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.

The issues I have with current U.S. GAAP as it relates to private companies is that it is getting to far too complex for the average user to understand. Most bankers and small investors do not understand Fair Value Accounting, Uncertain Tax Positions or financial instruments. They mainly want to understand what types of assets and liabilities companies have and how well they are managing their company when it comes to the income statement. When we get in to recognizing all of the changes in fair value on the income statement and recognizing uncertain tax positions – they have a hard time truly understanding how well and company did in a given year.

b) Are those issues or concerns confined to one or more specific standards, or are they more systemic?

I have noted two or three of the newest standards above but I believe it is more of a systemic concern that has come about due to our plan to converge with international standards.

c) Do you believe that those issues or concerns are largely confined to private companies, or are they broader?

Mainly private companies and small public companies or simply public companies that only have public debt (no public stock)

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.

I think in the end we will probably need to have two sets of standards. However – for comparative purposes – I think most standards for public and private companies should remain the same. It is just very difficult to write an accounting standard that applies to all companies when a $2B company could have the same issue at a $1M not for profit entity that can just barely afford their audit. I have always liked the $100M in assets threshold set forth in the original financial instruments disclosure because this seemed to make that complex standard only apply to sophisticated companies.

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?

It would not affect my answers. I believe that public companies should converge with IFRS so that we have an even playing ground and comparability around the world for
investors and companies.

b) To what extent, if any, would other outside factors affect your answers above? Which factors and why?

6. Is there any other input that you'd like to convey to the Panel?

I think we need to make a decision sooner than later because there are a lot of companies implementing these new accounting standards at great expense and it will be costly to unravel them if we go to some sort of private company GAAP. I liked the IFRS for SME’s publication that was put out because it seemed to understand the issues related to small private companies. We could potentially implement IFRS across the board and allow private companies to follow those standards.

7. Do these responses represent your individual views or are they submitted to represent the views of the organization with which you are associated?

My individual views.