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By email: rule-comments@sec.gov

Ms. Vanessa A. Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: File Number S7-26-19: Amendments to Rule 2-01, Qualifications of Accountants

Dear Ms. Countryman:

RSM US LLP appreciates the opportunity to offer our comments on SEC Release No. 33-10738, *Amendments to Rule 2-01, Qualifications of Accountants* (the Proposing Release). RSM US LLP is a registered public accounting firm serving middle-market issuers, brokers and dealers.

Auditor independence often is referred to as the cornerstone of our profession because it is the foundation for the public's trust in assurance services. It is what sets the audit profession apart from other professions. High-quality independent audits performed by our profession are critical to most organizations and to the success of the financial markets. We appreciate the Commission's recent endeavors to maintain the relevance of its auditor independence requirements and to evaluate the effectiveness of those requirements in light of current market conditions and industry practices.

We generally support the proposed amendments in the Proposing Release and agree they would more effectively focus the independence analysis on those relationships or services that are more likely to pose threats to an auditor's integrity, objectivity and impartiality. We believe these modifications will result in significantly fewer inadvertent violations that currently result in auditor replacements and reaudits in circumstances where the incumbent auditor's integrity and objectivity remain intact. We do, however, have some comments on the Proposing Release we ask the Commission to consider.

Proposed Amendments to the Definitions of Affiliate of the Audit Client and Investment Company Complex

As the Commission has observed, auditors and audit committees have experienced challenges in the practical application of the "common control" component of the definition of *affiliate of the audit client*. We support the proposal to amend Rule 2-01 paragraphs (f)(4) (the *affiliate of the audit client* definition) and (f)(14) (the *Investment Company Complex* definition) to include materiality qualifiers in the respective common control provisions and to distinguish how the definitions apply when an accountant is auditing an operating company, a portfolio company, an investment company, or an investment adviser or sponsor. In addition, we believe that also adding a materiality qualifier with respect to the entity under audit, consistent with the AICPA and IESBA rules, would significantly assist auditors in complying with Rule 2-01(f)(4), especially when auditing a portfolio company, where identifying and evaluating materiality of all sister entities can be extremely challenging.

We do, however, find the proposed revisions to the *Investment Company Complex* definition to be unnecessarily complex because the definition is written to apply when the entity under audit is either an investment company, or an investment adviser or sponsor. We believe it would be much easier to understand and apply if the definition was separated into one for affiliates of an investment company and another for affiliates of an investment adviser or sponsor.

In addition, while proposed Rule (f)(14)(i)(D) includes a materiality qualifier for entities under common control with an investment company or an investment adviser or sponsor, it appears that Rule (f)(14)(i)(F) does not explicitly include a similar materiality qualifier for investment companies advised by an investment adviser or sponsor under audit or by the investment adviser of an investment company under audit. If this omission is deliberate, the relief intended to be provided by Rule (f)(14)(i)(D) is substantially inconsequential. If that is not the case (or not the intent of the proposed rule amendment), Rule (f)(14)(i)(F) should be revised to make it clear that a materiality qualifier applies. In addition, while auditors are accustomed to making materiality assessments in relation to entities under common ownership control, it is not clear how materiality assessments with respect to investment companies with a common investment adviser or sponsor should be made. Accordingly, it would be helpful if the Adopting Release or an FAQ provided some guidance in that regard.

Regardless of whether a materiality qualifier is intended to be applied in the circumstances addressed by Rule (f)(14)(i)(F), we believe only investment companies in the same family of funds as the investment company under audit should be considered affiliates of the investment company under audit.

Proposed Amendments to the Look-Back Period for First Time Filers and Transition Provisions to Avoid Inadvertent Violations due to Merger and Acquisition Transactions

We support harmonizing the look-back periods for domestic and foreign first-time filers, and we agree that compliance with applicable independence rules in periods prior to the most recent period sufficiently mitigates the risk associated with shortening the look-back period. We also believe providing a transition framework to address inadvertent independence violations arising from merger and acquisition transactions is appropriate and consistent with the proposed amendment to shorten the look-back period for first-time filers.

Proposed Amendments to the Loan Exceptions

We support the proposed amendments to the loan exceptions to except student loans acquired before a partner or professional employee was a covered person and to expand the “credit card” loan exception to include other types of consumer loans. However, we believe the exception for student loans should be expanded to also include student loans obtained by a partner or professional employee’s immediate family members before the partner or professional employee was a covered person. In all cases, we believe the loans should have been obtained under normal lending terms and conditions and be kept current at all times.

Application of the general standard in Rule 2-01(b)

We are concerned that the Proposing Release appears to significantly alter the interaction of Rules 2-01(b) and 2-01(c). When the Commission revised its auditor independence requirements on November 21, 2000, the 2000 Adopting Release stated, “Circumstances that are not specifically set forth in our rule [Rule 2-01(c)] are measured by the general standard in Rule 2-01(b).” The 2000 Adopting Release also stated:

> “The proposed rule included a provision under which an accountant's independence would have been impaired if the accountant had any of the relationships or provided any of the services described by proposed Rule 2-01(c), or "otherwise [did] not comply with the standard" of paragraph (b). We have eliminated from the text of the rule the language regarding the accountant's failure "otherwise" to comply with the standard. Instead, we have modified the structure of paragraph (c) to make clear that the paragraph sets forth a "non-exclusive specification of circumstances" that are inconsistent with the standard of paragraph (b).”

Those statements in the 2000 Adopting Release are substantially different than the statements relating to the same topic included in the recent Proposing Release,[1] which would indicate, on a going forward basis, even when services and relationships with immaterial common control entities that would no longer be considered affiliates are not proscribed by Rule 2-01(c), they are still subject to the general standard in Rule 2-01(b). These statements in the Proposing Release could be interpreted to require an auditor to continue to evaluate services and relationships with entities that are no longer considered to be affiliates of the entity under audit to determine whether they are "otherwise" inconsistent with Rule 2-01(b). In addition, we do not agree that services and relationships that "might nevertheless impact the auditor's independence" would be "easily known". These statements could result in the auditor and the entity under audit not realizing the efficiencies and benefits that would otherwise be provided by the proposed amendments to the *Affiliates of the Audit Client* and *Investment Company Complex* definitions with no discernable benefit to investors.

Finally, we do not believe services that are currently permitted by Rule 2-01(c) (e.g., services permitted under the "not subject to audit exception"), have historically also been subject to evaluation under Rule 2-01(b). However, by implication, we believe the references to the application of Rule 2-01(b) in the Proposing Release could be applied much more broadly than just to services and relationships with immaterial common control entities that will no longer be considered affiliates of the audit client.

Accordingly, we believe these statements should not be included in the Adopting Release.

Conforming Amendments to PCAOB Rules

Adopting these proposed amendments will result in certain inconsistencies between the definitions in Rule 2-01(c) and in PCAOB Rules 3501(a)(ii) ("Affiliate of the Audit Client"), 3501(a)(iii) ("Audit and Professional Engagement Period"), and 3501(i)(ii) ("Investment Company Complex"). In addition, the PCAOB's interim independence standards adopted on April 16, 2003 are inconsistent in many respects with both the current AICPA and IESBA independence standards which, pursuant to the Proposing Release, would be allowed to be applied by first-time filers and under the transition provisions for merger and acquisition transactions. This will likely result in confusion about which rules to apply in these and other circumstances. Accordingly, we believe the SEC staff should engage with the PCAOB to further evaluate whether conforming amendments to the PCAOB independence standards and rules should be considered.

Responses to Questions for which Feedback was Specifically Requested in the Proposing Release

1. *Should we add the materiality requirement, as proposed, so that only sister entities that are material to the controlling entity are deemed to be an affiliate of the audit client? Alternatively, should we retain the current common control provision in the affiliate of the audit client definition?*

   We support adding a materiality requirement such that only sister entities that are material to the controlling entities would be deemed to be affiliates of the audit client. However, in practice, auditors and audit committees would still be required to identify all sister entities in order to evaluate their materiality to the controlling entity. Accordingly, we believe that the *affiliate* definition should be revised to be consistent with the AICPA definition, such that sister entities would only be affiliates if **both** the entity under audit and the sister entities are material to the controlling entity. If this revision was made, we do not believe it would impact an auditor's integrity, objectivity and impartiality and it would greatly reduce the compliance effort for auditors and audit committees when the entity under audit is not material to the controlling entity, especially with respect to audits of portfolio companies.

[1] e.g., text on pages 10-11, 14, 16, 19 and 27 and in questions 2, 4, 8, 11 and 18.

2. *Does the proposed amendment sufficiently focus the common control prong of the definition of affiliate of the audit client on those relationships and services that are most likely to threaten auditor objectivity and impartiality? Should we focus on the materiality of sister entities to the controlling entity, as proposed? If not, are there other amendments that would better focus on relationships and services that are more likely to threaten auditor objectivity and impartiality? For example, should we focus on whether sister entities are material to the entity under audit, in addition to whether they are material to the controlling entity? Should we consider aggregating sister entities in the materiality assessment rather than the assessment being done on an individual basis? Or is aggregation of multiple sister entities sufficiently covered by the general standard under Rule 2-01(b)?*

   We believe, in all cases, the materiality assessment should be made in relation to the entity that controls the entity under audit and not in relation to the entity under audit. We believe it is extremely unlikely that services to and relationships with an immaterial sister entity would impair the auditor's integrity, objectivity and impartiality with respect to the entity under audit. We do not believe it is necessary to consider services to and relationships with sister entities in the aggregate for purposes of the materiality assessment. However, if the Commission concludes otherwise, we believe that a specific materiality level such as 10% of the controlling entity's net assets should be used for purposes of assessing whether services and relationships with sister entities in the aggregate would be deemed to impair an auditor's independence.

3. *Would auditors and audit clients face challenges in applying the materiality concept in this context? Would auditors face particular challenges assessing materiality in connection with private portfolio companies? If so, what are those challenges and how could they be addressed?*

   In audits of portfolio companies, particularly in situations where we do not have an audit relationship with the controlling fund, we often face significant challenges in identifying all sister entities in order to determine whether those entities are material to the unregistered fund that controls the entity under audit and in identifying and evaluating the services and relationships provided to those entities by the firm and by the firms in our network. As stated in our response to question 1, revising the definition to also include a materiality qualifier with respect to the entity under audit would, in many cases, eliminate this challenge without, in our opinion, significantly increasing the risk that the auditor would not be objective and impartial in conducting an audit of a portfolio company. We appreciate the Commission's continued emphasis on the fact that compliance with the Commission's independence requirements is a shared responsibility between the audit committee and the auditor.

4. *Would focusing only on sister entities that are material to the controlling entity increase the risk that auditors will be performing audits when they are not objective and impartial? If so, is the overarching consideration of all relevant facts and circumstances, as required by Rule 2-01(b), sufficient to mitigate this risk? Would focusing on sister entities that are material to the controlling entity increase the risk of appearance issues?*

   We do not believe that focusing only on controlled entities, including the entity under audit, that are material to the controlling entity would increase the risk that auditors would perform audits when they are not objective and impartial. We also do not believe that focusing only on sister entities that are material to the controlling entity would increase the risk of appearance issues.

5. *Are there other types of affiliates that should be excluded from the definition because the services and relationships with such entities rarely threaten an auditor's objectivity and impartiality?*

   We support limiting the proposed revisions in the *affiliate* definition to sister entities. We agree that parents and subsidiaries of the entity under audit should continue to be considered affiliates regardless of materiality. However, we believe when auditing an investment company, services provided to a portfolio company audited by another auditor should also be afforded the "not subject to audit" exception because the portfolio company's historical cost basis financial statements are not consolidated in the investment company's financial statements, which are presented on the fair value basis.

6. *Should the proposed ICC definition specifically reference the entity under audit and explicitly define investment companies, for the purpose of proposed paragraph (f)(14), to include unregistered funds, as proposed?*

   We support the proposed revisions to the ICC definition to include only investment companies (including unregistered funds) and investment advisers or sponsors.

7. *Is it appropriate to direct auditors of an investment adviser, sponsor, or investment company to the investment company complex definition, as we propose to amend it, to determine the entities that will be considered affiliates of the audit client? Why or why not? Would that lead to more consistent independence analyses by auditors of these entities?*

   We believe that directing auditors of investment advisers, sponsors or investment companies to the proposed amended ICC definition (and auditors of operating companies, including portfolio companies, to the proposed amended definition in paragraph (f)(4)) would lead to better and more consistent independence analyses by auditors of these entities. We find identifying affiliates of the entity under audit, especially when the entity under audit is a portfolio company, to be extremely and unnecessarily complex under the current rules and therefore fraught with risk.

8. *Should we include a materiality qualifier in Rule 2-01(f)(14)(i)(D), as proposed, so that only sister investment companies or investment advisers or sponsors that are material to the controlling entity are included in the proposed definition of ICC and, as a result, are deemed to be an affiliate of the audit client? Should we focus on whether sister investment companies, advisers, or sponsors are material to the investment company, adviser, or sponsor under audit, in addition to whether they are material to the controlling entity? Should we consider aggregating sister entities in the materiality assessment rather than the assessment being done on an individual basis? Or is aggregation of multiple sister entities sufficiently covered by the general standard under Rule 2-01(b)?*

   We agree that only sister investment companies or investment advisers or sponsors that are material to the controlling entity should be included in the ICC definition. We also believe that the controlling entity (the entity that controls the investment company, investment adviser or sponsor under audit and its sister entities) is the proper entity from which to assess materiality. We do not believe it is necessary to consider services to and relationships with sister entities in the aggregate for purposes of the materiality assessment. However, if the Commission concludes it is necessary to also consider services to and relationships with immaterial sister entities in the aggregate, we believe that a specific materiality level, such as 10% of Net Asset Value, should be used for purposes of assessing whether services and relationships with sister entities in the aggregate would be deemed to impair an auditor's independence.

9. *Does the proposed amendment sufficiently focus the common control prong of the ICC definition on those relationships and services that are most likely to threaten auditor objectivity and impartiality? Should the analysis focus on the materiality of sister entities to the controlling entity, as proposed?*

   We believe the focus on materiality of sister entities as proposed is proper and sufficiently focuses the analysis on services and relationships that are most likely to threaten an auditor's objectivity and impartiality.

10. *Would auditors and audit clients face challenges in applying the materiality concept in this context? Would auditors face particular challenges assessing materiality in connection with unregistered funds? If so, what are the challenges and how could they be addressed?*

    Auditors are accustomed to making materiality assessments and should not experience challenges in making those assessments, provided adequate financial information with respect to the controlling entity and all sister entities is readily available to them. However, obtaining this financial information can be challenging and requires that fund management and the audit committee embrace its shared responsibility for compliance with the Commission's independence rules.

11. *Would focusing only on sister entities that are material to the controlling entity increase the risk that auditors will be performing audits when they are not objective and impartial? If so, is the overarching consideration of all relevant facts and circumstances, as required by Rule 2-01(b), sufficient to mitigate this risk? Would focusing on sister entities that are material to the controlling entity increase the risk of appearance issues?*

    We believe focusing on sister entities that are material to the controlling entity would increase neither the risk of appearance issues to reasonable and informed investors nor the risk that auditors would not be objective and impartial in conducting their audits of investment companies, investment advisers or sponsors.

12. *Is it appropriate for auditors to assess whether or not sister investment companies are material to the controlling entity even when a sister fund's investment adviser may not be material to the controlling entity? Should we include a reference to paragraph (f)(14)(i)(C) within paragraph (f)(14)(i)(D), as proposed?*

    We agree that it is appropriate to assess materiality of sister investment companies in reference to the controlling entity and that a reference to paragraph (f)(14)(i)(C) should be included within paragraph (f)(14)(i)(D).

13. *Should paragraph (f)(14)(i)(F) be adopted as proposed? Should we instead include a materiality qualifier for sister investment companies in proposed paragraph (f)(14)(i)(F)?*

    We strongly believe that a materiality qualifier should be included in paragraph (f)(14)(i)(F) because we do not believe that all entities with a common investment adviser or sponsor should be deemed to be affiliates when common control entities that are not material to the controlling entity are not deemed to be affiliates. In addition, we do not believe that investments companies that are not in the same family of funds as the investment company under audit should be deemed to be affiliates of the investment company under audit.

14. *Should we incorporate a significant influence prong into the ICC definition, as proposed?*

    We support including a significant influence prong into the ICC definition to be consistent with the definition used for operating companies.

15. *Should we also adopt the proposed conforming amendment to Rule 2-01(f)(6) to include the reference to proposed paragraph (f)(14)(i)(E)?*

    We agree with including the reference to paragraph (f)(14)(i)(E) in Rule 2-01(f)(6) to be consistent with the current application of paragraph (c)(1)(i) in the operating company environment.

16. *We are proposing to amend rule 2-01(f)(5) to shorten the look-back period for all first-time filers to the most recently completed fiscal year, which would result in treating all first-time filers (including domestic issuers and FPIs) similarly for purposes of our independence requirements under Rule 2-01. Should*

we amend Rule 2-01(f)(5) as proposed? Alternatively, should we consider instead lengthening the lookback period for FPIs to all periods in which the financial statements are being audited or reviewed to harmonize the lookback periods?

We support amending Rule 2-01(f)(5) as proposed to harmonize the look-back periods for domestic and foreign first-time filers, and we agree that compliance with applicable independence rules in periods prior to the most recent period sufficiently mitigates the risk associated with shortening the look-back provision for domestic first-time filers.

17. *We are proposing to except student loans obtained for a covered person's educational expenses that were not obtained while the covered person in the firm was a covered person. Should we adopt this new exception as proposed? Should we limit the proposed exception to student loans not obtained while the covered person in the firm was a covered person and to student loans obtained only for the individual's educational expenses (i.e., not the loans of immediate family members), as proposed?*

    We agree with the proposal to except student loans obtained for a covered person's educational expenses that were not obtained while the covered person in the firm was a covered person. However, we do not believe loans of immediate family members should be excluded, as proposed. For this to be a practical exception, the exception should be extended to cover student loans of immediate family members of the covered person that were not obtained while the covered person in the firm was a covered person.

18. *Should all student loans be excepted from the application of the Loan Provision? Should the proposed exception include any other limitations, such as being limited only to the covered person's accounting and auditing educational expenses? Alternatively, should we expand the proposed exception to student loans of immediate family members? If we expand the exception to student loans of immediate family members, should we adopt a dollar limit on the aggregate amount of student loans that may be excepted? Is the overarching consideration of all relevant facts and circumstances related to the auditor's objectivity and impartiality, as required by Rule 2-01(b), sufficient to mitigate against any potential risk that student loans obtained for multiple immediate family members could be significant?*

    We believe all categories of student loans to the covered person and his or her immediate family members should be excepted without dollar limit.

19. *Should the proposed student loan exception include a limit on the amount that may be outstanding? If so, what is the appropriate amount?*

    While we do not believe there should be a limit on the amount of outstanding student loans, we believe it would be appropriate to require that they be kept current at all times, considering any available grace periods.

20. *Should we revise Rule 2-01(c)(1)(ii)(A)(1)(iv) to refer to "mortgage loans" instead of "mortgage loan," as proposed?*

    We support pluralizing "mortgage loan" in Rule 2-01(c)(1)(ii)(A)(1)(iv) to make it clear that the exception applies to all types of mortgage loans on a covered person's primary residence.

21. *We propose amending Rule 2-01(c)(1)(ii)(E) to replace "credit cards" with "consumer loans" and revise the provision to reference any consumer loan balance owed to a lender that is an audit client that is not reduced to $10,000 or less on a current basis taking into consideration the payment due date and available grace period. Should we amend Rule 2-01(c)(1)(ii)(E), as proposed?*

    We support amending Rule 2-01(c)(1)(ii)(E) to replace "credit cards" with "consumer loans".

22. *Is the outstanding balance limit of $10,000 appropriate? If not, what would be a more appropriate limit?*

    We defer to the staff's experience in dealing with loans of this nature. The limit should be high enough to encompass the types of consumer loans that are commonly offered or arranged by retailers and credit card balances that are commonly carried over from month-to-month. However, at a minimum, we would suggest increasing the amount to address inflationary increases since the limit was first established.

23. *Is further guidance needed regarding how "current basis" applies for different types of consumer loans? If so, what additional guidance should we provide?*

    We are not aware that auditors and audit firms have had any difficulty in applying the language in the existing rule.

24. *Is further guidance needed regarding the types of loans that would be considered "consumer loans" under the proposed amendment? If so, what additional guidance should we provide?*

    By many common definitions, mortgage loans, home equity loans, automobile loans and student loans are considered "consumer loans". We suggest using the term "other consumer loans" to describe the category of loans covered by Rule 2-01(c)(1)(ii)(E).

25. *Should we replace the reference to "substantial stockholders" in the Business Relationships Rule with the concept of beneficial owners with significant influence, as proposed? Would the proposed amendment make the rule more clear and reduce complexity, given that "substantial stockholder" is not currently defined in Regulation S-X? Alternatively, should substantial stockholder be defined? If so, how should we define it?*

    We support replacing the reference to "substantial stockholder" with the concept of "beneficial owners with significant influence".

26. *Would the proposed amendment result in more or fewer instances of business relationships that are prohibited by Rule 2-01(c)(3)? Does the concept of beneficial owners with significant influence, as proposed, more appropriately identify relationships that are likely to impair an auditor's objectivity and impartiality than the current rule?*

    We believe "substantial stockholder" has generally been interpreted to be a lower threshold than "beneficial owner with significant influence", and we do not believe business relationships with stockholders who do not have significant influence over the entity under audit pose a threat to auditor objectivity and impartiality.

27. *We understand that it is more common today for companies to enter into multi-company arrangements in delivering products or services and that audit firms may contribute to such multi-company arrangements, such as through intellectual property or access to data using common technology platforms. Do these arrangements present instances where an auditor's objectivity and impartiality would not be impaired even after considering the proposed amendments discussed in this release? If so, what further amendments should be considered to appropriately focus on relationships where it is more likely an auditor's objectivity and impartiality would be impaired?*

    We agree that it has become more common for audit firms to be involved in multi-company arrangements. These arrangements can be complex and the audit firm needs to evaluate each individual arrangement to determine whether the arrangement is inconsistent with the general standard of auditor independence in Rule 2-01(b). We encourage the Commission to continue to evaluate the nature of these relationships and consider whether further rulemaking is warranted given the advances in technology driven delivery of complex and integrated business services.

28. *Is the guidance related to "persons associated with the audit client in a decision-making capacity" and its application to the amended Loan Provision appropriate? Is further guidance needed to assist auditors and their clients in applying the recently amended Loan Provision and the proposed amendments? If so, what additional guidance is needed? Should we codify this guidance in our rules?*

    We believe "persons associated with the audit client in a decision-making capacity" is generally understood to include the audit client's officers, directors and beneficial owners with significant influence over the audit client.

29. *Should we provide the transition framework to address inadvertent independence violations arising from mergers and acquisitions, as proposed? Should we expand the proposed framework to encompass IPOs? If so, would this eliminate the need for the proposed amendments in Section II.A.2? If we expand the proposed framework to encompass IPOs, are there additional criteria we should include in the quality control requirement? Are there other transactions that should be covered by the proposed framework?*

    We believe the transition framework to address inadvertent independence violations arising from merger and acquisition transactions is appropriate and consistent with the proposed amendment regarding IPOs by domestic filers and does not need to be expanded.

30. *Are the proposed criteria for the quality control requirement sufficiently clear? If not, how could they be clarified?*

    We believe the proposed criteria are clear and appropriate.

31. *Are there other criteria that should be added to the quality control requirement?*

    We believe the proposed criteria are sufficient and appropriate.

32. *Should certain prohibited services and relationships continue to be an independence violation regardless of the transition framework such as if the service or relationship results in the auditor auditing its own work?*

    Because the periods prior to a merger or acquisition are not included in the financial statements of the accounting acquirer, we do not believe there is a significant threat that the auditor would be placed in a position of auditing the auditor's own work. We also believe compliance with applicable independence requirements sufficiently mitigates the threat.

33. *The proposed framework requires any independence violations resulting from a merger or acquisition to be corrected as promptly as possible. What is a reasonable period of time after the consummation of a merger or acquisition that would allow for an auditor to correct most types of violations covered by the proposed framework? Should the proposed amendments specify a maximum period of time for such corrections?*

    Because contracts for the nonaudit services that give rise to inadvertent violations associated with a merger or acquisition transaction often contain notice of termination provisions, we believe correction "as promptly as possible under relevant circumstances" is an appropriate requirement and a maximum period of time should not be specified.

34. *Should we exclude certain types of merger and acquisition transactions from the proposed transition framework? If so, what transactions should be excluded? For example, should the framework exclude*

transactions that are in substance more like an IPO, such as when the acquirer is a public shell company? In these situations, would it be more appropriate to apply the proposed amendments related to the look-back period for IPOs?

We believe that "reverse acquisitions" or other merger and acquisition transactions whereby the "accounting acquirer" is different from the "legal acquirer" should be subject to the look-back period for IPOs rather than the transition framework for mergers and acquisitions.

35. *Should we make the miscellaneous updates described above? Are there other conforming amendments we should make in light of these updates?*

    We believe the proposed miscellaneous updates are appropriate, and we are not recommending any other conforming amendments at this time.

We would be pleased to respond to any questions the Commission or its staff may have about our comments. Please direct any questions to Allan Cohen at 617.241.4625 or Claire Blanton at 704.206.7271.

Sincerely,

RSM US LLP

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