TIC. Holdings, Inc.

Letter of Comment No. 25 File Reference: 1100-LEU Date Received: 09/16/03

September 16, 2003

Mr. Robert Herz Chairman Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

Dear Chairman Herz:

We are writing to express the serious concerns of our company regarding the severe impact that we believe Statement of Financial Accounting Standards No. 150 (FAS 150) will have upon our business operations. We urge the Financial Accounting Standards Board to reconsider its decision to make FAS 150 applicable to non-public entities.

FAS 150 require that issuers classify as liabilities any financial instrument issued in the form of shares that is "mandatorily redeemable." A financial instrument is "mandatorily redeemable" if it requires the issuer to redeem it by transferring its assets at a specified or determinable date upon an event that is certain to occur. Among such events is the death of an individual shareholder of the entity.

Background

TIC Holdings, Inc. ("Company") is a private construction company whose origins go back to 1974. Back then twenty individuals seized the opportunity to acquire the assets of a division of a company they were working for in Steamboat Springs, a small Colorado mountain town. That small local construction company is now, twenty-eight years later, an international construction firm generating over a billion dollars a year in revenues, ranked 32nd in the *Engineering News Record* for revenues and has over 160 management/shareholders.

The Company's success would not have been possible without the opportunity for it's management to become shareholders. Over the years the Company has had stock options and other methods of issuing stock to management. The Company's Articles of Incorporation call for mandatory redemption at death. Under FAS 150 the redemption requirement will cause the Company to reclassify most of its Shareholder's Equity to a liability account. In addition, the Company has whole life insurance contracts on the major shareholders to insure that the death of a shareholder will not jeopardize the Company's ability to repurchase their stock, continue to operate and remain private.

The reclassification of Shareholder's Equity will create problems not only with our shareholders, who equate it's growth to the value of their shares, but also with private clients and Federal, state, and local governmental agencies for whom the Company must pre-qualify in order to do business. Many of these entities with which the Company contracts and depends on for its survival require minimum equity amounts. We are deeply concerned that they will not understand FAS 150 and will, therefore, consider TIC to be financially unsound.

In order to report Shareholder's Equity the way the Company currently does, and to avoid the aforementioned, it would be forced to change its Articles of Incorporation to eliminate the requirement to acquire shares at death. The risks inherent in the construction industry and the Company's expectation that the shares will be held until retirement or death are currently detrimental enough to employee ownership. Eliminating the requirement to redeem shares at death will only increase the apprehension of our management employees to acquire stock, and thereby reduce the Company's ability to grow its number of management/shareholders.

We think a better way to inform the reader of our audited financial statements of the Company's redemption liability is to include it in the notes to the financial statements. The notes could describe the redemption liability, how the liability is computed and how often it is computed. It could also describe the amount and type of life insurance the Company uses to mitigate the liability.

For the sake of companies like ours, who want to remain private and provide an ownership stake to our management who make our success possible, we respectfully submit that you reconsider applying FAS 150 to private companies and consider other alternatives to satisfy your desire to fully disclose to the reader of the financial statements the company's redemption liability.

Very Truly Yours,

R. W. McKenzie

CEO

Jarnes P. Kissane

Vice President, Treasurer

cc: Audit Committee of the Board of Directors

