

United States of America  
Before the  
Securities and Exchange Commission

Administrative Procedure File 3-21841

In the Matter of the Application of Ahmed Mohiddin and George Weinbaum

For Review of PCAOB Action

George Weinbaum's Follow up on July 5, 2024 Brief

September 4, 2024

Cases Not Previously Cited

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<i>FCC v. Fox Television Studios, Inc.</i> , 132 S. Ct. 2307 (2012)( <i>FCC</i> ).	6-7
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<i>SEC v. Ibrahim Almagarby</i> , 92 F. 4th 1306 (11th Cir., 2024) ( <i>Almagarby</i> ).	8-10
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<i>Matter of Carl Icahn</i> , SEC Ad. Proc., File No. 3-22012 (August 19, 2024) ( <i>Icahn</i> ).	13
Charrow, Robert, <i>WSJ</i> , "Junk Science Sometimes ...", (August 27, 2024) ( <i>Junk</i> ).	16
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Foldy, Ben, <i>WSJ</i> , "Icahn To Pay \$2 Million To Settle With SEC", (August 20, 2024) ( <i>Foldy</i> ).	13
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<i>Gigacalculator</i> , various items	17
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Most days bring something new. In July the SEC changed its website. The new website led me to a tab I never saw before, i.e., Appellate Briefs. I found the SEC's 62-page *SEC-B* brief there. The Supreme Court (SC) rejected it 9-0 in *Gabelli v. SEC*, 568 US 442 (2013), my December 30, 2023 submission, 7-8. "Although the question in this case is whether the discovery rule delays a claim's accrual in fraud cases", *SEC-B*, 15. Did either the PCAOB or SEC claim fraud is an issue in my case? Even if so, it is now 74 months from June 8, 2018.

"The Government asserts that the 'robust safeguards' available in typical criminal proceedings alleviate the need for pretrial review", *Trump*, 35. "First, it points to the Justice Department's 'longstanding commitments to the impartial enforcement of the law'," *Trump*, 36. Has the PCAOB such a commitment, my May 19, 2023 submission, 16-17, Item, 141? On July 24, 2024 I found this on the SEC's website: "Founded to help our country respond to the Great Depression, we're the agency that ... promotes fairness & efficiency in the securities markets". Senator Metcalf disagreed as applied to CPAs auditing SEC registrants in 1976! "Even if the President were ultimately not found liable for certain official actions, the possibility of an extended proceeding alone may render him 'unduly cautious in the discharge of his official duties'," *Trump*, 36. The SC recognized incentives! I claim, the PCAOB did **not** bring my case in good faith. It **always** believed it could intimidate me with legal fees to submit to anything it wanted. Well, Ian Anderson (IA), you failed. "We do not ordinarily decline to decide significant constitutional questions based on the Government's promises of good faith", *Trump*, 37. What about PCAOB attorneys who don't know five is more than two? "Ignoring those risks, the dissents are instead content to leave the preservation of our system of separated powers **up to the good faith of prosecutors**", my emphasis, *Trump*, 41. Or PCAOB lawyers.

On June 14, 2024 *Rosenberger, et. al.* was released. It arose from the Synchronoss fraud, my May 19, 2023 submission, 14-15, Item 141. I read the 1:22-cv-04736 64-page complaint. The SEC's enforcement lawyers got one right! **Almost.** The PCAOB charged E&Y partners Yablonowitz and Rogers (Y&R), but did **not** charge E&Y. The PCAOB left \$58 million on the table, my May 19, 2023 submission, 14, Item 141. Why? Were Y&R E&Y's chosen scapegoats? That's why.

It is **inconceivable** to me that Rosenberger's actions fooled Y&R. Rosenberger "aided and abetted ... fraud", *R-Complaint*, P 5. Did I? I insisted Adamant restate its financials. "Rosenberger sought to cover up her and the Company's misconduct by lying to Synchronoss's auditor", *R-complaint*, P 6. If Y&R didn't accept Synchronoss accounting, this fraud would not have happened. I say Y&R were guilty of "wilful blindness" and would have merited an "ostrich instruction" in a criminal case. The questioned transactions had many "red flags". Yet the SEC believes they fooled two E&Y partners. Here's a "policy idea" SEC: include in Form 10-K an "analyst track". Annually, an SEC registrant would disclose how many analyst reports it got in the last 20 quarters and how many quarters it beat the EPS expectation. Once your "terrifics" accumulate say three years of these statements, they can compile them as to greater than and less than. Put them in say deciles. Gensler, see where I am going? My expectation: SEC Registrants will "beat the expectation" 50% of the time. If one does say 90%, ask why. If SEC Registrants know the SEC will investigate such anomalies, they will become more reluctant to cook the books to placate analysts. At least that's what I think.

"The prosecutor has more control over life, liberty, and reputation than any other person in America. His discretion is tremendous", *Judicature*, 18. In 1940 RJ was Attorney

General. He became a SC Justice in 1941. "The prosecutor can order arrests, present cases to the grand jury in secret session, and **on the basis of his one-sided presentation of the facts**, can cause the citizen to be indicted and held for trial. ... While the prosecutor at his best is one of the most beneficent forces in our society, **when he acts from malice or other base motives**, he is one of the worst", my emphasis, *Judicature*, 18. I believe the PCAOB brought my case from a "base motive". Now give me another "scandalous and impertinent" (S&I). "Nothing better can come of this meeting of law enforcement officers than a rededication to the spirit of fair play and decency that should animate the federal prosecutor", *Judicature*, 18. Fair play? From the PCAOB and SEC? In 1976 Senator Metcalf disagreed as to the SEC. I do today.

"Any prosecutor who risks his day-to-day professional name for fair dealing to build up statistics of success has a perverted sense of practical values, as well as defects of character", *Judicature*, 19. Do you agree Peirce? "One of the greatest difficulties of the position of prosecutor is that he must pick his cases, because no prosecutor can ever investigate all of the cases in which he receives complaints", *Judicature*, 19. I find the PCAOB's case selection method does **not** protect investors from **large** frauds. SEC Commissioners, do you agree? "What every prosecutor is practically required to do is to select those cases for prosecution and to select those in which the offense is the most flagrant, the public harm the greatest, and the proof the most certain", *Judicature*, 19. Now SEC Commissioners, after 21 years, judge the PCAOB's enforcement effort under this standard. Or *Almagarby*, 8-10 *infra*.

"Therein is the most dangerous power of the prosecutor: that he will pick people that he thinks he should get, rather than pick cases that need to be prosecuted. With the law books filled with an assortment of crimes, a prosecutor stands a fair chance of finding at least a

technical violation of some act on the part of almost anyone", *Judicature*, 19. A Peircan "foot-fault". The PCAOB couldn't even "foot-fault" me, so it **invented one**. Sustained by double Ivy Leaguer Mark B. Dorfman (MBD). Big deal. Michelle Obama is one too.

It "is a question of picking the man and then searching the law books, or putting investigators to work, to pin some offense on him. It is in this realm--in which the prosecutor picks some person whom he dislikes or desires to embarrass, or selects some group of unpopular persons and then looks for an offense, that the greatest danger of abuse of prosecuting power lies", *Judicature*, 19. Well IA? Did you figure "Weinbaum is a nobody. I can step on him like on an ant". Wrong! Are you Lavrenty Beria in 1937 Moscow? How S&I of me.

"in a 2-to-1 decision, with Judge Leval dissenting, the Court of Appeals found the Remand Order arbitrary and capricious because 'the FCC has made a 180-degree turn regarding its treatment of "fleeting expletives" without providing a reasoned explanation justifying the about-face'," *FCC*, 2315. "Surveying a number of Commission adjudications, the court found the Commission was inconsistent as to which words it deemed patently offensive", *FCC*, 2316. Big minds at the PCAOB, my December 30, 2023 submission, 27. "A fundamental principle in our legal system is that laws which regulate persons or entities must give fair notice of conduct that is forbidden or required", *FCC*, 2317. Got it MBD? "A statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application, violates the first essential of due process of law'," *FCC*, 2317. "A conviction or punishment **fails to comply with due process if the statute or regulation under which it is obtained** 'fails to provide a person of ordinary intelligence fair notice of what is prohibited, or is so **standardless that it authorizes or encourages seriously**

discriminatory enforcement'," my emphasis, *FCC*, 2317. MBD, did Harvard Law School's (HLS) constitutional law class expose you to due process? "This regulatory history, however, makes it apparent that the Commission policy in place at the time of the broadcasts gave no notice to Fox or ABC that a fleeting expletive or a brief shot of nudity could be actionably indecent, yet Fox and ABC were found to be in violation", *FCC*, 2318. "Just as in the First Amendment context, the due process protection against vague regulations 'does not leave [regulated parties] ... at the mercy of noblesse oblige'," *FCC*, 2318. "Simply" MBD? Well?

"In fact, a Commission ruling prior to the airing of the NYPD Blue episode had deemed 30 seconds of nude buttocks 'very brief' and not actionably indecent in the context of the broadcast", *FCC*, 2319-2320. "In light of this record of agency decisions, and the absence of any notice in the 2001 guidance that seven seconds of nude buttocks would be found indecent, ABC lacked constitutionally sufficient notice prior to being sanctioned", *FCC*, 2320. Is 30 more than seven? Don't answer Brett Colliings (BC). "The greater exceeds the lesser", my July 27, 2023 submission, 20.

I now apply *FCC* to 74 months exceeding 60 months. Now BC, distinguish the cases on the facts as months are **not** seconds. Right? **Wrong!** I return to 10th grade Chemistry.  $365.2424 \text{ days per year} / 12 \text{ months per year} = 30.43686 \text{ days per month (PM)}$ , the years "cancel out". Follow me so far BC?  $24 \text{ hours per day} \times 30.43686 \text{ days PM} = 730.48464 \text{ hours PM}$ , the days "cancel out".  $730.4864 \text{ hours PM} \times 60 \text{ minutes per hour} = 43,829.0784 \text{ minutes PM}$ , the hours "cancel out".  $43,829.0784 \text{ minutes PM} \times 60 \text{ seconds per minute} = 2,629,744.704 \text{ seconds PM}$ , the minutes "cancel out". Well arithmetically challenged BC, do you agree that "months" are just another expression for 2,629,744.704 seconds as units?

"Ally Bank has joined the ranks doing deals known as synthetic credit-risk transfers. These deals--for a price--might make lenders look less risky for certain purposes. They don't transfer any loans off their books", *Risk*. "In this case, Ally gets to make itself look less leveraged even while issuing more debt--a neat trick. ... Another risk is that disputes could arise over how much money the noteholders are owed should Ally ever start asking them to eat some of its credit losses. ... The history of credit-default swaps--another type of credit insurance--is full of such disputes that few anticipated. ... **In the Federal Reserve's judgment**, once Ally issued the credit-linked notes, the \$330 million of corresponding loans posed zero risk to Ally, so they get a risk weighting of zero. ... **In the end, if its underwriting is as sound as it says, Ally is paying good money to buy less than a dozen basis points on its regulatory-capital ratio for largely cosmetic benefit. If transferring risk was its real objective, it would have been simpler to sell the loans instead**", my emphasis, *Risk*. Now SEC "lane drift". I agree with Weil, these transfers look like accounting shams. Will the SEC or PCAOB send each Big Four (BF) audit practice head a memo saying the SEC or PCAOB will investigate **every** such transaction under the principle: accounting respects substance over form? I'm so old I remember Bankers' Trust and Value at Risk (VAR) from 1988. Will Paul Munter see any similarity? Or Portfolio Insurance (1987). Or Long-Term Capital Management (1998) with its two Nobel Laureates?

"Policy should be evaluated on outcomes, not plans. ... Changing the root causes of any social problem, ... rarely works. ... Better to focus on what policy can change: incentives", *Causes*. I now see "Uncle Miltie" and Learned Hand smiling. Now tell the PCAOB.

"This appeal concerns whether Ibrahim Almagarby violated the Securities Exchange Act of 1934 by buying and selling securiites as an unregistered 'dealer'," *Almagarby*, 1311.



"These transactions can be lucrative --Almagarby made over \$885,000 in profits in three and a half years--but they are disfavored by other investors because they dilute the value of extant shares and often cause penny-stock prices to plummet", *Almagarby*, 1312. SEC, fix the problem: stop SEC registrants from issuing "death-spiral" convertibles. "Instead of obtaining convertible debt directly from an issuer he purchased existing instruments held by unaffiliated third parties", *Almagarby*, 1312-1313. Did the SEC act against the original debt buyers? If not, why not? "In November 2017, the Commission filed a complaint against Almagarby as part of a broader crackdown against toxic lenders", *Almagarby*, 1314. Almagarby was **no** lender, but a nobody. \$885,000 is TSTFW. The December 31, 2017 market cap (MC) of SEC registrants was \$43.2 trillion, my April 5, 2022 submission, 11, Item 127.  $\$43.2 \text{ trillion} / \$885,000 = 48.8 \text{ million}$ . Almagarby was TSTFW! "In colloquial terms, a 'dealer' is a professional market-maker who matches the buyers and sellers of securities", *Almagarby*, 1315. I say Almagarby was an arbitrageur. He made **no** market. "Almagarby argues that because he never purchased aged debt directly from issuers, he is not bound by any precedent that describes underwriting as the purchase of new securities 'from' issuers", *Almagarby*, 1317. I agree. S&I! Dealers "must also comply with customer-protection requirements ... which amicus submits have no utility when applied to entities without customers", *Almagarby*, 1318. Agree. "Almagarby argues ... there was no causal connection between [his] failure to register and the profits that he was ordered to disgorge", *Almagarby*, 1319-1320. I agree. Let's do a "counterfactual". Could Almagarby have made the same transactions if registered? If so, there was **no** connection between his profits and failure to register, my opinion subject to de novo review.. Would RJ think the SEC abused its prosecutorial discretion with respect to Almagarby?

"The Commission filed its complaint in November 2017 and alleged that Almagarby acted as an unregistered dealer between January 2013 and July 2017. The action was governed by a five-year statute of limitations 28 USC § 2462 and was timely", *Almagarby*, 1320. Agree. The "Commission asserts that Almagarby likely would have been limited by regulations such as the industry prohibition on 'unfair or unreasonable' underwriting activity", *Almagarby*, 1321. Almagarby underwrote **nothing**, buying existing securities. Joseph Goebbels, Hitler's propaganda minister supposedly said, "The most important weapon of war is propaganda. Why? Because any idiot can be trained to carry a rifle. But it is the proper administration of propaganda, that determines the direction in which he points it". Give me another "S&I". Are the SEC's *Almagarby* enforcement personnel Goebbel's idiots? "So the partial dissent penalizes Almagarby for appealing. Yet making a non-frivolous argument on appeal is not the same thing as refusing to accept and respect the law", *Almagarby*, 1323. Well? Did HLS grad MBD misunderstand my *Halberstam* argument among others?

On May 23, 2024, the PCAOB released *Ennis*. The PCAOB inspected all four EP audits. EP's clients were all retirement plans, with total assets (millions): \$100.0, \$119.1, \$21.3 and \$59.2 a \$299.6 total.  $\$299.6 / 4 = \$74.9$ . As of December 31, 2023, the total MC of all SEC registrants was \$64 trillion, 97% of which is \$62 trillion. The PCAOB inspected about 220 BF audits for the last year reported, or one per \$281.8 billion ( $\$62 \text{ trillion} / 220$ ). Do any of you SEC Commissioners believe EP is 3,762X ( $\$281.8 \text{ billion} / \$74.9 \text{ million}$ ) as "risky" for investors per MC dollar as EP? It gets worse. The PCAOB found no problems in any 2021 or 2024 EP audit. The PCAOB's "risk-based" selection procedure could stand an SEC review. It might keep the SEC's "terrifics" busy.

"I dissent from this order because it appears that the Commission is attempting to achieve policy objectives through enforcement, instead of rulemaking, while also arbitrarily deciding which activities necessitate enforcement action", *GHS*, 1. Amen! "However, the appropriate course of action to address these concerns is through rulemaking, not enforcement", *GHS*, 2. Has the SEC an "unspoken policy objective regarding convertible, variable rate notes"?, *GHS*, 2. "However, it is unreasonable to expect market participants to be continuously scanning court dockets in pending litigation across the country for new legal theories from the Commission, and on which a court has never ruled", *GHS*, 3. Uyeda, I don't scan court dockets, but use Google Scholar about two or three times a week, search 12 courts of appeal for SEC, then PCAOB, to find interesting cases. At 7:26 PM on August 10, **before** your GHS statement I found *Almagarby*. Do you approve of my searches? "In light of this, holding GHS to a standard of conduct not articulated until after its conduct occurred is fundamentally unfair", *GHS*, 3. Was the SEC **ever** concerned with fairness? In 1976, a US Senator concluded no, at least for CPAs. "The Commission should not be implementing policy objectives through enforcement of novel theories under the 'dealer' definition", *GHS*, 3. Agree! "This type of arbitrary implementation was a concern to the [SC] when it overturned the *Chevron* doctrine in *Loper Bright Enterprises v. Raimondo*", *GHS*, 4. Agree. "As Justice Gorsuch explained in his concurring opinion, 'because the reasonable bureaucrat may change his mind year-to-year and election-to-election, the people can never know with certainty what new 'interpretations' might be used against them'," *GHS*, 4. Agree.

"The Commission's actions also further raise questions as to whether its implementation of the 'dealer' definition under the Exchange Act should be analyzed under the [SC's]

'void for vagueness' doctrine", *GHS*, 5. My analysis: the courts should reverse *GHS*. Now, give me another "S&I". "In enforcing the federal securities laws, the Commission has an obligation to express its views prospectively, *ex ante*, to provide fair notice to persons of the conduct that will run afoul of the law", *GHS*, 5. Really. Tell HLS grad MBD.

I became aware of "death spiral" convertibles about 35 years ago, in reading a *Barron's* article about them. I was amazed the SEC let registrants issue them. I believed when an SEC registrant issues a dividend, it pays each outstanding share the same and death spiral conversion discounts were discriminatory distributions. The SEC can "lane-drift" and end them.

I read *Fife*, and believe the SEC did **not** protect investors by pursuing it. "Defendants demanded and received highly favorable terms for the notes, including terms that gave the Defendants deep discounts from the prevailing market price for the shares of counterparty microcap issuers", *Fife*, P 3. Then prohibit these issuances. The SEC targeted the wrong party here. "The SEC also seeks a final judgment ordering Defendants to disgorge their ill-gotten gains", *Fife*, " P 7. Why ill-gotten? The SEC might also prohibit "true-up" provisions, *Fife*, P 35.

"IEP, a public company, failed to disclose that Carl C. Icahn, ... pledged IEP securities as collateral to secure personal margin loans under agreements with various lenders in its Form 10-K for at least the fiscal years ended December 31, 2018 through December 31, 2020", *Enterprises*, P 1. IEP will pay the SEC \$1.5 million. On February 28, 2020, when IEP issued its 2019 10-K, it had 214.08 million units outstanding and closed at \$62.73 per unit for a \$13.43 billion MC. Gensler, do you see where I'm going? Icahn, got a \$500,000 penalty. Adamant's MC at the relevant time was \$1.34 million, 1 / 10,022X as large as IEP's. Now SEC, if you want

\$200 (\$2 million / 10,022) from me, tell me where to mail the check. Well, fair ones? Or would \$50 be fairer (\$500,000 / 10,022)?

"The settlement is modest compared with the damage done to his company", *Foldy*. What damage did I inflict on **any** SEC registrant? Well Commissioners?

"Once word got out that Jews overpay for their own, marauders would have an **incentive to kidnap more**. ... The price to be paid isn't in cash but in a political capitulation that entails cease-fires and releasing marauders", my emphasis, *Rescue*. "As the Journal reported, a week after his release in 2011, Mr. Sinwar said that the best option for freeing imprisoned terrorists is to kidnap more Israeli soldiers", *Rescue*. Despite reupping Erica Williams for five years, you SEC Commissioners should consider replacing her with Yahya Sinwar. He apparently understands incentives better than she does. "A utilitarian calculation indicates these deals have harmed Israeli security and led to more murders and kidnappings", *Rescue*. Uncle Miltie lives as a Hamas leader! Will the SEC hire Sinwar as a "terrific"? Another "S&I"?

*Jarkesy* "will constrain the ... SEC, which [has] used administrative tribunals to rubber-stamp charges. Agencies will have to persuade juries in federal court and be subject to more legal discovery, which will make them less likely to abuse their power", *Restrains*. Was the PCAOB's MBD a "rubber-stamp"? How dare anyone think this? Send the *WSJ* a "S&I". The SEC "abuse [its] power"? Give the *WSJ* another "S&I". Do you believe SEC and PCAOB enforcement personnel respond to incentives? I do. What good will come to them for pursuing an enforcement action against say PWC for the Goldman Sachs audit? Or even worse, KPMG for the Fed audit? Did you read the 2023 Fed financial statements? Ask your Paul Munter what he thinks of them.

"John Maynard Keynes said inflation is how government steals wealth from citizens", *Harris*. I presume Stanford Economics Professor Boskin, is referring to Keynes "not one man in a million" quote. "Ms. Harris co-sponsored the economically, scientifically and numerically illiterate Green New Deal, ostensibly designed to deal with climate risks, real and imagined", *Harris*. Will the SEC give Boskin a S&I? I note Harris has a law degree. Will the SEC hire Boskin to review how the PCAOB operates?

"Commission review of PCAOB standard-setting is particularly important now. First, as evidenced by high audit deficiency rates and much enforcement saber rattling, the PCAOB appears to be struggling with its critical mission of fostering audit quality", *Three*, 1. The SEC need not review any new proposed PCAOB standard. Quoting Nancy Reagan, "just say no". "Second, the PCAOB is rushing new standards out the door without due regard for internal deliberation, public input, economic analysis, or implementation issues", *Three*, 1. PCAOB economic analysis? Surely you jest. I'm so old, I remember the April 1988 "Expectation Gap" Statements on Auditing Standards 52-61. They accomplished: nothing! Ask Paul Munter if he remembers them. My opinion: The new PCAOB standards are an evasion. The PCAOB will never improve auditing. Why? Because, at least with regard to financial institutions, CPAs do what Uncle Sam wants: accept whatever is put in front of them. I discussed the PCAOB's "high audit deficiency rates" at June 4, 2004, 6. Are they? "Third, as many at the PCAOB and outside have noted, the audit profession faces challenges, including high rates of concentration, low rates of new recruits, and exits by seasoned auditors", *Three*, 1. Part of the problem: within limits, you get what you pay for. Audits lack value added, so the caliber of persons going into auditing falls yearly. Really. Going back to when investment banks were partnerships, say

Salomon Brothers partners earned about 2-2.5X what say Arthur Andersen partners did. Do today's Goldman Sachs partners earn 2-2.5X what say Deloitte and Touche partners do?

"Your passion for high quality audits, which are so important to our capital markets, is evident in the work that you do", *Three*, 2. Peirce, I do not share the PCAOB's notion of what is a "high quality" audit. The PCAOB is concerned with "box ticking". I've read over 400 PCAOB inspection reports over the years. Read some and see if you agree **as to what they lack**.

"I do not support the proposed change in the contributory liability standard from recklessness to simple negligence. ... It could have the unintended consequences ... ", *Three*, 2. Unintended? I disagree. I refer again to Hand's "fool or knave", my May 19, 2023 submission, 26, Item 141. I say knave. "[A]ssurances that [the PCAOB] 'intends to deploy its prosecutorial discretion responsibly' provide little comfort", *Three*, 2. See RJ's comments at 4-6, *supra*. I will be blunt: the PCAOB is an intellectual farce. If the "PCAOB's own economic analysis estimates that this change will yield only two or three additional cases for the PCAOB each year", *Three*, 3, why did it bother with this standard? Because of the cases! Each will be a veritable Enron! Like investigating Adamant's restatement! Think how much the S&P 500 will rise when George Weinbaum, miscreant, is prohibited from auditing SEC registrants, my June 4, 2024 submission, 26. You should ratify the PCAOB before our current fiscal year ends; Janet Yellen needs her billions. (Sarcasm). I agree with your quality control comment, *Three*, 3. The PCAOB never worked with firms "to improve quality control", *Three*, 3.

"Undergirding my support is an expectation that the PCAOB will stand ready to provide guidance, answer questions, monitor for issues during implementation, and conduct a

post-implementation review", *Three*, 7. Like the PCAOB did in *Cordovano*, my April 5, 2022 submission, 7, item 127. (Sarcasm).

"The economic analysis does not appear to address the question of redundant enforcement authority for the additional cases, and so does not answer whether the incremental value of having the PCAOB, in addition to the SEC and state accountancy boards, vested with authority to bring the cases outweighs the potential costs", *Three*, 15. Incremental costs, I love it! I remember my first micro textbook, Stonier and Hague, *A Textbook of Economic Theory* (1953). I doubt, excepting Martin Schmalz, anyone at the PCAOB even heard of "marginal cost". Now a story. My micro professor once asked, "What happens when the price of land goes up?" None of my 310 classmates responds. I wait about 20 seconds then raise my hand, "You make land". "Make land"? "Sure. We live in New York City, You can look at an apartment or office building. You build up. You can make all the land you want". "Yes as a practical matter that is what happens. But we do not call it making land". "What do you call it"? "You substitute the factors which had smaller price increases for the factor which had the largest". "Precisely. You make the factor which had the largest price increase out of the other two factors". "Class, Mr. Weinbaum will be permitted to answer "you make the factor in question. The rest of you answer, you substitute the other two factors". I now expected to be knifed. 310 times. Shades of Julius Caesar. Peirce, laugh! This is funny. At least I thought so.

"'Junk science' is in vogue. The term describes expert testimony, hired and paid for by a party in civil litigation, that sounds scientific but isn't. ... Yet plaintiffs in one case consulted with a cadre of experts who sliced and diced existing data to conclude", an "association ... between the drug and birth defects", *Junk*. I say the PCAOB's 40% ADR is a "junk number".



The PCAOB website said MBD joined it in October 2013 and lists 27 adjudicated cases to date. Adding Reinhart and my case, that's 29. MBD decided 18. MBD may yet beat Rocky Marciano's 49-0, record, my May 19, 2023 submission, 5, Item 141. How likely is 18 wins in 18 trials? *Gigacalator* says with a .69 initial probability (IP), .001257 or 1 in 796. If the IP was .61, .0001367 or 1 in 7,315. Beyond a reasonable doubt? See my April 17, 2023 submission, 11, Item 127. Can we "salvage" MBD's credibilty? Have the PCAOB bring say 11 cases over the next two years, each of which is so absurd, that even "he who does not know five is more than two" will laugh at them. Then MBD can reject each. The Gigacalculator results: at .61, .53435, at .69, .84337, thus we cannot reject the "null hypothesis". Aren't numbers fun? The PCAOB's losing 11 cases in a row, might look suspicious, but it believes winning 18 in a row isn't. After 11 years, I cite the "revealed preference" doctrine and conclude double ivy leaguer MBD does what the PCAOB wants. After all, "by their fruits, you will know them", *Matthew 7:20* (NKJV).

This scheme might not fool everyone. "The case presents the question of the power of the bankruptcy court to disallow either as a secured or as a general or unsecured claim a judgment obtained by the dominant and controlling stockholder of the bankrupt corporation on alleged salary claims", *Pepper*, 296. "But for the use of a so-called 'one-man' or family corporation, Dixie Splint Coal Company [DSCC], of which respondent was the dominant and controlling stockholder, that scheme followed an ancient pattern", *Pepper*, 296-297.

"While this suit was pending and in anticipation that *Pepper* would recover, Litton caused [DSCC] to confess a judgment in Litton's favor in the amount of \$33,468.89, representing alleged accumulated salary claims dating back at least five years", *Pepper*, 297. "In the first place, *res judicata* did not prevent the District Court from examining into the Litton judgment

and disallowing or subordinating it as a sham", *Pepper*, 302. What? A sham judgment? Was MBD's "judgment" a sham? S&I!

"The bankruptcy courts have exercised these equitable powers in passing on a wide range of problems arising out of the administration of bankrupt estates. They have been invoked to the end that fraud will not prevail, that substance will not give way to form, that technical considerations will not prevent substantial justice from being done", my emphasis, *Pepper*, 304-305. I see it now: this is in the bankruptcy context and has no PCAOB applicability. Isn't that right, MBD? PCAOB proceedings are as "pure as Caesar's wife". S&I!

"And the bankruptcy trustee may collaterally attack a judgment offered as a claim against the estate for the purpose of showing that it was obtained by collusion of the parties or is founded upon no real debt", *Pepper*, 306. Did IA bring this case **knowing** MBD would sustain it? "The essence of the test is whether or not under all the circumstances the transaction carries the earmarks of an arm's length bargain. If it does not, equity will set it aside", *Pepper*, 306-307. Well, MBD? "No matter how technically legal each step in that scheme may have been, once its basic nature was uncovered it was the duty of the bankruptcy court in the exercise of its equity jurisdiction to undo it", *Pepper*, 312. Shades of *Graffam*, my May 19, 2023 submission, 21-22, Item 141.

"Evergrande fraudulently inflated revenue by nearly \$80 billion in 2019 and 2020--when it was a PwC client--and fined the developer more than half a billion dollars. ... Adding to the firm's woes. Evergrande's liquidator, Alvarez & Marsal, sued PwC for negligence to recoup funds for creditors since Evergrande itself has little money left", *Crosshairs*. The PCAOB website has no PwC-China inspection report. Did the PCAOB's "risk protocol" select Evergrande for

inspection? Is Evergrande an "Enron" the PCAOB was created to prevent? Yet it looked at Adamant. I repeat, the PCAOB is an intellectual farce. Now borrowing from French, which uses "tres bien" for very good, give me a triple S&I!

"I've practised criminal law for more than half a century. but I'm still in shock at how easy it is for an innocent person to be falsely charged and convicted. ... Most pleaded guilty because they had committed the crimes and to avoid the **pernicious prosecutorial practice of recommending higher sentences for those who choose to fight rather than take a plea bargain--a practice that itself should qualify as the crime of extortion**", my emphasis, *Blues*. I did nothing wrong, and will not back down! "The prosecutors used high-pressure tactics, pushing Mr. Singer to cooperate and move beyond 'singing' to 'composing,' as criminal lawyers say", *Blues*. IA, et. al. did not get me to "cooperate", so had MBD "compose". Give me another S&I!


"That the [U.S.] prosecuting attorney overstepped the bounds of propriety and fairness which should characterize the conduct of such an officer in the prosecution of a criminal offense is clearly shown by the record. He was guilty of misstating the facts in his cross-examination of witnesses, of putting words into the mouths of such witnesses things which they had not said", *Berger*, 84. Well MBD?

"The [U.S.] Attorney ... may prosecute with earnestness and vigor--indeed, he should do so. But while he may strike hard blows, he is not at liberty to strike foul ones", *Berger*, 88. Should a "judge", like MBD, strike any blows at all? Give me another S&I! Further, *Berger* has no relevance here as it was in a criminal case. Right BC?

"A postwar experiment from the Netherlands offers insight into 21st-century higher education in America", *Art*. "U.S. higher education['s] ... expansion started with the National

SEC - 09/04/24 -20

Defense Education Act of 1958, after the Sputnik scare. ... The student population exploded, and universities embarked on a massive hiring spree. ... As the BKR produced no art but thousands of frustrated self-declared 'artists,' much of **today's academia produces no knowledge, only jargon and people who get paid to spew it**", my emphasis, *Art*. Like PCAOB Commissioners with their 40% "failure" rate after 21 years! Give me another S&I!



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George Weinbaum

**CERTIFICATE OF SERVICE**

I, George Weinbaum certify that today, September 4, 2024, I mailed you three copies of my September 4, 2024 brief in Admin Proc. File 3-21841. I also filed the brief by e-mail to <https://www.sec.gov/eFAP> and [feigherym@pcaob.org](mailto:feigherym@pcaob.org), [cappolij@pcaob.org](mailto:cappolij@pcaob.org), [delatorrel@pcaob.org](mailto:delatorrel@pcaob.org) and [sisulij@pcaob.org](mailto:sisulij@pcaob.org). I also mailed three copies to the PCAOB.

My word processor generated a word count including the front tables and identifiers for the 20 pages of 5,847.

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George Weinbaum