

From: mikey808@gmail.com on behalf of [mike n.](#)
To: [Director - FASB](#)
Subject: File Reference No. 1770-100
Date: Friday, April 02, 2010 4:04:35 AM

April 1, 2010

Attn: Technical Director

RE: 1770-100 "The Reporting Entity"

As a student and accountant at a public accounting firm, my views of this Exposure draft have elements of both practical and theoretical natures. I believe that the nature of this proposal is correct. I agree that consolidated statements are needed for reporting entities that exert control over another entity. Transparency is the one of the ultimate goals for financial accounting, as it allows the final users to make educated decisions.

Looking at strictly two paragraphs, RE9 and RE11, I would like to give my comments on what in my mind is ideal and what should possibly be considered.

Paragraph RE9 describes a situation in which two entities share power over another entity. The conclusion that this issue gives is that neither of the controlling entities are to report the controlled entity on a consolidated basis. I believe that this judgment potentially leaves the door open for manipulation. A reporting entity that does not want to report using consolidated statements merely has to ensure that another reporting entity has control over the same controlled entity.

To solve this, there may need to be comparisons between transactions that the reporting entity makes over other entities that are still required to be consolidated. This then can be compared to its exertion over transactions with its "shared-control entity." If these transactions are then comparable enough, then a portion of that "shared-control entity" should be reported on a consolidated basis.

Paragraph RE11 is an excellent topic as parent-only financial statements are a source of transparency on transactions that may be hidden by the consolidated statements. By also including these separate financial statements in addition to consolidated statements, users are given the opportunity to see what occurred between the entities.

Thank you for the opportunity to comment. I believe that this Exposure Draft is excellent, yet still needs a more input from others to ensure that correct statement is eventually put forth.

Sincerely,

Michael Nashiro
Master's of Accounting
Shidler College of Business