QUESTIONS FOR SUBMISSIONS

All respondents:

Please complete the form to help compile information on the respondents and send as a separate attachment. The results of question 1 will not be posted to this webpage for public viewing.

See above.

Users (e.g., lender, surety, investor, owner) only:

1. a) Briefly describe how you use GAAP financial statements in your decision-making concerning private companies. Not Applicable

   b) Tell us about any issues or concerns that you may have with respect to the relevance of the information contained in those statements. Please be as specific as possible in your answer. Not Applicable

All respondents:

2. 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.

   Current U.S. GAAP has been increasingly geared towards a public company audience. Private companies primarily use their financial reports for managerial and oversight purposes. The disclosures required by U.S. GAAP are very burdensome and add very little value or insight for private companies.

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

   They are more systemic, but there are certain standards that are extremely onerous (fair value measurement, FIN 48, extensive pension and investment disclosures for example) with no real value for the private company and its management and board of directors/oversight committee.

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

   The issues of overly burdensome standards, with negligible benefits to the user of the financial statement, applies to both public and private companies. It should not take a highly sophisticated person to be able to read the financial statements of a company. Yet, with the massive amount of information and numbers currently forced to be included the financial statements, that is exactly the type of person they seem to be directed towards.

   Please be as specific as possible in your answers.

3. 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.

   In the short term, recognition that it is appropriate for there to be different accounting standards for public
and private companies is necessary. The manner in which the financial statements are used, and the relevance that current standards have in relation to how the financial statements are used, should also be addressed in the short term.

In the long term, each current standard should be evaluated for relevance to the primary users of the financial statements. There also needs to be acceptance by the standards setters that there are different reporting needs for private versus public companies and that a one-size-fits-all approach to standard setting is not in the best interests of the readers of the financial statements.

4. 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?

The answers above would not be affected by such an SEC requirement. While the SEC may have valid reasons for forcing (or allowing) public companies to adopt IFRS, private companies operate on a different platform with most gaining little or no benefit from such a requirement. Most private companies do not operate outside of the U.S., and do not compete directly with multinational entities. IFRS has no real value to the management or readers of private company financial statements.

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

An outside factor for my organization is the regulatory environment. If the regulatory authority in my industry should decide to embrace IFRS and force its adoption, there would be no choice but to comply.

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

I believe the model for private company financial reporting should be patterned after current U.S. GAAP, with modifications when appropriate to focus on the end user of the private company financial statements. Simply put, there are too many current standards that produce no real value to the primary readers of private company financial statements.

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

The responses above represent my individual views.