

Private Company Financial Reporting Committee

401 Merritt 7, PO Box 5116, Norwalk, Connecticut 06856-5116

443-480-5800

e-mail: judyodell@dmv.com



Judith H. O'Dell CPA CVA
Chair

January 27, 2010

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

Re: Accounting for Financial Instruments Project

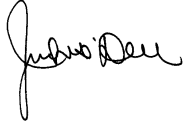
Dear Mr. Herz:

The PCFRC has been following and discussing the work and tentative decisions of the FASB and the IASB on the accounting for financial instruments project. As exposure drafts are issued, the PCFRC will review them and issue comment letters to the FASB, as appropriate. At this stage, the Committee would like to make a recommendation about the scope of the project.

FASB's Summary of Decisions Reached to Date states that the scope of the financial instruments project is based on the present definition of a financial instrument in the Master Glossary of the FASB Accounting Standards Codification™. As such, it appears that the scope of the project will encompass trade accounts receivable and trade accounts payable. The PCFRC believes that trade accounts receivable and trade accounts payable should be excluded from the scope of the project. This exclusion should only encompass trade accounts receivables and trade accounts payables that are within certain reasonable maturity limits, which can be determined by the FASB after proper consideration. The time involved in determining fair value of these instruments would not provide any benefit as the resulting values would not be relevant or useful to private company financial statement users. The PCFRC believes that financial statement user needs should be a primary factor in determining the measurement basis for assets and liabilities, including financial instruments. The current measurement attributes for trade accounts receivable and trade accounts payable are reliable and relevant and understandable to users of private company financial statement users given that their primary interest is future cash flows.

We appreciate the FASB's consideration of this recommendation. Please feel free to contact me if you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Judith H. O'Dell". The signature is fluid and cursive, with the first name "Judith" being more prominent.

Judith H. O'Dell
Chair
Private Company Financial Reporting Committee