



LETTER OF COMMENT NO. 5

**From:** Gary's Optonline [mailto:seagirt1@optonline.net]  
**Sent:** Friday, January 04, 2008 2:59 PM  
**To:** Terri Polley  
**Cc:** Paul Glotzer  
**Subject:** Proposed Changes to FAF, FASB and GASB

Dear Polley

I am a member of the Small Business Advisory Group (SBAC). My comments on the proposed changes are brief and to the point.

I have no particular comments as to GASB changes, which are minor and reflect a basic status quo, except to obtain a reliable means of funding. I believe the FAF/GASB role is not expected to change with the advent of the change to International Accounting Standards which will affect all entities except for governmental and not for profit entities.

The significant changes in the FAF governance over FASB and the FASB organization itself is a clear attempt to position them to reduce, if not eliminate differences between positions taken by US rule makers and the IASB pronouncements on an expedited basis. This will be accomplished both prospectively and, through the chairman's new agenda setting power, retrospectively to eliminate existing differences. The "streamlining" of the board will give the chairman almost ultimate power to push through an agenda of alignment of US GAAP with IAS, especially in a 3-2 voting environment.

If these changes are adopted, I foresee the elimination of FASAC, SBAC and other committees in the attempt to keep FASB focused on one project, to harmonize with IASB on an aggressive timetable to achieve convergence by around 2010 or 2011. This will give the signal to universities, auditing firms and accounting people to develop, teach and learn one set of standards on a predictable timetable, much like the Europeans, Canadians and other countries are doing right now.

My opinion is that this is what the SEC Chairman, the IASB and Chairman Herz all want, so the less clutter and voices to contend with, the sharper the focus can become. I agree with this scenario, so I urge FAF and FASB to simply get on with it.

Regards.

Gary

Gary Cademartori

seagirt1@optonline.net

732-449-0975; Cell 732-581-5283