

Farkouh  
Furman & Faccio LLP  
Certified Public Accountants and Advisors

August 1, 2011

Via email: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: File Number PCAOB-2011-01

Dear Gentlemen:

We write to you expressing our strong support for the proposed temporary rule for an interim program of inspection related to audits of broker-dealers and our strong support for the establishment of a permanent program of inspection for all auditors of broker-dealers. We support this inspection without differentiation between type of broker-dealer and without exemption for categories of public accounting firms. Either of these limitations would give inspected firms an unfair competitive advantage versus uninspected firms, while not fully protecting the public interest and interest of investors.

As a public accounting firm in New York City, Farkouh, Furman & Faccio LLP ("FF&F") has continually serviced a growing number of broker-dealers, private investment companies, including pooled investment vehicles and registered investment advisors, not for profit entities, and other small businesses for over twenty years. FF&F is currently registered with the PCAOB, but until now was not inspected since FF&F does not audit any issuers. We have much pride in our abilities to perform high quality, independent audit engagements equivalent to those provided by larger firms. This work is important to us, and we provide our auditing services with a level of supervision and attention to detail only a smaller firm will provide. Our ability to service broker-dealer and private investment company audit engagements in a proven quality and cost effective manner has resulted in these industries being growth areas for our firm, especially over the last few years.

Differentiation between type of broker-dealers or exemption of category of public accounting firm from inspection by the PCAOB may adversely affect FF&F's ability to compete with larger firms that are inspected by the PCAOB. Differentiation or exemption may prohibit FF&F from being subject to PCAOB registration and/or inspection. Differentiation or exemption would be especially discriminatory if a voluntary inspection option was not provided. Not providing such a voluntary inspection option would cause a class system of the haves and have nots, with regulation creating a competitive advantage to firms based on who their clients are, not on the quality or competency of service. Any limitation on subjectivity to PCAOB registration and inspection of public accounting firms would give inspected public accounting firms a competitive marketing advantage over uninspected firms, leaving uninspected firms with no recourse to overcome the advantage given to inspected firms by the SEC and PCAOB. By its very nature such favoritism would inure to the benefit of the large multi-national accounting firms to the detriment of smaller firms such as ours.



We appreciate that the temporary rule will require FF&F to undergo PCAOB inspections for the first time. No firm welcomes regulatory inspections, and smaller firms, in our experience, are more likely to find the inspection process more burdensome than their larger competitors. Nonetheless, we accept the need for PCAOB inspections to restore public confidence in the audit process for broker-dealers and private investment companies. Lack of the PCAOB inspected credentials would negatively impact our ability to attract new clients or may eliminate us entirely from consideration for new or existing engagements as clients continue to limit their searches to firms with these credentials.

We appreciate the opportunity to comment on the proposed temporary rule, as this is a matter of great importance for our firm.

Thank you for your attention to this matter.

Very truly yours,

*Faith Funn & Fair LLP*

CERTIFIED PUBLIC ACCOUNTANTS

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