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Office of the Secretary  
Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, D.C. 20006-2803

**RE: PCAOB Rulemaking Docket Matter No. 017, *Concept Release Concerning Scope of Rule 3523, Tax Services For Persons In Financial Reporting Oversight Roles, Implementation Schedule For Rule 3523, PCAOB Release No. 2007-02***

Dear Office of the Secretary:

Crowe Chizek and Company LLC appreciates the opportunity to comment on the Public Company Accounting Oversight Board's ("PCAOB") concept release, *Concept Release Concerning Scope of Rule 3523, Tax Services For Persons In Financial Reporting Oversight Roles, Implementation Schedule For Rule 3523* (the "Concept Release"). The Concept Release recognizes a timing issue that creates unintended, and unnecessary, consequences that may result in less flexibility for issuers in selecting audit firms, without commensurate value to the public interest.

We support the philosophy evident in the Concept Release, and the result of increasing issuer flexibility in selecting its audit firm. We believe that the Rule 3523 as now written results in a restriction on changing audit firms, without value to issuers or the investing public. Conceptually, any relationship between the audit firm or its staff, and persons in a financial reporting oversight role, can raise an appearance of independence issue that can be considered by the audit firm and the issuer's audit committee during the process of retaining an audit firm. However, the type of income tax services commonly performed for persons in a financial reporting oversight role at an audit client are income tax preparation, which has little bearing on actual auditor independence, regardless if such services are performed during the audit period or during the period of professional engagement. We believe that independence standards should allow the application of judgment by auditors and audit committees when evaluating appearance of independence issues, which would be more consistent with a principles-based approach than the current prescriptive rules based standard. While we are supportive of the scope adjustment to the present rule as proposed in this Concept Release, we also encourage the Board to consider a more principles-based approach to independence.

This following provides responses to the two questions posed by the Board in the Concept Release.

1. *To what extent, if any, is a firm's independence affected when the firm, or an affiliate of the firm, has provided tax services to a person covered by Rule 3523 during the portion of the audit period that precedes the professional engagement period?*

There is no effect on an audit firm's independence when tax services have been provided to a person covered by Rule 3523 during the portion of the audit period that precedes the professional engagement period. This is a matter that could be evaluated by the audit firm and the issuer's audit committee during the conduct of their respective due diligence activities when considering an audit relationship.

2. *What effect, if any, would application of Rule 3523 to the audit period have on a company's ability to make scheduled or unscheduled changes in auditors? Could any such effect be minimized or managed through advanced planning or otherwise?*

Application of Rule 3523 as now written can significantly impede an issuer's ability to make a change in audit firms with little, if any, benefit to the investing public. Elimination of application of Rule 3523 to the audit period that precedes the professional engagement period would enhance the ability of issuers to change audit firms, with no impact on auditor independence. Further, we encourage the Board to reconsider Rule 3523 to adopt a principles-based approach, to ensure that it provides an effective response to the underlying issues it was to address.

We also believe that the Board should provide an exception in Rule 3523 for instances when an event occurs that results in an entity being newly subject to the Board's standards. A common example of this would be a private company becoming a registrant, and the auditor needs to report on three years' financial statements. Those years may include a period(s) when the audit firm performed tax services for persons in a financial reporting oversight role. This can require the re-performance of audits that would otherwise not be necessary.

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We hope that our comments and observations will assist the Board in finalizing this revision of Rule 3523. Crowe Chizek and Company LLC fully supports the Board's efforts to improve its independence standards with the objective of furthering the public interest. We would be pleased to discuss our comments with members of the Public Company Accounting Oversight Board or its staff. If you have any questions on our comments, please contact Wes Williams at (574) 236-8626.

Cordially,



Crowe Chizek and Company LLC