



Building your future

June 13, 2011

Board of Trustees
Financial Accounting Foundation
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Dear Financial Accounting Foundation:

This letter it to express my opinion on the recommendations made by the Blue Ribbon Panel on Private Company Financial Reporting regarding differential standards and a separate standard-setting entity for private companies.

Although I believe it is appropriate to focus on meaningful as well as practical standards for private companies, I also believe that the underlying principles for both public and private entities should be essentially the same for the basic recognition and measurement principles. However, they could include simplifying shortcut or default methods for private companies, in addition to differential disclosure requirements.

There are currently differential disclosure requirements for private and public entities but other than delay in implementation and certain exclusions, often the requirements are quite labor intensive for many smaller private entities. In this regard, I believe there may be a need for the *Financial Accounting Standards Board* (FASB) to modify its approach and have a process that focuses as much on the needs of private industry as on the analyst and creditor community requests for more layers of information on public enterprises.

Accordingly, I would be supportive of creating a strong advisory body with significant influence to lobby the interests of the private sector with an ongoing FASB rather than the creation of a separate autonomous principal setting body as proposed by the Blue Ribbon Committee.

I think the possibility of having big and little IFRS, U.S. GAAP and many other country specific GAAP may add complexity to comparability and variations in reporting rather than having similar economic transactions reflected consistently in financial reporting by various types of entities. Additionally, these differences could result in additional complexity in the valuation by the respective enterprises for accounting or other purposes.

Thank you.

Richard D. Avril
Shareholder

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