



December 9, 2013

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. 34, Proposed Auditing Standards on the Auditor's Report and the Auditor's Responsibilities Regarding Other Information and Related Amendments

Union First Market Bankshares, Corporation (Union) appreciates the opportunity to comment on the exposure draft, Public Company Accounting Oversight Board (PCAOB) Rulemaking Docket Matter No. 34, *Proposed Auditing Standards on the Auditor's Report and the Auditor's Responsibilities Regarding Other Information and Related Amendments* (Docket Matter 34). Docket Matter 34 significantly expands the auditor's report, disclosing factual elements regarding the auditor as well as a discussion of critical audit matters (CAMs) specific to the audit. This exposure draft also addresses auditor responsibility and reporting over other information included with the audited financial statements.

We believe that level of detail required by Docket Matter 34 (assuming an unqualified opinion) adds specific information that may confuse a reader as to the nature of the opinion rendered.

The matters identified as CAMs are currently required to be addressed in the auditor's report, specifically regarding internal controls over financial reporting, Sarbanes-Oxley Act of 2002 (SOx). If a matter arose during the audit that reached the level of a material weakness (as defined by the Committee of Sponsoring Organizations – Treadway Commission), the auditor would be required to discuss any ramifications in detail, in an emphasis paragraph. If a matter does not rise to a level that impacts the audit, the inclusion required under Docket Matter 34 would add little to no value for the reader.

Information specific to the auditor should not be included as part of the report. These details: years of service, partner's name, independence under PCAOB and Securities and Exchange Commission (SEC) Rules, can be included in the issuer's proxy or Management Discussion and Analysis. The SEC could also expand the Audit Committee's report section of the proxy to include these facts, possibly as part of the consideration for the ratification of the auditor's election. Under Docket Matter 34, this other information would be included in the new report.

Financial statements remain the responsibility of the issuer. Since the financial statements, by definition, include the notes to the financial statements, expanding a reference to the notes within the report appears redundant. The notes, under the current system receive the identical scrutiny as the financial statements themselves.

References to fraud in the auditor's report, while basically the same as those included in the required communication to the audit committee, might unnecessarily alarm the reader. Inclusion serves no understandable benefit.

The auditor's report may benefit from a disclosure regarding responsibility over "Other Information", as defined by Docket Matter 34, regardless of the proposed new standard. Docket Matter 34's proposed enhancement of the auditor's responsibility, with respect to other information, will necessarily compress already accelerated timelines for SEC filings and increase costs. The current standard seems to have few flaws and the correct level of scrutiny. It is unclear as to the value added in the requirement of an opinion audit of the other information.

The PCAOB has asked for a discussion of the prospective costs associated with the implementation of the new standard. This is very difficult to estimate, especially as it relates to the additional responsibilities added regarding other information. In discussions with our auditor we collectively estimated an approximate 15% to 20% increase in the audit fee, if Docket Matter 34 is implemented in its entirety. In the world of financial institutions, regulatory burden has become onerous. The weight of many compliance related costs, in concert with compressed margins, has already resulted in the resetting of investor expectations industry wide. The value does not appear to outweigh the cost.

SOx, in concert with other SEC Rules, have placed the oversight of the financial statements, and quality of financial reporting, squarely on the Chief Executive Officer, the Chief Financial Officer and the Audit Committee. We believe this responsibility is taken seriously. Accountability under SOx has proven effective. In today's complex regulatory environment, additional disclosures are simply unnecessary.

Union is a \$4 billion single bank holding company, headquartered in Richmond, Virginia. Our 1,200 employees serve a wide variety of small to medium sized companies with an array of loan and treasury management products. In early 2014, Union will acquire StellarOne Corporation, becoming a \$7 billion financial holding company.

Thank you very much for soliciting our comments.

Sincerely,

Patrick J. McCann
Chairman, Audit Committee