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To: [President's Desk](#)
kstrube@nationalraisin.com
Date: 6/9/2011 3:39:04 PM
Subject: Private Company Financial Reporting

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

Dear Financial Accounting Foundation:

I currently work for National Raisin Company as their Senior Accountant. I started here after recently leaving Deloitte & Touche, where I worked as a Senior Auditor for several privately held companies (agriculture and healthcare provider industries) in California's Central Valley.

This letter is to express my conditional (see fourth paragraph below) support for 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. This change is necessary to bring about some common sense-based and reasonable reporting requirements for private companies.

I believe a pervasive problem exists in the current financial reporting standards being issued. As a former Big 4 auditor of mostly privately held companies, I saw first-hand the burden some of the recent accounting legislation caused both us as the auditors and our clients in trying to maintain compliance. Pronouncements such as FIN 48 and FASB 157 had no value to these companies (often family-owned businesses but with enough debt that regional banks insisted on an audit) and only served to frustrate them and suck up precious manpower and other resources in performing these analyses.

I honestly don't know if the Blue Ribbon Panel's suggestion solution will work. I don't know that I believe a separate governing body is necessary. My recommendation would be to bifurcate the standards for public and private reporting (have the ASC and the pASC for public accounting standards codification, and start stripping/modifying the ASC through ASU's).

But regardless, the standards need to be separated.

Thank you.
Sincerely,

Karl Strube
Private company financial management
National Raisin Company