

To: FASB / AICAP
From: Phil Bauer

We think this is a great first step to provide some relief to those of us who work with privately held company's. I would hope the Auditing Standards Boards (ASB) would follow your lead and provide us some relief from the standards overload they have created over the past several years. In my opinion the documentation and compliance requirements that we must follow when auditing privately held company's are even more problematic than the GAAP issues we deal with for privately held company's.

In regards to the specific questions for our consideration I offer the following:

1. Yes we believe that this will improve the standard setting process if the changes mentioned in 18 b are considered.
2. Yes.
3. We disagree regarding user needs and agree regarding cost benefit. If the user needs change during the year how will that affect the statements, will the client need to have another report issued?
4. We would reimburse expenses and compensate the members IF members of similar committees are compensated.
5. We Agree.