



PEER REVIEW PROGRAM

2400 Veterans Blvd., Suite 500
Kenner, LA 70062-4739
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Fax: 504-469-7930
Web site: <http://www.lcpa.org>



American Institute of Certified Public Accountants
Administered by the
Society of Louisiana CPAs

February 1, 2007

Hubert J. Kernan, CPA
Kernan and Lambert P.C.
8989 Interline Ave. Ste. A
Baton Rouge, LA 70809-1955

REVIEW# 245471

Dear Mr. Kernan:

The Peer Review Committee of the Society of Louisiana CPAs considered your firm's most recent peer review report and has asked that I correspond with you regarding this review.

The committee accepted your firm's unmodified peer review report on February 1, 2007. The committee has asked me to convey its congratulations to the firm.

Your next review is expected to be complete and submitted to the Society by **April 31, 2010**. If the due date is during a busy time, you can arrange to have your review a few months earlier.

The completion of your peer review exempts your firm from the State Board's Positive Enforcement Program under a cooperative arrangement between the Society and the Board. The only exception to this situation is for firms with ongoing investigations regarding quality of work by the Board. You are not required to submit a copy of the peer review report to the Board. However, if your firm is a member of the Division for CPA Firms, you will be asked to submit a copy to the State Board with the annual license renewal.

Please take a few minutes to complete the enclosed evaluation form concerning the administration of the peer review program. Your opinion is important to us.

Thank you for your continued cooperation and support of the profession's practice monitoring programs. If you have any questions or concerns, please do not hesitate to contact me (504) 586-8866 or Stacey Lockwood at the Society.

Sincerely,

SOCIETY OF LOUISIANA CPAs

Lindsay J. Calub, CPA
Peer Review Committee Chairman

Cc: John Ehricht, CPA

Enclosure



Ehricht & Broomas

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

E & B

JOHN F. EHRIGHT, C.P.A.
SPIRO M. BROOMAS, C.P.A.

Members
American Institute of C.P.A.'s
Louisiana Society of C.P.A.'s

D. WAYNE BARINEAU, C.P.A.

December 22, 2006

**Hubert Kernan, CPA
Kernan and Lambert, P.C.
8989 Interline Ste A
Baton Rouge, LA 70809**

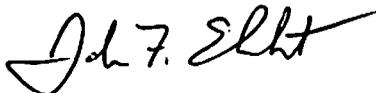
RE: Review Number 204307

Dear Mr. Kernan,

I have enclosed the Report, which I feel is appropriate as a result of your recent Peer Review. Let me know whether you would like to discuss the review any further or whether or not you have any questions. You will also need to send a copy of your report to the Peer Review Committee.

I need to send a copy of the report and the work papers to the Peer Review Committee in Kenner. The Peer Review Committee must now accept the report. You will receive official confirmation when the report has been accepted. Do not publicize the results of the review or distribute copies of the report to any personnel, clients, or others until you have been advised that the report has been accepted.

Sincerely,



John F. Ehricht

Ehricht & Broomas

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS



E & B

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D. WAYNE BARINEAU, C.P.A.

December 21, 2006

To the owners
Kernan and Lambert, P.C.

We have reviewed the system of quality control for the accounting and auditing practice of Kernan and Lambert, P.C., (the firm) in effect for the year ended October 31, 2006. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conformity with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control, and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests; therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

Kernan and Lambert, P.C.
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In our opinion, the system of quality control for the accounting and auditing practice of Kernan and Lambert, P.C., in effect for the year ended October 31, 2006, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.



Ehricht & Broomas
Ehricht & Broomas, CPAs