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Technical Director
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Re: Proposed Accounting Standards Update: Development Stage Entities (Topic 915) Elimination of Certain Financial Reporting Requirements

The Accounting Principles and Auditing Standards Committee of the California Society of CPAs is pleased to respond to the November 7, 2013 Proposed Accounting Standards Update *Development Stage Entities (Topic 915) Elimination of Certain Financial Reporting Requirements* on behalf of the Society.

The Accounting Principles and Auditing Standards Committee ("Committee") of the California Society of Certified Public Accountants ("CalCPA") is the senior technical committee of CalCPA. CalCPA has approximately 40,000 members. The Committee includes 53 members, of whom 47 percent are from local or regional firms, 27 percent are from large multi-office firms, 12 percent are sole practitioners in public practice, 10 percent are in academia and 4 percent are in international firms. Members of the Committee are with firms which serve a large number of public and nonpublic business entities, as well as many nonbusiness entities such as NFPs, pension plans, and governmental organizations.

Question 1: Do you agree with the proposed amendments described in this proposed Update? If not, please explain which proposed amendment(s) you disagree with and why.

The Committee agrees with the Board's proposal.

Question 2: Under the proposed amendments, all entities applying Topic 810 would be required to evaluate the total equity investment at risk using the guidance on the sufficiency of equity investment at risk in paragraphs 810-10-25-45 through 25-47, which requires both qualitative and quantitative evaluations. Will the proposed amendments to Topic 810 result in substantive changes in the consideration of a development stage entity for consolidation? Do you agree with this change? How significant would this change be?

The Committee agrees with the proposed amendment to Topic 810. The flexibility of the qualitative considerations should enable most entities to not encounter any significant change in the consideration of a development stage entity for consolidation.

Question 3: Is there information, either previously required and proposed to be eliminated or not previously required, that would be useful to investors and potential investors of development stage entities? If so, please describe the information that development stage entities should be required to provide and why.

The Committee believes that none of the previously required disclosures have continuing utility and therefore should no longer be required. It is possible that certain preparers might see certain of the disclosures to be useful, and if so, they always have the ability to make them, but none should be required.

Question 4: Will the proposed amendments result in substantive changes to the application of other existing guidance that would require transition provisions or that the Board should consider in determining the appropriate effective date for the final amendments? If so, please describe.

The Committee is not aware of any changes in other guidance or its implementation that should affect transition provisions or lead to any delay in the effective date.

Question 5: The proposed amendments would apply to public and nonpublic entities. Will any of the proposed amendments require special consideration for nonpublic entities? If so, which proposed amendment(s) will require special consideration and why?

None of the proposed amendments require special considerations for nonpublic entities.

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We would be glad to discuss our comments further should you have any questions or require additional information.

Very truly yours,

Michael D Feinstein

Michael D. Feinstein, Chair
Accounting Principles and Auditing Standards Committee
California Society of Certified Public Accountants