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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, PCAOB Release No. 2007-002**

Dear Mr. Secretary:

McGladrey & Pullen, LLP is a registered public accounting firm serving middle-market issuers. We are pleased to submit the following written comments on the concept release on the scope of Rule 3523.

Specific Questions

- 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?**

We reiterate the position stated in our comment letters on the PCAOB's proposed rules and the SEC's release of the proposed rules that tax services provided to persons in a financial reporting oversight role during the portion of the audit period that precedes the professional engagement period does not impair independence. We also reiterate our belief that this rule should not apply to any audit period that precedes the event that gives rise to the audit client becoming subject to the rule as the result of a corporate life event such as an IPO or reverse merger.

Both of these positions are consistent with the SEC staff's position that the provision of nonaudit services to a new audit client would not impair independence provided they are not management functions and will not be subject to audit procedures by the successor auditor.

- 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?**

We believe that the application of Rule 3523 to the portion of the audit period that precedes the professional engagement period significantly restricts the ability of a company to make changes in auditors. This results both from an inability to foresee the change and the fact that it would require

companies to restrict persons in a financial reporting oversight role from obtaining tax services not only from their current auditor, but potential successor auditors as well.

We also believe the application of Rule 3523 to the portion of the audit period that precedes a corporate life event under which an entity first becomes subject to Rule 3523 imposes a significant hardship on a company because such events are difficult to foresee. In the absence of an exemption, we believe many companies may be forced to incur costs to obtain a reaudit of financial statements of all periods required to be including in the initial filing document.

Need for Transition Period

For both new audit clients and clients that become subject to Rule 3523 upon the occurrence of a life event, we believe the Board should extend the transition provisions currently afforded to persons who become subject to the rules as a result of a hiring, promotion or change in employment event to all persons in a financial reporting oversight role.

Closing Comments

Thank you for the opportunity to comment on this concept release. Questions concerning our comments should be directed to Leroy Dennis, Executive Partner – Assurance Services (952.921.7627) or Bruce Webb, Director of Auditing and Independence (515.281.9240).

Very truly yours,

McGladrey & Pullen, LLP