November 8, 1995

Financial Accounting Standards Board
File Reference 154-D
401 Merritt 7
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Norwalk, CT 06856-5116

Ladies and Gentlemen:

With regard to the Proposed Statement of Financial Accounting Standards on Consolidated Financial Statements: Policy and Procedures, paragraph 34 discusses combined financial statements. The Statement, however, uses the term (and similar inferences) of may prepare combined financial statements.

Is it the intention of the Statement not to require, but leave optional, the preparation of combined financial statements? The definitions of control in paragraph 10 leads me to believe that consolidation would be required, though the actual ownership may not be corporate. The language in paragraph 34 leads me to believe that such a conclusion is not correct.

Would it be possible to modify the Standard to address the requirement for consolidated or combined financial statements where the ownership of more than one related and economically dependent entities are owned by a noncorporate owner such as an individual or entities controlled by an individual (partnership, trust, family member, etc.).

Very truly yours,

Edward M. Burnell

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