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To: President's Desk
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Subject: Private Company Financial Reporting

Board of Trustees

Financial Accounting Foundation

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The purpose of this e-mail is to urge the FAF to accept 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.

I am the managing partner at Santos Postal & Company PC, a certified public accounting firm located in Rockville MD that serves hundreds of small and medium sized business throughout my community, Maryland and the United States. I also serve as the area coordinator for MGI North America, an alliance of independently owned and operated accounting firms throughout the United States, Canada and 170 countries throughout the world, who primarily services small and medium sized businesses. I started my career in 1978 with a then "Big Eight" accounting firm, servicing multi-national and publicly held companies, but have spent most of my career assisting small and medium sized business. I recently served on the Maryland Association of CPA's task force on Private Company Financial Reporting. My experience gives me special perspective on the issues facing small and medium sized businesses and their financial reporting needs and obligations.

It is clear that a systemic problem exists. Standard setting has been heavily influenced by publicly held companies, the big four accounting firms, Congress and the Executive Branch of the Federal Government. The reporting issues facing these entities are real and important, but certainly not always relevant to small and medium sized businesses. And while large companies have the resources to satisfy complex solutions to complex problems, small and medium sized businesses do not have the financial resources to expend on solutions to problems that they do not share with large and public companies. Additionally, small and medium sized companies do not have the representation at the standard setting level that understands their needs and issues.

The Blue Ribbon Panel's recommendations are historic as for the first time it has been recognized at the highest levels that the issues and needs of small and medium sized businesses are different from the issues and needs of publicly held companies. Creating a separate board will be a huge step towards creating meaningful financial statements that contain the information needed for decision makers to understand the financial position and results of operations of small and medium sized business on a cost beneficial basis.

Clearly the need for change is urgent. Delay will only make the problems worse, and cost small and medium size businesses resources that are in short supply in this troubled economy. The issue has been studied for over 30 years. I urge the FAF to take the quick decisive and historic action that is needed to successfully address the needs of privately held business.

Thank you,

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