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September 9, 2011

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To the Trustees:

The purpose of this letter is to address the longstanding issue of segregating financial reporting standards, as well as standard-setting entities, for private and public companies.

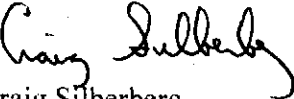
As a practitioner providing services to privately held companies, I have watched as the discussion of segregated standards for private and public companies was first introduced in 1975. In 2005, twenty years later, an AICPA study indicated that private company financial statement users felt as though the standards were contrary to their needs and lacked substantial relevance. Now, over thirty five years from the discussion's inception, a Blue Ribbon Panel has concluded that current standards remain disconnected with the needs of the private sector.

The result of this disconnect is that private companies are currently incurring significant costs related to compliance with standards that have become increasingly irrelevant. Much of the present GAAP standards are not applicable to private businesses and, according to users, actually belittle the relevancy of private company financial statements. Amending current standards to better suit the private sector will lead to more relevant financial statements and provide users of such statements with more useful information with which to make decisions.

Since its formation in 1973, FASB has been responsible for setting the financial reporting standards of both private and public companies. Only two years after its establishment was the discussion of creating a separate standard-setting entity presented. For the past 35 years, FASB has insisted it would address the discrepancies surrounding the financial reporting needs of private vs. public companies. In contrast, FASB has taken no action other than to stifle the progression towards resolving such issues by impeding the development of a separate private company standard-setting entity. A clear example being FASB's decision to veto such development as recommended by the AICPA's 2005 study.

By creating a segregated entity exclusively for private company financial reporting, which invokes standards adapted to the needs of the private sector, unnecessary compliance costs will be alleviated and financial statement relevancy will improve.

Thank you,


Craig Silberberg