

# THE REILY COMPANIES, INC.

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Board of Trustees  
Financial Accounting Foundation  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Financial Accounting Foundation:

I am writing today to urge your support for the recommendations made by the Blue Ribbon Panel on Private Company Financial Reporting advocating different standards and standard setting board for private companies.

It is my opinion that private company GAAP is essential to bring about appropriate financial reports for private companies. Current, one-size-fits-all, GAAP places an undue burden on many private companies to quantify information that is not need by the primary users of its financial statements, bankers, insurers and owners. This in turn drives up preparation and audit costs unnecessarily.

In summary, private company financial reporting, as it stands now, is too complex, embodies too much irrelevant information and is too costly and time-consuming given its benefits.

It is my understanding that FAF and FASB have been discussing Private Company GAAP for over 30 years and no action has been taken on the matter. The time is now. Based on over 30 years of resistance by FASB, it is clear that a separate standard setting body is needed for Private Company GAAP to be implemented and administered.

Please implement the recommendations of the panel which are based on over a year's worth of discussion and research.

Very truly yours,  
THE REILY COMPANIES, INC.



Kerry J. Nichols, CPA  
Corporate Controller

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