

September 19, 2005

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California
Society
Certified
Public
Accountants

Sent by e-mail to: bvstds@aicpa.org

Re: **Addendum to Letter Dated 06-15-05**
Proposed Statement on Standards for Valuation Services – Exposure Draft 03/30/05

Dear Ms. Fredericks,

On behalf of the California Society of Certified Public Accountants Litigation Sections (Litigation Sections), thank you for the additional time to comment on this proposal. The following Litigation Sections comments are in addition to the comments we previously sent you on June 15, 2005.

Item 1 – De Minimus Valuation Exemption

We believe that the standard should scope-out entirely valuations which are de minimus and incidental to a larger engagement a practitioner would otherwise perform. We believe these kinds of valuations are adequately addressed in other existing professional standards. A Q&A addressing what is a de minimus valuation, including some examples and the reason for the exemption. An example might be estimating the value of stock given as compensation as part of an engagement to prepare a tax return.

Item 2 – SSARS & SSAE Notification

We recommend that the standard alert the practitioner in a footnote (potentially in paragraph 60) that issuing a report that is subject to SSARS or SSAE may subject the practitioner to additional peer review or CPE requirements by their local CPA licensing authority.

Item 3 – Oral Reports for Calculation Analysis

We believe oral reports should be allowed for any calculation analysis. This will permit a practitioner the ability to handle instances such as when a client may want a preliminary estimate to see if it's worth doing more work.

Our members want to stress that oral reports for settlement purposes need to be identified as permissible also. Calculations in a settlement conference may be in the form of an oral report and are in the public's best interest in order to settle a case rather than litigate the case in court.

Item 4 – Q & A Inclusion in the Standards

We re-emphasize that the Q & A must have the equivalent authority of the standard. We recall that it was previously stated that instead of addressing some of the issues in the body of the standards that the items would be addressed in a Q & A which would be Appendix A of the standards. Please note that there is conflict information regarding this in the Standards. On page 36 it states that the Q & A is only for exposure draft purposes yet Question and Answer section, Appendix A, is referred to through out the "standard" portion of the document (e.g., Paragraph 53).

Item 5 – Professional Standards compared to a Practice Aid

We believe that much of the content of this document is more appropriate for a practice aid publication. We urge the AICPA to review the final draft for the purpose of eliminating content which we view as appropriate for a practice aid. The following examples are paragraphs containing what we believe is practice aid content: 31, 33, 38, 39, 40, 43 and 71.

**Re: CalCPA Litigation Sections Steering Committee
Addendum to Letter Dated 06-15-05
Proposed Statement on Standards for Valuation Services**

Again, thank you for the added opportunity to comment on the proposed standards and provide our input and recommendations. If we can provide additional assistance or should you have any questions please feel free to contact me at (310) 395-0599 or andy@mintzercpa.com.

Sincerely,



Andrew M. Mintzer, CPA
Chair, Litigation Sections
California Society of CPAs

cc: Thomas F. Burrage, Chair, BV/FLS Committee, AICPA
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