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Date: 6/8/2011 3:50:22 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 urge FAF to adopt the recommendations of the Blue Ribbon Panel on Private Company Financial Reporting regarding differential standards and a separate standard-setting entity for private companies. Such historic change is necessary to effectively bring about sensible, useful and more relevant financial reporting for private companies and the users of their financial statements (such as bankers/lenders, insurers, venture capitalists and others).

I believe a systemic problem exists because there is an increasing lack of relevance of accounting standards for private companies and their financial statement users. Further, the panel was correct in that it does not make sense to incur significant cost to comply with standards that have become ever more irrelevant in the private company world.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. The problem is fundamental, and not just about disclosures and relief on effective dates for new standards.

Further, a new, separate body with standard-setting authority should be established directly under FAF and not subject to FASB approval. This might be the most important recommendation, since without such a body, the differences needed in the standards are unlikely to occur, just as with past committees and efforts.

The panel's report is based on a year of discussion, research efforts spanning 30 years, and input from private companies and their financial statement users, among others. The work done by the panel was extensive and took into account input from all the key constituencies of private company financial reporting. Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank you.

Sincerely,

Mark Weshinskey
Private company owner
First Centrum, LLC