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December 16, 2005

Dear Colleague:

It is with great pleasure that I invite you and the members of your firm to participate in a PCAOB *Forum on Auditing in the Small Business Environment*. This initiative will offer members of your firm the opportunity to interact with the PCAOB and learn more about its programs and activities.

More specifically, throughout 2006, members and staff of the PCAOB will hold a series of meetings across the country to discuss important information concerning the PCAOB and the audit profession. The discussions will center on the practical issues facing smaller accounting firms in responding to the PCAOB inspections process, application of certain auditing standards and related topics. In addition to earning CPE credits, this session will also provide firms with an opportunity to share their views and experiences with members and staff of the PCAOB. In order to best address the interests of the participants, you will have the opportunity during the registration process to offer suggestions for topics for discussion or submit questions that can be answered during the *Forum*.

Although attendance is voluntary, we hope that you will consider joining us for this important event. The enclosed documents contain additional information regarding the date, time, location, accommodations and registration process as well as an agenda for the forum to be held in your area.

In addition, following the forum for accounting firms, the PCAOB will host a series of similar sessions for boards of directors and corporate financial executives of smaller issuers. During these sessions, the PCAOB staff will provide insight into the issues facing their public company auditors as well as information about key auditing standards that may impact issuers. As such, also enclosed are documents providing the details of these events and the registration process. We would like to ask you to forward the enclosed materials to your issuer clients and hope you will encourage their participation.

We look forward to meeting you, and sharing perspectives.

Sincerely,

Bill Gradison  
Acting Chairman

Attachments: Invitation  
Registration Form  
Agenda  
Package for Issuers

**Invitation  
To the  
PCAOB Forum on Auditing in  
The Small Business Environment**

The PCAOB cordially invites you and members of your firm to the *Forum on Auditing in the Small Business Environment* that will be held in .

Please note the date, time and location of this event:

**Date:** January 23, 2006  
**Time:** 8:30 a.m. to 5:00 p.m.  
**Location:** The Fairmont Miramar Hotel  
101 Wilshire Boulevard  
Santa Monica, CA 90401  
**Registration:** 8:00 a.m. to 8:30 a.m.

If you would like to attend, please complete the enclosed registration form (one form per attendee, please) and return it by facsimile to Julie Mills, at (202) 862-8431 no later than January 13, 2006. You may also e-mail the requested information to [millsj@pcaobus.org](mailto:millsj@pcaobus.org). Although we will attempt to accommodate all those registering to attend, space may be limited so early registration is encouraged. We will contact you directly if we need to limit the number of people from your firm who may attend.

Overnight accommodations are available for a group rate of \$235.00 for reservations made by December 30, 2005. For reservations and detailed directions please call the Fairmont Miramar Hotel at (310) 576-7777 and reference the PCAOB Forum on Auditing.

If you have any questions, please contact Julie Mills at (202) 207-9061 or [millsj@pcaobus.org](mailto:millsj@pcaobus.org).

**REMINDER:** In addition, the PCAOB is hosting a series of similar *Forums* for directors and financial executives of smaller issuers. As such, we would greatly appreciate it if you would encourage your public company audit clients to participate in one of these *Forums*. Details about these events are enclosed and can also be found on our Web site ([www.pcaobus.org](http://www.pcaobus.org)).

**PCAOB Forum on Auditing in  
The Small Business Environment**

**Registration Form  
January 23, 2006**

**The Fairmont Miramar Hotel  
Santa Monica, CA**

*(Please fax or e-mail the following information for each attendee by  
January 13 to Julie Mills at  
202-862-8431 or millsj@pcaobus.org)*

Name of Attendee:	
Title:	
Name of Audit Firm:	
Address of Audit Firm:	
Attendee Telephone:	
Attendee Fax:	
Attendee E-mail Address:	
Interest in CPE Credits:	Yes / No (circle one)
<b>Please identify below any topics or questions you would like to have discussed:</b>	
<b>Have you forwarded the Issuer package to one or more clients?</b>	
Yes / No (circle one)	

**PCAOB FORUM ON AUDITING IN  
THE SMALL BUSINESS ENVIRONMENT**

**AUDIT FIRMS**

**January 23, 2006**

**The Fairmont Miramar Hotel  
101 Wilshire Boulevard  
Santa Monica, CA 90401**

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<b>Opening Keynote Address</b>	<i>Kayla J. Gillan, Board Member</i>	8:30 – 9:00 a.m.
<b>PCAOB Hot Topics</b>		9:00 – 12:00 p.m.
<b>Auditing &amp; Accounting Issues Identified through PCAOB Inspections; Interaction between Inspections, Enforcement and Standards</b>	<i>Mark West, Associate Director, Inspections</i> <i>Mark Kaprelian, Associate Director, Enforcement</i> <i>Bella Rivshin, Assistant Chief Auditor, Standards</i>	
<i>Lunch (on your own)</i>		12:00 – 1:30 p.m.
<b>Concurrent Small Group Sessions*</b>		1:30 – 4:30 p.m.
<b>Session A – What to Expect During the Inspections Process</b>	<i>Gary McCormick, Regional Associate Director, Orange County Office</i> <i>Local Firm(s) TBA</i>	<i>Break: 2:50 – 3:10 p.m.</i>
<b>Session B – Technical Discussion on Significant Problem Areas (e.g., equity transactions, documentation, independence)</b>	<i>Keith Wilson, Associate Chief Auditor, Standards</i> <i>Mark West, Associate Director, Inspections</i>	
<b>Open Discussion</b>	<i>Kayla J. Gillan, Board Member</i>	4:30 – 5:00 p.m.

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\* The audience will be split in half, with each group rotating between Session A and B.