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September 20, 2010

Mr. Russell G. Golden  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update - Contingencies (Topic 450): *Disclosure of Certain Loss Contingencies* (File Reference No. 1840-100)

Dear Mr. Golden:

Goldman Sachs appreciates the opportunity to comment on the above captioned Proposed Accounting Standards Update (the "proposal"). We support the proposal's objective of requiring adequate and timely information to assist financial statement users in assessing the likelihood, timing, and magnitude of future cash flows associated with loss contingencies. However, we believe the proposal will still result in the disclosure of prejudicial information in some cases. We support the comments made in the letter submitted by the Litigation Advisory Committee, the Private Client Legal Committee, and the Arbitration Committee of the Securities Industry and Financial Markets Association (SIFMA), and participated in the development of those comments. Our comments and concerns are limited to those litigation contingencies we wish to emphasize.

#### Rollforward of Loss Contingency Accruals

With respect to the rollforward of loss contingency accruals, the proposal allows aggregation by class of contingency, and the Board states that the permitted aggregation addresses many of the concerns about having to make prejudicial disclosures of accruals for individual cases.

We agree the proposal addresses some of these concerns, but it does not fully address them. In particular, the aggregation discussion (proposed section 450-20-55-1A in the Codification) suggests that the Board is contemplating a level of disaggregation that is both impractical and likely to result in the ability to tie recorded accruals to individual cases. For example, in this discussion on aggregation, the Board suggests it may not be appropriate to aggregate individual contingencies with class actions, litigations in different jurisdictions that have different legal characteristics that could affect the potential timing or magnitude of the loss, and loss contingencies that have significantly different timings of expected cash flows.

Significant litigation often takes years to resolve. Some companies have historically provided detailed information about significant cases, including those that individually are not expected to have a material impact on the company's financial condition or results of operations. In a given quarter, it is not uncommon to have significant developments on just one or two cases. In these circumstances, the other party to the litigation may be able to tie any significant increase in the loss accruals for that quarter to those particular cases or even an individual case. While the risk of identification of accruals to individual cases / contingencies might exist in some circumstances even if all loss contingencies were aggregated into one class in the rollforward, this risk increases as the level of disaggregation in the rollforward increases, and coupled with the requirement to provide a qualitative description of significant activity in the reconciliation, we believe the new requirements are likely to compromise the company's litigation position and adversely impact the outcome of the litigation in some circumstances.

The proposal suggests just two possible classes for disaggregation of litigation contingencies, both of which would be impractical for many companies. For example, it is not feasible for large, multinational companies to separate disclosure of litigations in different jurisdictions with differing legal characteristics that could affect the potential timing or magnitude of the loss. While this may be possible for a company operating in, for example, two jurisdictions, this would be difficult to assess and report for those operating in many countries throughout the world.

Finally, disaggregation of accruals by class for purposes of the rollforward may not provide any additional information to financial statement users due to movements in accruals between classes, which may be frequent if a company were to disaggregate individual lawsuits from class actions, for example, for purposes of the loss accrual rollforward.

#### Remote Loss Contingencies with a Potentially Severe Impact

We believe disclosure of remote loss contingencies with a potentially severe impact would be misleading to financial statement users and contrary to well-established and time-tested disclosure principles under Topic 450 (previously FAS 5). While we support the Board's objective of enhancing loss contingency disclosures, we oppose the expansion of the population of contingencies that must be disclosed as unnecessary,

potentially confusing to users, likely to be prejudicial, and unjustified based on costs versus potential benefits.

#### Potential Insurance Recoveries

The proposal calls for the disclosure of information about potential insurance recoveries only if, and to the extent that, it has been provided to the plaintiffs in a litigation contingency, it is discoverable by either the plaintiff or a regulatory agency, or it relates to a recognized receivable for such recoveries. We believe that the requirement to assess whether the existence of insurance is discoverable is burdensome, and believe that disclosure of such amounts, if tied to a particular case in which disclosure has not been sought, could influence the outcome of litigation.

#### Alternative for the Board's Consideration

Because of the possibility of compromising a company's litigation position, and because companies differ in size, complexity, and nature of the loss contingencies they face, we believe that the final guidance should only mandate a level of disaggregation with respect to quantitative disclosures of recorded accruals and insurance receivables based on broad categories of loss contingencies (e.g., product warranty versus litigation contingencies versus environmental remediation liabilities). Any additional disaggregation for quantitative disclosures and the appropriate level of disaggregation for qualitative disclosures should be left up to management's judgment on how best to balance the potential for disclosure of prejudicial information with the standard's disclosure objectives. We believe companies can provide sufficient information about the nature, potential magnitude, and potential timing (if known) of the entity's loss contingencies outside of the loss accrual rollforward and other disclosure of recorded amounts thereby satisfying the proposal's objectives while limiting the potential disclosure of case-specific accruals and probable recoveries.

#### Effective Date

In view of the proximity to year end, if the Board issues a final standard in 2010, we believe the effective date should be for financial statements ended after December 15, 2011.

Thank you for the opportunity to provide our views. If you have any questions or comments regarding this letter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Matthew L. Schroeder". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

Matthew L. Schroeder