

From: George Carter  
To: CommentLetters  
Subject: The proposed recommendation  
Date: 6/13/06

I believe that by allowing a format for private companies to issue financial standards for private companies is a task that the accounting standards makers should consider. As a CPA with experience from both the private and public sector has given me an appreciation for the subtle and not so subtle differences between the two. With the issuance of Sarbanes Oxley we have seen many publicly traded companies become private companies to avoid requirements believed too cumbersome for them to follow. My hesitancy is with the user of the financial data. Where users have varied levels of financial expertise, following a different set of standards may misled those with lesser financial acumen. This is why your passage that states that the new proposal is not intended as a rewrite of all standards.

I believe that the changes has the potential to enhance the financial reporting process for private companies. However, while the changes are needed,, the impact on the financial statement user needs to be addressed. Proposals should be kept that allows for the financial statements to maintain the comparability standard such that the user is not misled. How we do that is as new standards are adopted, we must continue to remind ourselves that users have varying degrees of financial experetise and structure standards that ensure an apples to apples approach when comparing the financial statements of a publicly traded entity with a private entity.

I strongly believe that the needs of the financial statement user and cost-benefit considerations need to considered and addressed as new GAAP is adopted. Financial statements allow for different users with varied accounting knowledge to judge the financial health of the entity. By addressing the needs of the user, helps America maintatin the trust and confidence that we have in the accounting profession. It speaks to the standard bearer for the ethics which we are striving to maintain.

Independence is a hallmark of our profession. A possible avenue and one that I believe in to maintain the appearance of independence is to limit the fees reimbursed to a "reasonable reimbursement" of expenses.

Empowerment of the committee should be maintained and therefore the committee needs to be able to set their agenda nd priorities which should again speak to maintaining the appearance of independence when establishing new GAAP.