

Shepley Bulfinch Richardson & Abbott

FSP FAS 150-c

30 October 2003

Director, TA&I-FSP
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

RE: Proposed FASB Staff Position No. 150-C

On behalf of the owners of my firm, I appreciate the opportunity to comment on Proposed FASB Staff Position No. 150-C, entitled Effective Date and Transition for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities of Certain Financial Instruments with Characteristics of both Liabilities and Equity ("Statement 150").

As background information, Shepley Bulfinch Richardson and Abbott is a privately owned architectural firm organized as a corporation. We have 175 employees serving institutional clients across the country. The firm is owned by 21 principals, who are employees. Upon termination of employment, the firm repurchases an owner's stock in order to maintain control over ownership and to transition to another generation. One of our objectives is to continue the firm's 129-year tradition of excellence in architecture. My fellow owners and I are very concerned about the implications of Statement 150 on our firm's financial statements.

Specifically, we have the following concerns and questions on behalf of our firm:

- 1) FASB 150 has the potential to reduce the borrowing capacity of our firm. A common bank financial covenant requires a debt-to-equity ratio.
- 2) Requests for qualifications from potential clients often ask for a copy of the architectural firm's balance sheet. FASB 150 will reduce the marketability of a privately held corporation versus a publicly held firm or a partnership. We are concerned about effectively explaining to potential clients that the new accounting standard will eliminate our equity.
- 3) We are not sure of the impact of FASB 150 on the operating statement. Is it possible that the net profit after taxes becomes interest expense to reflect the increase in liability for shares subject to redemption?

Principal

Owner

Henry H. Abresch, Jr.
Jennifer Allen
Stephen W. An
Carmel F. Baker
David J. Bell Jr.
Richard S. Brown
Ronald L. Evans
Cynthia J. Evans
Jonathan Gray
D. Jay Hengeman
Alexander Howe
James H. Kinnaman, Jr.
Ralph J. Jackson
Thomas D. Keenan
Michael S. Keen
William S. Merrill
Jonathan D. Koss
Timothy R. Lanning
Ray S. Neumann
Carter F. Odger
Donald H. Richardson
Elmer F. Woodford

William G. Berry, Jr.
James S. Blackburn
John Christensen
William H. Crickmore
Stephen C. Fenn
 Nigel Hug Lafferty
Anna Murray
Susan N. Hoadley
Bradley C. Howe
Charles C. Judge
Anna V. Kaufman
Charles H. O'Brien
Uma Ramakrishnan
Joseph A. Rindfleisch
Leslie Sims
James B. Smith
Kevin Trogdon
Michael W. Wood
Angela E. Wrenn
Katherine L. Witt

Hiroshi Amano
Miki Baker
Joseph M. Berman
David Blum
Jennifer Cary
Alan L. Eschenbach
Andrew J. Furlong
Gina Koch
John Kovacs
Stephen L. Lerman
Ann Chang Martin
Ferdinand Mui
Paul R. Neffner
David Orsk
Christine R. Mumford
Lawrence J. Myers
Christina D. Nason
Peter R. Nichols III
Drew A. Noble
David G. Post

Proposed FSP on Statement 150 (FSP FAS 150-c)

Comment Letter No. 65

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Director, TA&I-FSP
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Based on these concerns for the continued well being of our firm, we request that FASB reconsider the issue of mandatorily redeemable securities for non-public entities. The rule as presently proposed would dramatically change the landscape of our business.

Sincerely,

A handwritten signature in black ink, reading "Oliver W. Egleston". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Oliver W. Egleston, AIA
President

cc: Michael Ward
Tim Twomey

owe/jkr