

Private Company Financial Reporting Committee

401 Merritt 7, PO Box 5116, Norwalk, Connecticut 06856-5116
e-mail: jhodell@fasb.org

203-956-5218
Fax: 203-849-9714



JUDITH H. O'DELL
Chair

January 15, 2009

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

Re: Proposed FASB Staff Position No. FAS 141(R)-a, *Accounting for Assets Acquired and Liabilities Assumed in a Business Combination that Arise from Contingencies* (“Proposed FSP”)

Dear Mr. Herz:

The PCFRC has reviewed Proposed FSP FAS 141(R)-a and provides the following response to Question Number 1 of the Notice to Recipients section of the Proposed FSP.

Question Number 1. *Will the proposed FSP meet the project’s objective to improve financial reporting by addressing application issues identified by preparers, auditors, and members of the legal profession about Statement 141(R) related to the initial recognition and measurement, subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination? Do you believe the amendments to Statement 141(R) in the proposed FSP are necessary, or do you believe the current requirements in Statement 141(R) should be retained?*

PCFRC Response

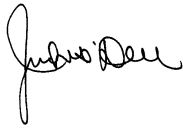
The PCFRC supports the Proposed FSP and believes it will improve financial reporting for private companies. There are certain circumstances in which the fair value of an asset or a liability arising from a contingency cannot be reasonably determined. The Proposed FSP’s recognition of that fact and the related measurement guidance proposed in those circumstances is appropriate for private company constituents.

In addition, the PCFRC suggests that the FASB consider whether applying the approach adopted in the Proposed FSP to other areas of business combination accounting, such as the accounting for contingent consideration, would improve financial reporting.

Finally, the PCFRC believes that the Decision Trees included in Appendix A of the Proposed FSP are useful tools and therefore should be included in the final FSP.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Judith H. O'Dell". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

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