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Partner Richard Frazer Authors Article on New Accounting Rule for M&A Transactions

A new accounting rule announced last month will change the way companies account for legal fees and due diligence expenses in M&A transactions. Under Financial Accounting Standard No. 141R, “Business Combinations” – which will go into effect in fiscal 2009 for calendar year-end companies – all acquisition-related costs, including legal fees and due diligence costs, must be expensed as they are incurred. Previously, companies could include such legal costs among their acquired assets and capitalize them as goodwill. But FAS 141R makes clear that such costs are not acquired assets and may not be recognized as goodwill.

Pryor Cashman Corporate Partner Richard S. Frazer has authored a legal update about this “New Accounting Rule For M&A Transactions.” To read the update, please [click here](#).