

**EXHIBIT 3**  
Perceptions of CPA Firms' Independence as  
Impacted by the Revolving-Door Phenomenon

**Section B**

The following scenarios depict resignations by auditors to accept employment with their firms' current nonpublic audit clients. The resigned auditors participated in prior audits of the clients for which they accepted employment.  
(Scale: 1 for Strongly Disagree to 5 for Strongly Agree.)

1. The audit manager left immediately after completing the client's audit to join the audit client as the controller.

Mean	(1)	(2)	(3)	(4)	(5)
3.31	18.0%	15.7%	14.0%	21.5%	30.8%

2. The audit engagement partner left immediately after completing the client's audit to join the audit client as chief accounting officer (CAO).

3.67	12.6%	12.6%	14.8%	16.7%	43.3%
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3. Having resigned one year earlier from the firm to pursue other business opportunities, the former audit manager joins the audit client as the controller.

2.15	46.5%	19.2%	14.5%	12.8%	7.0%
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4. Having resigned one year earlier from the firm to pursue other business opportunities, the former auditor engagement partner joins the audit client as CAO.

2.38	39.3%	19.7%	13.3%	19.0%	8.7%
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5. Having resigned two years earlier from the firm to pursue other business opportunities, the former audit manager joins the audit client as the controller.

1.73	64.2%	15.0%	9.8%	5.8%	5.2%
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6. Having resigned two years earlier from the firm to pursue other business opportunities, the former audit engagement partner joins the audit client as CAO.

1.79	60.5%	16.3%	12.2%	5.8%	5.2%
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