



American Institute of CPAs
1455 Pennsylvania Avenue, NW
Washington, DC 20004-1081

November 24, 2010

Via Electronic Mail

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Dear Ms. Murphy:

**Re: SEC Study on Enhancing Investment Adviser Examinations under Section 914
of the Dodd-Frank Wall Street Reform and Consumer Protection Act**

The American Institute of Certified Public Accountants (AICPA) appreciates the opportunity to comment on the SEC regulatory initiatives under the Dodd-Frank Act. Specifically, we'd like to provide input on Section 914(a) (2) (B), "the Commission shall review and analyze the need for enhanced examination and enforcement resources for investment advisers. The study required by this subsection shall examine the extent to which having Congress authorize the Commission to designate one or more self regulatory organizations to augment the Commissions efforts in overseeing investment advisers would improve the frequency of examinations of investment advisers."

The AICPA is the national professional association of CPAs with more than 360,000 members, including CPAs in business and industry, public practice, government, and education; student affiliates; and international associates. Our members provide audit, tax, retirement consulting, plan administration, and financial planning services, and many of our members work for a firm that is registered as, or affiliated with, a registered investment adviser. It is from this diverse perspective that we provide our comments and recommendations.

Under the current regulatory regime, investment advisers and their representatives are under the direct jurisdiction and oversight of the SEC whereas broker-dealers and their representatives are subject to the direct oversight of FINRA, which in turn is responsible to the SEC.

AICPA strongly believes that the principles-based regulatory approach of the Investment Advisers Act and its related rules should continue to govern investment advisers and further, that regulatory oversight remain exclusively with the SEC and/or states. Providing


Securities and Exchange Commission
November 24, 2010
Page 2

the SEC with resources to properly enforce their rules, even if it means assessing additional fees on investment advisers, is the best solution for investment advisers and the public.

We strongly oppose the creation of a self-regulatory organization (SRO) for investment advisers. An SRO is inherently conflicted and is not the right answer for regulation of investment advisers. We believe that FINRA would bring a broker-dealer perspective, and bias, to investment adviser examinations and that its rules-based, check-the-box approach is not conducive to adequate regulation of the investment advisory profession nor is it in the public's best interest.

We appreciate the invitation to comment and welcome the opportunity to serve as a resource to SEC on these issues. If we can be of further assistance, please contact Barry Melancon at (212) 596-6001.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry C. Melancon", with a long horizontal stroke at the end.

Barry C. Melancon, CPA
AICPA President & CEO

cc:

SEC

Chairman Mary Schapiro
Commissioner Luis A. Aguilar
Commissioner Kathleen L. Casey
Commissioner Troy A. Paredes
Commissioner Elise B. Walter