August 18, 2003

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, DC 20006-2803

***Re: PCAOB Rulemaking Docket Matter No. 005***

Members and Staff of the Public Company Accounting Oversight Board:

The American Institute of Certified Public Accountants ("AICPA") respectfully submits the following written comments on the Public Company Accounting Oversight Board's ("PCAOB" or the "Board") proposed rules regarding investigations and adjudications. The AICPA is the largest professional association of certified public accountants in the United States, with more than 350,000 members in business, industry, public practice, government and education.

The AICPA recognizes the enormous effort put forth by the PCAOB members and staff to implement the provisions of the Sarbanes-Oxley Act of 2002 (the "Act"). A cornerstone of the Act was the grant of authority to the PCAOB to investigate and discipline registered public accounting firms and associated persons of such firms for violations of the Act, rules of the Board, provisions of the federal securities laws relating to the preparation and issuance of audit reports, and professional standards. The AICPA is committed to working with the PCAOB to develop a fair and effective process to implement the Board's authority to investigate and discipline registered public accounting firms. To that end, the AICPA appreciates the opportunity to comment on the proposed rules regarding investigations and adjudications.

Overall, the AICPA is supportive of the proposed rules on investigations and adjudications. We believe, however, that the proposed rules could be clarified and improved in several respects and offer the following comments:

Proposed Rule 1001(h)(i) – Hearing Officers

Under proposed rule 1001(h)(i), a Board member or panel of Board members could serve as the hearing officer in a disciplinary proceeding instituted pursuant to the rules of the Board. We believe that permitting Board members to serve as hearing officers would be inappropriate for the following reasons.

The proposed rules contemplate that Board members would review information provided by the Director of Enforcement and Investigations or other sources in order to determine whether to initiate a formal investigation under proposed rule 5101 or to commence a disciplinary proceeding under proposed rule 5200. We believe that participating in a decision to commence such proceedings could result in a conflict of interest with respect to a Board member's ability to serve as an impartial hearing officer. A hearing officer should have no prior knowledge of or experience with the facts of a particular proceeding in order to ensure that the hearing officer has not prejudged the matter or developed a personal bias towards any of the parties. While proposed rule 5402 offers a means for parties to address perceived conflicts of interest involving hearing officers, we do not believe it is fair to require parties to make a formal motion for withdrawal in order to remedy an inherent procedural flaw.

In addition, proposed rule 5460 provides for Board review of initial hearing officer decisions and proposed rule 5461 allows the Board to grant interlocutory review of certain hearing officer rulings. Even if a Board member serving as the hearing officer were recused from these appeals, the proposed process would place the other Board members in the awkward position of reviewing *de novo* the decisions and rulings of one of their fellow Board members. We believe that the rules should be designed to ensure a meaningful review process and that permitting Board members to serve as hearing officers would give rise to unnecessary conflicts of interest and the possible prejudgment of issues meriting full and unbiased consideration by the Board.

Proposed Rule 5102 – Testimony of Registered Public Accounting Firms

Proposed rule 5102(c)(4) would require a registered public accounting firm to designate witnesses to testify on behalf of the firm in response to an accounting board demand. We recognize that proposed rule 5102(b)(1) requires the Board to provide reasonable notice of the time and place for the taking of testimony in general. We believe, however, that the proposed rules should expressly recognize that it may take time for an accounting firm to identify the appropriate persons to respond to a request to designate witnesses to testify on behalf of the firm regarding particular matters. Accordingly, we believe that the proposed rule should include a minimum amount of notice (such as 14 days) sufficient to allow a registered public accounting firm to identify the appropriate persons to testify on its behalf.

Proposed Rule 5102(c) – Use of Non-lawyer Technical Experts in Testimony

Proposed rule 5102(c) would address the conduct of oral testimony during Board investigations. Under proposed rule 5102(c)(3), a witness could be represented by counsel. In addition, "such other persons" as the Board or the Board's staff "determine are appropriate to permit to be present" could attend the examination. It is unclear from this language whether, under this standard, an accountant or other non-lawyer technical expert retained by an attorney to assist in the lawyer's representation of a witness generally would be allowed to attend the witness's examination.

In the context of SEC proceedings, courts have recognized this right, and we believe that the Board's rules should do so as well. Specifically, in *SEC v. Whitman,* 613 F. Supp. 48 (D.D.C. 1985), the court held that a witness subpoenaed to give testimony in an investigation was entitled

to representation by counsel who was assisted by a non-lawyer whose presence served to bridge the gap between the technical expertise of the witness's lawyer and the staff personnel questioning the witness. Accordingly, the court concluded that, to the extent that the SEC's Rules of Practice were construed to preclude the attendance of the non-lawyer adviser at the client's testimony, they inappropriately interfered with the client's right to effective counsel. We urge the Board to avoid any similar ambiguity in its rules by expressly providing that a non-lawyer technical expert may attend a witness's examination where the expert has been retained to assist the lawyer in the representation of the lawyer's client, so long as the expert in question has not been or is not reasonably likely to be separately examined during the Board's investigation.

Proposed Rule 5103 - Production of Audit Workpapers and Other Documents in Investigations

Proposed rule 5103 would require that, in a formal investigation, an accounting board demand for the production of audit workpapers or other documents set forth a reasonable time and place for such production. The section-by-section analysis provides that, as a general rule, the staff will allow at least 5 days before production is due. This time period may not allow registered public accounting firms enough time to reasonably obtain such documents. In contrast, proposed rule 5422 allows the Board 14 days to make documents available for inspection and copying. We recommend that Rule 5103 be revised, consistent with proposed rule 5422, to expressly allow accounting firms 14 days to produce audit workpapers and other documents.

Proposed Rule 5106 – Assertion of Claim of Privilege

Proposed rule 5106 requires a significant amount of information to be supplied in order to substantiate a privilege claim. As currently drafted, the proposed rules suggest that the failure to provide *each* of these items could subject a registered public accounting firm to a disciplinary action and sanctions for failing to cooperate with an investigation, even if the omitted information (*e.g.,* the precise date of a communication, or the identification of the place where it occurred) was not critical or necessary to assessing the good faith of a privilege claim or the information was not in the possession, or within the knowledge, of the party asserting the privilege. The Board should consider revising the proposed rules to acknowledge that a failure to cooperate proceeding will not be instituted against a party for failing to provide information pursuant to proposed rule 5106, absent a showing that (1) the information is readily available, and (2) the information is necessary to assess the good faith of a privilege claim.

Proposed Rule 5108 - Confidentiality of Investigatory Records

Proposed rule 5108 provides that investigatory records of the Board shall be confidential and privileged as an evidentiary matter and shall not be subject to civil discovery. As drafted, however, the proposed rule could be construed as diluting the protections mandated by Congress in two important ways.

First, proposed rule 5108 provides that the investigatory records would be "confidential in the hands of the Board," suggesting that documents prepared for the Board by an accounting firm might not be confidential in the hands of the accounting firm. The Act provides that "documents or information prepared or received by or specifically for the Board . . . in connection with an

inspection under Section 104 or with an investigation under this section, shall be confidential and privileged as an evidentiary matter . . . ." Accordingly, documents prepared by accounting firms "specifically for the Board" in connection with an inspection or investigation are confidential and protected from discovery whether in the hands of the Board or an accounting firm. We assume that the Board intended its proposed rule to be consistent with the Act and, in order to avoid any confusion, suggest that the phrase "in the hands of the Board" be omitted from the proposed rule.

Second, the proposed rule provides that "[u]nless otherwise ordered by the Board or the Commission," documents and information provided to the Board in connection with an inspection or investigation shall be confidential. The quoted phrase does not appear in the Act and, in our view, the Act does not contemplate that the Board or the Commission would have discretion to determine that investigatory material is no longer confidential. Section 105(b)(5)(A) clearly provides that all investigative material shall remain confidential "unless and until presented in connection with a public proceeding or released in accordance with [Section 105(c)]." Accordingly, we urge the Board to remove the phrase "[u]nless otherwise ordered by the Board or the Commission" from the proposed rule.

Proposed Rule 5109(a) – Review of Order of Formal Investigation

Proposed rule 5109(a) is adapted from the SEC's Rules of Practice and provides that the Director of Enforcement and Investigations may authorize the release of a formal order of investigation to a requesting party. Consistent with SEC practice, the Board should expressly authorize the Director of Enforcement and Investigations to delegate this authority to other members of his or her staff. Otherwise, requesting parties may experience extensive and unnecessary delays in obtaining access to formal orders.

Proposed Rule 5109(d) – Statements of Position

Proposed Rule 5109(d) states that, in its discretion, the Board's staff "may advise [persons who become involved in an informal or formal Board investigation] of the general nature of the investigation, including the indicated violations as they pertain to those persons and the amount of time that may be available for preparing and submitting a statement prior to the presentation of a staff recommendation to the Board." Although the proposed rule appears to attempt to set up a process similar to the SEC's "Wells Submission" process, it does not require the Board to provide a registered public accounting firm or its associated persons with a meaningful opportunity to submit their positions to the Board. As drafted, the proposed rule permits persons who become involved in formal and informal investigations to submit written statements setting forth their positions, but does not *require* the Board's staff to advise such persons of the specific nature of the contemplated allegations or the available time in which to make such submissions.

Specifically, in our view, the proposed approach is flawed in several respects. In 1972, then-SEC Chairman William J. Casey appointed a committee (chaired by John Wells and commonly referred to as the "Wells Committee"), to review and evaluate the Commission's enforcement policies and practices. Among the recommendations made by the Wells Committee was the following:

> Except where the nature of the case precludes, a prospective defendant or respondent should be notified of the substance of the staff's charges and probable recommendations in advance of the submission of the staff memorandum to the Commission recommending the commencement of an enforcement action and be accorded an opportunity to submit a written statement to the staff to be forwarded to the Commission together with the staff memorandum.

Clearly, the Wells Committee believed that notice and opportunity to submit a written statement to be forwarded to the Commission along with the staff's recommendation was extremely important and that potential respondents should be deprived of this opportunity only "where the nature of the case precludes" (*e.g.,* where exigent circumstances require immediate action). We recognize that the Commission implemented a Rule of Practice that was not as strict — and not as protective of prospective respondents' rights — as the one recommended by the Wells Committee. We believe, however, that the Board's proposal would be (1) inefficient because key points of fact or law might not be provided to the Board for its consideration, (2) inequitable because potential respondents in similar situations could be treated differently depending on the discretion of the Board's staff, and (3) unfair because accounting firms and their associated persons could be the subject of disciplinary proceedings — an event that may trigger disclosure to clients as well as state regulators — without a meaningful opportunity to state their positions before the Board. Moreover, we cannot fathom why the Board would not want to consider potential respondents' fully-informed positions at the time it is making such important decisions.

Accordingly, we believe that the proposed rule should be revised to expressly afford prospective respondents with the opportunity to make meaningful pre-hearing submissions by providing that (1) prospective respondents shall be notified of the staff's charges and probable recommendations in advance of the submission of the staff's memorandum to the Board, (2) prospective respondents shall be granted a reasonable period of time to prepare a submission, and (3) any statement submitted by a prospective respondent shall be submitted to the Board together with the staff's memorandum.

In addition, we believe the proposed rules would be enhanced by providing persons subject to an investigation with access to materials described in proposed rule 5422(a) at the point when the Board's staff determines to recommend that the Board institute a disciplinary proceeding. Providing persons under investigation with a clearer picture of the information to be presented to the Board would (1) facilitate meaningful submissions more directly addressing the issues the Board would be considering and (2) promote the more efficient resolution of matters because relevant evidence would be shared earlier in the process. In our view, these recommendations will assure maximum fairness to persons subject to these rules, without compromising the Board's need for effective and timely enforcement.

Proposed Rule 5110(a) – Grounds for Instituting Proceedings

Proposed rule 5110(a) contemplates that that the Board may institute a disciplinary proceeding against a registered public accounting firm or an associated person of such a firm for failure to cooperate with a Board investigation. Although the Institute agrees that a demonstrated failure to cooperate with a lawful Board inquiry or a reasonable Board request may warrant sanctions, we believe that instituting a disciplinary proceeding on the grounds that a witness "may have given testimony that . . . omits material information" would be unreasonable, as well as unworkable in practice.

In particular, a witness providing oral testimony during a Board examination can only be expected to answer the specific questions posed by the Board's staff, with the reasonable belief that, if the Board's staff has additional questions, they will pose such questions. The proposed rule, however, effectively would require a witness to anticipate, throughout the course of his or her testimony, whether the staff will or will not pose additional questions and, if not, whether the failure to provide additional information in response to a particular question might, in hindsight, be deemed a "material omission." It is manifestly unfair to expect a witness to consider the totality of his or her testimony as the examination is unfolding, a time when the witness should be focusing on truthfully answering the questions posed.

In this regard, we further note that neither the SEC's Rules of Practice nor the rules of the self-regulatory organizations such as the NASD and the NYSE provide for the imposition of sanctions on witnesses for omitting to provide material information that was not solicited by a specific question (as opposed to providing false testimony) during oral testimony. Accordingly, we believe that this approach is contrary to American jurisprudence and urge the Board to remove this language from the proposed rule.

Proposed Rule 5200(a)(2) - Supervisory Personnel

Proposed rule 5200(a)(2) implements Section 105(c)(6)(A) of the Act, which authorizes the Board to commence disciplinary proceedings when it appears that a registered public accounting firm, or its "supervisory personnel," has failed reasonably to supervise an associated person of the firm. The proposed rule would introduce a new basis upon which to sanction accountants, modeled after a provision of the Securities Exchange Act of 1934 (the "Exchange Act") governing the regulation of broker-dealers. Neither the Board's proposed rules nor the accompanying section-by-section analysis, however, provide a definition of, or any guidance for interpreting, the term "supervisory personnel."

In the context of Section 15(b)(4)(E) of the Exchange Act, there are many cases interpreting what it means to be "subject to" a broker-dealer's supervision. These cases address the potential liability of broker-dealer personnel ranging from "line" supervisors to legal and compliance officers. While they demonstrate the difficulty often involved in determining whether an individual is a supervisor under the statute, the supervisory structures of brokerage firms have evolved over an extended period of time to reflect both the statutory liabilities under the Exchange Act and various case-law developments.

In comparison, "failure to supervise" liability is an essentially new concept for the accounting profession, as is the statutory "safe harbor" defense under Section 105(c)(6)(B) for avoiding such liability where a firm has procedures in place "reasonably designed" to prevent and detect violations of applicable standards by associated persons of the firm and the supervisor of such persons had no reasonable cause to believe that the firm's procedures and systems were not being complied with. Under these circumstances, before the Board proceeds to adopt a rule that subjects "supervisory personnel" at an accounting firm to a range of sanctions for failing to supervise other firm personnel, the Institute respectfully submits that the Board should undertake to provide, preferably through a separate rulemaking, clear definitions as to the meaning of the term "supervisory personnel" for purposes of the Board's rules, as well as practical guidance as to when the safe-harbor provisions set forth in Section 105(c)(6)(B) of the Act generally would be deemed satisfied. Absent such additional guidance, both firms and their personnel will be left uncertain as to their responsibilities and potential liabilities under the Board's rules.

Proposed Rule 5201(a) – Notification of Commencement of Disciplinary Proceedings

Proposed rule 5201(a) provides that, whenever an order instituting disciplinary proceedings is issued, the Secretary of the Board shall provide the respondent "appropriate notice of the order within a time reasonable in light of the circumstances." The proposed rule does not specifically address, however, the amount of time a respondent would be granted prior to a hearing to prepare for the proceeding. Considering that, pursuant to proposed rule 5244(c), the interested division is not required to make relevant documents available to the respondent for inspection and copying until 14 days after the institution of proceedings, and that this represents the first time that a respondent would have access to such information, we believe that the proposed rule should expressly provide that hearings may not begin prior to 60 - 90 days, for example, after notice of the order has been given to the respondent.[1]

Proposed Rule 5300 – Standard Applicable to Imposition of Sanctions

Proposed rule 5300 sets forth the sanctions that the Board may impose as a result of a disciplinary proceeding. Section 105(c)(5) of the Act makes clear that certain sanctions may only be imposed in cases of (1) intentional or knowing conduct or (2) repeated instances of negligence. The proposed rule, however, does not articulate a standard that must be met in order to impose any other sanction on a registered public accounting firm or associated person thereof. We believe that the Board should establish clear standards applicable to the imposition of any sanction. Accordingly, except for those sanctions referenced in Section 105(c)(5) of the Act, we recommend that the Board adopt the standard articulated in Rule 102(e) of the SEC's Rules of Practice and that the proposed rule expressly provide that sanctions may be imposed by the Board only upon a showing that a registered firm or associated person engaged in the types of conduct identified in Rule 102(e).

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[1] We understand that the Board may want the ability, in extraordinary circumstances (*e.g.*, a clear and egregious instance of non-cooperation), to schedule an expedited hearing date. We believe, however, that the Board should not have the ability to expedite any other applicable timetable (*e.g.*, filing answers, post-hearing briefs and petitions for review).

Proposed Rule 5301 – Effect of Sanctions

Proposed rules 5301(a) and (b) would prohibit any person who is subject to a Board suspension or bar from becoming or remaining associated with any registered public accounting firm. As defined in Section 1001(p)(i), a "person associated with a public accounting firm" is any person who "in connection with the preparation or issuance of any audit report – (1) shares in the profits of, or receives compensation in any other form from, that firm; or (2) participates as agent on behalf of such accounting firm in any activity of that firm." In short, an associated person is any person who works on, or receives compensation from work performed on, audits of public companies (or "issuers").

We believe that the practical application of the proposed rule, as drafted, is unclear and potentially unfair. Accordingly, in order to assist registered public accounting firms in deciding whether there are circumstances in which they might reasonably continue to employ a suspended or barred person, the Board should clarify the nature of the work such persons may perform and the payments such persons may receive from the firm.

Because the definition of "associated person" requires participation or compensation "in connection with" a public company audit, a registered public accounting firm presumably may continue to employ a suspended or barred person, as long as that person does not participate in or receive compensation from public company audits. For example, the Board's proposing release expressly notes:

> In order to provide assurance that a firm that employs or continues to employ a barred person has not permitted the person to perform the activities of an associated person, the Board will consider, in connection with reporting requirements that it expects to develop in the future, whether to require such firms to provide regular reports on the activities and role within the firm of the barred person.

Accordingly, it appears that a suspended or barred person may continue to work for a registered public accounting firm, if the nature of his or her work does not relate to an "issuer" (*e.g.,* he or she engages in activities that an unregistered public accounting firm could undertake).

It is less clear, however, how a firm could compensate the suspended or barred person for such work. The note accompanying proposed rule 5301 provides that the prohibition on compensation includes "paying or crediting any salary, or any bonus, profit or other remuneration that results directly or indirectly from any audit fees, that the person might have earned during the period of the suspension or bar." While a firm may be able to identify and segregate bonuses or profit sharing units that directly relate to a particular audit engagement, it is not clear whether a firm can identify compensation resulting "indirectly from any audit fees." We agree that a suspended or barred person should not receive compensation that he or she "would have earned" for performing work on a public company audit or for securing a public audit engagement. It is not clear, however, whether the proposed rule also contemplates that registered public accounting firms would be required to segregate public and private audit work

fees and then attempt to trace all compensation paid to a suspended or barred person to particular fees. First, because money is fungible, it may be difficult to demonstrate the origin of every dollar of compensation paid to employees. Accounting firms generally do not classify salary and other forms of regular compensation (*e.g.,* payments other than bonuses or special compensation tied to individual performance) as having been derived from any particular fee. Second, compensation is often tied, at least in part, to the overall performance of the firm, including fees derived from both public and private audit work.

Given that the goal of this provision is to prevent suspended or barred persons from engaging in activities in connection with audits of issuers, we do not perceive any policy reason why the Board would be concerned with the amount or source of compensation such persons may receive for providing other services. Accordingly, while it seems that the proposed rules clearly permit a firm to continue to employ a suspended or barred person, we believe that the Board should clarify how a firm could compensate such person for permissible work without incurring the risk that those payments would not be deemed "indirectly" derived from prohibited activities.

Additionally, although not explicitly stated in the proposed rule, we assume that retirement benefits, which may be paid from current firm profits, would not be considered prohibited payments. Persons who are suspended or barred by the Board and have since retired from a registered public accounting firm, therefore, may receive retirement benefits from the firm. Given the importance of this matter, and to avoid possible confusion, we also encourage the Board to clarify that the prohibition from receiving payments does not include retirement benefit payments.

Proposed Rule 5302(b)(2)(iii)(D) – Form of Petition

Proposed rule 5302(b)(2)(iii)(D) requires that an individual seeking to terminate a bar provide the Board with a written statement describing, among other things, "the names of any other associated persons in the same registered public accounting firm who have previously been barred by the Board or the Commission, and whether they are to be supervised by the petitioner." We believe that this is an unnecessary burden to place on an individual petitioner, since the Board presumably would have access to the same information and the individual petitioner would, in any event, have to obtain the data from the firm. In addition, the individual petitioner would have no way to verify the accuracy of the information. The Board should consider relieving an individual petitioner of this requirement.

Proposed Rule 5401(c)(4) – Withdrawal of Representation

Under proposed rule 5401(c)(4), an attorney representing a registered public accounting firm or persons associated with such firm is required to obtain Board permission before he or she can withdraw from representation. While we recognize that there are similar local court rules with respect to withdrawal of representation, we urge the Board to be mindful that there are valid reasons for an attorney to withdraw from representation or for a client to terminate the attorney-client relationship. Accordingly, we recommend that the rule expressly state that the Board's consent will not be unreasonably withheld if satisfactory reasons for such withdrawal are provided in the motion.

Proposed Rule 5422(c) – Timing of Inspection and Copying

Proposed rule 5422(c) contemplates that, in connection with documents to be made available prior to a hearing, the relevant Board division shall "commence" making documents available to a respondent for inspection and copying within specified time frames. While this may not have been the Board's intent, this requirement, as drafted, apparently could be satisfied if the division began to make certain documents available by the specified dates and withheld other documents until significantly later. We do not believe this result would be consistent with the intent of the provision. Accordingly, the Board should consider revising the proposed rule to clarify that access to such documents may not be unreasonably withheld or delayed.

Expedited Timetable in Non-Cooperation Proceedings

The proposed rules include several provisions that expedite the timetable applicable to various filings in non-cooperation proceedings instituted by the Board under Rule 5200(a)(3) compared to the applicable timing for similar filings in proceedings instituted under Rules 5200(a)(1) and (2). For example, respondents in Rule 5200(a)(3) proceedings would be required to comply with shorter time periods (1) to file answers pursuant to Rule 5421(b), (2) to file post-hearing briefs pursuant to Rule 5445(a) and (b), and (3) to file petitions for review of initial hearing officer decisions under Rule 5460(a)(2). Similarly, hearing officers in Rule 5200(a)(3) proceedings would be required to comply with shorter time periods to prepare initial decisions under Rule 5204(a) and interested divisions would be required to comply with shorter time periods in which to commence making documents available to respondents pursuant to Rule 5422(c).

We believe that the adoption of expedited time periods applicable to Rule 5200(a)(3) proceedings presupposes that a respondent in a Board proceeding is, in fact, not cooperating with the Board and that it will be simple to gather and review the facts relevant to an assessment of a respondent's cooperation. Many situations potentially may arise, however, where there is a good-faith difference of opinion as to whether the respondent has cooperated with the Board. Whether or not a firm or individual has cooperated is an issue of fact and we believe that respondents in such proceedings should be treated equitably under the proposed rules, including the opportunity to prepare filings and submissions under the same timetable as any other respondent.

Proposed Rule 5463 – Oral Argument Before the Board

Proposed rule 5463(b) provides that "[r]equests for oral argument shall be made by separate motion accompanying the initial brief on the merits." This provision could be read to suggest that only the party appealing from a hearing officer's initial decision may request oral argument. While proposed rule 5463(a) would provide that oral argument may be ordered on "the motion of a party," we recommend that the Board address this ambiguity in the proposed rule by expressly providing that any party may request oral argument once an appeal has been filed.

Proposed Rule 5467(b) - Receipt of Petitions for Commission or Judicial Review

Proposed rule 5467(b) would require a registered public accounting firm to file with the Board a notice and copy of any petition for Commission or judicial review of a final disciplinary sanction filed by an associated person of the registered public accounting firm. We believe that the proposed rule should be revised to impose any such obligation on the party seeking review (in this situation, the associated person). We also believe that the Board should require an associated person to provide a notice and copy of any petition to his or her firm, as well as to the Board, so that the firm is afforded appropriate notice and opportunity to determine whether it should make a separate submission.

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The AICPA appreciates the opportunity to provide comments on the proposed rules. We are firmly committed to working with the PCAOB in accomplishing the timely and effective implementation of the Act, and would welcome the opportunity to meet with you to clarify any of our recommendations.

Sincerely,

William F. Ezzell, CPA
Chairman of the Board

Barry C. Melancon, CPA
President & CEO