SmithGroup, Inc.

Mr. Lawrence Smith Director - Technical Application and Implementation Activities and EITF Chair Financial Accounting Standards Board ("FASB")

Dear Mr. Smith.

Please see the attached correspondence from the Committee on Private Companies ("CPC") of the Financial Executives International and the American Institute of Architects, Large Firm Roundtable ("LFRT"). The correspondence sets forth many concerns about the pending Statement of Financial Accounting Standards No. 150 ("SFAS 150") and the implications on non-public entities. For the record, I concur with the issues and recommendations included in the attached correspondence and urge the FASB to reconsider the issue of mandatorily redeemable securities for non-public entities.

Our firm is an 800 person, privately-held, architectural-engineering firm with offices across the United States. Our firm has been in existence for 150 years, and the firm's ownership is comprised of approximately 150 employee shareholders. Our primary "constituents" are these employee owners and our lending institution.

Our Stock Purchase Agreement sets forth the requirements and process for purchasing and selling stock, as well as the process for share valuation. These constituents understand the current process and the correlation to our audited financial statements. The basic information on our stock agreement is also disclosed in the footnotes to our audited financial statements.

We believe the changes that may be required from SFAS 150 will create an undue hardship to our firm and many others, as well as create a great deal of unnecessary expense. Therefore, again, please reconsider the issue and the potential implications of SFAS 150 on non-public entities.

Thank you for your consideration.

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