December 20, 2013

Technical Director
Financial Accounting Standards Board
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Via e-mail – director@fasb.org


Plante & Moran PLLC (Plante Moran) is the 13th largest public accounting firm in the United States and serves a wide range of non-public entities, including development stage entities, in multiple industries. We appreciate the efforts of the Financial Accounting Standards Board (Board) to reduce the cost and complexity associated with the incremental reporting requirements for development stage entities. Following, please find our responses to the specific Questions for Respondents in the above referenced Exposure Draft.

**Question 1:** Do you agree with the proposed amendments described in this proposed Update? If not, please explain which proposed amendment(s) you disagree with and why.

**Response 1:** Yes.

**Question 2:** Under the proposed amendments, all entities applying Topic 810 would be required to evaluate the total equity investment at risk using the guidance on the sufficiency of equity investment at risk in paragraphs 810-10-25-45 through 25-47, which requires both qualitative and quantitative evaluations. Will the proposed amendments to Topic 810 result in substantive changes in the considerations of a development stage entity for consolidation? Do you agree with this change? How significant would this change be?

**Response 2:** We believe that the proposed amendments will not result in substantive changes to the considerations of a development stage entity for consolidation. Due to the ambiguity of the current guidance surrounding the “activities in which it is currently engaged” and the nature of certain development stage entities, we believe that removal of this guidance when evaluating whether a development stage entity has sufficient equity at risk will result in more appropriate consolidation decisions. We agree with the proposed change and do not believe that it will cause a significant change in practice.
Question 3: Is there information, either previously required and proposed to be eliminated or not previously required, that would be useful to investors and potential investors of development stage entities? If so, please describe the information that development stage entities should be required to provide and why.

Response 3: We believe that disclosure of the activities in which an entity is engaged, including entities currently classified as development stage entities, is relevant to financial statement users. ASC-275-10-50-2 requires disclosure about the nature of operations for all entities; however, these requirements focus on the “major products or services the reporting entity sells or provides.” It may be unclear what information should be disclosed about the nature of operations of development stage entities that do not currently provide products or services to customers. Accordingly, we recommend the Board consider modifications to ASC 275-10-50-2 to clarify application of that guidance to entities currently classified as development stage entities.

Question 4: Will the proposed amendments result in substantive changes to the application of other existing guidance that would require transition provisions or that the Board should consider in determining the appropriate effective date for the final amendments? If so, please describe.

Response 4: No, we do not believe that the proposed amendments will result in substantive changes to the application of other existing guidance that would require transition provisions or that should be considered in determining the effective date.

Question 5: The proposed amendments would apply to public and nonpublic entities. Will any of the proposed amendments require special consideration for nonpublic entities? If so, which proposed amendment(s) will require special consideration and why?

Response 5: We do not believe that any of the proposed amendments require special consideration for nonpublic entities.

Thank you again for the opportunity to comment on this exposure draft. We would be pleased to respond to any questions the Board or its staff may have about these comments. Please direct any questions to Christa LaBrosse at christa.labrosse@plantemoran.com or 313.496.7228 or David Grubb at david.grubb@plantemoran.com or 248.223.3745.

Very truly yours,

PLANTE & MORAN, PLLC