McGladrey & Pullen Certified Public Accountants



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April 26, 2007

Larry Smith
Director, Technical Application & Implementation
Financial Accounting Standards Board
PO Box 5116
401 Merritt 7
Norwalk, CT 06856-5116

RE: FSP No. FAS 154-a

Dear Mr. Smith:

We are pleased to comment on the proposed FASB Staff Position (FSP) No. FAS 154-a, Considering the Effects of Prior-Year Misstatements When Qualifying Misstatements in Current-Year Financial Statements. We agree with the objective of the FSP to establish a single approach for all entities, whether or not a SEC registrant, for quantifying misstatements that could be material to users of financial statements. However we have the following comments regarding effective date and transition.

Delay in Effective Date

We suggest a delay in the effective date to a date six months after the issuance date of this FSP. This delay would make the FSP effective for financial statements issued for fiscal years ending after December 15, 2007, assuming the FSP is issued as expected in the second quarter of 2007. We recognize the information necessary to apply this FSP is readily at hand; however, we are concerned about an entity's and their independent accountant's ability to react within the timeframe proposed. Our concern relates to the time necessary to educate entities and their independent accountants on how to properly apply this FSP. In addition, for those independent accountants who are not exposed to public issuers, this is a new concept and additional time is needed for firms to understand and appropriately apply the standards and for firms and others to change policies and guidance materials as appropriate. Most practitioners receive standards update training during the summer and fall and may be ill prepared to apply these new requirements unless the effective date is delayed.

Restatement of Previously Issued Financial Statements

Paragraph 16 appears to say misstatements existing in prior year financial statements but not identified until the current year are precluded from being added to the prior year evaluation during the transition period. We do not believe such misstatements should be precluded from the transition evaluation. Misstatements that were not previously detected are routinely identified in the preparation of subsequent years' financial statements. Our understanding is that the SEC concluded that where, in such circumstances, the previously unidentified

misstatements would have been deemed quantitatively and qualitatively immaterial under the entity's prior method of evaluation, those misstatements could be included in the cumulative adjustments. We recommend this paragraph be modified to permit this.

Closing

We would be pleased to respond to any questions the Board or its staff may have about any of the foregoing comments. Please direct any questions to Jay D. Hanson (952-921-7785).

Sincerely,

McGladrey & Pullen, LLP

McGladry of Pullen, LCP