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McGladrey

December 20, 2013

Ms. Susan M. Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2013-320

Dear Ms. Cosper:

McGladrey LLP appreciates the opportunity to comment on the Proposed Accounting Standards Update, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements* (the "proposed Update"). We support the FASB's efforts to reduce the cost and complexity associated with the incremental reporting requirements for a development stage entity. Our responses to the "Questions for Respondents" on which specific comment is sought are included below for your consideration.

Comments on Certain Questions for Respondents

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.*

> We agree with the proposed amendments. We believe application of the guidance in Topic 915 produces financial information of limited relevance and decision usefulness. Accordingly, we support the Board's decision to remove all differential reporting requirements under U.S. GAAP for development stage entities.

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?*

> In some instances, the proposed amendments to Topic 810 will result in substantive changes in the consideration of a development stage entity for consolidation. Under existing guidance, development stage entities are considered to have sufficient equity at risk if that equity is sufficient to permit it to finance the activities of its current phase (assuming its governing documents enable the entity to raise additional equity to finance future phases). Thus, under existing guidance, some development stage entities would be deemed to have sufficient equity at risk while other entities with similar equity structures (but that are not development stage entities) would be deemed to not have sufficient equity. We agree with the proposed amendment because it would simplify the guidance and reduce the diversity in how reporting entities analyze whether a development stage entity is subject to consolidation as a variable interest entity.

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.*

As previously expressed, we do not believe the information provided in accordance with Topic 915 is relevant or decision useful to investors. Accordingly, we do not believe that any of the requirements should be retained. Also, given the diversity in the nature and type of development stage entities, we do not believe that any additional information specific to those entities 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.*

We are not aware of any changes in the application of other existing guidance that would result from the proposed amendments.

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?*

We do not believe the proposed amendments should be different for nonpublic entities or that nonpublic entities will require any special consideration.

We would be pleased to respond to any questions the FASB or its staff may have concerning our comments. Please direct any questions to Rick Day (563.888.4017) or Richard Stuart (203.905.5027).

Sincerely,

McGladrey LLP

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