

From: [Gerard Shaia](#)
To: [President's Desk](#); gerard.shaia@dhgllp.com
Subject: Private Company Financial Reporting
Date: Wednesday, June 08, 2011 3:09:26 PM

Board of Trustees
Financial Accounting Foundation
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Dear Financial Accounting Foundation:

Without delay, it is essential that FAF accept and implement 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. The current standard-setting process does not adequately take into account the needs of the private company sector and 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. 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. Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank you.

Sincerely,

Gerard Shaia
CPA practitioner
Dixon Hughes Goodman