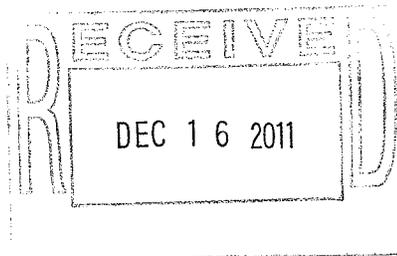


QCR
HOLDINGS, INC.

a relationship driven organization™



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November 22, 2011

Public Company Accounting Oversight Board
Attention: Office of the Secretary
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: Rulemaking Docket Matter No. 37
Concept Release on Auditor Independence and
Audit Firm Rotation

Members of the Board,

We appreciate the opportunity to provide comments on the *2011 PCAOB Concept Release on Auditor Independence and Audit Firm Rotation* (the "Proposal").

QCR Holdings, Inc. is a multi-bank holding company headquartered in Moline, Illinois, with subsidiary banks located in the Quad Cities (Davenport and Bettendorf, Iowa and Moline and Rock Island, Illinois), Cedar Rapids, Iowa and Rockford, Illinois. Founded in 1993, our shares are listed for trading on NASDAQ and consolidated assets are approximately \$2 billion.

We strongly support the measures resulting from the implementation of the Sarbanes Oxley Act of 2002 ("SOX") that promote auditor independence as an important component of the overall reliability of a public company's financial reporting. As a result, we have vigorously implemented policies and procedures within our company and our Board Audit Committee to fully adopt not only the technical requirements of SOX, but a cultural focus on the benefits of independence and transparency in our dealings with our independent audit firm, our regulators, and each of our key stakeholders.

However, we have significant concerns that adopting the requirement of audit firm rotation that is prescribed by the Proposal will contribute in any significant way to an overall enhancement of auditor independence, or will in any way improve the ultimate reliability of financial reporting. There is a lack of quantifiable support for the assumption that the required audit firm rotation will yield any positive impact on auditor independence.

Rather, we strongly believe that there are clear factual and quantifiable costs that would be incurred by public companies, contributing to significant increases in audit fees as well as a reduction in audit efficiency and effectiveness that is clearly counter to the PCAOB's mission.

The perceived benefits of the proposal for required audit firm rotation are realistically limited to only two assumed benefits; that bringing in a new audit firm will result in a fresh perspective to the company's audit, and, that

limiting the term of the audit will reduce the auditor's susceptibility to management pressure and influence that may impact the effectiveness and independence of the audit.

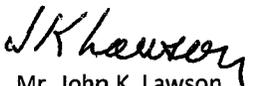
We believe that these perceived benefits are quite modest and that the following issues far outweigh any tangible benefits that might be derived from implementation of the Proposal.

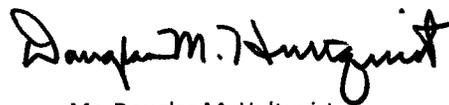
- Audit continuity would be sacrificed.
 - This would result in increased audit risk in the first several years of the audit engagement due to the new audit firm's lack of experience with the company's policies, processes, procedures and personnel.
 - Management of the company would be required to devote substantial effort, time and attention to the audit firm transition process, diverting significant resources from the financial reporting process which would increase the inherent risk of financial misstatements.
 - The above issues would contribute to increase the inherent fraud risk of the company and the new audit firm would clearly have less reliable means of detecting any fraud perpetrated by management.
- The cost of changing audit firms is significant. The General Accounting Office survey referred to in the Proposal indicated an estimated 20% increase in audit costs for the first year of the new audit firm's engagement. We believe that this increase in audit fees would be in addition to significant additional costs incurred by the company in the form of either additional hard costs from increased compensation expense for both existing and/or supplemental accounting staff, or, the opportunity cost of having significant resources devoted to the transition of audit firms.
- Current regulatory rules already contain provisions that significantly impact and promote auditor independence, including; audit partner rotation every five years, review partner rotation, PCAOB inspections, required communications between the audit firm and the audit committee, and others.
- The "professional skepticism" that is at the core of all successful audit teams will actually be significantly diluted by implementation of the Proposal. Professional skepticism is only possible when an audit firm has strong institutional knowledge of the company, and that knowledge is formed over time, particularly when dealing with large and complex publicly traded companies. Mandatory audit firm rotation as prescribed by the Proposal will actually dilute rather than improve the inherent effectiveness of the new audit team.

For the reasons described above, QCR Holdings, Inc. respectfully urges you to withdraw the Proposal.

Thank you for considering our views. Please contact us if you have any questions regarding our comments.

Very truly yours,


Mr. John K. Lawson
Chairman of the Board
Audit and Compliance
Committee


Mr. Douglas M. Hultquist
President
Chief Executive Officer


Mr. Todd A. Gipple
Executive Vice President
Chief Operating Officer
Chief Financial Officer