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July 10, 2004

Robert H. Herz
Chairman
Financial Accounting Standards Board
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OPEN LETTER

Gentlemen:

The purpose and content of the GLOSSY ANNUAL REPORT to Shareholders' needs to be revised.

I am a recently retired business executive with more than 30 years experience as the CFO of several large, public and private companies, a CPA and a professor of accounting. I, therefore, believe I can speak with some reasonable knowledge on this subject.

Currently our Annual Reports to Shareholders' are chock full of very detailed and technical accounting disclosure information the average reader cannot possibly understand. Our regulators have made a faulty assumption that by requiring more and more disclosure we are being more informative to the reader. The average reader of the Annual Report is neither a CPA nor a trained analyst and does not understand and is overwhelmed with all the material presented.

At the same time, company management is weary to interpret the presented material for the shareholder and clearly stays away from projecting future financial results based upon the longer-term strategies of the management.

The concept of disclosing all the numbers and therefore you are off the hook is fallacious. Who is better equipped than management to interpret the numbers? Managements should be encouraged to discuss reasons for summarized historic performance and to present their strategy for the future along with projections of anticipated performance. In future reports they must also present cogent explanations for any major deviations from expectations.

Unfortunately, many of today's analysts are also ill equipped to understand the very technical information that now pervades our Annual Reports to Shareholders'.

Solution: Provide only summary financial results in comparative form in the Glossy Annual. All of the additional material would continue to be filed as part of the Annual Report on form 10-k. and thereby be available to anyone who wants or needs such information.

Such a change must be initiated by the SEC.

The accounting profession was given its chance beginning in the early 70's to show that they could lead the profession and reduce further government involvement. They failed miserably and as a result have lost the confidence of all of their important constituencies; the public, the SEC, the government representatives and even their own practitioners.

What other conclusion could we all come to when:

-The profession got lost and completely bogged down in defining the "nits and nats" instead of the broad concepts needed to lead the ever-changing business environment.

-The profession failed miserably in its efforts to police its' members through peer review. After 25 years of not publicly finding any defect with the work of any of the then Big 8 accounting firms we end up with the Enron, MCI, Tyco, Parmalot, 's etc. etc. etc. etc. of the world.

-The profession has consistently been overly swayed by its own self-interest and greed and has bent to the political pressure of the special interest groups.

Consider the actions of Arthur Andersen and the impact of the Enron revenue stream had on their profession decisions, or better, their lack thereof.

Consider the continuing lack of backbone by the profession to address stock option expensing in light of the lobbying efforts of the tech industry.

Regrettably, during the same period the SEC failed to fulfill its' responsibilities as defined in the Act of 1933. For political and other reasons the SEC chose to let the accounting profession police itself, to promulgate the accounting standards, and was not adequately staffed to fulfill the responsibility to review company filings and police the compliance with SEC regulations. Simply review the number of SEC investigations during the 70's verse the recent activities (after the horse was out of the barn).

We must return to a Glossy Annual Report that can be read and understood by the average investor.

We should look to management to interpret and explain historic results and to provide strategic thinking and some form of financial projections for the future.

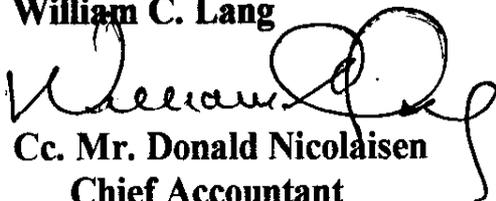
Let the analysts and other interested parties try, and I underscore try, to understand all the technical detailed disclosures that would then be contained only in the SEC regulatory filings.

We must get away from the concept that simply by disclosing more and more information we are fostering understanding.

We are not.

Very truly yours,

William C. Lang



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