



Board of Trustees
Financial Accounting Foundation
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Dear Financial Accounting Foundation:

I urge FAF to adopt 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. Such historic change is necessary to effectively bring about more relevant financial statements 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. Accounting standards have been and are driven by issues affecting public companies. Further, the panel was correct in that private companies are incurring significant unnecessary costs for GAAP financial statement preparation and audit, review or compilation services.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. Having appropriate differences will lead to more relevant financial statements that provide decision-useful information to the users of private company financial statements.

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.

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

Thank you.

A handwritten signature in black ink, appearing to read 'Dennis G. Koch', written in a cursive style.

Dennis G. Koch CPA, CGFM