

PCAOB

Public Company Accounting Oversight Board

Division of Registration and Inspections

1666 K Street, N.W.
Washington, DC 20006
Telephone: (202) 207-9100
Facsimile: (202) 862-8433
www.pcaobus.org

December 19, 2013

Via Federal Express

Mr. Gregory Giugliano
Marcum Bernstein & Pinchuk LLP
10 Melville Park Road
Melville, NY 11747

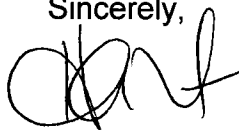
Re: Final Report of Inspection

Dear Mr. Giugliano:

Enclosed please find a copy of the final report issued on December 19, 2013 by the Public Company Accounting Oversight Board concerning the inspection of Marcum Bernstein & Pinchuk LLP.

If you have any questions, please feel free to contact Ellen Graper at (202) 207-9135.

Sincerely,



Helen A. Munter
Director
Division of Registration and Inspections



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Report on

2013 Inspection of
Marcum Bernstein & Pinchuk LLP
(Headquartered in New York, New York)

Issued by the

Public Company Accounting Oversight Board

December 19, 2013



2013 INSPECTION OF MARCUM BERNSTEIN & PINCHUK LLP

In 2013, the Public Company Accounting Oversight Board ("PCAOB" or "the Board") conducted an inspection of the registered public accounting firm Marcum Bernstein & Pinchuk LLP^{1/} ("the Firm"). The Board is issuing this report of that inspection in accordance with the requirements of the Sarbanes-Oxley Act of 2002 ("the Act").

The inspection process is designed, and inspections are performed, to provide a basis for assessing the degree of compliance by a firm with applicable requirements related to auditing issuers. The issuer audits and aspects of those audits inspected were selected based on a number of risk-related and other factors. The inspection process included reviews of aspects of selected issuer audits completed by the inspected firm. The reviews were intended to identify whether deficiencies existed in those aspects of the audits, and whether such deficiencies indicated weaknesses or defects in the firm's system of quality control over audits. In addition, the inspection included review of policies and procedures related to certain quality control processes of the firm that could be expected to affect audit quality.

The Act restricts the Board from publicly disclosing portions of an inspection report that discuss certain types of deficiencies or certain other nonpublic information. Because the inspection did not identify instances of such deficiencies, and because the report does not otherwise disclose protected information, the Board is making the entire report available to the public.^{2/}

^{1/} The Firm has issued audit reports under the name of Marcum Bernstein Pinchuk, LLP.

^{2/} In its *Statement Concerning the Issuance of Inspection Reports*, PCAOB Release No. 104-2004-001 (August 26, 2004), the Board described its approach to making inspection-related information publicly available consistent with legal restrictions.

PART I

INSPECTION PROCEDURES AND CERTAIN OBSERVATIONS

Members of the Board's inspection staff ("the inspection team") conducted primary procedures for the inspection from September 30, 2013 to October 4, 2013. These procedures were tailored to the nature of the Firm, certain aspects of which the inspection team understood at the outset of the inspection to be as follows:

Number of offices	6 (New York, New York; and Beijing, Guangzhou, Hangzhou, and Shanghai, People's Republic of China)
Ownership structure	Limited liability partnership
Number of partners	135
Number of professional staff ^{3/}	65
Number of issuer audit clients ^{4/}	24

^{3/} "Professional staff" includes all personnel of the Firm, except partners or shareholders and administrative support personnel. The number of partners and professional staff is provided here as an indication of the size of the Firm, and does not necessarily represent the number of the Firm's professionals who participate in audits of issuers or are "associated persons" (as defined in the Act) of the Firm.

^{4/} The number of issuer audit clients shown here is based on the Firm's self-reporting and the inspection team's review of certain information for inspection planning purposes. It does not reflect any Board determination concerning which, or how many, of the Firm's audit clients are "issuers" as defined in the Act. For information about audit reports issued by the Firm, see Item 4.1 of the Firm's annual reports on PCAOB Form 2, available at www.pcaobus.org.

A. Review of Audit Engagements

The inspection procedures included a review of aspects of the Firm's auditing of financial statements of three issuers. This review did not identify any audit performance issues that, in the inspection team's view, resulted in the Firm failing to obtain sufficient appropriate audit evidence to support its opinion on the issuer's financial statements or internal control over financial reporting.

B. Review of Quality Control System

In addition to evaluating the quality of the audit work performed on specific audits, the inspection included review of certain of the Firm's practices, policies, and procedures related to audit quality. This review addressed practices, policies, and procedures concerning audit performance, training, compliance with independence standards, client acceptance and retention, and the establishment of policies and procedures. The inspection team did not identify anything that it considered to be a quality control defect that warrants discussion in a Board inspection report.

C. General Information Concerning PCAOB Inspections

Board inspections are designed to identify whether weaknesses and deficiencies exist related to how a firm conducts audits and address any such weaknesses and deficiencies. To achieve that goal, Board inspections include reviews of certain aspects of selected audits performed by the firm and reviews of other matters related to the firm's quality control system. The scope of the inspection procedures is determined according to the Board's criteria, and the firm is not allowed an opportunity to limit or influence the scope. The focus on weaknesses and deficiencies necessarily carries through to reports on inspections and, accordingly, Board inspection reports are not intended to serve as balanced report cards or overall rating tools. Further, the inclusion in an inspection report of certain deficiencies and potential deficiencies should not be construed as an indication that the Board has made any determination about other aspects of the firm's systems, policies, procedures, practices, or conduct not included within the report.

In the course of reviewing aspects of selected audits, an inspection may identify ways in which a particular audit is deficient, including failures by the firm to identify, or to address appropriately, respects in which an issuer's financial statements do not present fairly the financial position, results of operations, or cash flows of the issuer in

conformity with Generally Accepted Accounting Principles ("GAAP").^{5/} It is not the purpose of an inspection, however, to review all of a firm's audits or to identify every respect in which a reviewed audit is deficient. Accordingly, a Board inspection report should not be understood to provide any assurance that the firm's audits, or its issuer clients' financial statements or reporting on internal control, are free of any deficiencies not specifically described in an inspection report.

END OF PART I

^{5/} When it comes to the Board's attention that an issuer's financial statements appear not to present fairly, in a material respect, the financial position, results of operations, or cash flows of the issuer in conformity with GAAP, the Board's practice is to report that information to the Securities and Exchange Commission, which has jurisdiction to determine proper accounting in issuers' financial statements.

PART II

RESPONSE OF THE FIRM TO DRAFT INSPECTION REPORT

Pursuant to section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the Firm provided a written response to a draft of this report. Pursuant to section 104(f) of the Act and PCAOB Rule 4007(b), the Firm's response, minus any portion granted confidential treatment, is attached hereto and made part of this final inspection report.



October 14, 2013

Ms. Helen A. Munter, Director
Division of Registration and Inspections
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, DC 20006

Re: Response to Draft Report of Inspection of Marcum Bernstein & Pinchuk LLP

Dear Ms. Munter:

We are pleased to provide you with our response to the draft report on the 2013 Inspection of Marcum Bernstein & Pinchuk LLP conducted by the PCAOB staff. We support the PCAOB's goals and believe that the inspection process has been effective, will continue to improve audit quality, and has also helped to restore the public's confidence in the U.S. capital markets.

We are very pleased that your inspection team reported no deficiencies based on their review of selected audit engagements or our quality control system. Nevertheless, be assured that Marcum Bernstein & Pinchuk LLP is committed to continuously improving our audit quality.

We appreciate the opportunity to provide this response and we look forward to working with the PCAOB staff in future inspections.

Very truly yours,

Marcum Bernstein Pinchuk LLP

Marcum Bernstein & Pinchuk LLP

/s/

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