

October 29, 2007



Office of the Secretary
PCAOB
1666 K. Street, N.W.
Washington, DC 20006-2803

Dear Sir or Madam

Re: "Preliminary Staff Views-October 17, 2007"

The purpose of this letter is to submit comment on the above which was published on October 17, 2007 by the Public Company Accounting Oversight Board. I am the CEO of Citizens National Bank of Cheboygan and CNB Corporation, both of Cheboygan, Michigan. The bank is the sole subsidiary of CNB Corporation, a one-bank holding company. CNB Corporation is an SEC registered company with just over 1,000 shareholders, \$260,000,000 in assets and 80 employees with six locations in northern Lower Michigan.

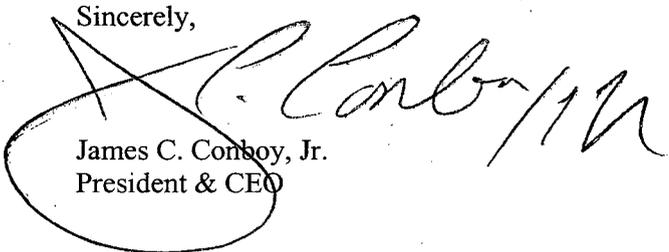
While I appreciate the PCAOB's publication of the Guidance it would be very helpful if the PCAOB would recognize and comment upon the fact that the bank subsidiaries of small bank holding companies such as ours are routinely examined by federal regulators and in the case of those holding companies with state bank subsidiaries by federal and state bank regulators. These examinations which typically occur every 12 or 18 months are very thorough and cover many areas including internal controls and IT as well as management, compliance, capital, asset quality, earnings, liquidity, sensitivity to market risk, and the community reinvestment act.

With regards to questions 1 and 2 posed in the October 17 release I believe to the extent that regulatory exams impact internal control and financial statements of smaller public companies the companies' auditors should be able to place great reliance on them as a third party source. The exams conducted by the state and federal bank regulators are independent, in depth, and carry enforcement powers like no other third party review I am aware of. I believe the PCAOB ought to enter into dialogue with the Office of the Comptroller of the Currency, Federal Reserve, FDIC, and Conference of State Bank Supervisors independently or through the Federal Financial Institutions Examination Council to determine how examinations may be relied upon for purposes of Audit Standard 5.

Frankly in all the discussions and literature regarding section 404 I have heard or read I have not seen or heard mention of reliance on regulatory exams which are unique to depository financial institutions.

Thank you for considering my comments.

Sincerely,


James C. Conboy, Jr.
President & CEO