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July 29, 2014

Ms. Susan Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Via email to director@fasb.org

RE: File Reference No. EITF-12F

Dear Ms. Cosper:

We are pleased to comment on the Financial Accounting Standards Board's (FASB or Board) Proposed Accounting Standards Update, *Business Combinations (Topic 805); Pushdown Accounting,* a consensus of the FASB Emerging Issues Task Force (Proposal).

We are supportive of the Board's objective to provide guidance on when and how the election to apply pushdown accounting should be applied in acquired entity financial statements for both private and public entities.

Our comments to specific questions in the Proposal are included in Attachment 1.

Please contact Scott G. Lehman should you have any questions.

Sincerely,

Crowe Horwath LLP

Crowe Horwath LLP

Attachment 1
Responses to the Proposal's Questions

Question 1: Do you agree that the guidance in this proposed Update should apply to an acquired entity, both public and nonpublic, that is a business or nonprofit activity? If not, please explain why.

We agree that the guidance in this proposed Update should apply to an acquired entity, both public and nonpublic, that is a business or nonprofit activity.

Question 2: Do you agree that the threshold for the option to apply pushdown accounting should be when an acquirer has obtained control of the entity? If not, what would be a more appropriate threshold for the option to apply pushdown accounting and why would that threshold be more appropriate?

We agree that the threshold for the option to apply pushdown accounting should be when an acquirer has obtained control of the entity.

Question 3: Do you agree that pushdown accounting should be optional for an entity when control over the entity has been obtained by an acquirer? Alternatively, should pushdown accounting be mandatory for certain entities or certain transactions? If so, what types of entities or transactions should require a mandatory application of pushdown accounting?

We agree that pushdown accounting should be optional for an entity when control over the entity has been obtained by the acquirer. However, given certain SEC and regulatory requirements for push-down accounting, push-down accounting will be required for those entities subject to those rules.

Question 4: Do you agree that an acquired entity that elects the option to apply pushdown accounting should reflect in its separate financial statements the new basis of accounting established by the acquirer for the individual assets and liabilities of the acquired entity by applying Topic 805. If the acquirer did not establish a new basis of accounting for the individual assets and liabilities of the acquired entity, should it reflect in its separate financial statements the new basis of accounting that would have been established by the acquirer had the acquirer applied Topic 805? If not, please explain why.

We agree that an acquired entity that elects the option to apply pushdown accounting should reflect in its separate financial statements the new basis of accounting established by the acquirer for the individual assets and liabilities of the acquired entity by applying Topic 805 or the new basis of accounting that would have been established by the acquirer had the acquirer applied Topic 805.

Question 5: Do you agree that an entity that elects the option to apply pushdown accounting should follow the subsequent measurement guidance in Topic 805 and other applicable U.S. GAAP to subsequently measure and account for its assets, liabilities, and equity instruments? If not, please explain why.

We agree that an entity that elects the option to apply pushdown accounting should follow the subsequent measurement guidance in Topic 805 and other applicable U.S. GAAP to subsequently measure and account for its assets, liabilities, and equity instruments.

Question 6: Do you agree that an entity that elects the option to apply pushdown accounting should not recognize bargain purchase gains, if any, in its separate income statement? If not, please explain why.

We agree that an entity that elects the option to apply pushdown accounting should not recognize bargain purchase gains in its separate income statement.

Question 7: Do you agree that any acquisition-related debt incurred by the acquirer should be recognized in the acquired entity's separate financial statements only if the acquired entity is required to recognize a liability for the debt in accordance with other applicable GAAP? If not, please explain why.

We agree that any acquisition-related debt incurred by the acquirer should be recognized in the acquired entity's separate financial statements only if the acquired entity is required to recognize a liability. However, we also believe that if acquisition-related debt is incurred by the acquirer and the acquired company is the primary source of cash flows that will be used to service the debt, that disclosures should be included in the acquired entity's financial statements. The disclosures could include the balance of the outstanding debt at each balance sheet date, the interest rate, collateral, five year maturities and final maturity date.

Question 8: Should the final Accounting Standards Update on pushdown accounting include any additional guidance on recognition and measurement of assets, liabilities, and equity instruments of the acquired entity? If yes, please explain for which assets, liabilities, and equity instruments additional guidance should be provided.

We believe the guidance on recognition and measurement contained in ASC 805 – Business Combinations is sufficient and no additional guidance is needed.

Question 9: Do you agree that an entity that elects the option to apply pushdown accounting should provide the disclosures in Topic 805 to meet the disclosure objective in this proposed Update? Are there any disclosures, other than those required in Topic 805 that should be required by this proposed Update?

We agree that an entity that elects the option to apply pushdown accounting should provide the disclosures in Topic 805 to meet the disclosure objective in this proposed Update.

Question 10: Do you agree that an entity that does not elect the option to apply pushdown accounting should disclose in the current reporting period that it has (a) undergone a change-in-control event whereby an acquirer has obtained control of the entity during the reporting period and (b) elected to continue to prepare its financial statements using its historical basis that existed before the acquirer obtained control of the entity? Are there other disclosures that an acquired entity that does not elect the option to apply pushdown accounting should be required to disclose?

We agree with the required disclosures contained in the proposed ASU and believe they are sufficient. We do not believe there are any additional disclosures that an acquired entity that does not elect the option to apply pushdown accounting should be required to disclose other than the disclosure related to acquirer debt we discussed in our response to Question 7.

Question 11: Do you agree that for purposes of disclosure requirements, an entity should assess at each reporting period whether its control has been obtained by an acquirer and whether it would elect the option to apply pushdown accounting? How much incremental cost and effort does such continuous assessment require?

We ask the Board to consider the responses provided by preparers as we believe they are in the best position to answer this question.

Question 12: Do you agree that this proposed Update should be effective prospectively to transactions in which an acquirer has obtained control of the acquired entity? Do you also agree that an acquired entity should be allowed to elect the option to apply pushdown accounting each time it has undergone a change-in-control event whereby an acquirer has obtained control of the acquired entity? If not, please explain why.

We agree that this proposed Update should be effective prospectively to transactions in which an acquirer has obtained control of the acquired entity. We also agree that an acquired entity should be allowed to elect the option to apply pushdown accounting each time it has undergone a change-in-control event whereby an acquirer has obtained control of the acquired entity.

Question 13: Do you agree that the decision about whether to elect the option to apply pushdown accounting should be made in the reporting period in which the change-in-control event occurs and should be irrevocable? If not, please explain why.

We believe that the decision about whether to elect the option to apply pushdown accounting should be made in the reporting period when the change occurs and be irrevocable for public business entities. However, we believe private entities have different stakeholders with needs that may change over time. Allowing private entities the option to apply pushdown accounting at a later date will give preparers the flexibility to provide financial statements that better meet the existing and future needs of their financial statement users.

Question 14: Do you agree with the proposed consequential amendments to remove guidance in Subtopic 805-50 on application of pushdown accounting when an acquisition meets certain conditions (previously EITF Issue No. 86-9, —IRC Section 338 and Push-Down Accounting)? If not, please explain why.

We agree with the proposed consequential amendments to remove guidance in Subtopic 805-50 on application of pushdown accounting when an acquisition meets certain conditions.