



Transportation
Communications
Building Technologies
Site and Facility Design

Letter of Comment No: 21
File Reference: 1100-LEU
Date Received: 09/16/03

September 16, 2003

Financial Accounting Standards Board
Attention: Mr. Robert H. Herz, Chairman
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Re: SFAS 150

Dear Board Members:

Edwards and Kelcey is a member of the Design Professionals Coalition ("DPC") of the American Council of Engineering Companies. Edwards and Kelcey, founded in 1946, employs 900 people in 25 offices across the country, and is currently owned by over one hundred shareholders. We are writing to convey our support of the DPC position previously sent urging the Financial Accounting Standards Board (The "Board") to reconsider its decision to make SFAS 150 applicable to non-public companies.

Edwards and Kelcey has successfully transitioned its ownership over 50 years among hundreds of owners. We have disclosed each year, as part of our certified audited statements, the obligation of our firm under its shareholder agreements. Many of our clients are government authorities with provisions calling for minimum net worth to qualify. Application of SFAS 150 for instance would render us uncompetitive against public firms with no tangible net worth but net worth created by goodwill.

Our current credit agreement with our bank calls, as is customary, for a minimum net worth provision. The bank is currently well aware of the obligations to our shareholders and is comfortable with them. As an example, adherence with the proposed SFAS 150 would cause us to have a negative net worth and be in violation of our loan covenants.

The provisions of SFAS 150 seem to unfairly attack almost every form of privately owned firm. To provide for the orderly transition of our firm from one generation to the next, we, like many others, employ the use of life insurance and other provisions to provide an orderly and prudent payout of equity to departing shareholders. The differences between public companies and private companies owned by its employees are enormous. The ability for large and small private companies to transition ownership is vital to the economy.

We respectfully urge The Board to act promptly to reconsider its decision to make SFAS 150 applicable to non-public entities or, at a minimum, amend it to substitute broader disclosure elements in lieu of reclassification of equity to debt.

Very truly yours,

Kevin J. McMahon
Chief Executive Officer

c: James H. Suttle; Richard L. Corrigan; David Raymond

299 Madison Avenue, PO Box 1936
Morristown, New Jersey 07962-1936

Voice 973.267.0555
Fax 973.267.3555
www.ekcorp.com