

January 28, 2010

Technical Director
FASB
401 Merritt 7
PO Box 5116
Norwalk, CT 06856

Sent via email – director@fasb.org

Re: File Reference No. 1760-100
Proposed ASU to amend ASC 855, *Subsequent Events*

Dear Technical Director, Board Members and Staff:

Thank you for the opportunity to comment on the proposed ASU to amend ASC 855, *Subsequent Events*. Our responses to the issues posed by FASB are as follows:

Issue 1: Do the amendments to paragraph 855-10-50-1 assist in clarifying which date, if any, an entity is required to disclose when evaluating subsequent events?

We believe that the amendments to paragraph 855-10-50-1 assist in clarifying the disclosure requirements for entities that file or furnish financial statements with the SEC. For all other entities, we believe that the amendments to paragraph 855-10-50-1 fail to clarify the date an entity is required to disclose when evaluating subsequent events. The term “widely distributed” is vague and we believe it will result in a wide variety in practice amongst entities who distribute their financial statements through various distribution channels. We also believe that it will cause delays in the issuance of financial statements for many entities, as they work on completing whatever documentation typically accompanies the “wide distribution” of the financial statements. We do not believe it was the FASB’s intent to cause less timely financial reporting, but do believe that may be the operational impact of the implementation of the standard as currently written.

Issue 2: Do the amendments to paragraph 855-10-50-4 better clarify when, if ever, an entity is required to disclose the date through which subsequent events were evaluated when issuing restated financial statements?

We believe that the amendments to paragraph 855-10-50-4 do clarify when, if ever, an entity is required to disclose the date through which subsequent events were evaluated when issuing restated financial statements.

Issue 3: Is the proposed effective date operational and are the transition provisions appropriate?

We do not believe that the proposed effective date for the standard as currently drafted is operational. We have specific concerns regarding the impact this standard has on the financial statements prepared by employee benefit plans for filing with the Department of Labor as an attachment to Form 5500. Under the current wording in the standard and proposed standard, subsequent events need to be evaluated through the date which they are “widely distributed,” which other than for plans required to file with the SEC, would be the date on which the Form 5500 is filed with the Department of Labor on EFAST2.

In current practice, a Plan’s financial statements may be drafted, audited, and issued months in advance of the completion of its Form 5500 filing. Those audited and issued financial statements are typically provided to those charged with governance of the Plan on a timely basis, although not necessarily on the same day they are “issued.” Under the new FASB guidance as currently drafted, the issuance of these Plans financial statements would have to be delayed, perhaps months, pending completion of the Form 5500 for filing.

There are real and practical reasons why many of these plans could not complete and file their Form 5500 earlier in the year than the current timetable of filing in early October. For defined benefit plans, they may need to wait until after September 15 in order for the plan sponsor to make its contribution to the plan and the actuary to be able to provide the actuarial schedule. Many plan sponsors outsource the preparation of the filing to their trustee or custodian, who in turn may be responsible for thousands of plan filings. The plan sponsor is dependent upon the resources and schedule of the outsourced provider to prepare the filing. In order to make it feasible for the filings to occur prior to the deadline, these service provider frequently require that the plan sponsor submit all required information and attachments, including the audited financial statements, no later than a set period of time before the return due date (e.g. one to two weeks). Under this practice, it would be impossible for management, and their auditors, to insure that the financials are widely distributed on the same day that they are dated and issued.

The implementation of EFAST2 during 2010 adds additional complexities to the filing process at the same time this FASB standard would be effective. It is a new system, and it is quite possible if not probable that plan sponsors will find their initial filings initially rejected by the system because of an administrative error in completing the Form 5500. This process and resubmission of the filing may take several days, which would mean that the date of subsequent events evaluation would no longer be through the date of wide distribution.

Based on all these factors, we would recommend that FASB modify the current proposed standard so that all entities that do not file with the SEC evaluate subsequent events through the date on which the financial statements are available to be issued, regardless of whether they may be widely distributed.

Thank you for your consideration. If you have any questions about our comments or wish to discuss any of the points addressed in this letter, please contact Diane Marotta at 703.842.1119.

Sincerely,

Johnson Lambert + Co LLP