3) My concerns are with simplicity. Most of my clients and the bankers do not understand accounting and I do not allow them to get involved in investments through their businesses. If they own a building it is usually a separate company and usually an LLC that rents the building to the business. When they sell the business eventually they can sell it first and then the building second. Or they will close the business and just sell the building most of the time. My clients are very small businesses generally speaking and that is how most American businesses are run. They lease copiers and sometimes cars but that's about it. They have lines of credit from their banks. They personally guarantee all their business loans – they have to.

The above being said, that's all they do. Most of them are cash basis. Most of them are Subchapter S Corporations. There aren't any complex issues to deal with. They don't factor receivables. They don't floor plan inventory. There is the related entity of owning the building and renting it to their companies to deal with. They don't have investments. Their money is only in one bank and one checking account. Many of their customers make up much more than 10% of their sales and receivables. Most small businesses have that issue. They don't know an accounting standard from a doorknob much less an international accounting standard. They have no idea what life is and I never use it for any reason whatsoever. Tell me how you explain life to my small business person.

That's all the US GAAP standards these people need or could remotely understand. They are just trying to simply survive. All of the statements I issue are compilations. Most of the time I am not independent. Most of the statements I issue are income tax basis statements. There is no difference between book and tax. We use Section 179 depreciation as much as possible. I would guess 95% of small businesses fall into my category. It's such a waste of time worrying about the 5% of the business population that do have these issues. Yet that's where you spend your time. Our accounting "issues" are not relevant to 95% of businesses.

- 4) The short term and long term actions you need to address is simplicity first and foremost. Let 95% of the businesses use something called USSMEITB (United States Small and Medium Enterprises Income Tax Basis). 95% of the constituents and users of the financial statements would be grateful to you.
- 5) An SEC requirement for public companies to adopt IFRS at a date certain is immaterial to the 95% of the population out here. Do whatever you want. We don't care. It will not affect us.
- 6) The input I would like to convey to the panel is to let 95% of the population live their lives in a very simple fashion. What you are doing is completely immaterial to most of the population. Maybe it's different on the coasts or the borders but in the heartland we have no foreign currency conversion issues because we have no foreign sales. We also don't know a hedging position or a derivative from a doorknob and wonder why you beat these things to death for 95% of the population that has no idea what you are talking about. If you repair furnace and air conditioners you generally don't have foreign issues to deal with. You guys have got to allow something like the USSMEITB above for 95% of the population.
- 7) These are my individual views and my organization views because I own the business. I am a small business person. I have to borrow money sometimes. I have to talk to a banker sometimes. Don't get me wrong. I used to be a chief financial officer for a company that had almost \$100,000,000 in sales. I used to sign million dollar checks to vendors every month. There were over 300 employees. Even then their issues were no more complex that the smallest customers and suppliers they had. Their cash, receivables and inventory was higher and their payables and notes to the banks were higher as well. But the issues were not complex. If anything, you need to address the needs of the small business person and their banker. Life is simple in the heartland. I bet it's really not that different on the coasts or the border states either.

If you don't start doing this I predict you will start an uprising. My biggest fear is the complexity of dealing with accountants and their "issues" will cause the ruination of the accounting profession. Remember a few years ago American Express tried to buy CPA firms. The clients would borrow money from American

Express and invest their 401-Ks through them etc. etc. If you don't simplify things this will get away from you. Clients and bankers will begin to not put up with it. Small CPA firms like mine could decide to drop the CPA and become bookkeeping and tax practitioners. That's not in my best interest or the accounting profession's. This is like thinking about the post office. We started faxing years ago. Then we started e-mailing. Then we e-mailed PDF files of tax returns to clients and to banks. How's the post office doing? Do you or I care if they have Saturday hours anymore? Do you really think the CPA profession in insulated any better unless you help us out in the heartland? I can retire. Can you? Can my son and younger CPAs? My dog isn't in this fight. I am begging you to keep our profession simple, professional and relevant. I had a client who was going to go public. When I realized that I simply told them I know where you are going and what you need to do and you need someone with more horsepower than me to help get you there. They did that and then sold the business, retired and are still my client because I was absolutely straight with them. That's what I and all the other small practitioners want from you. Just be straight.