

October 27, 2010

FASB Reconsiders and Delays Effectiveness of
New Standards for Litigation Contingency Disclosure

As noted in our prior [memo](#), the Financial Accounting Standards Board (“FASB”) in July issued an exposure draft regarding highly problematic proposed new accounting standards for litigation contingency disclosure. The exposure draft proposed that public entities would begin providing enhanced disclosures with respect to certain loss contingencies in financial statements for fiscal years ending after December 15, 2010.

Numerous comments were submitted in response to the exposure draft. Today, the FASB [announced](#) that a final standard will not be effective for the 2010 calendar year-end reporting period, and that it will decide on an effective date at a future meeting, after it has substantially concluded its redeliberations on the topic.

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