



January 14, 2005

CFA Institute
CFA Centre for Financial Market Integrity
P.O. Box 3668
Charlottesville, VA 22903

Re: Guidance Statement on Error Correction

To whom it may concern:

1. We support the CFA Institute's efforts to develop provisions to be added to the GIPS standards addressing the guidance on error corrections.
2. We agree that the guidance should be applied to all types of errors.
3. We agree with firms not making retrospective changes to previously presented information *as long as the change is immaterial and the error is corrected in a subsequent reporting period.*
4. The GIPS standards should require firms to have documented policies and procedures for correcting errors.
5. We agree with the guiding principles provided to firms when determining how to handle errors with one exception. In the Definition of Materiality section there should be three error correction choices based upon the degree of materiality:
 - a. correction in a subsequent period (i.e. adjust beginning value of subsequent period without adjusting ending value of prior periods),
 - b. restatement (i.e. adjustment to prior periods without republishing) or
 - c. republishing of previously presented information.
6. We agree with the application questions and responses provided.
7. We agree with the proposed 1 January 2006 effective date.

Thank you for giving us the opportunity to comment on the proposed Guidance Statement.

Sincerely,

James J. Merrick CCP, FLMI
Vice President
Special Development Projects