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Financial Accounting Standards Board and
American Institute of Certified Public
Accountants

**Re: Invitation to Comment
Enhancing the Financial Accounting and
Reporting Standard - Setting Process for Private
Companies (No. 1310-100)**

Thank you for the opportunity to comment on this extraordinarily important topic.

Frazier & Deeter, LLC is the second largest Atlanta-based CPA firm. We are registered with the Public Company Accounting Oversight Board (PCAOB) and a member of both the Center for Public Company Audit Firms and the PCPS: The AICPA Alliance of CPA firms. Although we are registered with the PCAOB and are a member of the Center for Public Company Audit Firms, the majority of our assurance clients are private companies.

The Invitation to Comment specifically notes the following five questions, which we have addressed.

1. Do you believe the proposal contained in paragraphs 16-29 will improve the accounting standard-setting process for private companies?

We believe that the proposal contained in paragraphs 16-29 will improve the accounting standard-setting process for private companies. Specifically, we believe that the FASB procedure changes noted in paragraph 18 and the allocation of resources to this issue from the FASB and the AICPA as noted in paragraphs 19 and 20 will enhance the standard-setting process for private companies.

2. Specific to paragraphs 16-29 do you believe the proposed changes will help ensure that the financial reporting needs of constituents of private companies are met?

Provided that the Committee is comprised of adequate representation from the constituent groups as detailed in paragraph 23, we believe that the proposed changes will help ensure that the financial reporting needs of constituents of private companies are met.

3. The FASB and the AICPA believe that any differences in generally accepted accounting principles (GAAP) for private companies should be based on financial statement user needs and cost-benefit considerations. Do you agree?

We agree that any differences in GAAP for private companies should be based on both the financial statement user needs and cost-benefit considerations. However, it is important to note, generally, that the users of private-company financial statements are as concerned with the cost-benefit considerations of additional disclosures, as they would be regarding additional disclosures. For example, since the user group of a private company would generally be smaller than a publicly-traded company, certain accounting standards such as FIN 46(R) would be sufficient in a disclosure model.

4. The FASB and the AICPA believe that members of the committee (except the chair) should not be compensated beyond a reasonable reimbursement of expenses. Do you agree?

We believe the question of compensation for this committee is important. The private-company accounting and reporting community generally does not have the available resources that publicly-traded companies and their large audit firms possess. Accordingly, compensation may be required in order to attract the necessary skills and abilities required for such an important committee.

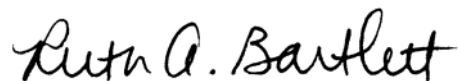
5. The FASB and the AICPA believe the committee should set its own agenda and priorities. Do you agree?

We believe that the ability of the Committee to set its own agenda and priorities is critical to creating the appearance of substance in addressing the private-company accounting and reporting concerns. However, if the Committee is to serve as a resource to the FASB, the Committee will have to be flexible with its priorities and seek input from the FASB.

We believe our views are consistent with those of our private company clients, as well as the banks, bonding companies, investors, and other users of their financial statements. We appreciate the effort of the AICPA and FASB to enhance the financial accounting and reporting standard-setting process for private companies.

Thank you again for the opportunity to respond to the Invitation to Comment and we look forward to improved financial reporting for private companies.

Best regards,



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