

August 14, 2006

Financial Accounting Standards Board
401 Merritt 7
P O Box 5116
Norwalk CT 06856

Re: Response to Invitation to Comment re:
Enhancing the Financial Accounting and Reporting Standards – Setting Process
for Private Companies

Dear Madames/Sirs:

It is indeed encouraging that the FASB and AICPA are finally undertaking an effort to address the financial reporting needs and standards for privately held companies. With the ever expanding measurement, recognition and disclosure requirements of publicly held companies as a result of the “Enron” and similar scandals in the United States and efforts for forge common financial accounting standards internationally; there is a serious concern that the application of such standards to Private Companies will result in reporting information that is both needless and costly to generate. As a director and member of the Audit Committee of a publicly traded company, I am well aware of the extensive disclosures and information required by analyst, regulators, lenders and investors to discharge their responsibilities. However, much of such information is superfluous for the users of financial statements of private companies. This has resulted in many private companies opting to issue OCBOA financial statements. However, frequently credit granting institutions as a matter of practice have required GAAP statement, even though such are usually not essential to their needs for many small private companies, which result in unnecessary inconveniences and expenses for the issuer.

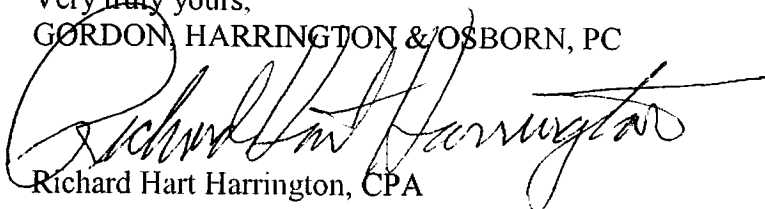
With regard to the proposal for “enhancing” the Financial Accounting and Reporting Standard – Setting Process for Private Companies, I submit the following comments and observations for your consideration:

1. I fee that the proposal in paragraphs 16-29 of the invitation to comment will definitely enhance the standard setting.

2. It would be a definite improvement over the present process. The success will depend on the quality of the appointees to the Board. My concern is that the companies with revenues under \$5,000,000 may not be adequately represented on the committee.
3. I concur with the concept that any differences in GAAP should be based on need and cost-benefit considerations, including the cost to the issuer in generating the information.
4. While I generally concur with this approach, I am concerned that for those representing smaller private companies, that such may be impediment to participation by representatives of those constituents.
5. While I concur that the Committee establish its own agents, I would hope that in doing so, it would consider concerns express to it by various constituents.

Having been in public practice since 1958, I recognize that this undertaking is not an easy task and that those who serve on the Committee and its support staff face a real challenge in evaluating the needs and cost benefits of financial report by Private Companies.

Very truly yours,
GORDON, HARRINGTON & OSBORN, PC

A handwritten signature in cursive script, reading "Richard Hart Harrington". The signature is written in black ink and is positioned over the typed name below it.

Richard Hart Harrington, CPA