

## Private Company Financial Reporting Committee

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Judith H. O'Dell CPA CVA  
Chair

August 13, 2009

Mr. Robert Herz  
Chairman  
Financial Accounting Standards Board  
401 Merritt 7  
Norwalk, CT 06856

**Re: EITF Draft Abstracts, Issues No. 08-1, "Revenue Arrangements with Multiple Deliverables," and No. 09-3, "Applicability of AICPA Statement of Position 97-2 to Certain Arrangements That Contain Software Elements"**

Dear Mr. Herz:

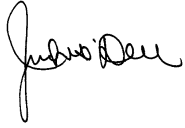
The PCFRC has reviewed the draft EITF Abstracts and believes that the proposed guidance will improve private company financial accounting and reporting. The relative-selling price method proposed in the draft Abstracts promises to be an improvement in recognizing revenue components of arrangements with multiple deliverables in so far as it better reflects the underlying economics of those arrangements.

It is the opinion of the PCFRC that the proposed guidance in these draft Abstracts is generally consistent with the current direction of the FASB's revenue recognition project and as such issuing the draft Abstracts now should not pose any problems in the future when the revenue recognition project is completed. Issuing the draft Abstracts now would help alleviate difficulties some private companies encounter when currently required to use the residual method of allocation and defer revenue associated with multiple-deliverable arrangements.

Although the draft Abstracts represent an improvement to financial reporting, the PCFRC recommends that stronger parameters be placed around the evaluation of how many units of accounting a multiple-element arrangement is divided into. As currently written, the guidance (paragraph 9) in the draft Abstracts may result in the division of multiple-element arrangements into more units than are necessary for useful financial reporting.

The PCFRC appreciates the FASB's consideration of these comments and recommendation. Please feel free to contact me if you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Judith H. O'Dell". The signature is fluid and cursive, with the first name "Judith" being the most prominent part.

Judith H. O'Dell  
Chair  
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