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January 16, 2009

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



LETTER OF COMMENT NO. 72

Re: FASB Interpretation No. 46(R)

Dear Mr. Herz:

As an auditor for my entire 28 year career in public accounting, I appreciate the efforts and accomplishments of the Financial Accounting Standards Board ("FASB") to balance the needs of business owners, third-party users of financial statements and the practicing CPA. The leadership of the FASB has been instrumental in maintaining the acceptance of the CPA as the business owner's most trusted advisor while providing issuers of credit and equity a high level of comfort for fair and consistent treatment of accounting issues.

However, I must express a concern encountered with a number of our clients. In the private company world, it is not uncommon for a business owner to personally own and lease real estate back to his operating company. Strictly for liability purposes, the owner is usually advised by legal counsel to transfer this real estate into a single member limited liability company ("LLC"). For income tax purposes, this is a disregarded entity and the rent income, depreciation expense, etc. is included on the personal income tax return of the business owner just like it would be with direct ownership of the real estate.

To be in compliance with FIN 46(R), in the above single member LLC scenario, the single member limited liability company must be reported on a consolidated basis with the operating company. However, if the real estate is instead owned directly by the business owner, no consolidation is required. Even though there are sound business reasons for having a one person real estate entity, FIN46(R) puts an undue hardship on the business owner for adherence to this rule, as well as, the confusion it causes to the third-party user reviewing consolidated financial statements who is making credit/equity decisions based on the attributes of the operating company. Without the FIN 46(R) requirement for consolidation, there still remains a requirement for disclosure of this related party transaction. Therefore, all third-party users of the company's financial statements are put on notice regarding this arrangement. I have read the professional standards and all of the concerns raised during the exposure draft stages of FIN 46(R) and based on my experience and business judgment there should be relief in this and similar situations.

I appreciate the opportunity to express my concerns with this standard and welcome any assistance you can provide to our clients. I also would be willing to discuss this issue in more detail anytime at your convenience. Thank you for your consideration of this request.

Sincerely,

Dale K. Geeslin, CPA
 Partner

1200 Ashwood Parkway, Suite 300
 Atlanta, GA 30338-4747
 Tel (770) 396-1100 • Fax (770) 393-0319
 www.ghi-cpa.com