



February 10, 2011

J. Gordon Seymour
Office of the Secretary, PCAOB, 1666 K
Street, N.W., Washington, D.C. 20006-2803

Re: PROPOSED TEMPORARY RULE FOR AN INTERIM PROGRAM OF INSPECTION RELATED TO
AUDITS OF BROKERS AND DEALERS; Docket Matter No. 32

Dear Mr. Seymour:

Thank you for the opportunity to comment on PCAOB's Proposed Temporary Rule for an Interim Program of Inspection Related to Audits of Brokers and Dealers. We trust you will convey our comments to the Board.

3PM is a professional association made up of firms that assist in increasing institutional assets for their diverse following of investment manager clients. The organization's goals are to cultivate relationships and business opportunities among members and to provide information and education about the industry. In addition, 3PM also aims to enhance professional standards and integrity by advancing best practices throughout the financial services industry. More information is available at www.3pm.org.

We recognize the extent to which the PCAOB Board's mandate impacts public confidence and we know that it reaches to the core: the stability of our capital markets. Therefore, we understand that the Board cannot exercise its authority to make broad exemptions without careful consideration of the risks posed by various business activities in which brokers and dealers engage. Further, we are aware that brokers and dealers engage in broadly varied type of businesses, some of which may be relatively unfamiliar to the Board.

Nonetheless, we firmly believe that certain classes of brokers and dealers pose no meaningful risk to consumers and should be exempted from the PCAOB's authority without delay.

For instance, our members are primarily engaged in third party marketing, or placement agent services. Our members' customers include private equity companies, hedge funds, registered investment advisers or other public or private institutions. Some of our members engage related institutional services, such as mergers and acquisitions, and other professional consultative services that do not involve public customers.

We encourage you to consider the estimated number of firms that fall into these categories:

- 202 broker-dealers report that private placement activity is their only business line
- 185 broker-dealers do not fall into any of the customary FINRA business lines and disclose "Other" as their only line of business. Most of these describe their business as mergers and acquisitions and some as third party marketing
- 520 broker-dealers disclose that they are solely private placement agents and "other" activity, again describing the other activity as mergers, acquisitions and placement agent or third party marketing services.

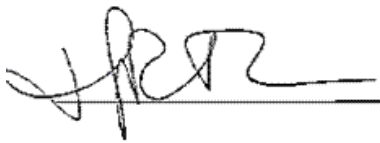
Cumulatively, these 900 firms represent a class of broker-dealer that does not open accounts for customers, does not have custody of assets or securities of others and which pose low, if not no risk, to investors. While these firms are required to carry SIPC insurance, the absence of customers within their business model means that SIPC insurance would not cover their losses.

It is important to note that the majority of these firms are also very small firms. Of the 387 firms reporting only one line of business (private placements or "other") all but 2 are small firms. Of those reporting two business lines (Private placements and "other"), 95% have fewer than 21 employees.

Since the Sarbanes-Oxley Act gave the PCAOB Board inspection authority and responsibility and continuing through passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which expanded that inspection authority to include audits of registered securities brokers and dealers, our members have suffered the burden of increased fees for our annual audits. In some cases, most predominantly in more rural areas where auditors of broker-dealers are not readily or regionally available, costs have sky-rocketed.

Considering all the facts presented herein, it is with great respect for the challenges faced by your Board that we request that you exempt from the PCAOB audit requirement for firms in our FINRA demographic.

Best regards,

A handwritten signature in black ink, appearing to read "LR", written over a horizontal line.

Lisa Roth, Director

A handwritten signature in black ink, appearing to read "Stacy Havener", written in a cursive style.

Stacy Havener, President