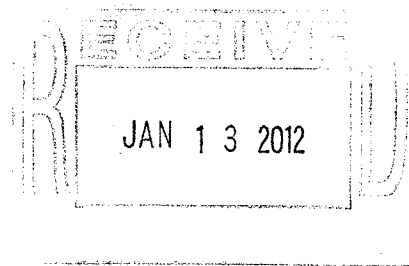


December 28, 2011

The Ensign Group, Inc.
 Audit Committee
 2710 I Puerta Real, Suite 450
 Mission Viejo, CA 92691



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. 37 - *Concept Release on Auditor Independence and Audit Firm Rotation*
 Dear Board Members:

The Ensign Group, Inc. (Ensign) appreciates having been given the opportunity to comment upon the Concept Release regarding Auditor Independence and Audit Firm Rotation (the Concept Release) issued by the Public Company Accounting Oversight Board (PCAOB) in August. We are a healthcare services company, serving principally the senior population, with consolidated annual revenues in excess of \$700 million and approximately 9,000 employees in 10 states. Ensign's services are provided through its 101 skilled nursing, assisted and independent living centers with an aggregate of 11,560 licensed beds.

We share the PCAOB's interest in ensuring the continuing high quality and reliability of audits conducted by independent registered public accountants. However, in our view, mandatory auditor rotation is clearly not the most efficient or effective way to enhance auditor independence and audit quality.

We do not believe that mandatory audit firm rotation would improve audit quality; rather we believe it would diminish the quality of an audit by eliminating the benefits derived from the cumulative knowledge an audit firm builds up over time about both the company and the industry in which it operates. Due to the learning curve that audit firms face, mandatory firm rotation would reduce both the effectiveness and efficiency of the audit, which, in an environment of increasing complexity, would have negative implications for audit quality, investor protection and the integrity of the financial system.

Further, the proposal would increase costs of audits due to frequent duplication of startup and education for the auditor to gain familiarity with the company and its operations. In addition, more time of the company's financial staff will need to be devoted to helping the new auditor learn about the company's business, systems, workflow and processes, taking away from business productivity.

With respect to audit independence, we believe that current rules adequately support auditor independence and objectivity. For example, registered firms are inspected by the PCAOB, audit committees are composed solely of independent board members, including at least one financial expert, and the independence rules covering non-audit services have been made more restrictive with the passage of the Sarbanes-Oxley Act. In addition, there are restrictions requiring audit partner rotation.

We firmly believe it is the audit committee's responsibility to assess an audit firm's objectivity, independence and professional skepticism through interaction in executive sessions independent of Management. As it is the responsibility of the Audit Committee to hire, change or terminate the audit firm independent of Management, we are concerned that mandatory rotation would limit the discretion of our Audit Committee in choosing when to change auditors and choosing the audit firm it believes is best suited to meet the Company's specific audit needs in light of its business and industry.

We are not supportive of mandatory audit firm rotation for a number of reasons, including those above, and believe it will not result in improved audit quality.

We appreciate your having given us the opportunity to express our views.

Sincerely,


 Tom Maloof

Chairman of the Audit Committee
 of The Ensign Group, Inc.