

All respondents:

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 standards issued in the last ten years have grown increasingly complex for small to medium-sized private companies. This includes annual assessment of goodwill impairment, valuation of stock options, fair value accounting and variable interest entities.

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

c) Do you believe that those issues or concerns are largely confined to private companies, or are they broader? –The issues we see are confined to private companies, but there are many stories in the news about the increasing cost of complying with recently issued GAAP standards.

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. – The creation of a baseline GAAP with public company add-ons because this will help to prevent the perception that private companies are not following "GAAP" as having the public company "GAAP" be the baseline would..
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 appear to make it more complex because it gives the perception of the "two GAAP" approach which is detrimental to private 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? We do not believe that having two separate GAAP rules is a good approach.
7. Do these responses represent your individual views or are they submitted to represent the views of the organization with which you are associated? These views are those of our firm.