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To: [Director - FASB](#)
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Subject: COMMENT LETTERS Regarding to The Reporting Entity
Date: Friday, April 02, 2010 3:49:26 AM

April 1, 2010

Conceptual Framework for Financial Reporting

Dar Sirs:

On behalf of the Conceptual Framework for Financial Reporting, I am commenting on the proposed SFAS, "The Reporting Entity." I agree with the implementation of consolidated financial statements of an entity that controls one or more entities.

According to Enron scandal in 2001, Enron formed hundreds of special-purpose entities. Through creating them, Enron made doubtful disclosures for its off-balance sheet liabilities and related-party transactions. Through many small subsidiary entities, Enron was able to hide a good portion of their liabilities.

As paragraphs RE1 stated: the objective of purpose financial reporting is to provide financial information to users. The world of today is complex and fast-paced. In the age of globalization, broadened interchange between nations is not unusual. To eliminate the confusion of investors, a new common standard should be developed that improves the financial information reported to users. Hence, consolidated financial statement implementation is indispensable. The more global companies exist, the more important consolidated financial statements will be on the rise.

Let's say company A in Korea owns 80% of stocks from company B in USA. If each company has sales \$10 million dollars in sales, consolidated financial statement records would be \$20 million dollars. Instead of simply recording financial situations which focused on headquarter, it shows the overall financial situation of the global company. Therefore the stock of company B includes the performance what occurs in foreign branches. Company A invests finance equity investment at foreign branch, and investors who purchased company A stock will indirectly get benefits.

I strongly encourage the Board to implement this proposal.

Hui Jin Park

Sincerely,