

Letter of Comment No: 9
File Reference: 1082-300
Date Received: 11/06/03

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Sent: Thursday, November 06, 2003 7:21 PM
To: Director - FASB
Subject: File Reference Number 1082-300

November 6, 2003

TA & I Director
Financial Accounting Standards Board

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Good Morning:

I am writing today with respect to your most recent draft of FIN 46. We are a small business, with just under one hundred independent franchise owners in our system. In my opinion, were FIN 46 to be implemented as proposed in its current form, it will cause our bankruptcy because franchise development would immediately cease.

Small businesses such as our franchisees would be hit especially hard. For example, if FIN 46 were to take effect as currently written, all franchisees in our system could be required to use the same outside auditor, to adhere to accounting principles dictated by the franchisor, be forced to provide full financial statement information to the franchisor, be required to provide internal control reports to franchisors, and adhere to internal control dictates. These are costly hardships that would be borne by franchisees, who simply cannot afford to do so.

Finally, let me be clear, we applaud your efforts to improve the quality of financial reporting by enterprises involved with VIE's and strongly support this important goal. However, the new draft of FIN 46 would not provide better financial reporting by franchise systems. Instead, many of these reports would be unlikely to accurately reflect economic reality and would require additional reporting to explain the results.

I appreciate your consideration and would be happy to discuss this matter with anyone at FASB, if that would be helpful.

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