

To: File reference 1310-100
From: Lisa Kelley
Date: July 18, 2006

My past experience includes 6 years in public accounting, 19 years at publicly traded companies in senior financial roles, and currently 1 year at a privately-held company. Thank you for the opportunity to comment on the proposal. My responses are below:

1. Yes, I believe the proposal will improve the accounting standard-setting process for private companies for the following reasons:
 - It will provide a formal structured process to be inclusive of private companies needs. The past practices of soliciting comments via liaison meetings, conferences and general discussions from private company financial professionals does not provide a forum of structured and thorough debate for reaching the best conclusion.
 - There are many more privately-held companies than publicly-traded companies. This proposal provides a voice to the majority of the population by having a specific committee with the sole responsibility of providing recommendations of current and future standards for private companies.
 - One benefit of having a formal committee with a single responsibility to the private company community is the opportunity to acquire the appropriate experiences, knowledge and insight of professionals while eliminating the haphazard manner of idea and comment solicitation occurring today.
 - Setting up this focused committee poises US to be a leader or at least on par with international trends.

2. Yes, I believe the proposed changes will ensure the financial reporting needs of constituents of private companies are met for the following reasons:
 - It provides concentrated focus on the topics by committed professionals with appropriate experience.
 - It provides a forum to debate the topics.
 - It gives the level of importance to the topics relative to private companies that has not been formally addressed.
 - It provides a discipline to the private company issues.

3. Yes, I believe the differences in generally accepted accounting principles (GAAP) for private companies should be based on financial statement user needs and cost-benefit considerations for the following reasons:
 - It has been the intent of GAAP to provide a conceptual framework with concentration toward business decision usefulness, relevance and reliability.
 - Survey results indicate private companies are currently addressing their needs and meeting their external requirements in a different manner.
 - Many private companies are small with limited resources. Currently these companies are incurring costs that do not provide much or any benefit to their business, stakeholders or external constituents.
 - I support an initiative that will balance valuation-type GAAP and stewardship-type GAAP while providing a potential to simplify GAAP.

4. No, based on the time commitment and level of necessary expertise that would be required similar to a board position for a company, I believe the committee members should be recognized by some amount of compensation.

5. Yes, I believe the committee should set its own agenda and priorities with consideration to the FASB agenda topics and hot issues.