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Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: File S7-27-08
Release Nos. 33-8982
Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers

Ladies and Gentlemen:

This letter is submitted on behalf of the Committee on Federal Regulation of Securities, the Committee on Law and Accounting and the Committee on Audit Responses (the "Committees" or "we") of the Section of Business Law of the American Bar Association, in response to the request for comments by the Securities and Exchange Commission (the "Commission") in its November 14, 2008 proposing release referenced above (the "Proposing Release").

The comments expressed in this letter represent the views of the Committees only and have not been approved by the American Bar Association's House of Delegates or Board of Governors and therefore do not represent the official position of the American Bar Association (the "ABA"). In addition, this letter does not represent the official position of the ABA Section of Business Law, nor does it necessarily reflect the views of all members of the Committees.

The Committees support the goal of a single set of high-quality global accounting standards for use by U.S. public company issuers. In general, we believe that financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), may eventually fulfill that role if the Commission finds that the standards will improve reporting quality, comparability between issuers and, most importantly, investor protection. Ultimately, IFRS may replace U.S. generally accepted accounting principles ("U.S. GAAP"). Against this backdrop, we have some concerns regarding the Commission's proposal. We discuss these concerns, and our recommendations, below.

The Committees recognize that the landscape regarding a single set of global financial standards has changed dramatically since the Commission approved issuance of the Roadmap in August 2008. Among other things, the financial crisis has led many companies to raise concerns about potential costs of conversion to IFRS as well as the timing of conversion, in light of the many challenges now confronting both issuers and regulators. These considerations may lead the Commission to significantly revise the proposal. We are offering our comments on the Roadmap in the hope that they will be relevant to the Commission's deliberations with respect to the current proposal, or any any further proposals, regarding IFRS.

Milestones

We recommend that the Commission revise the milestones it has identified as being relevant to its consideration of whether to require the use of IFRS. We suggest that the Commission set forth milestones designed to reduce to the maximum extent possible the costs to U.S. issuers of the transition to, and compliance with, IFRS and to ensure to the maximum extent possible that IFRS results in the consistent application of high quality standards around the world. In addition, while education and training, interactive data and possible early adoption are important considerations, we would not identify them as milestones. We suggest that the adoption of any mandatory requirement for U.S. public companies to comply with IFRS be sufficiently in advance of the implementation date to provide U.S. issuers adequate time to undertake the education and training necessary to effect a conscientious transition, to revise their internal controls over financial reporting ("ICFR") required to implement IFRS, and to provide the developers of interactive data sufficient time to finalize the development of appropriate tags for interactive data reporting. We describe below these suggestions as well as comment on the early adoption option.

Milestones Designed to Reduce the Costs to Public Companies. We recommend that the Commission evaluate the costs to U.S. issuers to transition to and implement IFRS and to identify milestones that would help reduce those costs. For example, certain federal and state regulatory agencies require the presentation of financial information that complies with U.S. GAAP. We recommend that the Commission evaluate whether to identify as a milestone the elimination of such material U.S. GAAP reporting requirements prior to the adoption of mandatory reporting in compliance with IFRS. The adoption of such a milestone would be appropriate, for example, if it would eliminate the need for U.S. issuers to maintain two sets of books in order to comply with those separate statutory requirements. Another milestone that we suggest the Commission consider to reduce costs to U.S. issuers is the resolution of how income taxes will be determined if IFRS reporting is required. Although we understand that the Internal Revenue Service is considering the impact of IFRS reporting on income tax reporting, we believe that resolving the manner in which income tax reporting will be modified to address the impact of mandatory IFRS reporting is critical prior to such adoption. For example, the prohibition in IFRS on the use of the LIFO method would have a significant effect on the income taxes owed by U.S. issuers that have used the LIFO method.

With respect to accounting standards, we recommend that the Commission identify any accounting standards that it believes the IASB must adopt prior to the time the Commission would be willing to consider requiring mandatory IFRS reporting. Such standards might be ones that would reduce the costs to U.S. issuers of determining an appropriate accounting policy in the absence of an applicable IFRS policy and of implementing a different standard as a result of the lack of convergence prior to mandatory IFRS reporting. As discussed below, the satisfactory resolution of the accounting for litigation contingencies, preferably through convergence that recognizes the litigious U.S. environment, is critical. We suspect that convergence in certain other key areas may also be critical to requiring compliance with IFRS and we recommend that the Commission try to identify some or all of those key areas.

Milestones Designed to Result in Consistent, High Quality Reporting Around the World. We agree that the Commission should not require U.S. issuers to comply with IFRS until the Commission concludes that IFRS comprise a set of neutral principles that produce relevant and reliable information. We also think that the Commission should not require the use of IFRS until it believes that financial statements prepared in accordance with IFRS can be reasonably comparable. The Commission should determine whether IFRS can be interpreted by issuers, auditors and regulators in a reasonably consistent manner and whether any differences in the implementation of IFRS by different issuers, auditors and regulators will be disclosed in a transparent and therefore understandable manner. In this regard, we recommend that the Commission identify milestones designed to enable it to assess whether IFRS are developed through a process that provides all constituents an opportunity to be heard and which provides a mechanism to resolve differences regarding interpretations of IFRS in an informed and authoritative, and timely, manner.

Early Adoption. We support the Commission's proposal to permit its staff to approve optional early adoption of IFRS upon the request of certain U.S. issuers based upon the criteria articulated in the Proposing Release. However, we do not believe that early adoption should itself be a milestone for the Commission to consider in deciding whether to mandate IFRS conversion. We doubt that very many U.S. issuers will avail themselves of the early adoption opportunity because of the extensive costs of implementing IFRS. These costs could include the costs to (i) develop and maintain ICFR to support IFRS reporting, (ii) educate and train accounting personnel and other people who play a role in the preparation of financial statements so that they can implement IFRS, (iii) continue to prepare financial information in accordance with U.S. GAAP if the Commission were to adopt Proposal B for GAAP reconciliation and (iv) maintain their ICFR that complies with U.S. GAAP and their personnel's expertise with U.S. GAAP in case the Commission decides not to require U.S. issuers to comply with IFRS. Furthermore, given the current economy and the need for U.S. issuers to manage their expenses even more carefully than usual, we believe that it is unlikely that U.S. issuers will choose to make the expenditures necessary to early adopt IFRS, unless the issuer already has experience with IFRS because it has subsidiaries that are required to comply with IFRS or is owned by another company that requires it to prepare financial statements that comply with IFRS.

If the Commission determines to permit early adoption, then the Committees favor permitting U.S. issuers who early adopt to apply reconciliation of financial information pursuant to IFRS 1 in a footnote to its audited financial statements (Proposal A). The Committees believe that Proposal A will be easier for issuers to implement. In addition, the Committees believe the Commission's concerns that Proposal A will not "promote the ability of U.S. issuers to revert back to U.S. GAAP, since U.S. GAAP information will not have been required to be accumulated or disclosed beyond the last year that the issuer previously reported under U.S. GAAP," may be unwarranted.[1] Issuers probably will determine to maintain three years of audited U.S. GAAP financials, regardless of whether Proposal A or Proposal B is chosen, as a hedge against the possibility that the Commission elects not to adopt IFRS and maintains U.S. GAAP as the accounting standard.

More generally, the Committees also believe that the Commission should address the consequence to early adopters were the Commission not to mandate conversion to IFRS. Again, the possibility of reversion to U.S. GAAP can create a significant cost for early adopters as well as deter U.S. issuers from choosing to early adopt altogether. The Committees suggest that the Commission allow early adopters to continue using IFRS, as it does for foreign private issuers without reconciliation, even if the Commission does not require IFRS. This will provide companies that are evaluating whether or not to early adopt IFRS a degree of assurance that their expenditures will be worthwhile.

Implementation. We agree that staged effectiveness of mandatory adoption of IFRS would be sensible and should be adopted at the same time as IFRS reporting is adopted. Large accelerated filers are likely to be able to prepare to comply with IFRS more quickly than smaller filers because of the sizes of their accounting staffs and their ability to spend the resources necessary to prepare for IFRS reporting. Because we believe that U.S. issuers should be able to begin to prepare for IFRS reporting at the time that the Commission announces that it has decided to require IFRS reporting in the future, and thereby avoid the costs of education and training until IFRS reporting is assured, we also believe that the determination whether an issuer is a large accelerated filer, accelerated filer or non-accelerated filer should be made at about the same time. In this way, a U.S. issuer can determine quickly after the Commission makes its decision how much time it has to become ready to report on IFRS. If an issuer's status were to subsequently change, that change should not accelerate the requirement that it prepare IFRS financial statements. If the issuer's status changes to a status that would give it more time to prepare for IFRS reporting, however, we believe the issuer should have additional time to prepare its IFRS financial statements.

As noted above, we recommend that the Commission provide an adequate amount of lead time, after it decides definitively to require U.S. issuers to comply with IFRS, to enable U.S. issuers to prepare for IFRS reporting. We do not believe that a Commission decision in 2011 to

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[1] Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers, Securities Act Release No. 33-8982, Exchange Act Release No. 34-58960, 73 Fed. Reg. 70815 at 70834 (proposed Nov. 14, 2008).

require U.S. issuers to comply with IFRS should require companies to begin complying with IFRS for their fiscal years ending in December 2014. In our view, such a short transition period would not provide U.S. issuers with sufficient time to educate and train their personnel, revise their ICFR, and begin to generate data necessary to prepare financial statements in accordance with IFRS.

The obligations public companies will face in the transition to IFRS would be especially burdensome if companies were required to present financial statements that comply with IFRS for three years. If three years of financial statements are required, some companies would need to begin to implement IFRS on January 1, 2012 (and to prepare for such transition much earlier), just months after the Commission's decision. The amount of the necessary lead time before mandatory compliance with IFRS could be shortened if the Commission were to require preparation of only two years of financial statements in accordance with IFRS when U.S. issuers first comply with IFRS. We think that requiring two years of IFRS compliance upon the effective date of mandatory IFRS reporting would reduce the necessary lead time for U.S. issuers to be ready to comply with IFRS without adversely affecting investors. Nevertheless, in our view, adoption of IFRS for 2014 fiscal years is not likely to provide U.S. issuers with sufficient time to prepare.

Litigation Contingencies

The Committees agree with the Commission that consistency of application of IFRS, with a minimum of home country variation, is critical to acceptance of IFRS as a global accounting standard. This objective puts a premium on making sure that the substantive accounting standards under IFRS recognize and accommodate fundamental home country policies. As noted above, we support the convergence effort being undertaken by the FASB and the IASB as a predicate for adoption of a global standard.

One area in particular that concerns us, as lawyers, is the treatment of litigation-related loss contingencies. We believe that satisfactory resolution of the treatment of this issue in a way that recognizes the unique nature of the U.S. litigation system and the important value placed on the protections of attorney-client privilege and the work product doctrine as a cornerstone of our advocacy system and the fundamental rights of litigants is a critical precondition to the adoption of IFRS as a standard for U.S. financial reporting.

If home country variation is to be avoided, which we favor if possible, the differences between U.S. GAAP treatment and the IFRS treatment of loss contingencies need to be reconciled based on the framework of Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies* ("FAS 5"), and FASB Interpretation No. 14, *Reasonable Estimation of the Amount of a Loss*. Only in this way can the special concerns of the U.S. system be addressed. These concerns include:

- Avoidance of prejudice to companies and their shareholders in our highly litigious society, where class and derivative actions and a well-developed plaintiffs bar have become a mainstay.

- Recognition of the inherent uncertainties of the assessment of litigation and the prediction of future exposure and outcomes and, therefore, the significant unreliability of assessment and disclosure of claims.

- Erosion of the protections of attorney-client privilege and work product resulting from efforts at unrealistic quantification and predictive disclosure of litigation contingencies.

FAS 5 and the auditing standards related to it are constructed to address these concerns. The current IFRS standard, IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, on the other hand, raises serious concerns by its use of a more-likely-than-not standard for recognition and its requirements for disclosures of, among other things, the timing of outflows and applicable uncertainties and assumptions affecting the contingency, and, as the standard is proposed to be revised, requiring the valuation of all contingencies.

The Committees also believe that there should be clarity regarding the auditing standards applicable to the prevailing accounting standards governing loss contingencies before adoption of IFRS. We believe that the framework established by the protocol involving the ABA Statement of Policy on Audit Responses and Statement of Auditing Standards No. 12 (referred to in note 80 of the Proposing Release as the "Treaty") is an appropriate auditing standard because it is consistent with avoidance of the concerns identified above. Moreover, this protocol can continue to operate effectively notwithstanding any possible change in accounting standards. For example, even if a more-likely-than-not accounting standard were to apply, as it does for income tax contingencies, the remote/probable framework of the protocol is still appropriate for this part of the audit process. First, lawyers have to identify any material pending or overtly threatened claims unless they are remote, thereby encompassing any claims for which liability is more-likely-than-not. This identification alerts the auditors to matters they need to evaluate. Next, the remote/probable standard with respect to identified unasserted claims provides the auditors with information they need in a manner that mitigates the concerns referred to above, including preservation of attorney-client privilege and work product protection. Finally, this information to the auditors is supported by confirmation that the lawyers fulfill their professional responsibilities in advising the client regarding its disclosure obligations, thereby giving the auditors a basis to rely on the lawyers' fulfilling their professional responsibilities as a result of their continued participation as evidenced by their providing the audit response letter. In this connection, it is important to recognize that a lawyer's audit response letter is just one aspect of the audit process.

Scope of Commission Influence over the Standard Setting Process; Commission's Interpretive and Enforcement Powers

As noted in the Proposing Release, the proposed Roadmap "does not address the method the Commission would use to mandate IFRS for U.S. issuers."[2] The Committees believe the method by which IFRS is to be implemented, and the basis on which the Commission derives its

[2] Id. at 70817.

authority for such proposed method, is a fundamental structural issue that needs to be addressed in clear terms. As it stands, this issue involves complicated statutory interpretation questions, and the extent to which the Commission could designate more than one standard setter for accounting principles, as well as the extent to which such standard setter could be the IASB, is unclear.

Section 108(c) of the Sarbanes-Oxley Act of 2002 confirms the Commission's powers with respect to the establishment of accounting principles, stating "Nothing in this Act, including this section and the amendment made by this section, shall be construed to impair or limit the authority of the Commission to establish accounting principles or standards for purposes of enforcement of the securities laws." Yet, it is unclear whether the Commission has the authority to recognize multiple standard setters (*e.g.*, both the IASB and the FASB). Section 108 of the Sarbanes-Oxley Act does not appear to contain any qualification on the number of standard setters that may be recognized. On the other hand, Section 109 of the Sarbanes-Oxley Act – which sets forth the funding mechanism for the designated standard setting body – states that "*the* standard setting body designated pursuant to section 19(b) of the Securities Act of 1933, as amended by section 108, shall be funded as provided in this section." (Emphasis added). The use of the definite article "the" could be read to suggest that Congress contemplated the existence of only *one* standard setting body.

The Committee acknowledges that the Commission has previously expressed its view that it has the authority to designate multiple standard setters.[3] Given the significant responsibilities of the standard setter that is charged with promulgating IFRS, however, we urge the Commission to revisit this issue. In doing so, and assuming that the Commission determines it is appropriate to implement IFRS by relying on a standard setter other than the FASB (which, presumably, would be the IASB), we urge the Commission either to affirm in clear terms the basis for its prior analysis that it has the authority to designate multiple standard setters, or to seek express authority from Congress to designate multiple standard setters. If, on the other hand, the Commission determines to implement IFRS by having the FASB continue as the designated standard setter (and having the FASB incorporate all provisions under IFRS), which is identified in note 31 of the Proposing Release as a possible approach, then the need for resolving the statutory authority issue is obviated, at least insofar as standard setting for IFRS is concerned.

If the Commission determines it has, or is granted, the authority to designate two standard setting bodies, there are other significant structural questions that need to be addressed. Significantly, the manner in which the IASB and FASB are supposed to interact in such a scenario and the scope of standard-setting for each entity would need to be delineated clearly. In addition, the extent to which IASB, as currently constituted, would satisfy the criteria established by Section 108 of the Sarbanes-Oxley Act for a permissible standard setter would need to be

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[3] See Policy Statement: Reaffirming the Status of the FASB as a Designated Private-Sector Standard Setter, Release No. 33-8221 (Apr. 25, 2003) (stating that "[t]he Act does not restrict the Commission's ability to develop accounting principles on its own, and does not limit the number of private-sector bodies the Commission may recognize.").

carefully considered. Most significantly, as noted in the Proposing Release, the IASB currently is not funded through a mechanism that would satisfy the requirements of Section 109 of the Act. The International Accounting Standards Committee Foundation currently finances IASB operations through voluntary contributions from market participants world-wide, including firms in the accounting profession, companies, international organizations, central banks, and governments. In addition, although the IASB is a private entity with an independent board, it clearly does not meet the majority voting requirement mandated by Section 108. The IASB uses a super-majority rule for the approval of new standards; the issuance of a new standard requires the consensus of nine out of twelve board members. Finally, Section 108 requires that the standard setter assist the Commission in the "protection of investors under the securities laws." As an international organization that must take into account the needs of a multi-national constituency, the manner in which IASB would satisfy the mandate of assisting the Commission in effectively protecting investors under U.S. securities laws is unclear.

No matter the method used to implement IFRS, the Committees believe it is vitally important that, in adopting mandatory conversion to IFRS, the Commission needs to emphasize in its final release that the Commission will retain authority to interpret IFRS, through the comment letter process, through enforcement and otherwise. In transitioning to, and applying, IFRS, issuers and those responsible for financial reporting will benefit from as much consistency and stability in the process as possible. In this regard, we find the statements in the proposed Roadmap helpful that clarify that issuers would be able to continue to rely on Staff Accounting Bulletins, Accounting Series Releases, Financial Reporting releases and other similar industry guides.[4] Also, recent statements from Commission staff that the same level and form of review of financial statements that is undertaken now would apply to review of financial statements prepared in accordance with IFRS are helpful, and we encourage the Commission to underscore this approach in its final release.[5] Preserving consistency and uniformity to the extent possible through the conversion to IFRS will be immensely beneficial to issuers and investors alike, and we encourage the Commission to make this clear where appropriate in any adopting release.

Market Risk and the Safe Harbor Provisions

In Section V.D.2 of the Proposing Release the Commission notes that the quantitative and qualitative disclosure about market risk related to certain financial instruments currently required by Item 305 of Regulation S-K is not required in financial statements included in a filing with the Commission. In addition, that information, to the extent it constitutes "forward-looking statements," is expressly subject to the statutory safe harbors provided by Section 27A of the Securities Act and Section 21E of the Exchange Act (the "Safe Harbors").

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4 Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers, 73 Fed. Reg. at 70839.

5 See BNA Corporate Counsel Weekly (Dec. 17, 2009) (reporting comments from Wayne Carnall, Chief Accountant, Division of Corporation Finance, that the Commission staff "will apply the 'same level of diligence' and 'ask the same questions' when reviewing financial statements" under IFRS).

IFRS 7, *Financial Instruments: Disclosure*, requires market risk disclosure similar to that required by Item 305 to be included in a footnote to the audited IFRS financial statements, including a sensitivity analysis showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible. These disclosures could be considered forward-looking information. The Safe Harbors expressly exclude any information included in a financial statement "prepared in accordance with generally accepted accounting principles." Thus, the Safe Harbors would not be available for forward-looking information in IFRS financial statements.

The Proposing Release notes that, when the Commission adopted its market risk disclosure requirements, it considered whether that disclosure should be included in a registrant's financial statements and, if so, whether that disclosure would be covered by the Safe Harbors. The Commission ultimately concluded that the information should be disclosed outside of the financial statements and, thus, covered by the Safe Harbors. We believe that was the appropriate conclusion and, for the reasons discussed below, we believe that the market risk disclosures required by IFRS 7 also should be covered by the Safe Harbors should the Commission determine to require US issuers to comply with IFRS.

The Commission has express authority under Section 27A(b) of the Securities Act and Section 21E(b)(2)(A) of the Exchange Act to modify the exclusions from the Safe Harbors, including those for forward-looking information in financial statements.[6] Those provisions provide that the exclusions apply "[e]xcept to the extent otherwise specifically provided by rule, regulation or order of the Commission."

We note that, in the Proposing Release, the Commission expressed the belief that the question of the exclusion of the Safe Harbors warrants further consideration and, if appropriate, it may address it through a separate rulemaking. We urge the Commission to commence such rulemaking before eligible U.S. issuers may elect to comply early with IFRS in 2010.[7]

We believe that coverage of IFRS 7 disclosure by the Safe Harbors is consistent with the Congressional purpose in enacting the Safe Harbors and is of extreme importance, given that the litigious climate in the U.S. is not as pervasive in other jurisdictions that have adopted IFRS.

Impact of Adoption of IFRS on Non-Public Issuers

The Roadmap notes that "an additional cost and complication would be added to the initial public offering process if a private company whose financial statements were not in accordance with IFRS were required to provide them for purposes of its initial registration

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6 The Commission also could act under the general rulemaking and exemptive authority under the Securities Act and the Exchange Act.

7 We believe that the same relief should apply to foreign private issuers complying with IFRS 7.

statement with the Commission."[8] The Roadmap, however, does not further discuss this issue or potential alternatives. At a minimum, the final release should be explicit in its requirements for first time registrants. In addition, the Commission should examine whether the costs to include three years of IFRS financial statements for first time registrants may prohibit investment-worthy enterprises from making public offerings, and, if so, whether modified conversion requirements to ease some of the burden would be appropriate.

The Roadmap's alternative phase-in and filing requirements for IFRS do not discuss or make any special provision for first-time registrants. The absence of specific provisions makes the Roadmap unnecessarily ambiguous in certain respects. For example, according to the Proposing Release, upon mandatory effectiveness, all issuers will be required to file three years of audited financial statements in accordance with IFRS.[9] Although the Roadmap does not specifically address the question, *presumably*, the proposed transition dates for issuers, based on status as large accelerated filers (December 31, 2014), accelerated filers (December 31, 2015), or non-accelerated filers (December 31, 2016), will also apply to first time registrants. This outcome, however, is by no means clear.[10] The Commission should explicitly address in its rulemaking the filing requirements for first time registrants[11].

In addition, while we make no specific proposals, we believe that the Commission should carefully consider less demanding prior-year presentation requirements for first time registrants that have not historically used IFRS. It is doubtful that many private companies would deem it a prudent use of resources to begin preparing both GAAP and IFRS statements on the basis of remote plans to go public in three or more years' time. On the other hand, particularly for small companies, the costs of three years of restatement and reconciliation could be prohibitive.

The Committee also notes its concern that mandatory use of IFRS for public companies--but not private companies--could result in two general use accounting standards for U.S. businesses, a manifestly confusing and inefficient scheme. Private businesses, which overwhelmingly follow U.S. GAAP, today account for about half of the nation's economic

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8 Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers, 73 Fed. Reg. at 70825.

9 Id. at 70824.

10 For example, the Roadmap does not explain if a first time registrant in 2014, fitting the criteria of a non-accelerated filer, would be treated as a non-accelerated filer for the purposes of Section 13 compliance, or must include three years of IFRS. In addition, the Roadmap does not identify the event-date for assessing the initial public offering filer's status--i.e., date of initial filing, effective date of registration, or some other date.

11 Further, this obligation would be imposed not only on companies that have determined to "go public", but also on companies that by reason of the growth of their assets or shareholder base, are required to become subject to reporting obligations pursuant to Section 12(g) of the Securities Exchange Act of 1934.

output.[12] While the Commission has no authority to prescribe accounting standards for non-reporting companies, we urge the Commission to explore the potential ramifications of the IFRS Roadmap on private companies with the FASB, including the FASB's Committee for Private Company Financial Reporting.

12 J. O'Dell, "What Happens to Private Companies When Public Companies Move to International Financial Reporting Standards," *Florida CPA Today* (2008), available online at: http://www.ficpa.org/ficpa/ResourceCenter/Publications/FCT/Technical/IFRS/whathappenstoprivate.

The Committees appreciate the opportunity to comment on the Proposing Release and respectfully request that the Commission consider the recommendations and comments set forth above. Members of the Committees are available to discuss them should the Commission or the staff so desire.

Respectfully submitted,

Keith Higgins, Chair of the Committee on Federal Regulation of Securities

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Stanley Keller, Chair of the Committee on Audit Responses

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