

**“Blue-Ribbon” Panel Written Submissions from Constituents – attachment**

3. **a) Tell us about any issues or concerns you have with current U.S. GAAP accounting standards as those standards apply to private company financial statements.**

We believe the current focus of standard setting does not consider the needs of the users of private company financial statements, but rather is principally concerned with addressing the needs of professional analysts and investors who principally focus on public entities. This has resulted in a one size fits all set of standards that creates significant burdens on private companies and the users of those statements. Lenders to and owners of private entities generally focus on cash flow and collateral and their needs reflect that focus.

- b) Are those issues or concerns confined to one or more specific standards, or are they more systemic?**

Our concerns are systematic.

- c) Do you believe that those issues or concerns are largely confined to private companies, or are they broader?**

Generally we believe these concerns to be principally related to private companies, although the increasing complexity of accounting standards makes it difficult to achieve transparency. For example, a standard such as Accounting For Derivative Instruments with implementation guidance was nearly 900 pages long. It is hard to believe that such a standard could result in more transparent reporting, especially with respect to privately held entities.

4. **What short-term and/or long-term actions do you believe are necessary to address those issues or concerns? Please be as specific as possible in your answer, and explain your reasoning.**

We believe that the short-term action needed would be a moratorium on new standards while a realistic solution for privately held entities is developed. In the longer term, we believe an approach similar to the Canadian approach for non-public companies should be considered. That is, US GAAP for these entities should consist of standards previously adopted through a date specific. After that date each new standard should be evaluated to determine if it enhances reporting for privately held entities, and if so it should be adopted fully or partially as appropriate. Of course, use of full US GAAP would always be permitted for privately held entities. This will allow the market to determine what version of GAAP is appropriate for each entity.

5. **a) To what extent, if any, would an SEC requirement for public companies to adopt IFRS at a date certain affect your answers above? Why?**

Not changed as in either case, full IFRS or full US GAAP is, in our opinion, not meeting the needs of the privately held entities.

- b) To what extent, if any, would other outside factors affect your answers above? Which factors and why?**

If the users of privately held entities indicated that they found value in full IFRS or in full US GAAP, our views would change.

**6. Is there any other input that you'd like to convey to the Panel?**

None

**7. Do these responses represent your individual views or are they submitted to represent the views of the organization with which you are associated?**

Submitted on behalf of the organization with which I am associated.