

All respondents:

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.

I've historically embraced the concept of a single set of accounting rules for all companies, both public and private. However, recent pronouncements and exposures provided by the FASB combined with the likely impact convergence of U.S. and international standards will have on my clients have, of late, caused me to believe that the direction GAAP is currently heading may be less than ideal for private companies, and perhaps even objectionable with respect to the accounting and disclosure requirements for certain transactions. I recall that half or more of our GDP is provided by nonpublic companies, but many new pronouncements of late appear geared toward the complex transactions of the public filers. That all being stated, I have some angst with respect to the impact two sets of standards might have, given that two sets of standards would clearly mean differences in comparability of a public company versus a private company, both of which might also operate internationally. I'm unsure how analysts, investors, creditors and others would assess the differences, or what impact those differences might have on such things as the cost of financing, investor confidence and our financial markets.

b) Are those issues or concerns confined to one or more specific standards, or are they more systemic? I would characterize my concerns as being systemic in nature, although there certainly are particular standards that tend to cause more frequent concern with the management and boards of my clients (for example, consolidation of VIE's, share based compensation, fair value accounting, lease accounting, etc, including some proposed revisions in recent exposures). We are finding that more boards of private companies are electing not to adopt certain accounting standards, and thus are accepting qualified opinions. That would seem to be a perilous road we are traveling.

c) Do you believe that those issues or concerns are largely confined to private companies, or are they broader? It seems that the issues and concerns I've highlighted above are not just confined to private companies, and there is a potential for ripple effect here and abroad regardless of whether we elect a big GAAP / little GAAP approach or retain present course. Naturally, one of the main considerations the Panel will need to evaluate is how to ensure "dual reporting" doesn't create other unfavorable (and unexpected) consequences beyond the private company board room.

Please be as specific as possible in your answers.

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. It seems to me that the Blue Ribbon Panel is a viable "action". There certainly are no easy answers, and we'd be remiss to provide a quick fix. The members of the Panel, including chair Rick Anderson, represent what I'd consider an optimal cross-section of individuals that all seem well qualified to discuss, evaluate and provide recommendations on next steps. I'm hopeful the Panel will continue to elicit feedback and thoughts of the public as it works toward completing its mission.

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? **Would not impact my answers above, although I do believe that we should establish a (reasonable) date certain for IFRS convergence / adoption.**

b) To what extent, if any, would other outside factors affect your answers above? Which factors and why? **I would be curious to see how my clients would respond to the above questions, and intend to get that feedback over the coming months. Insights from my clients (mainly local privately owned businesses) could certainly impact my answers.**
6. Is there any other input that you'd like to convey to the Panel? **None at this time.**
7. Do these responses represent your individual views or are they submitted to represent the views of the organization with which you are associated? **These are my individual views.**