FRANCHISE SERVICES, INC.

Letter of Comment No: 43
File Reference: 1082-300
Date Received: 11/13/03

Sir Speedy, Inc.
Postal Instant Press, Inc.
MultiCopy Europe B.V.
MultiCopy Netherlands B.V.
MultiCopy G.m.b.H.
MultiCopy S.N.C.
Digital Quickcolor, Inc.
Summit Marketing Communications, Inc.

November 13, 2003

TA & I Director
Financial Accounting Standards Board of the Financial Accounting Foundation
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

RE: File Reference Number 1082-300

Dear Director,

FASB FIN 46 is inappropriate in its Interpretation relating to franchise systems. Even worse would be its implementation in 2003 without full consideration of the essential facts.

We certainly support FASB's efforts to improve the full and accurate disclosure of financial information to the public. The representation by the franchisor of selected or complete financial data from their licensees (AKA franchisees) will not promote this disclosure effort.

Sir Speedy, Inc. / Postal Instant Press, Inc. / Franchise Services, Inc. has franchised 500 / 300 / 800 independently owned, managed and operated quick printing locations in the United States. Our 35 year relationships with our franchisees has no basis in the consolidated reporting of financial information.

Our concerns on FIN 46 are three fold; (1) the franchisee agreement should not fall under FIN 46 guidance, (2) the end product of any financial combination / consolidation will not be accurate and will not improve financial reporting and (3) FIN 46 will have an adverse impact on business growth.

Franchise Agreement
The franchisee operates their business independently, licensing a brand and a business model only, with minimal participation on the part of the franchisor in business or accounting decisions.

The franchisor has no ownership position in the franchisee operations. Requiring the franchisor to represent financial data received from individual operators will put the franchisor in a tenuous legal position with both the public and the franchisee.

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Meaningless Data
Our franchisees operate as corporations, trusts, dba's, etc. The lack of consistency of basic income statements and balance sheets would render meaningless the consolidation of any available data.

The essence of franchising is to allow the entrepreneur the freedom to manage (and account) for their business based on personal situations. These are generally small businesses, most without the guidance of a CPA. This then calls into question the availability and accuracy of any data delivered by the franchisee, diluting the value and accuracy of the combined statements.

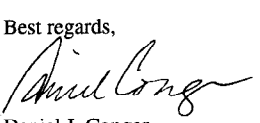
Many observers, including the SEC, have questioned the usefulness of the simplest franchisee data, that being "system wide sales." This weakens the value of consolidated finite data such as consolidated financial statements.

Anti-Growth
Placing the restriction for financial reporting on the franchisee through the franchisee agreement will place a significant obstacle in the way of new franchise development, impeding job growth and investment in local communities.

There would be a significant cost associated with the implementation of FIN 46 in the franchising model. Funds currently benchmarked for research, development and payroll would be put under pressure should FIN 46 become a reality.

We strongly urge you to (1) not implement FIN 46 in December and (2) consider the value of any partial future implementation.

Best regards,



Daniel J. Conger
Chief Financial Officer

DC:lw