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Report on

2011 Inspection of McGladrey LLP
(Headquartered in Chicago, Illinois)

Issued by the

Public Company Accounting Oversight Board

April 23, 2013

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

PORTIONS OF THE COMPLETE REPORT ARE OMITTED FROM THIS DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g)(2) AND 105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002

PCAOB Release No. 104-2013-105

Notes Concerning this Report

1. Portions of this report may describe deficiencies or potential deficiencies in the systems, policies, procedures, practices, or conduct of the firm that is the subject of this report. The inclusion of certain deficiencies and potential deficiencies, however, should not be construed to support any negative inference that any other aspect of the firm's systems, policies, procedures, practices, or conduct is approved or condoned by the Board or judged by the Board to comply with laws, rules, and professional standards.

2. Any references in this report to violations or potential violations of law, rules, or professional standards are not a result of an adversarial adjudicative process and do not constitute conclusive findings of fact or of violations for purposes of imposing legal liability. Similarly, any description herein of a firm's cooperation in addressing issues constructively should not be construed, and is not construed by the Board, as an admission, for purposes of potential legal liability, of any violation.

3. Board inspections encompass, among other things, whether the firm has failed to identify financial statement misstatements, including failures to comply with Securities and Exchange Commission ("SEC" or "Commission") disclosure requirements, in its audits of financial statements. This report's descriptions of any such auditing failures necessarily involve descriptions of the apparent misstatements or disclosure departures. The Board, however, has no authority to prescribe the form or content of an issuer's financial statements. That authority, and the authority to make binding determinations concerning whether an issuer's financial statements are misstated or fail to comply with Commission disclosure requirements, rests with the Commission. Any description, in this report, of financial statement misstatements or failures to comply with Commission disclosure requirements should not be understood as an indication that the Commission has considered or made any determination regarding these issues unless otherwise expressly stated.

PCAOB Release No. 104-2013-105

Public Company Accounting Oversight Board

2011 INSPECTION OF McGLADREY LLP

Preface

In 2011, the Public Company Accounting Oversight Board ("PCAOB" or "the Board") conducted an inspection of the registered public accounting firm McGladrey LLP[1/] ("McGladrey" or "the Firm") pursuant to the Sarbanes-Oxley Act of 2002 ("the Act").

The Board is issuing this report in accordance with the requirements of the Act.[2/] The Board is releasing to the public Part I of the report, Appendix B, and portions of Appendix C. Appendix B provides an overview of the inspection process for annually inspected firms.[3/] Appendix C includes the Firm's comments, if any, on a draft of the report.[4/] A substantial portion of the Board's criticisms of a firm (specifically criticisms of the firm's quality control system) is nonpublic, unless the firm fails to make sufficient progress in addressing those criticisms.

1/ The Firm has issued audit reports under the name of McGladrey & Pullen, LLP.

2/ In its Statement Concerning the Issuance of Inspection Reports, PCAOB Release No. 104-2004-001 (August 26, 2004), the Board described its approach to making inspection-related information publicly available consistent with legal restrictions.

3/ The Act requires the Board to conduct an annual inspection of each registered public accounting firm that regularly provides audit reports for more than 100 issuers.

4/ The Board does not make public any of a firm's comments that address a nonpublic portion of the report. In addition, pursuant to section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report at all. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.

Board inspections are designed to identify and address weaknesses and deficiencies related to how a firm conducts audits.[5/] To achieve that goal, Board inspections include reviews of certain aspects of selected audit work performed by the firm and reviews of certain aspects of the firm's quality control system. It is not the purpose of an inspection, however, to review all of a firm's audits or to identify every respect in which a reviewed audit is deficient. Accordingly, a Board inspection report should not be understood to provide any assurance that the firm's audit work, or the relevant issuers' financial statements or reporting on internal control, are free of any deficiencies not specifically described in an inspection report.

If the Board inspection team identifies deficiencies that exceed a certain significance threshold in the audit work it reviews, those deficiencies are summarized in the public portion of the Board's inspection report.[6/] The Board cautions, however, against extrapolating from the results presented in the public portion of the report to broader conclusions about the frequency of deficiencies throughout the Firm's practice. Audit work is selected for inspection largely on the basis of an analysis of factors that, in the inspection team's view, heighten the possibility that auditing deficiencies are present, rather than through a process intended to identify a representative sample.

5/ This focus on weaknesses and deficiencies necessarily carries through to reports on inspections and, accordingly, Board inspection reports are not intended to serve as balanced report cards or overall rating tools.

6/ Inclusion of a deficiency in an inspection report does not mean that the deficiency remained unaddressed after the inspection team brought it to the firm's attention. When audit deficiencies are identified after the date of the audit report, PCAOB standards require a firm to take appropriate actions to assess the importance of the deficiencies to the firm's present ability to support its previously expressed audit opinions. Depending upon the circumstances, compliance with these standards may require the firm to perform additional audit procedures, or to inform a client of the need for changes to its financial statements or reporting on internal control, or to take steps to prevent reliance on previously expressed audit opinions. The inspection team may review, either in the same inspection or in subsequent inspections, the adequacy of the firm's compliance with these requirements. Failure by a firm to take appropriate actions, or a Firm's misrepresentations in responding to an inspection report, about whether it has taken such actions, could be a basis for Board disciplinary sanctions.

PART I

INSPECTION PROCEDURES AND CERTAIN OBSERVATIONS

Members of the Board's staff ("the inspection team") conducted primary procedures for the inspection from August 2011 through December 2011. The inspection team performed field work at the Firm's National Office and at 13 of its approximately 72 U.S. assurance practice offices.[7/]

A. Review of Audit Engagements

The 2011 inspection of the Firm included reviews of aspects of 16 audits performed by the Firm. The inspection team selected the audits and aspects to review, and the Firm was not allowed an opportunity to limit or influence the selections.

The inspection team identified matters that it considered to be deficiencies in the performance of the work it reviewed. Those deficiencies included failures by the Firm to identify, or to address appropriately, financial statement misstatements, including failures to comply with disclosure requirements,[8/] as well as failures by the Firm to perform, or to perform sufficiently, certain necessary audit procedures. In one instance, follow-up related to the deficiency led to a change in the issuer's accounting practices.

[7/] This represents McGladrey's total number of practice offices; however, approximately 32 of the Firm's practice offices have primary responsibility for issuer audit clients. At the time of the inspection, the Firm’s National Office was located in Bloomington, Minnesota.

[8/] When it comes to the Board’s attention that an issuer's financial statements appear not to present fairly, in a material respect, the financial position, results of operations, or cash flows of the issuer in conformity with applicable accounting principles, the Board’s practice is to report that information to the SEC, which has jurisdiction to determine proper accounting in issuers’ financial statements.

In some cases, the conclusion that the Firm failed to perform a procedure was based on the absence of documentation and the absence of persuasive other evidence, even if the Firm claimed to have performed the procedure.[9/]

The inspection team considered certain of the deficiencies that it observed to be audit failures. Specifically, certain of the identified deficiencies were of such significance that it appeared that the Firm, at the time it issued its audit report, had failed to obtain sufficient appropriate audit evidence to support its audit opinion on the financial statements and/or on the effectiveness of internal control over financial reporting ("ICFR"). The audit deficiencies that reached these levels of significance are described below.[10/]

A.1. Issuer A

In this audit, the Firm failed in the following respects to obtain sufficient appropriate audit evidence to support its audit opinion on the financial statements –

- With respect to the majority of revenue, the Firm tested the occurrence of transactions and the completeness of revenue using analytical procedures; however, due to deficiencies in these procedures, they provided little to no substantive assurance. Specifically –
    - The Firm failed to develop appropriate expectations in that (a) for certain of the expectations, the Firm used certain data to develop its expectation without a rationale as to why that data could be

[9/] PCAOB Auditing Standard No. 3, *Audit Documentation* provides that, in various circumstances including PCAOB inspections, a firm that has not adequately documented that it performed a procedure, obtained evidence, or reached an appropriate conclusion must demonstrate with persuasive other evidence that it did so, and that oral assertions and explanations alone do not constitute persuasive other evidence.

[10/] The discussion in this report of any deficiency observed in a particular audit reflects information reported to the Board by the inspection team and does not reflect any determination by the Board as to whether the Firm has engaged in any conduct for which it could be sanctioned through the Board's disciplinary process.

expected to be predictive of the issuer's current-period revenue; (b) certain of the expectations were expressed as ranges that were too wide to identify potential misstatements that could be material, and (c) certain of the expectations were merely directional in nature.

- The Firm failed to investigate certain differences from its expectations that were in excess of its established threshold, beyond inquiring of management.

- The Firm used system-generated reports in performing the analytical procedures, but it failed to test the accuracy and completeness of those reports.

- The Firm failed to perform sufficient procedures to test the existence and valuation of accounts receivable. Specifically –

  - The Firm tested the existence of accounts receivable at an interim date, but failed to perform sufficient procedures to extend its conclusions on certain accounts receivable from its interim test date to the issuer's year end. The Firm's testing covering the roll-forward period consisted of analytical procedures, but due to deficiencies in these procedures, they provided little to no substantive assurance. Specifically, the Firm failed to establish expectations based on plausible and predictable relationships. In addition, the Firm failed to investigate certain significant unexpected differences and failed to obtain corroboration of management's explanations for other significant unexpected differences.

  - The Firm used system-generated reports in testing the valuation of accounts receivable, but failed to test the accuracy and completeness of those reports.

- The Firm failed to perform sufficient procedures to test the existence and valuation of inventory. Specifically –

  - The Firm failed to test the existence of inventory for one of the issuer's business segments. With respect to two other business segments –

        - The issuer's systems generate reports that specify which inventory items to count each day as part of the issuer's cycle-counting process. The Firm failed to test whether the system was configured to prompt a count of inventory items in accordance with the issuer's policy.

        - The Firm failed to compare the results of the cycle counts it observed to adjustments made in the issuer's inventory system.

    - The Firm failed to test the accuracy and completeness of certain system-generated data and reports used in testing inventory reserves.

- The Firm failed to perform sufficient procedures to test the issuer's income tax accounts. Specifically –

    - There was no evidence in the audit documentation, and no persuasive other evidence, that the Firm had tested significant components of the issuer's income tax accounts, including certain deferred tax assets and liabilities, components of the provision for income tax expense, and the accuracy and completeness of the issuer's accrual for unrecognized tax benefits.

    - The issuer recorded no deferred tax liabilities related to the undistributed earnings of its foreign subsidiaries as it asserted that those earnings were permanently re-invested. The Firm failed to evaluate this assertion, including failing to evaluate the potential tax effect of loans from the issuer's foreign subsidiaries to the U.S. parent company.

- The Firm relied on certain entity-level controls ("ELCs") to reduce the extent of its testing at individual locations of the issuer; however, the Firm failed to test the ELCs. Further, the Firm failed to assess the risks of material misstatement associated with the issuer's locations at which no testing was performed and determine whether those locations presented a reasonable possibility of a material misstatement to the issuer's consolidated financial statements.

A.2. Issuer B

In this audit, the Firm failed in the following respects to obtain sufficient appropriate audit evidence to support its audit opinion on the financial statements –

- The Firm failed to sufficiently test the issuer's allowance for credit losses. Specifically, the Firm failed to evaluate the reasonableness of certain factors related to expected losses ("loss factors") the issuer used to calculate the allowance.

- The Firm failed to sufficiently test the issuer's revenue. The Firm used analytical procedures to test the majority of revenue, but due to deficiencies in these procedures, they provided little to no substantive assurance. Specifically, for certain of these procedures, the Firm developed its expectations using data from the issuer's systems that represented a significant component of the amount being tested, and this data had not been tested. Further, the Firm failed to define thresholds for investigation of significant differences from its expectations.

- The Firm used data and reports generated by one of the issuer's systems in testing the allowance for credit losses and in performing the analytical procedures related to revenue. The Firm, however, failed to test the accuracy and completeness of the data and reports.

A.3. Issuer C

The issuer calculated the general component of its allowance for loan losses ("ALL") using historical loss factors adjusted for various qualitative factors; the effects of the qualitative factors represented approximately three quarters of the general component of the ALL, and approximately one half of the total ALL. The Firm failed to perform sufficient procedures to test the general component of the ALL. Specifically, the Firm failed to identify that the historical loss factors the issuer used excluded the loss experience during the most recent year. In addition, the Firm failed to sufficiently test the reasonableness of the issuer's qualitative adjustments to the ALL in that, for most of the adjustments, its procedures were limited to obtaining the issuer's explanations, without corroboration, and noting that the adjustments were consistent with those used in the prior year.

A.4. Issuer D

In this audit, the Firm failed to obtain sufficient appropriate audit evidence to support its audit opinion on the effectiveness of ICFR. The Firm identified inventory as a significant account and existence as a relevant assertion. The Firm selected for testing only one control over the existence of inventory and determined that this control was not operating effectively. In evaluating the severity of the identified control deficiency, the Firm identified a compensating control; however, there was no evidence in the audit documentation, and no persuasive other evidence, that the Firm had tested the operating effectiveness of this control. As a result, the Firm failed to sufficiently evaluate whether the identified control deficiency, individually or in combination with other deficiencies, represented a material weakness.

A.5. Issuer E

In this audit, the Firm failed to identify a departure from generally accepted accounting principles that it should have identified and addressed before issuing its audit report. The issuer offset certain accounts receivable and accounts payable, in contravention of Financial Accounting Standards Board Accounting Standards Codification Topic 210, *Balance Sheet*.

A.6. Issuer F

In this audit, the Firm failed to sufficiently test revenue. Specifically –

- The Firm failed to evaluate the appropriateness of the issuer's reporting of revenue from its largest customer net of certain selling and distribution costs.

- The Firm failed to sufficiently test the existence of certain revenue, as the Firm's testing of that revenue was limited to (a) comparing reports from a customer, which the Firm obtained from the issuer, to the general ledger and (b) confirming accounts receivable.

- The Firm's analytical procedures to test revenue provided little to no substantive assurance, as the Firm failed to develop expectations at a level of precision to identify differences that may be material misstatements, individually or in the aggregate, as the expectations were merely directional in nature.

A.7. Issuer G

In this audit, the Firm failed to perform sufficient procedures to test the issuer's income tax accounts. Specifically, the Firm failed to test significant components of the issuer's income tax provision, including deferred tax assets and liabilities and components of income tax expense. The Firm also failed to test the accuracy and completeness of the spreadsheets the issuer used to calculate the income tax provision. In addition, the issuer recorded no deferred tax liabilities related to the undistributed earnings of its foreign subsidiaries as it asserted that those earnings were permanently re-invested. There was no evidence in the audit documentation, and no persuasive other evidence, that the Firm had performed procedures to evaluate this assertion.

A.8. Issuer H

In this audit, the Firm failed to perform sufficient procedures to test the issuer's income tax accounts. The Firm's work papers included signed audit programs, but there was no evidence in the audit documentation, and no persuasive other evidence, that the Firm had performed procedures to test the significant components of the issuer's income tax provision, including deferred tax assets and liabilities and components of income tax expense. In addition, the Firm failed to test the projections of future taxable income the issuer used to assess the recoverability of the net deferred tax asset, beyond inquiring of management and assessing the issuer's historical ability to meet its projections.

B. Review of Quality Control System

In addition to evaluating the quality of the audit work performed on specific audits, the inspection included review of certain of the Firm's practices, policies, and processes related to audit quality. This review addressed practices, policies, and procedures concerning audit performance and the following five areas (1) management structure and processes, including the tone at the top; (2) practices for partner management, including allocation of partner resources and partner evaluation, compensation, admission, and disciplinary actions; (3) policies and procedures for considering and addressing the risks involved in accepting and retaining clients, including the application of the Firm's risk-rating system; (4) processes related to the

Firm's use of audit work that the Firm's foreign affiliates perform on the foreign operations of the Firm's U.S. issuer audit clients; and (5) the Firm's processes for monitoring audit performance, including processes for identifying and assessing indicators of deficiencies in audit performance, independence policies and procedures, and processes for responding to weaknesses in quality control. Any defects in, or criticisms of, the Firm's quality control system are discussed in the nonpublic portion of this report and will remain nonpublic unless the Firm fails to address them to the Board's satisfaction within 12 months of the date of this report.

END OF PART I

PART II, PART III, AND APPENDIX A OF THIS REPORT ARE NONPUBLIC AND ARE OMITTED FROM THIS PUBLIC DOCUMENT

APPENDIX B

THE INSPECTION PROCESS FOR ANNUALLY INSPECTED FIRMS

The inspection process is designed, and inspections are performed, to provide a basis for assessing the degree of compliance by a firm with applicable requirements related to auditing issuers. This appendix describes the inspection process for those annually inspected firms that have multiple practice offices and a national office structure. While this appendix describes the general inspection process applied in the 2011 inspections of these firms, the process was customized to each firm's inspection, bearing in mind the firm's structure, past inspection observations, observations during the course of the 2011 inspection, and other factors. Accordingly, procedures described in this Appendix, while generally applicable to annual inspections, may not have been applied, or may not have been applied fully, in the inspection of any individual firm, and additional procedures, not described in this appendix, may have been applied in the inspection of an individual firm.

The inspection process included reviews of aspects of selected issuer audits completed by the inspected firm. These reviews were intended both to identify deficiencies, if any, in those aspects of the audits and to determine whether those deficiencies indicated weaknesses or defects in the firm's system of quality control over audits. In addition, the inspection included reviews of policies and procedures related to certain quality control processes of the firm that could be expected to affect audit quality.

1. Review of Selected Audits

Inspections include reviews of aspects of selected audits of financial statements and ICFR. For each audit selected, the inspection team reviewed certain of the issuer's SEC filings. The inspection team selected certain aspects of the audits for review and inspected the engagement team's work papers and interviewed engagement personnel regarding those aspects. The inspection team also analyzed potential adjustments to the issuer's financial statements that were identified during the audit but not corrected. For certain selected engagements, the inspection team reviewed written communications between the firm and the issuer's audit committee and, for some engagements, the inspection team interviewed the chairperson of the issuer's audit committee.

When the inspection team identified a potential issue, it discussed the issue with members of the engagement team. If the inspection team was unable to resolve the issue through this discussion and any review of additional work papers or other documentation, the inspection team issued a comment form on the matter and the firm was allowed the opportunity to provide a written response to the comment form.

2. Review of Firm Management and Monitoring Processes Related to Audit Quality Control

The inspection team's review of a firm's system of quality control was intended to provide a basis for assessing whether that system was appropriately designed and implemented to achieve the goal of conducting audits that are in compliance with applicable standards. This review included an evaluation of the firm's ability to respond effectively to indications of possible defects in its system of quality control.

2.a. Review of Management Structure and Processes, Including the Tone at the Top

Procedures in this area were designed to focus on (a) how the firm's management is structured and operates the firm's business, and the implications that the management structure and processes have on audit performance, and (b) whether actions and communications by the firm's leadership – the "tone at the top" – demonstrate a commitment to audit quality. The inspection team interviewed members of the firm's leadership to obtain an understanding of any significant changes in the firm's approach to, and processes for, its management, including the mechanisms, formal or informal, that assess, monitor, or affect audit performance. The inspection team also reviewed significant management reports and documents, as well as information regarding financial metrics and the budget and goal setting processes that the firm uses to plan for, and evaluate the success of, its business.

2.b. Review of Practices for Partner Management, Including Allocation of Partner Resources and Partner Evaluation, Compensation, Admission, and Disciplinary Actions

Procedures in this area were designed to focus on (a) whether the firm's processes related to partner evaluation, compensation, admission, termination, and disciplinary actions could be expected to encourage an appropriate emphasis on audit quality and technical competence, as compared to marketing or other activities of the firm; (b) the firm's processes for allocating its partner resources; and (c) the accountability and responsibilities of the different levels of firm management with respect to partner management. The inspection team interviewed members of the firm's management and also reviewed documentation related to certain of these topics. In addition, the inspection team's interviews of audit partners included questions regarding their responsibilities and allocation of time and the interviews of firm management included the performance of partners being inspected, the evaluation and compensation process, any disciplinary actions, and any situations where a client requested a change in the lead audit partner. In addition, the inspection team reviewed a sample of partners' personnel files, including files of partners who resigned or took early retirement and partners who had significant negative inspection results from recent internal and PCAOB inspections.

2.c. Review of Policies and Procedures for Considering and Addressing the Risks Involved in Accepting and Retaining Clients, Including the Application of the Firm's Risk-Rating System

The inspection team selected certain issuer audits to (a) evaluate compliance with the firm's policies and procedures for identifying and assessing the risks involved in accepting or continuing the client and (b) observe whether the audit procedures were responsive to the risks identified during the process.

2.d. Review of Processes Related to the Firm's Use of Audit Work that the Firm's Foreign Affiliates Perform on the Foreign Operations of the Firm's U.S. Issuer Audit Clients

The inspection team reviewed the firm's policies and procedures related to its supervision and control of work performed by foreign affiliates on the operations of U.S. issuer clients, reviewed available information relating to the most recent foreign affiliated firms' internal inspections, interviewed members of the firm's leadership, and reviewed the U.S. engagement teams' supervision and control procedures concerning the audit work that the firm's foreign affiliates performed on a sample of audits. In some cases, the inspection team also reviewed, on a limited basis, certain of the audit work performed by the firm's foreign affiliates on the foreign operations of U.S. issuer clients.

2.e. Review of the Firm's Processes for Monitoring Audit Performance, Including Processes for Identifying and Assessing Indicators of Deficiencies in Audit Performance, Independence Policies and Procedures, and Processes for Responding to Weaknesses in Quality Control

2.e.i. Review of Processes for Identifying and Assessing Indicators of Deficiencies in Audit Performance

Procedures in this area were designed to identify and assess the monitoring processes that the firm uses to monitor audit quality for individual engagements and for the firm as a whole. The inspection team interviewed members of the firm's management and reviewed documents regarding how the firm identifies, evaluates, and responds to possible indicators of deficiencies in audit performance, including internal inspection findings, PCAOB inspection observations, restatements, and litigation. In addition, the inspection team reviewed documents related to the design, operation, and evaluation of findings of the firm's internal inspection program. The inspection team also reviewed certain audits that the firm had inspected and compared its results to those from the internal inspection.

2.e.ii. Review of Response to Weaknesses in Quality Control

The inspection team reviewed steps the firm has taken in the past several years to address possible quality control deficiencies. The inspection team then assessed the design and evaluated the effectiveness of the processes identified. In addition, the inspection team conducted focused inspections of audits of certain issuers whose audits had been reviewed during previous PCAOB inspections of the firm to ascertain whether the audit procedures in areas with previous deficiencies had been improved.

2.e.iii. Review of Certain Other Policies and Procedures Related to Monitoring Audit Quality

The inspection team assessed policies, procedures, and guidance related to aspects of the firm's independence requirements and its consultation processes and the firm's compliance with them. In addition, the inspection team reviewed documents, including certain newly issued policies and procedures, and interviewed firm management to consider the firm's methods for developing audit policies, procedures, and methodologies, including internal guidance and training materials.

APPENDIX C

RESPONSE OF THE FIRM TO DRAFT INSPECTION REPORT

Pursuant to section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the Firm provided a written response to a draft of this report. Pursuant to section 104(f) of the Act and PCAOB Rule 4007(b), the Firm's response, minus any portion granted confidential treatment, is attached hereto and made part of this final inspection report.[11/]

[11/] In any version of an inspection report that the Board makes publicly available, any portions of a firm's response that address nonpublic portions of the report are omitted. In some cases, the result may be that none of a firm's response is made publicly available.

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April 8, 2013

Ms. Helen A. Munter
Director, Division of Registration and Inspections
Public Company Accounting Oversight Board
1666 K Street NW
Washington, DC 20006

Re: Response to the Draft Report on the 2011 Inspection of McGladrey LLP

Dear Ms. Munter:

Thank you for the opportunity to submit our response to the draft Report of the Public Company Accounting Oversight Board ("PCAOB") on the 2011 Inspection of McGladrey LLP. We support the PCAOB's inspection process and believe that it helps us enhance the quality of audit engagements. We are committed to using the inspection comments and observations to help us further strengthen our system of quality controls. We believe the investments we have made and are continuing to make in our audit processes and quality controls are resulting in improved audit quality.

We have taken appropriate actions to address the deficiencies identified by the PCAOB's inspection team, including, in certain instances, performing additional procedures in accordance with AU 390, *Consideration of Omitted Procedures after the Report Date*, and, in other instances, adding currently dated documentation to our workpapers to more completely and accurately describe the procedures performed, evidence obtained and conclusions reached.

Respectively submitted,

McGladrey LLP

McGladrey LLP