Evgeny V. Samoylov, Graduate Student Bradley University 1501 W Bradley Ave Peoria, IL 61625

April 28, 2009

LETTER OF COMMENT NO.

Mr. Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standard Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference: Proposed Statement of Financial Accounting Standards, The Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162 (File Reference No. 1690-100)

Dear Mr. Golden,

Thank you for the opportunity to comment on the exposure draft of the Proposed Statement of Financial Accounting Standards, The Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162. While I believe there are areas of the Codification which could be further clarified or changed by the Board (discussed below), I fully support the efforts of FASB to simplify and enhance the research process.

1. AICPA TIS Section 5100, paragraphs 38-76, would be applied prospectively for revenue arrangements entered into or materially modified in annual periods beginning on or after December 15, 2009, and interim periods within those years. Do constituents agree with the transition provisions for nonpublic entities that had not previously applied this guidance? Please explain your answer.

Yes, I agree with the provision that AICPA TIS Section 5100, paragraphs 38-76, would be applied prospectively for revenue arrangements entered into or materially modified in annual periods beginning on or after December 15, 2009, and interim periods within those years. I believe that the reliability and costs of applying this provision prospectively would outweigh the comparability and benefits of applying this provision retrospectively.

2. Do constituents agree with the Board's conclusion that this proposed Statement would not change GAAP except as described in Question 1? If not, please provide specific examples of the changes caused by this proposed Statement.

To my knowledge and usage of the Codification, I have not encountered any cases where the GAAP is changed except as described in Question 1. But by modifying GAAP hierarchy into only two levels of GAAP, authoritative and nonauthoritative, users might be confused or misled when GAAP standards do not specifically address the situation. Right now users can follow the hierarchy when conflicting standards exist, but this issue is not addressed in the exposure draft of a proposed Statement of Financial Accounting Standards. I am concerned that, once the Codification is in effect, the decision of which standard to follow when GAAP standards do not specifically address the situation would be left to the discretion of prepares of the financial statements. This, in effect, could lead to manipulation of the financial statements that would be hard to prove (if a manipulation occurs) because all standards in the Codification carry the same level of authority.

3. Do constituents agree with the July 1, 2009, effective date for this proposed Statement? If not, please provide a detailed explanation of the reason(s) for extending the implementation period.

No, I disagree with the July 1, 2009, effective date for this proposed statement because (1) FASB has not announced details of issuing FASB ASC in print, (2) the subscription price for the enhanced access to the Codification has not been stated, (3) not all issues (mentioned above and below) are addressed, (4) and most of users are not ready for the Codification. Most users prefer to use hardcopy materials to perform the search; therefore, it is not practical to enforce the proposed Statement without providing users with a hardcopy of the Codification. I believe that the Codification should be free of charge for the public use, but if users would be charged a subscription fee for using the Codification the price should be known before the adoption of the proposed Statement. In addition, most of the potential users of the Codification are still using other sources to search for standards and are not familiar or aware of the Codification. Therefore, I recommend extending the implementation period until these matters are resolved.

Other Comments:

Since SEC rules, regulations, interpretive releases, and staff guidance affect financial reporting, it would be beneficial and less confusing for the users of the Codification if the SEC section would include all rules and interpretive releases of the SEC under authority of federal securities laws. Section 05-5 of the 105 Generally Accepted Accounting Principles states that "there may be delays between SEC and staff changes and updates to the Codification." As a result, users of

the Codification would inadvertently apply outdated SEC rules and regulations due to delays between SEC changes and updates to the Codification. In addition, by not including the entire population of SEC rules and regulations in the SEC section of the Codification, the users (1) might be misled or confused by searching for SEC rules and regulations using the Codification or (2) would have to check other sources to support their conclusions or to find the applicable rule. This, in effect, would consume additional time and effort that is inconsistent with one of the main aims of the Codification Project. Therefore, I recommend either (1) to include the entire population of SEC rules, regulations, interpretive releases, and staff guidance into the SEC section of the Codification and update this section on a timely basis or (2) to exclude the SEC section from the Codification.

Sincerely,

Evgeny V. Samoylov, Graduate Student Bradley University