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To: Comments
Subject: Docket No. 002

Gentlemen:

As you know, the Sarbanes-Oxley Act amended several sections of the Securities Exchange Act of 1934 that will require ALL broker/dealers to be audited by a public accounting firm registered with the Public Company Accounting Oversight Board, incurring ongoing costs and potentially burdensome requirements. There are currently 700 accounting firms auditing broker/dealers. It has been estimated that only 50 may opt for PCAOB registration.

We have a broker/dealer client that only has a retail brokerage business with transactions cleared through a national clearing house. The NASD rules would require them (a small company owned only by it's employees) to use a public accounting firm registered with the PCAOB. Since they are not a public company and we are the auditors, I believe there should be no registration fees assessed to small public accounting firms that audit non-publicly owned companies but are required to register with the PCAOB when it was only intended to apply to Public companies and the auditors of public companies. We already have peer review that we have passed without a letter of comment in most years. How many layers of regulation and costs do we need?

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