LAWRENCE NATIONALEASE

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

Dear Mr. Golden,

Lawrence NationaLease is an independent truck leasing company located in Minnesota. We are a medium to small size company leasing to businesses with small to medium size fleets. We are part of the NationaLease system which is a group of independents like ourself located throughout the United States and Canada with approximately 700 service locations between 165 members. We band together with other NationaLease independents to provide an efficient servicing system that benefits our customers regardless of where they are.

We are basically a family owned company and have been since 1957. We are a low margin, heavy asset based business. Almost our entire business is operating leases which you would categorize as a "right to use" lease. The lessee has no right to purchase. The leases are normally between four to six years depending on mileage. The service includes all maintenance costs including tires, along with replacement equipment in event of a breakdown; all regulatory and compliance requirements normally including license, insurance, permits, fuel tax and fuel tax reporting.

My point is the following. The complexity and changes as I understand them is that this is such a complete change and we, along with other NationaLease members, Idealease members, and PacLease members, are not equipped to deal with the proposed changes. I believe this will have a draconian effect on not only us as lessors but also the lessees who use us to improve efficiencies in their transportation/distribution efforts as well as removing redundancies that have to do with all compliance issues and physical shops to individually maintain small to medium fleets.

It appears that by the way you treat our industry as full service lessors, we would also need to front load vs. straight lining (what we do today) our interest and depreciation, which in a normal five year truck lease on a truck tractor would be somewhere over 60 months. Typically in a 5 year lease we will depreciate the asset to a residual of somewhere between 35-20% of the original asset cost and we will match our financing over the term of the lease with payments of principal interest that will match our depreciation cost. At the end of the lease we take back the asset. The lessee returns the asset without any responsibility for the residual. The complexity that you're adding to this business model is overkill.

Our industry has a reputation that is not tainted with any sort of bad business practices but just the opposite. We have helped create an environment with newer trucks on the road that are environmentally friendly. It's a very competitive business known for good service and integrity. I cannot see the benefit derived to anyone by requiring compliance with these standards being presented. I implore you to scale back the new standards to something much closer to our present Gaap accounting that has worked so well for this industry for so many years.

Thank you for your consideration.

Lawrence NationaLease

Stephen A. Lawrence

CEO