

From: EHendler@friedmanllp.com [mailto:EHendler@friedmanllp.com]
Sent: Saturday, May 02, 2015 9:57 PM
To: PCCReview
Subject: Three-Year Review of The PCC

Gentleman:

I am pleased to have the opportunity to submit my evaluation of and comments on the PCC and related issues. They are as follows:

1. The PCC should continue to be supported by and receive cooperation from the FAF, FASB, and their staffs.
2. The PCC is off to a good start in its first three years of existence, and Chair Billy Atkinson, PCC members, the FAF and the FASB are all to be commended for their efforts.
3. My perception is that lately there has been a decrease in the output of the PCC, and it needs to re-energized.
4. The look-back phase should continue without let-up. Many substantive issues are found in existing GAAP which call for modifications to provide relief for private companies, and need to be addressed by the PCC, without delay. Among them are share-based compensation, pensions and other post-employment benefits, derivatives and hedging, investments, income taxes, leases, revenue recognition (YES! ASU 2014-09 should probably be scrapped), leases, and disclosures, to name a few.
5. Another goal of the PCC (and the FASB) should be to ban the use of the term “ bifurcated embedded derivative” from the accounting literature and maybe from the English language. Has a more ridiculous phrase ever been concocted by the human race?
6. The FAF and FASB should have as an additional goal the adoption of all PCC- generated GAAP modifications for public entities as well. It’s time to do something about the unnecessarily voluminous, incomprehensible, difficult to implement, complex accounting standards we have to deal with day in and day out. The so-called “ simplification “ initiative undertaken by the FASB hardly scratches the surface. The PCC has started the ball rolling. Let’s really accelerate it!
7. The frequency and type of PCC meetings should be determined by the PCC chair and its members.
8. PCC recommendations to the FASB, whether accepted or rejected, should be communicated regularly to anyone with an interest in such information. This applies to both look-back issues and advising on current projects.
9. Regarding term lengths, once an initial rotation procedure is established, two three-year terms for a member seems appropriate, with someone being apply to return thereafter after a three-year hiatus.

10. The FAF's SSPOC can assume oversight responsibility.

11. Consider whether the standard-setting procedures for PCC-generated GAAP modifications can be streamlined to accelerate much-needed changes.

In summary, there is much that need fixing, and the PCC can play a significant roll and needs to be a big part of the solution for as long as it takes to get the job done.

Sincerely,
Elliot L. Hendler

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