



National Association of State Boards of Accountancy

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David A. Costello, CPA
President & CEO

November 3, 2011

Board of Trustees
Financial Accounting Foundation
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: *Plan to Establish the Private Company Standards Improvement Council*

Dear Trustees:

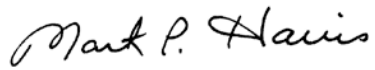
At a duly called meeting of the Board of Directors (the Board) of the National Association of State Boards of Accountancy, Inc. (NASBA), held on Friday, October 21, 2011 at the Opryland Hotel, in Nashville, TN, the Board reviewed and deliberated your "*Plan to Establish the Private Company Standards Improvement Council*" and the process involved in your key conclusions described in the plan document. The Board authorized us to communicate to you the following summary strongly-held position as voted on during that meeting:

1. The Board agrees with and commends the Financial Accounting Foundation's (FAF) process;
2. Acknowledges the sovereignty of State Boards' independent actions and authority to fulfill their responsibilities pursuant to Sarbanes-Oxley Section 209, pertinent state laws and the 10th Amendment to the U.S. Constitution;
3. Supports the conclusions of the FAF as exposed in its "*Plan to Establish the Private Company Standards Improvement Council*"; and
4. Supports and intends to monitor the accountability measures contained therein to ensure the Improvement Council will accomplish its objectives.

We must emphasize the pivotal point contained in position number four relating to accountability. The principal parties engaged in the vigorous and healthy debate on private company accounting standards do agree that there are significant issues with the current standard setting processes involving the private community which must be addressed. We in NASBA believe you have set forth a plan which if monitored closely, evaluated frequently, subjected to well documented accountability measures, and adjusted as necessary to ensure the highest quality application of accounting standards to the private sector will be responsive to the accounting profession, regulatory concerns and the public interest.

We offer you our continued support as you finalize your private company standards process and we will be pleased to be involved on behalf of our 55 state boards of accountancy in any direct manner you deem appropriate.

Sincerely,



Mark P. Harris, CPA
Chairman



David A. Costello, CPA
President & CEO