

To: CommentLetters
From: Jack J. Pease

To whom it may concern:

I have read the joint proposal, " Enhancing the Financial Accounting and Reporting Standard-Setting Process for Private Companies" by the FASB and the AICPA. I am a CPA that has worked with predominantly private companies for approximately 29 years. My experience in this area allows me to comment, firsthand, on the benefits of the proposal. I will share them with you as follows:

1) There is a dire need to differentiate the reporting and GAAP accounting requirements between private and public companies, as the needs of the owners and other users are dramatically different. I have had extensive discussions with lenders, owners and CFO's about this very matter. They have all expressed concerns about standards overload as it specifically applies to our privately held clients.

2) I feel the joint committee approach as outlined is an excellent start to help alleviate this problem. The AICPA needs to have a direct means of communicating with the FASB on this issue and this appears to provide that.

3) The new FASB Standard-setting process is also a good beginning to assuring that the needs of privately held companies are considered. Several of the five recommendations should be visibly noticed. Others are not so obvious, so I encourage all points to be accountable and transparent.

4) In addressing specific questions posed in the invitation to comment, I offer the following:

- a) Yes, I agree that differences should, in general, be based on a cost-benefit analysis.
- b) Yes, I agree that only the chairman should be compensated.
- c) Yes, the committee should set its own agenda.

5) I would like to make one other point that I feel is important.
Paragraph

21 notes that the mission of the committee is to assess needed differences in prospective and existing standards. I feel the evaluation of existing standards should be a high priority in the first meetings of the committee.

This will help assure that the current and most pressing needs of privately held users are addressed promptly.

In summary, I commend the members of both bodies in bringing this proposal to this point. I feel it is imperative that it continue to move forward expeditiously. Thank you for the opportunity to have this input.

Sincerely,

Jack J. Pease, III, CPA
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