

August 15, 2006

Mr. Lawrence W. Smith  
Director – Technical Application and Implementation Activities  
Financial Accounting Standards Board  
Norwalk, Connecticut

Dear Mr. Smith:

We would like to thank the FASB and the AICPA for taking the initiative to improve the financial accounting and reporting process for private companies. This effort is extremely important as we believe that a number of the current financial accounting and reporting requirements result in financial statements that provide information that may not be useful to users of such financial statements and are at a high-cost to the private companies.

In general, we agree with the FASB and the AICPA related to the importance of this project, and are hopeful that implementation of the proposal will enhance the financial statements of private companies by providing meaningful information to those relying on such statements.

Our specific responses to the comment requests follow:

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

We believe the proposal, if properly administered, will greatly improve the standard-setting process 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?*

Under the process described in paragraphs 16-29, the FASB will make the final decision. Knowledgeable groups in the past have met with the FASB and tried to persuade the FASB to make special concessions for private companies with limited success. Although the proposed process should help, we have concerns with respect to the speed to which decisions will be made.

*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?*

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We very much agree with this statement. We caution that certain user groups seem to need more information, especially if it has no direct cost to them, but actually use a lot less. Consideration should be given to whether the framework should be based on "usage" and cost-benefit considerations compared to "needs" and cost-benefit considerations. Additionally, as stated by the FASB, users of private company financial statements can always request additional information if so required.

*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?*

Given the importance the proposed new committee will have on financial reporting by private companies, it is critical to have the "right people" involved. To the extent the demands of this committee are beyond the normal expectation of a volunteer committee, and providing compensation will enhance the ability to obtain qualified members, we would support compensating members of the committee.

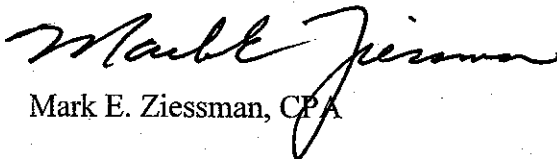
*The FASB and the AICPA believe the committee should set its own agenda and priorities. Do you agree?*

We agree that the proposed committee should set its own agenda. The committee should keep up with the new standards issued by the FASB and, as quickly as possible, prioritize current standards that should be reviewed starting with the standards that are the most onerous for private companies to comply with.

We appreciate the opportunity to provide feedback on the Invitation to Comment. If you have any questions please contact Mark Ziessman or Howard Wilensky at 612-377-4404.

Sincerely,

LURIE BESIKOF LAPIDUS & COMPANY, LLP



Mark E. Ziessman, CPA

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