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November 9, 2003

Letter of Comment No: 30 File Reference: 1082-300 Date Received: 11 09 03

TA & I Director, File Reference Number 1082-300 Financial Accounting Standards Board Of the Financial Accounting Foundation, 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Dear TA & I Director:

I am writing you as the owner of CLP, Inc. a franchisee of American Leak Detection, a franchisor.

I would like to lend my support to the correspondence you have already received from the International Franchise Association requesting that you clarify that FIN 46 does not apply to the franchise industry.

To require that the financial statements of the individual franchisees be consolidated with the franchisor would render the resulting financial statements to be meaningless. The burden of reporting on the individual franchisee would be great.

Most franchisees do not have audited financial statements. Many of the franchisees own their business in a Subchapter S corporation and do not necessarily keep an absolutely clear distinction between personal and business income and expense. Other franchisees do business as sole proprietors and make no distinction at all between business and personal income and expenses. The consolidated statements would be meaningless.

Sincerely,

Christopher L. Phillips, President.

Cc: IFA, American Leak Detection



