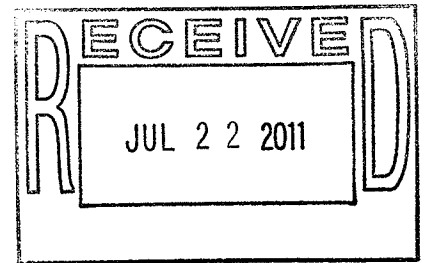


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July 19, 2011

Mr. J. Gordon Seymour
Office of the Secretary
PCAOB
1666 K Street, NW
Washington, DC 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 34

Dear Mr. Secretary:

I have the following comments on the Board's Concept Release on potential changes to the auditor's reporting model. In its comments on the potential changes, the Board has correctly stated that this effort is probably the most important task undertaken by the Board in its recent history.

I think that the Board will be inundated by comments on its Concept Release. My comments seek to help the Board in wading through the various comments and to single out those issues which need to be addressed before effecting any major change in the auditor's report.

It's probable that the accounting profession will by and large approve what the Board is trying to do but in fact will retreat from approving major changes in the auditor's report. The profession's comments will undoubtedly reflect its fear of liability and the disruptive effect on its auditors in changing what they report to the public. Many will retreat from any change in view of the additional costs that may be imposed on issuers pointing out that this impact would come at a time when issuers are increasingly overwhelmed by costs stemming from other Government regulations. They will seek to avoid changes that will place increasing burdens upon their clients.

2.

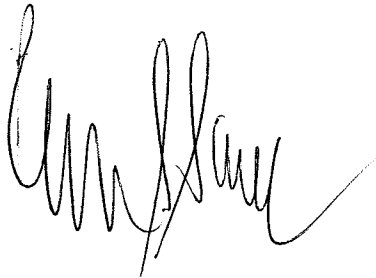
Issuers will oppose the changes not only because of increasing costs but also because of further liability exposure. They will also see that increased disclosure of major issues in preparing their financial statements runs the risk of additional shareholder questions and concerns – something that they want to avoid in these times of economic upheaval.

Investor groups on the other hand will applaud the Board's efforts to seek greater transparency but they are not paying for the changes.

Seeking to reconcile these differences will not be easy.

I offer these suggestions to the Board in evaluating possible changes in the auditor's report. First, any changes should be limited in scope but should be positioned as a first step towards improving the report. The Board should signal that further changes will come in light of experience gained from this first step. Second, the Board should make every effort to limit the cost impact upon issuers.

Sincerely,

A handwritten signature in black ink, appearing to read "E. J. Haney". The signature is fluid and cursive, with a long horizontal stroke at the end.