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November 21, 2003

Letter of Comment No: 28C
File Reference: 1082-300
Date Received: 11/21/03

TA & I Director

Re: File Reference Number 1082-300

Dear Sir or Madam:

As president of American Leak Detection, a franchise system with over 110 independently owned offices in the United States, I would like to share my concerns about FIN 46 and my belief that it presents an enormous risk to our system. The labor and cost associated with this would put us out of a business now being passed to a second generation.

You must understand that as the franchisor, we have no ownership in any of our offices. We provide a brand name, a network in which to work with peers, and ongoing training. As part of being a member of an elite cadre of leak specialists, our franchisees pay a monthly royalty. Beyond that, we have not actively reviewed or audited their financial statements. To suddenly be required to ensure their compliance with various accounting standards and incorporate their financials with ours would be daunting for our entire system.

Knowing the relationship between our franchisees and us, FIN 46 as written could require us to do the accounting for all of these offices at a cost we could not bear and could not recuperate in any way. If we could find the cash, the money reserved for support staff and programs would be shifted completely to oblige with FIN 46, therefore crippling our ability to advance our company in a competitive market place. Without marketing and training programs, our company could lose the lead it has gained in the market through 30 years of hard work.

And, in the end, I do not believe any interested party would have an accurate accounting of what our company is worth.

Please clarify FIN 46 as not applying to franchising, and allow us to continue growing and developing our livelihood.

Sincerely,

Tim Rennick, CFE
President
American Leak Detection

TR:jh



Each office independently owned and operated