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August 7, 2003

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

Re: PCAOB Rulemaking Docket Matter No. 006
Proposed Rules on Inspections of Registered Public Accounting Firms

Dear Board Members and Staff:

In general I believe that the overall framework for conducting regular and special inspections is reasonable. However, I have concerns about the fairness of the proposed rules relating to the referral of findings on inspections to other authorities and the publication of reports concerning those findings. It is my view that the Board should be very tough on firms that do not comply with its rules. Simultaneously, the Board should be reluctant to make public any findings of weakness or defects in a firm's quality control system unless or until an actual violation of the Sarbanes-Oxley Act (the "Act"), rule of the Board, or any statute or rule administered by the Securities and Exchange Commission (the "Commission") has been determined.

Proposed Rule 4004

Proposed Rule 4004 states that if an inspection of a firm indicates that there may be a violation of the Act, rules of the Board, any statute or rule administered by the Commission, the firm's own quality control policies, or any professional standard, then the Board may: (a) report such violation(s) to the Commission and to state licensing agencies, and (b) commence an investigation or disciplinary proceeding.

I believe that this proposed rule does not provide adequate due process and could result in reporting matters to the Commission and to state licensing agencies that

may not be violations. The mere act of reporting such matters to the Commission and state licensing agencies could result in unfair repercussions for a firm or an individual before the fact of a violation has actually been determined. Therefore, I suggest that the Board revise this proposed rule to state that if an inspection of a firm indicates that there may be a violation of the Act, etceteras, it shall commence a more detailed examination, an informal inquiry, or a formal investigation if it determines that to be appropriate. Reporting suspected violations to other authorities and disciplinary proceedings should occur only after an investigation has determined that a violation has actually occurred.

Proposed Rule 4009

This proposed rule would allow a firm to submit evidence that it has improved its quality control systems and remedied defects in such systems no later than 12 months after the issuance of a final inspection report from the Board that contains criticisms of, or potential defects in, its quality control systems. Further, this proposed rule would permit the Board to make public the portions of an inspection report that a firm has not addressed to the Board's satisfaction.

I believe this rule is too lenient in allowing a full 12 months to respond. Even in the case of the very large firms, it should not take a full year for a firm to implement improvements to, and remedy defects in, its quality control systems. In addition, I believe the Board should conduct a more detailed examination, an informal inquiry, or a formal investigation if a firm fails to adequately address criticisms of, or potential defects in, its quality control systems.

If the Board conducts a more detailed examination, an informal inquiry, or a formal investigation of a firm and finds that a violation of the Act, rule of the Board, or any statute or rule administered by the Commission has occurred, then that information should be made public and referred to the Commission.

Thank you for the opportunity to comment. The above comments are the views of the author and not necessarily those of the partners of Most Horowitz & Company, LLP.

Sincerely,

s Robert J. Sonnelitter, Jr.
Robert J. Sonnelitter, Jr., CPA
Director of Quality Control
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