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Technical Director
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Financial Accounting Standards Board
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This letter is in response to the Invitation to Comment on the FASB Discussion Paper, Private Company Decision Making Framework – A Framework For Evaluating Financial Accounting and Reporting Guidance for Private Companies issued for comment on July 31, 2012.

In general, we believe that the document prepared by the FASB staff in consultation with members of the Board is well thought out and is a reasonably comprehensive framework for the operation of the Private Company's Council (PCC). We believe it will serve as an effective tool in achieving the PCC's purpose.

Question 1: Please describe the individual or organization responding to this Invitation to Comment

Response to Question 1

UHY LLP is a public accounting firm that has approximately 100 partners and utilizes the staff resources of approximately 800 professional staff. We provide audit, review and compilation services to a wide variety of clients in nearly all business sectors from our principal regional locations in Texas, Michigan, Missouri, New York and Maryland. In addition to audit services provided to nearly 50 public company clients, audits of governmental and not-for-profit entities, pension plans, the balance of our audit, and virtually all of our review, and compilation services are provided to private companies that will be directly affected by the work undertaken by the PCC. We would estimate that UHY LLP carries out some 1,500 non-public company audit, review, and compilation engagements each year.

- Question 2: Has the staff identified and focused on the appropriate differential factors between private companies and public companies?
- Question 3: Overall, do the staff recommendations result in a framework that would lead to decisions that provide relevant information to users of private company financial statements in a more cost-effective manner?
- Question 4: Do you agree that private companies that apply industry-specific accounting guidance generally should follow the same industry-specific guidance that public companies are required to follow because of the presumption that guidance is relevant to financial statement users of both public companies and private companies operating in those industries?
- Questions 5: Do the different areas of the framework appropriately describe and consider the primary information needs of users or private company financial statements and the ability of those users to access management, and does the disclosure area of the framework appropriately describe the red-flag approach often used by users when reviewing private company financial statements?
- Question 6: Has the staff identified the appropriate questions for the Board and the PCC to consider in the recognition and measurement area of the framework?
- Question 7: Has the staff identified the appropriate areas of disclosure focus by private company financial statement users for the Board and the PCC to consider?
- Question 8: Do you agree that, generally, private companies should apply the same display guidance as public companies?
- Quesiton 9: Do you agree that, generally, private companies should be provided a one-year deferral beyond the first annual period required for public companies to adopt new guidance?
- Question 10: Do you agree with the staff recommendation that some circumstances may warrant consideration of different transition methods for private companies:
- Question 11: Do you agree with the basis for the Board's tentative decisions reached to date about which types of companies should be included in the scope of the framework?

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Response to Questions 2 through 11

For questions 2 through 11, our response is "Yes." We believe the FASB staff has made appropriate conclusions related to private companies on these questions.

Question 12: Are there other types of entities that you believe the Board should specifically consider when determining which types of companies should be included in the scope of the framework?

Response to Question 12

For question 12, our response is "No." Although the staff appears to have appropriately considered the scope of framework for private companies, questions undoubtedly will be raised about the application of the framework. We would encourage that these jurisdictional issues be addressed by the FASB staff with recommendations made directly to the FASB rather than to the PCC. The PCC does not need to burdened with jurisdictional issues. The work they have is sufficient. These issues are more the role of the FASB or, in extreme situations, the FAF. Burdening the PCC with such scope determinations could very easily derail the PCC's progress in accomplishing its mandate. One need only to go back a few decades to the so-called "FASB-GASB jurisdictional dispute" involving whether FASB or GASB standards would apply to government owned universities, hospitals, and the like to realize how draining such a debate can be. Certainly the PCC was not set up to be the arbiter of such matters and should not have its resources consumed by such.

Question 13a: Do you think that a private company that elects to apply any difference in recognition or measurement guidance should be required to apply all existing and future differences in recognition and measurement guidance?

Response to Question 13a

Our firm's view on question 13a is that in the interest of comparability among similar private companies, all differences in recognition and measurement guidance should be required to apply to all existing and future differences. That said, we are still of the view as we expressed in earlier letters to the Financial Accounting Foundation dated November and June 2011 that, for private companies, there can be less precise techniques used to achieve the same measurement principles. For example, fair value can very well be the measurement principle but the PCC could allow private companies to use less robust measurement techniques to achieve that principle such as industry indices or even thumb rules. However, when such accommodations are allowed, those should be disclosed fully.

Question 13b: Do you think that a private company should have the option to choose which differences it applies in all other areas of the framework (disclosure, display, effective date, and transition method)?

Response to Question 13b

Our firm's view on question 13b is that, again in the interest of comparability among similar companies, all other areas of the framework should be required to apply to all existing and future differences.

We believe that financial reporting standards generally should apply to all entities while acknowledging that there are several accommodations to those standards that need be made for private companies. That said, those accommodations then should apply to all private companies. A standard that provides choice simply ceases to be a standard other than in name.

We appreciate the opportunity to submit our comments on this Invitation to Comment and wish the newly formed Private Companies Committee Godspeed in achieving the right balance in its difficult and challenging mission of modifying financial reporting requirements for private companies.

Very truly yours

Paul Rohan, CPA

Partner

Director of Financial Reporting and Quality Control

Copy to: Terri S. Polley, President and CEO, Financial Accounting Foundation