Board of Trustees
Financial Accounting Foundation
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116
presidentdesk@f-a-f.org

Dear Financial Accounting Foundation:

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 needs to be accepted by the FAF. It is necessary for private companies and the users of their financial statements to have appropriate financial reporting.

Accounting standards have been and are driven by issues affecting public companies. There is not a proper weighing of costs and benefits when it comes to setting standards for private companies. Substantive differences in current and future standards for private companies are needed.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. History and the current environment clearly show that FASB cannot effectively balance the competing needs of both the public company and private company areas.

Differential standards and an autonomous standard-setting body to implement them for private companies are necessary.

Thank you.
Sincerely,

Wayne Ehlert
CPA practitioner
Baker Tilly Virchow Krause, LLP