

Gentlemen:

I am the CFO of North Dallas Bank & Trust and have negotiated our audits for many years. My Comments are as follows:

1. Each financial institution audit should be under the same guidelines. The audit profession has rules and regulations just as the financial institutions. Each institution should be responsible for our own books. The information provided to the outside auditor is our responsibility, we cannot shift this burden to the auditors.

2. The additional risk taken on by the outside audit firms will greatly increase the costs of the audits. The well run banks will pay more and the riskier run banks will have trouble finding a reputable auditor to do their books.

3. The number of banks that receive an audited financial statement that are not required to do so, will decrease do to the additional costs.

4. No Comment

5. The examples are clear. We, as financial executives should bear the responsibility of reviewing our financial audits before they are made public. Unless the audit firm has fraudulent behavior or willful misconduct, the responsibility falls to the bank. Some of the limitations that address losses associated with fraud should be deleted from the engagement letter.

6. Banks as well as other corporations must take responsibility for our actions. Each outside audit firm has to be independent. They should not be providing consulting services to organizations they audit. The firms rely on information we provide to them and unless the audit firm willfully

misrepresents the company's books, the burden should rest with the banks.

7. We have a very good working relationship with our external auditor. I think we could come to a compromise without causing much problem. I do think some firms will take advantage of the opportunity to charge more fees.

I want to thank you for the opportunity to comment on this subject. I think we as an industry have the best audit functions of all industries. The agencies', internal and external audits provide a great cross-section of areas to review. The Audit industry has knee jerked from recent court rulings and I hope our industry reviews all angles before we react.

Sam Renshaw
Ex VP & CFO