



FOR IMMEDIATE RELEASE

**BLUE-RIBBON PANEL ADDRESSING STANDARDS FOR PRIVATE COMPANIES
TO PROPOSE A SEPARATE STANDARDS BOARD AND GAAP WITH EXCEPTIONS**

Norwalk, CT, December 10, 2010—The blue-ribbon panel addressing how U.S. accounting standards can best meet the needs of users of private company financial statements continued its discussion today of a potential new standard-setting board for private companies, reaffirming a consensus view reached in October that a separate private company standards board under the oversight of the Financial Accounting Foundation (FAF) be created. The panel also continued discussion of a new standard-setting model that follows generally accepted accounting principles (GAAP) with exceptions for private companies.

The panel addressed important related issues today such as how the new board would work with the Financial Accounting Standards Board (FASB) throughout the standard-setting process, what would be the new board's mission and structure, and how it would be potentially funded. The panel also began preparation of a draft report containing its recommendations.

The panel is expected to issue the report to the FAF Board of Trustees in early 2011 and then to the public. After deliberation, the FAF Trustees' resulting action plan is expected to be subject to further input from constituents, including exposing the plan for public comment prior to its being implemented.

The panel was formed in 2009 by the American Institute of Certified Public Accountants (AICPA), the FAF, and the National Association of State Boards of Accountancy (NASBA). The members of the panel comprise a cross-section of financial reporting constituencies, including lenders, investors, and owners as well as preparers, auditors, and regulators. The panel is chaired by Rick Anderson, chairman of Moss Adams LLP.

FAF President and CEO Teresa S. Polley said: "As part of our Trustees' strategic initiative, the FAF looks forward to further exploration of the ideas and issues surfaced by the panel as we carefully deliberate improvements in standard setting. We thank the panel for its work over these many months, and its forthcoming proposal to the FAF will be an important viewpoint on private company reporting issues the FAF will thoroughly consider—along with an appropriate degree of public due process."

Barry Melancon, AICPA president and CEO said: "A significant majority of the Blue-Ribbon Panel voted in October to recommend a new model of financial reporting with a goal of more effective accounting standards for private companies. The recommendation includes establishing a separate standard-setting board for private companies under the Financial Accounting Foundation. Today's

discussions in Norwalk focused on how that board would be structured and what process works. We believe these proposed changes to the U.S. accounting system would be widely supported by private company financial statement constituents.”

Billy Atkinson, chairman of NASBA, said: “I am encouraged by the changes now being made by the FAF and the FASB to address the foundation of private entity accounting standards. This panel absolutely concluded there were process problems needing resolution which have far-reaching public policy implications. I would fully expect all constituents that are a part of this debate will continue to gain new and valuable insights as the panel’s report and conclusions are carefully considered in the months ahead.”

Media Contacts:

FAF - Neal E. McGarity, 203-956-5347, nemcgarity@f-a-f.org; Christine L. Klimek, 203-956-3459, clklimek@f-a-f.org

AICPA - William Roberts, 202-434-9266, wroberts@aicpa.org; Media representatives are invited to visit the AICPA Online Media Center at <http://www.aicpa.org/MediaCenter>

NASBA - Tom Kenny, 615-880-4237, tkenny@nasba.org

About the Financial Accounting Foundation

The FAF is responsible for the oversight, administration, and finances of both the Financial Accounting Standards Board (www.fasb.org) and its counterpart for state and local government, the Governmental Accounting Standards Board (www.gasb.org).

The FASB is the designated organization in the private sector for establishing standards of financial accounting and reporting for non-governmental entities in the U.S. The GASB establishes and improves financial accounting and reporting standards for state and local governments. The FAF also is responsible for selecting the members of both Boards and their respective Advisory Councils.

The FAF is based in Norwalk, Conn.

About NASBA

The National Association of State Boards of Accountancy (www.nasba.org) is the membership organization for the 55 boards of accountancy (50 states, Puerto Rico, Virgin Islands, Washington D.C., Guam, and Commonwealth of the Northern Mariana Islands). NASBA’s mission is to enhance the effectiveness of state boards of accountancy through programs which preserve the public trust and confidence in the CPA license, ensure that the integrity, objectivity and independence of CPAs are not compromised and foster compliance with ethical and professional standards.

NASBA is headquartered in Nashville, TN and maintains a northeast office in New York, NY.

About the AICPA

The American Institute of Certified Public Accountants (www.aicpa.org) is the world's largest association representing the accounting profession, with nearly 370,000 members in 128 countries. AICPA members represent many areas of practice, including business and industry, public practice, government, education, and consulting; membership is also available to accounting students and CPA candidates. The AICPA sets ethical standards for the profession and U.S. auditing standards for audits of private companies, non-profit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination.

The AICPA maintains offices in New York, Washington, D.C., Durham, N.C., Ewing, N.J. and Lewisville, Tex.

Media representatives are invited to visit the AICPA Press Center at www.aicpa.org/press.

#####