

AICPA/FAF/NASBA "BLUE-RIBBON"

I appreciate the opportunity to be heard on these very important issues.

Response to Questions:

1. Form 1 is attached.

3. a. Tell us about any issues or concerns you have with current U.S. GAAP accounting standards as those standards apply to private company financial statements.

As an experienced CPA (I have 25+ years in practice) I have watched numerous changes occur in GAAP.

Some pronouncements, especially those that resulted in relevant disclosures that were meaningful to the readers of our financial statements, were important. Many were simply burdensome exercises that seemed mainly designed to keep the elite members of the AICPA/FASB/Etc. committees busy.

3. b. Are those issues or concerns confined to one or more specific standards, or are they more systemic?

They are Systemic, however, all small privately held companies are struggling with requirements that are difficult to implement and very confusing to the user. Specifically, FIN46R; FIN48; comprehensive income requirements; derivatives and fair value accounting disclosures create the most problems for CPAs, small private companies and users of financial statements.

3. c. Do you believe that those issues or concerns are largely confined to private companies, or are they broader?

They are broader, but mostly confined to the smaller (less than \$20-million in sales) companies.

4. What short-term and/or long-term actions do you believe are necessary to address those issues or concerns?

In the short-term, requesting feedback from the profession is needed. Also, most small privately held companies will have to switch to non-GAAP "Tax Basis" or "Cash Basis" to avoid the many complex, confusing, and irrelevant GAAP requirements.

In the long-term a separate Board, for private company GAAP, is the best solution.

5. a. To what extent, if any, would an SEC requirement for public companies to adopt IFRS at a date certain affect your answers above? Why?

Overall, I think that public companies should adopt IFRS since they often attract foreign investors and compete and have operations in foreign countries.

5. b. To what extent, if any, would other outside factors affect your answers above? Which factors and why?

Just don't push those standards on the small privately held U.S. companies.

6. Is there any other input that you'd like to convey to the Panel?

The panel, along with installing a separate "Private Company GAAP" may want to consider a "Final Vote Option" to allow the CPA profession to vote on any changes to established disclosures as outlined in our new "Private Company GAAP" set up by this "Blue Ribbon" panel.

7. Do these responses represent your individual views or they submitted to represent the views of the organization with which you are associated?

These responses represent my own views.