



**KEITER, STEPHENS,
HURST, GARY & SHREAVES**
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

August 15, 2006

American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, New York 10036

Financial Accounting Standards Board
401 Merritt 7
Norwalk, Connecticut 06856

Ladies and Gentlemen:

We appreciate the opportunity to provide our comments in response to the Invitation to Comment on the joint proposal of the Financial Accounting Standards Board ("FASB") and American Institute of Certified Public Accountants ("AICPA") entitled "Enhancing the Financial Accounting and Reporting Standard-Setting Process for Private Companies" (the "Proposal"). Our comments are derived from our firm's 27 years of professional experience serving predominantly private companies in several industry areas, including construction, manufacturing and wholesale distribution, healthcare, not-for-profit, and other service industries. Our firm is a member of the Private Companies Practice Section of the AICPA. We are also registered with the Public Company Accounting Oversight Board ("PCAOB").

We offer the following comments on the Proposal:

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

While we believe that the FASB's intention to implement new procedures to ensure that the financial reporting needs of private companies are addressed will improve the FASB standard-setting process, we are not a proponent of the establishment of a new set of separate generally accepted accounting principles for private companies. Comparability and consistency between financial statements of public and private companies should be maintained to prevent confusion by users of financial statements. We believe it would be preferable for FASB's standard-setting process to explicitly integrate all general purposes for financial statements and consider implementing prescribed thresholds as alternatives for private companies.

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

The creation of a committee of experienced professionals, business owners, and public accountants that "ensure" financial reporting needs of private companies would facilitate the standard-setting process. However, this will only be accomplished if the FASB continues on a technical perspective (e.g., financial and economic analysis) and maintains a relative level of consistency in recognition, measurement, disclosure and presentation in regards to the financial reporting of both private and public companies.

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?

While the needs of the financial statement users and cost-benefit considerations are important factors in the FASB standard-setting process, any differences in GAAP between private and public companies should be dictated by the conceptual framework of the entity and should maintain the objectives of consistency, comparability, relevance and reliability in financial reporting. We believe that cost-benefit considerations could be addressed through the use of thresholds for compliance with provisions of standards.

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

Yes, we agree that members of the committee should volunteer their services and should only be compensated for reasonable expense reimbursement.

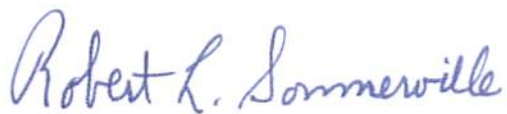
The FASB and the AICPA believe the committee should set its own agenda and priorities. Do you agree?

We support the concept that a committee be formed to assist the FASB to determine whether there should be alternatives available to private companies in prospective and existing accounting standards. We agree that the committee should set its own agenda and priorities, but should have oversight and regular feedback from the FASB and AICPA to determine the committee's effectiveness.

We appreciate the opportunity to comment on this proposal. If you have any questions concerning the responses provided, please let us know.

Very truly yours,

Keiter, Stephens, Hurst, Gary & Shreaves, P.C.



By: _____
Robert L. Sommerville, CPA
Principal