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**From:** Larry Quinn [lquinn@bscsecurities.com]  
**Sent:** Monday, March 31, 2003 11:34 AM  
**To:** Comments  
**Subject:** Docket No. 001

Gentlemen:

This comment is directed specifically to registration requirements for public accounting firms that audit only private broker/dealers that deal only in secondary markets and do not issue research reports.

Overall I am in full support of increased scrutiny for audits of publicly held companies (issuers) and the public accounting firms that audit them. I would not like to see regulations go to the extreme and cause increased regulatory burdens which lead to increased costs for the smaller firms (both auditing and broker/dealers) that do not have any impact on the primary markets or persuade public opinion through the use of analyst's recommendations or research reports.

If an auditing firm is engaged in auditing only private broker/dealers as described in the first sentence, it seems reasonable to require a limited scope registration and a smaller fee for registration. At the same time, their audit of a private broker/dealer would ascertain that the private broker/dealer was indeed only dealing in secondary markets and not issuing research reports or had analysts working for the broker/dealer which they would certify in their opinion attached to the audit report of the private broker/dealer.

In summary, please consider stratifying into two classes the registration and fees required by those firms that have different auditing obligations. A complete registration and oversight by the board for those firms auditing "issuers" or broker/dealers that engages in investment banking practices such as underwriting or selling in primary markets and preparing analysts' research reports. A second tier of registration that is limited in scope and content for those firms that audit only private broker/dealers that do not participate in any area of primary markets or preparing/issuing research reports on "issuers".

Thank you for the opportunity to express my opinion with respect to the proposed Release No. 2003-001.

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