



March 18, 2003

Public Company Accounting Oversight Board
Attention: Office of the Secretary
1666 K Street, NW
Washington, DC 20006-2803

Dear Secretary:

Mohler, Nixon & Williams is a local CPA firm located in Campbell, California. Our practice includes auditing a small number of 401(k) plans (approximately 15) that are sponsored by publicly traded companies and include the sponsor's common stock as one of the investment options. Accordingly, these plans are required to file a Form 11-K annually. We also audit a significant number of 401(k) plans where the sponsor is a public company, but where no Form 11-K filing is required. We do not perform any other audit services that involve filing documents with the Securities and Exchange Commission (SEC); therefore, our comments are specific to this narrow range of audit services. We would encourage the Public Company Accounting Oversight Board (PCAOB) to address, as part of their registration rules, more specific guidelines related to auditors of public company sponsored benefit plans who do not also audit the sponsoring public companies financial statements.

It is our understanding that under the Sarbanes-Oxley Act (the Act), benefit plans that are required to file a Form 11-K are considered "issuers" as that term is used in the Act. It is also our understanding that under the Securities and Exchange Commission letter ruling, *Certification of Disclosure in Companies' Quarterly and Annual Reports*, footnote #47, the management of the sponsor of these benefit plans is not required to provide any certification in the Form 11-K, nor is the auditor of the plan required to provide certification related to the internal controls of the plan. Therefore, we do not believe the audit work we perform for benefit plans of public companies was intended to be included under the Act. It is unclear to us how the Act would be applied to a firm such as ours with extremely limited SEC reporting activities relating only to Form 11-K filings with the SEC, considering the nature and use of these filing with the investing public. Therefore, at this time we are uncertain whether our firm will be required to register under the Act and recommend that the registration rules developed by the PCAOB, or the PCAOB itself, directly address this specific situation.

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Please contact Gregory S. Finley, managing partner, at (408) 369-2400 if you have any questions or comments.

Sincerely,

A handwritten signature in cursive script that reads "Mohler, Nixon & Williams". The signature is written in black ink and is positioned above the printed name of the firm.

MOHLER, NIXON & WILLIAMS
Accountancy Corporation