

Sent: Monday, December 07, 2015 3:32 PM

To: Director - FASB

Subject: Proposed ASU, Notes to Financial Statements, File Reference 2015-310

Dear Director,

Thank you for the opportunity to comment on the above referenced Proposal.

I generally agree with the premise that there are too many disclosures in some reports, and that the presence of a flurry of immaterial disclosures can obscure those that are material.

However, I have serious doubts about and am strongly opposed to materiality being defined as a "legal concept." There are a plethora of accounting resources that define materiality, none of which say anything about the legal concept. The Supreme Court case cited in the Proposal mentions the "definition in contest of the antifraud provisions of the U.S. Securities laws." Fraud *is* a legal concept, of which manipulation of accounting materiality can be a component. I do not believe the mention of materiality in this, or any court case, should automatically cause us as accountants to defer to the lawyers and courts every time we make a judgment on materiality. I also believe this would cause more, not less, work in determining materiality since as accountants, we are not allowed to make a judgment on a legal issue and may feel compelled to consult an attorney rather than pass on a disclosure as "immaterial". I agree with the opinions regarding this as described in the letters from Peter S. Kennedy, CPA Mind the GAAP, and Bartlett Naylor. Additionally, as Mr. Naylor points out, the Supreme Court Case is 40 years old, and much has changed in the business and reporting world since then.

Another danger is that future plaintiffs will also jump on the wagon and allege that since materiality is a legal concept, the auditor that did not consult an attorney before making a materiality judgment is practicing outside their field, and point to our own standards as proof of the misconduct. "Please write me a check for my losses arising from your inappropriate application of a legal standard without a law license."

I urge you to revise this Proposal to return to an accounting definition, even though it may not be easy to come up with. The IASB's proposal as described in the letter from Mind the GAAP is a good place to start.

Yours Truly,
David L Wagner, CPA
Plymouth, Michigan
12/7/15