February 16, 1978

Honorable John R. Evans
Commissioner
Securities and Exchange Commission
Washington, D.C. 20549

Dear Commissioner Evans:

On March 3, 1978, the Subcommittee on Oversight and Investigations, under the authority of Rules X and XI of the U.S. House of Representatives, will continue its investigation into the self-regulatory organization and reform measures of the American Institute of Certified Public Accountants. In connection with this investigation, you are requested to appear before the Subcommittee on Friday, March 3, at 10:00 a.m. in the Rayburn House Office Building. The room number will be announced later. Should you wish to prepare written testimony for the record, thirty copies should be received by the Subcommittee no later than Tuesday, February 28, 1978. Please bring an additional twenty copies to the hearing.

The Subcommittee will be seeking your views on the fitness of the AICPA to be an effective self-regulator for the profession, including the strength of its ability to impose sanctions, reasons why the new Peer Review Committee and Public Oversight Board of the new SEC Practice Section might or might not be effective, whether there is a need for a more formal role for the SEC, and whether legislation must ultimately be introduced to achieve effective regulation of the accounting profession. The Subcommittee will also examine whether the structure of the AICPA program is likely to create an unjustifiable burden on competition by smaller firms within the profession.

In your written testimony, please comment on the above issues with particular emphasis on the fitness of the AICPA to be an effective self-regulator. In addition, please feel
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free to make other comments regarding matters which should be brought to the attention of the Subcommittee. Should you have any questions, please contact Mr. James Nelligan, Subcommittee Operations Director, or Mr. Thomas Kaplan, Subcommittee Counsel, at (202) 225-4441.

Sincerely,

[Signature]

JOHN E. MOSS
Chairman
Subcommittee on
Oversight and Investigations

JEM:jnj