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**September 2, 2011**

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

**Dear Financial Accounting Foundation:**

In my opinion, the recommendations of the Blue Ribbon Panel should be adopted by the Financial Accounting Foundation with regard to private company financial reporting and the creation of a separate standing setting entity for private companies. My recommendation is based on 25 years as a practicing CPA and a understanding of the needs of private companies.

The current standard-setting process does not adequately focus on the needs of the private company sector. There has been an increasing lack of relevance of accounting standards for private companies as many accounting standard have been, and continue to be, driven by those issues affecting public companies. As the Panel has duly noted, private companies continue to incur significant costs for the preparation of GAAP financial statements – whether an audit, review or compilation. It does not make sense for private companies to incur more costs to comply with standards that are irrelevant to their needs and those of the users of such financial statements.

The historical perspective on this matter clearly indicates that the FASB cannot effectively balance the competing needs of both the public company and private company sectors. Therefore, the creation of an autonomous standard-setting body (directly under the FAF and *not* subject to FASB approval) appears to be the only answer to resolving this long-standing issue.

The Panel's report is based on considerable discussion, research and input from private companies and their financial statement users. Now is the time for their recommendations to be adopted – it is time for the creation of different standards and an autonomous standard-setting body to implement such standards to meet the needs of private companies.

Respectfully submitted,

**Beverly H. Linane, CPA  
Manager  
WithumSmith+Brown, CPAs**