

Mail Stop 3561

**October 12, 2007**

Peter A. Reichard  
President  
Design Source, Inc.  
100 Europa Drive, Suite 455  
Chapel Hill, NC 27517

**RE: Design Source, Inc.  
Item 4.01 Form 8-K filed October 10, 2007  
File No. 0-52089**

Dear Mr. Reichard:

We have reviewed your filing and have the following comments. Where indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filings. We look forward to working with you in these respects. We welcome any questions you may have about our comments or any other aspect of our review. Feel free to contact us at the telephone numbers listed at the end of this letter.

1. The disclosures with respect to disagreements and reportable events should extend through the date the relationship ceased. Please revise to state, if true, that there were no disagreements or reportable events through October 8, 2007.
2. Please revise the first paragraph to state that you dismissed Williams & Webster. We do not believe the statement that you terminated the relationship fully complies with Item 304(a)(1)(i) of Regulation S-B.

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3. Your disclosure with respect to Sherb & Co. states that you engaged them for the fiscal year ended March 31, 2007. Please confirm that this is the correct year since Williams & Webster has already audited the 2007 year. Please revise or advise.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filings to be certain that the filings include all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed investment decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosures in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert this action as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in connection with our review of your filing or in response to our comments on your filing.

As appropriate, and respond to these comments within five business days or tell us when you will provide us with a response. Please provide the representations requested above and submit your response to these comments as an EDGAR correspondence file.

You may contact Robert Burnett, Staff Accountant, at (202) 551-3330, or in his absence, me at (202) 551-3841 if you have questions regarding this letter.

Sincerely,

Michael Moran  
Branch Chief

