141 [revised 2007], Business Combinations) or a nonprofit activity that meets the criteria to be classified as held for sale on acquisition. Do you agree with the proposed definition of a discontinued operation? Why or why not? If not, what definition would you propose and why?*

PCFRC Response

The PCFRC agrees with the proposed definition of a discontinued operation. However, various paragraphs of the Proposed FSP, in setting the definitions of an operating segment, refer the reader to FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information*. Private companies are not required to follow the requirements of FASB Statement No. 131. Therefore, the PCFRC recommends that the Proposed FSP include the actual

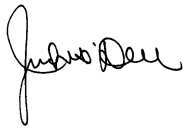
definition of an operating segment and the wording referred to in FASB Statement No. 131 instead of referring the reader to FASB Statement No. 131.

Question Number 2. *Based on the proposed definition of a discontinued operation, an operating segment is the general level of aggregation for determining whether a component of an entity would be reported in the discontinued operation section of the income statement (or statement of activities for not-for-profit entities). The definition would no longer include certain subsidiaries and asset groups that do not meet the definition of an operating segment. Is it feasible for an entity that is not required to apply Statement 131 (that is, a nonpublic business entity and a not-for-profit entity) to determine whether the component of an entity meets the definition of an operating segment? Why or why not? If not, what definition would you propose for an entity that is not required to apply Statement 131 and why?*

The PCFRC believes that it is feasible for private companies to determine whether the component of an entity meets the definition of an operating segment.

Thank you for the opportunity to comment on the Proposed FSP. Please contact me if you have any questions or comments.

Sincerely,



Judith H. O'Dell
Chair
Private Company Financial Reporting Committee