

July 1, 2011

Board of Trustees
Financial Accounting Foundation
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Norwalk, CT 06856-5116
presidentsdesk@f-a-f.org

Dear Financial Accounting Foundation:

In my opinion it is essential that FAF adopt 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 appropriate and useful financial statements and reports for private companies and the users of their financial statements (such as bankers/lenders, insurers, venture capitalists and others).

I believe a systematic problem exists. The current standard-setting policy does not take into account the needs of the private company sector. FASB carries out the SEC's statutory responsibility, and thus reflects the capital market and investor needs. Further, the panel was correct in that it does not make sense to incur significant cost to comply with standards that have become mostly irrelevant in the private company world.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. Private company financial reporting, as it now stands, is too complex, embodies too much irrelevant information, and is too costly and time consuming for its benefits.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. An autonomous standard-setting body is the only answer, and the most important recommendation is to address the problem.

The work done by the panel was extensive and took into account input from all the key constituencies of private company reporting.

Sincerely,
Richard Sharpe, CPA
Manager
Keilman, Austgen, and Sinal, P.C.