

August 21, 2011

Office of the Secretary
PCAOB
1666 K Street, NW
Washington, DC 20006-2803

Re: Docket 037 -- Concept Release on Auditor Independence and Audit Firm Rotation

I am the founder of VoterMedia.org, a non-profit public interest project to improve the accountability of elected leaders of corporations and democracies. For background, my résumé is on the web at votermedia.org/mlresume.

Thank you for inviting comments on how to enhance auditor independence, not only via mandatory rotation, but also via other approaches. I would like to suggest another approach:

Perhaps a more effective way to improve auditors' incentives would be to let shareowners choose the auditor by vote -- see section 5 of my article "Proxy Voting Brand Competition" in *Journal of Investment Management*, January 2007, available without charge at votermedia.org/publications.

As a step in this direction, shareowners could at least be permitted to vote on whether they would like to choose the auditor in this way. The SEC has been allowing management to exclude shareowners proposals to select the auditor by vote, allowing the argument that auditor selection is an ordinary business matter -- see votermedia.org/proposals/20030305-USG-SEC.html.

Sincerely,

Mark Latham
Founder, VoterMedia.org