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Via email: rule-comments@sec.gov
Ms. Nancy M. Morris/Secretary
Securities and Exchange Commission
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Washington DC 20549

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Dear Colleagues at the SEC:

Thankfully our civil and financial system which has given us open and fair markets calls for due process when the administrators of the market mechanisms and associated processes decide or are asked to consider changing rules on which everyone bases their sundry and many sorts of decisions and which affect policy and day to day decisions by ordinary investors in the US. That said, I appreciate providing comment about the above referenced matters related to US GAAP "GAAP" and the International Financial Reporting Standards "IFRS", a reporting model substantially influenced by the British and Europeans. Both of those regions' governments pay for the healthcare and pensions of their enterprises' employees. With that example I suggest the differences in IFRS principals versus US GAAP which I describe in my comments.

I serve on the Committee for Improved Corporate Reporting at the New York Society of Security Analysts, as well as its Committee for Corporate Governance/Shareholder Rights. I express my own opinions, which neither serve to represent the opinions of the other Committees' and Society members or speak on their behalf.

Although it is nice that France now has 7 million investors, and arguably the European markets have enjoyed greater investment participation by more of their local people, not just more investing from sophisticated US institutional investors hunting for more return while diversifying their portfolios out of US equity asset classes, the US remains the single largest homogeneous pool of investors of all types than anywhere else in the world.

Every foreign multinational would prefer to access our investors' wallet than anywhere else in the world. Aside from having the single largest homogeneous economy, our legislative and judicial system serves as a stable framework and foundation for both US and foreign investors. Meanwhile, we know empirically that our large investor class of all types and profiles exist generally because we have committed in policy, law, and regulation to keeping transparent, fair, timely, and responsibly economically representative both public and managerial financial reporting.

Conflicted interests are pathological – we have seen their pattern while they have been able to purloin using the system and corrupting it for themselves while saying, this is good, this is acceptable, let's do this... Even if the undertow of self serving management prefers to erode the quality and true economic representation of our US GAAP reporting model, there remains some sufficient force against the complete hijacking of our reporting model against the forces of greed and corrupt control.

Although the comment period ended on September 24, 2007 for "Acceptance from Foreign private issuers of financial statements prepared in accordance with "IFRS" Without Reconciliation to "GAAP", my comments to File S7-13-07 I include with my comments regarding S7-20-07 "Concept Release on Allowing US Issuers to prepare financial statements in Accordance with IFRS.

Not only did the Concept Statement include the SEC's efforts to support the US Filers' use of IFRS, but comparing US filers under either reporting method given our civil policy, laws, regulatory, and economic

framework and the sobering differences of these here in the US versus what truthfully exists abroad – something must accord the material differences in the economic and financial representation of enterprises based there versus that of enterprises based here. The public financial reporting model gives us the acceptable wheel of which however we now are questioning about its substance.

I generally oppose that foreign firms would file in the US to trade over our exchanges reporting under IFRS. US companies of all sizes and foreign firms keen to access trading over our exchanges for our investors' wallet most responsibly represent their true economic status to US investors via US GAAP.

US issuers use the fair and honest way in the financial reporting realm to responsibly distinguish operating in our society under our economic framework, while foreign reporters filing under GAAP provide comparable numbers to US filers using the US reporting model. Not as if GAAP most responsibly represents the true economic status of the enterprise, however quarterly, full disclosure keeps domestic and foreign management more responsible to the other users of financial information, their boards and investors as well as other interests in our society who provide some oversight or interaction with publicly traded corporations.

I conjecture with former Goldman Sachs banker Henry Paulsen, now Treasury Secretary and former Goldman Sachs investment banker John Thain, now heading the New York Stock Exchange, these conflicted parties along with other self interested parties have promoted the idea of foreign filers reporting IFRS while avoiding GAAP reconciliation, as well as the US issuers using IFRS. Addressing some of the recently arising questions the SEC raised as well as themes had by proponents of 'convergence' or harmonization of the reporting model, or even where US files would report IFRS, and foreign issuers filing in the US under IFRS omitting US GAAP reconciliation, I will indicate my opposition using sections of the Concept Statement and the Proposed Rule.

With regard to US enterprises filing in IFRS or even for international issuers to avoid IFRS reconciliation with US GAAP, Page 4 of 33-8813, "Commission noted that for issuers wishing to raise capital in more than one country, preparing more than one set of financial statements to comply with differing jurisdictional accounting requirements increased compliance costs and created inefficiencies.³"

Issuers look for 'inefficiencies', despite their associated costs. Their accountants and international lawyers have deep bodies of IP that search out the holes and cracks in the system so as to gain some advantage for their clients. So proponents are making disingenuous claims over 'inefficiencies' of filing in a foreign country's local reporting model. Most of the complaining is disingenuous about concerns of US companies and/or their subsidiaries competing globally in industry sectors where their peers have moved to IFRS.

Contrary to Section C The Possible Use of IFRS by US Issuers, I suggest that the SEC make the option available to US filers to report IFRS requiring GAAP reconciliation. Only management and inside players are served by eroding the financial reporting to IFRS which is said to inflate reported earnings. Meanwhile I support or suggest maintaining the robust US GAAP process as administered by the Financial Accounting Standards Board and other participants.

Page 13 of the same section suggests an even more convoluted and disjointed system than we currently have and would render the filers and the reporting model even less comparable and honest to the prior numbers of the filers:

"The Commission anticipates that not all U.S. issuers will have incentives to use IFRS. For example, U.S. issuers without significant customers or operations outside the United States—which may tend to be smaller public companies—may not have the market incentives to prepare IFRS financial statements for the foreseeable future. Additionally, the Commission recognizes that there may be significant consequences to allowing U.S.

issuers to prepare their financial statements in accordance with IFRS as published by the IASB. If the Commission were to accept financial statements prepared in accordance with IFRS as published by the IASB from U.S. issuers, then investors and market participants would have to be able to understand and work with both IFRS and U.S. GAAP when comparing among U.S. issuers because not all U.S. issuers are likely to elect to prepare IFRS financial statements. On a more practical level, a U.S. issuer may have contracts such as loan agreements that include covenants based upon U.S. GAAP financial measures or leases for which rental payments are a function of revenue as determined under U.S. GAAP. Similarly, U.S. issuers may use their financial statements as the basis for filings with other regulators and authorities (e.g., local and federal tax authorities, supervisory regulators) that may require U.S. GAAP financial information. “

Page 14 begins the questions: “1. Do investors, U.S. issuers, and market participants believe the Commission should allow U.S. issuers to prepare financial statements in accordance with IFRS as published by the IASB?” I suggest Filers use US GAAP and reconcile to IFRS.

Question 2 ruminates about the effects on the US public capital markets if some US issuers file IFRS while others file under GAAP. I suggest that only management and the investment banks find advantage created by producing confusion or facilitating confusion. So even the option to file IFRS with the US GAAP reconciliation makes IFRS a laughing stock of sorts, calling attention to its significant differences from US GAAP. Additionally, while debt was artificially cheap, deal people and in turn, investors availed themselves of the cheaper debt. This is said to have reduced the IPO market while the LBO, Leveraged buy-out market flourished.

What has appeared to be, are the power of the larger money changers and globalist minded managements which prefer control and greed. Question 7 “Are there additional market forces that would provide incentives for market participants to want U.S. issuers to prepare IFRS financial statements?” And speaking to question 9, where use of IFRS in anyway in public reporting may serve as a Trojan Horse to weaken the FASB or disrupt GAAP in yet a worse way, I would oppose such an undertow.

Section D on Convergence of IFRS and US GAAP, I urge the FASB to remained concentrated on promulgating and interpreting GAAP. Our legal and judicial systems serve as the frame work for US GAAP and not IFRS. The SEC in prior and subsequent cases should accept US GAAP, rather than an inferior, international reported model crafted to let management have greater leverage to produce disingenuous financial results.

In Section III Global Accounting Standards B. The International Accounting Standard Setter – I remind the public at large that there always will be a few ambitious, expedient group of players with their paid off functionaries who will champion the cause of opaque, inferior financial reporting.

In Section IV IFRS Implementation matters for US filers, in Part B: Application in Practice – foreign issuers have legal systems that have produced those enterprises. For them to want access to our exchanges and legal system under their reporting model and speaking to S7-13-07 without US GAAP reconciliation, risks the more true comparison to our companies better represented by US GAAP. US GAAP is far more thorough and comprehensive. By permitting IFRS without reconciliation or US filers to file IFRS, erodes the quality and credibility of the information for all but experts and the elite investor able to hire consultants who have the inside track on the issuer using more opaque reporting that the SEC is engaging in a due process to get a pass for laying down to the steam roller of investment banker and globalist management pressure.

In Part D: Regulation – the SEC-CESR (the Committee of European Securities Regulators)

The SEC-CESR work plan also contemplates the confidential exchange of issuer-specific information between CESR members and the Commission, with implementing protocols. In addition, CESR has established among its members a forum and a confidential database for participants to exchange views and share experiences with IFRS. These mechanisms will allow securities regulators to endeavor to avoid conflicting decisions on IFRS application matters; nonetheless, each securities regulator retains the responsibility, and accordingly the right, to make its own final decisions.

Despite these mechanisms, a question arises as to what should be done, if anything, in circumstances where neither the IASB nor IFRIC has addressed a particular IFRS accounting issue that causes significant difficulties in practice. A securities regulator, including the Commission, may find it necessary as an interim measure to state a view on such an accounting issue. This is not new, as securities regulators have long been involved in resolving issues related to national accounting standards. If such a view were stated, the securities regulator subsequently could refer the accounting issue to the IASB or IFRIC for resolution of the issue for all constituencies.

These constituents have their hands full in their own jurisdictions, keeping on top of what they have to attend and providing checkered results as often they serve as confidence guys for the kleptocracy. At this point the regulators have a difficult time now avoiding conflicts of interest, and they ruminate that more opaque reporting will serve to endeavor for regulatory mechanisms to avoid conflicting decisions under the IFRS rubric? More than likely we will have the contrary and rue any digression into letting the hidden agenda bring us a Trojan Horse of IFRS for general use especially without GAAP reconciliation. And IFRS actually still fails to have promulgation on a number of items where our GAAP is robust, albeit very management self-serving, such as the income statement smoothing of Pension plan asset gains. IFRS has little if anything in the way of pension accounting and there are a number of other items that

Further to this point in Part E. Integration with the Commission's Existing Requirements: where the SEC suggest that filers provide off balance sheet disclosure – let's remember US GAAP itself is still in flux with not only a number of new Standards recently promulgated, where we need to see how the system responds to the Fair Value Option under FAS157, or the impact of goodwill impairment under FAS 140, 141 for accounting business combinations... Under IFRS will we see worse contortions? And what if under IFRS without US GAAP reconciliation where with the recent flux, we would wonder anyway about what we would have with GAAP, but at least it's GAAP with which we are comfortable and have access to transparency and more thorough disclosure with exhibits, etc.

Speaking generally regarding S7-13-07 why are we considering international companies and potentially US companies which would file under international, unreconciled reporting standards yet wanting to trade over US exchanges, with our higher quality listing requirements for US issuers? Why would we further corrupt our system with yet another ghetto of players using numbers that disconnect year over year comparability to peers, and to discount credibility and accountability of the numbers while our own GAAP is in flux.

Aside from the fact that each European country has its own version of IFRS, most use investors have never gotten near an accounting course, let alone taken a CPA exam that would prepare them to handling the brave new world facing the ordinary investor if S7-13-07 is accepted by the SEC. It's yet another way for the powerful, off the radar screen of select interests make more holes in the system to exploit and erode oversight brought by reconciliation reporting.

IFRS without US GAAP reconciliation alters and dysfunctions the playing field for all the players. And in Section II Acceptance of IFRS Financial Statements from Foreign Private Issuers without a US GAAP Reconciliation as a Step Towards a Single Set of Globally Accepted Accounting Standards" seems to want to achieve this new reporting model at any and all costs to what frames why publicly traded companies

must provide timely, credible, honest reporting to its shareholders and the public. The New World of IFRS without US GAAP reconciliation disrupts comparability and reliability of the reported numbers with prior periods' numbers and historical numbers of the issuer.

In the same Section under A. Robust Convergence: “ This work is expected to continue for many years, and both bodies have expressed a commitment to it. We fully support continued progress on convergence towards the optimal standard, whether that standard may be based on U.S. GAAP, IFRS, or a jointly developed new approach.” I suggest that foreign filer reconciliation absolutely should continue permanently for this very reason, among other things.

As I have mentioned earlier, IFRS has yet to promulgate standards that address that which FASB has addressed over the years of its existence, providing breadth and depth of reporting. In addition, what will exist under adoption and adjustment stages? IFRS requires more consultants. Although they think such a thing is good and without “imperfection”, great amounts of appraisal in the financial statements erode the numbers' credibility and reliability.

I prefer what we have, however, what stops the new erosion in our current reporting model related to FAS 157 and in general, what will address the need for more consulting for the Fair Value Option. More management and accountant and consultant discretion brings more uncertainty and disruption in reliable measurement necessary in the numbers

IFRS providing marginal ‘coverage’ of that which already exists disserves not only all investors, but indirectly the capital markets which expect to remain robust. Our system has robust capital markets because we have generally quality, quarterly reporting, with a great deal of disclosure and transparency. Anything inferior to this creates holes in the system in that advantages the large, multinational players answering my question Qui Bono? Who Gains? For this reason, among others I vigorously oppose the SEC's proposed rule about permitting foreign filers to access US markets without providing GAAP reconciliation.

Respectfully,
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