

April 27, 2012

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. 039

McGladrey & Pullen, LLP appreciates the opportunity to offer our comments on the PCAOB's *Proposed Amendments to Conform PCAOB Rules and Forms to the Dodd-Frank Act and Make Certain Updates and Clarifications*. McGladrey & Pullen is a registered public accounting firm serving middle-market issuers, brokers, and dealers. We generally support the PCAOB's proposed amendments to conform its rules to the Dodd-Frank Act, including specific references to audits and auditors of brokers and dealers and other matters as detailed in the proposal. However, we ask the Board to consider the following suggestions related to specific aspects of the proposed amendments.

Section 3 – Professional Standards

Tax Services for Persons in Financial Reporting Oversight Roles (Rule 3523)

The Board specifically asked whether Rule 3523 should continue to be limited to issuer audit clients. Rule 3523 was adopted to address the concern that providing tax services to persons in a financial reporting oversight role may create the appearance of a mutuality of interests between the auditor and those individuals. The Board has further indicated that providing tax services to a person in a financial reporting oversight role at a broker-dealer audit client could create the appearance that the auditor is giving preference to the person's economic interests over the preparation of accurate and fully informative financial reports filed with the Commission. However, the Board also acknowledges that providing such services to an officer of a broker-dealer may not have the same independence implications as providing them to an officer of a public company. In our view, the threat that such services would create the appearance of a mutuality of interests between the auditor and individuals in a financial reporting oversight role is significantly greater for a public company where the interests of investors may be at odds with the interests of such individuals than for a private company where the interests of such individuals are typically aligned with the interests of the owners. Accordingly, we recommend that Rule 3523 continue to be limited to issuer audit clients. We also concur with the Board's proposal to limit the application of Rules 3524 and 3525 to issuer audit clients.

Registration and Reporting Forms

Form 2: Annual Report

The Board requested comment on whether firms should be required to report audit fee information for broker and dealer audit clients on an ongoing basis on Form 2. We believe the ongoing administrative burden of firms reporting fee information for broker and dealer audit clients in Form 2 would outweigh any benefits.

Form 3: Special Report Form – Withdrawn Broker and Dealer Audit Reports

The proposed amendments require the auditor to file a Form 3 with the PCAOB in the event that the audit report of a non-issuer broker or dealer is withdrawn. SEC regulations require issuers to report the withdrawal of the audit report, and PCAOB rules require the registered public accounting firm to report the

withdrawal on Form 3 only if a timely Form 8-K is not filed by the issuer (i.e., on an exception basis). We believe that a similar approach for reporting withdrawn non-issuer broker and dealer audit reports would be appropriate. We suggest that the SEC and the Board collaborate in the development of a mechanism for non-issuer brokers and dealers to report the withdrawal of audit reports, supplemented by Form 3 reporting by the registered audit firm on an exception basis.

Form 3: Special Report Form – Issuer Auditor Changes

The Board proposes to amend Form 3 to require registered firms to file a special report with the Board if a registered public accounting firm resigns, declines to stand for re-appointment, or is dismissed from an issuer audit engagement and the issuer fails to file a Form 8-K with the SEC. The proposed amendments to Form 3 would require the firm to report, among other matters, whether the former client's audit committee or equivalent body, or board of directors or equivalent body, recommended or approved the change. We believe this requirement should not apply to situations where the auditor resigned or declined to stand for re-appointment.

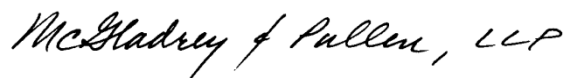
We agree with the Board's proposal to amend the SECPS membership requirement such that registered firms are only required to notify the SEC's Office of the Chief Accountant of the cessation of an auditor's relationship with an issuer audit client if the issuer has not reported the change in auditors in a timely filed Form 8-K.

Effective Date and Transition

In June 2011, the SEC proposed to amend SEC Rule 17a-5. In July 2011, the PCAOB proposed audit and attest standards that would apply to audit and attest engagements for brokers and dealers. These proposed rule amendments and standards together with the proposed amendments discussed in this letter, if adopted, will result in significant changes and additional costs for brokers, dealers, and audit firms. If adopted, they will require auditors to change their audit methodologies, which will include modifying their training, client communications, and reporting protocol. This will be a significant undertaking. It is our understanding the SEC plans to make amended Rule 17a-5 effective for audits of years ending on or after December 31, 2012. If amended Rule 17a-5 is not released prior to July 1, 2012, we suggest the PCAOB make its proposed amendments effective for audits of years ending on or after December 15, 2013 to minimize the implementation challenges for registered public accounting firms of applying PCAOB rules and standards to 2012 audits of brokers and dealers. Regardless of the effective date for the amended rules, we suggest the Board provide a transition period for rule changes related to auditor independence.

We would be pleased to respond to any questions the Board or its staff may have about these comments. Please direct any questions to John Hague, National Director of Alternative Investments and Brokerage Groups, at 312-634-3354.

Sincerely,



McGladrey & Pullen, LLP