

-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 Third Follow up on July 5, 2024 Brief

January 10, 2025

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"In *Winship*, the Court held for the first time that the Due Process Clause of the Fourteenth Amendment protects a defendant in a criminal case against conviction 'except upon proof beyond a reasonable doubt of every fact necessary to constitute the crime with which he is charged'," *Jackson*, 315. "The *Winship* doctrine requires more than simply a trial ritual. A doctrine establishing so fundamental a substantive constitutional standard must also require that the factfinder will rationally apply that standard to the facts in evidence. A 'reasonable doubt', at a minimum is one based upon 'reason', *Jackson*, 316-317. Was PCAOB hearing officer Mark Dorfman's (MBD) hearing a "ritual"? "This familiar standard gives full play to the responsibility of the trier of fact fairly to resolve conflicts in the testimony, to weigh the evidence, and to draw reasonable inferences from basic to ultimate facts", *Jackson*, 319.

The likelihood of 29 events in 29 trials is .00002121 or 1 in 47,148 at a 69% success rate. It's .000000595 or 1 in 1,680,672 at a 61% success rate. To date, the PCAOB won **all 29 of its hearings**. Need I meet the "Rocky Marciano" standard of proof, i.e., 49 wins in 49 trials to prove **PCAOB hearings are rigged and there was no trial on the merits** of this case for the SEC to review? See my May 19, 2023 submission, 5, Item 141.

"The trial played out as these things usually do, The defense argued facts and laws. The prosecution argued slogans and emotions. ... When an evil power uses sophistry to oppress you, you have to fight back with sophistry. You can't just ask them to play fair", *Devout*, 2. I use no sophistry, but now ignore the PCAOB "rules", which are designed to ensure it wins.

"In a show-trial, the only way to win is to build a counter-narrative. The prosecutor's argument is simply 'the defendant is bad'. He is racist. He has thought evil thoughts and therefore deserves to be found guilty. It does not matter if a crime was committed", *Devout*.

7. Or: George Weinbaum (GW) is no Big Four (BF) partner, so can be crushed with impunity so **the PCAOB can do something**. "You need to build your own counter-narrative to fight the manipulative and truth-blind arguments of the prosecutor. You cannot just rip apart their slippery story. You have to build your own", *Devout*, 7. The PCAOB is the BF's cartel administrator. The hearing was rigged. The PCAOB says anything, like GW waived the Statute of Limitations (SOL). The PCAOB hides evidence, like *Reinhart*. It altered evidence by renumbering *Waggoner*. Would my statements pass *Berger*, my September 4, 2024 submission, 19, as part of "AUSA" GW's closing argument in "United States v. PCAOB"?

"The only way to fight this is to force those facts out. Blur them out if you have to. Yes, a judge will strike them from the record. He might even threaten to hold you in contempt. He knows he is twisting the rules and is daring you to defy him. Your only hope is to call his bluff and keep saying the truth. The whole truth. The relevant truth", *Devout*, 10. MBD, I call your bluff. This sentence reminds me of the substance of something Roy Cohn (1927-1986) said: a defense attorney's supreme trial moment is to put it all on the line and go over the judge's head to the jury. Let the judge overrule every objection you make and sustain the prosecutor's. Then hope the jury sees through the judge and acquits your client no matter how hard the judge tried to convict him. MBD, your two Ivy League degrees do **not** impress me. Favorably. The Obamas have four! S&I and R&S. R&S? Racist and sexist.

"Are you willing to risk jail-time to prove how much conviction you have? If not, the sheep-brained jurors will see you as a bitch and vote 'guilty'. It's barbaric. It's totally unjust. But that is where American law is headed. Better to deal with it as it is than to hope uselessly for the return of Enlightenment principles and fairness", *Devout*, 10. The PCAOB's

"fairness" claims, my July 27, 2023 submission, 7-8, 14, 24-25, fail. "You should also point out that [the prosecutor] is a privileged, careerist snob", *Devout*, 11. Ian Anderson (IA), you ignored 1,000 B4 restatements, why? "But the trial was rigged in an even more fundamental way. The defense was **not allowed to confront** its accusers", my emphasis, *Devout*, 12.

"The social world doesn't work how we pretend it does. ... Politics is a science. Even human beliefs can be charted, plotted, graphed. And using the right regression we can tame even the most baffling elements of the human condition. Within this dominant hubristic paradigm, of social science, our world is treated as one that can be understood, controlled and bent to our whims. It can't", *Chaos*, 1. The "Jerome Powell Mob", with 420 PhD economists, thinks "stress tests" protect the banking system and it can predict interest rates. Or does it?

"Our history has been an endless but futile struggle to impose order, certainty and rationality onto a Universe defined by disorder, chance and chaos", *Chaos*, 1. Wassily Leontief (WL) won 1973's Nobel Economics Prize for input-output analysis. My 1973 reaction: big deal. Where did WL get his parameters? The price finding capitalist system! Here's a book for you Peirce: *On the Accuracy of Economic Observations*, Oskar Morgenstern, (1965). "Though we got mountains of data and sophisticated models, we haven't gotten much better at figuring out what looms around the corner. Social science has utterly failed to anticipate these bolts from the blue", *Chaos*, 1. I'm sure Nassim Taleb, author of the *Black Swan* (2007) agrees. "Chaos theory, to this day, explains why our weather forecasts remain useless beyond a week or two. ... Confidence in a predictable future, therefore, is the province of charlatans and fools; or as US theologian Pena Chodron put it: 'if you're invested in security and certainty, you are on the wrong planet", *Chaos*, 8. Consider the implication for financial guidance, my September 4,

2024 submission, 4. Like Rosenberger's "making the numbers" was absurd and the SEC should discourage same, my September 4, 2024 submission, 4.

"The second wrinkle in our conception of an ordered, certain world came from the discoveries of quantum mechanics that began in the early 20th century. ... Scientific breakthroughs in quantum physics showed that the unruly nature of the universe could not be fully explained by either gods or Newtonian physics", *Chaos*, 8. Physics has quantum mechanics and the PCAOB lawyers who don't know 79 is more than 60, or five is more than two!

"How can we make sense of social change when consequential shifts often arise from chaos? This is the untamable bane of social science, a field that tries to detect patterns and assert control over the most unruly chaotic system that exists in the known Universe: 8 billion interacting human brains embedded in a constantly changing world. While **we search for order and patterns**, we spend less time focused on an obvious but consequential truth: Flukes matter", my emphasis, *Chaos*. 10. Is this "data mining" or technical stock market analysis? "Another glaring problem is that most linear regressions assume a cause-and-effect relationship is stable across time. But our social world is constantly in flux", *Chaos*, 12. Yet WL won 1973's Nobel for input-output analysis.

"This has yielded the bizarre dynamic that many social science models can never be definitely falsified, so some deeply flawed theories linger on indefinitely as zombie ideas that refuse to die", *Chaos*, 14, Uncle Miltie, who wrote, *Essays in Positive Economics* (1953), is smiling somewhere. "The study of resilience of nonlinear systems would drastically improve our ability to avert avoidable catastrophes", *Chaos*, 16. Jay Forrester said similar things in 1962's *Industrial Dynamics*. Yes, I read that too.

I await a falsifiable PCAOB theory to reduce the ADR. No problem, PCAOB. Just change the inspection protocol and the ADR falls. To what? Whatever percentage it wants.

"A broader group of Nobel laureates in various disciplines, celebrating the value of science in shaping public policy, embraced Ms. Harris. Not to be outdone, the journal *Nature* endorsed her because 'the world needs a US president who respects evidence'," *Nobelists*. Is Erica Williams (EW) "passionately" concerned with improving audits? "A scientific approach to policy debate requires a theoretical model showing how the candidates' policies might affect the economy. The model's **quantitative predictions could be falsified or validated**", my emphasis, *Nobelists*. Has the PCAOB **any** falsifiable model? "Proponents of the position that Ms. Harris's economy would outperform Mr. Trump's should show their work", *Nobelists*. I show my work. Let the PCAOB show its' work, or admit it has none.

Amy Wax "is prohibited from 'flagrantly unprofessional and targeted disparagement of any individual or group in the University community' as long as she remains faculty, Jackson wrote, implying she could still be fired", *Suspends*, 1. "In another interview with Wax this spring as her appeal was pending, Loury, who is black, said her flagged comments mirrored his own 'demonstrable statements of fact or legitimate statements of opinion' on race, cognitive ability and social ills", *Suspends*, 1-2. Similarly, the PCAOB seems incapable of distinguishing fact from opinion. "Penn has offered 'zero evidence Wax ever discriminated against her students' but pledged for years 'it would find a way' to punish Wax for her speech", *Suspends*, 2. Should I pay for inconveniencing the PCAOB? "Ruger ignored four years of requests for Penn's own figures on black student performance, which could have been revealed in litigation and opened Penn Law School's [PLS] admissions practices to scrutiny, to compare

with Wax's recollection", *Suspends*, 3. Do I understand evidence better than Ted Ruger, former PLS Dean?

"The New York Fed ... has suddenly decided to come clean on a big threat to capital at these and other banks. The [NY Fed] documents how banks have ginned up their capital by 'extending and pretending' on their underwater commercial real estate (CRE) loans", *Extend*, 1. If so, might the SEC better protect investors by looking at these loans recording than Groom? Will the SEC "lane drift"? Now some GW stories.

Date: October 1960. Location: East 49th Street and the East River, at the United Nations (UN). About 10:30 AM. The story: My class took a "field trip" to Mankind's Great Hope for peace, the UN. My teacher: we need the UN to give countries a place to meet and talk to avoid war. My response: nonsense. They can meet without the UN. Whichever country has the biggest army decides. For example, if two countries have a dispute they can ask President Eisenhower or Premier Khrushchev for arbitration. After the arbitration, if Eisenhower and Khrushchev agree, the matter is resolved. If either country disagrees, either we'll drop a bomb on them, or the Russians will drop a bomb on them, or we'll both drop bombs on them. Either way, the matter is resolved. If Eisenhower and Khrushchev disagree, either Eisenhower blinks, or Khrushchev blinks, or we'll have a war. That's it. That's what I think and that's what I'll say, the New York City (NYC) Board of Education's curriculum committee's opinion notwithstanding. My teacher was speechless. IA, I wouldn't get pushed around when I was nine. What will you do about it? Would Napoleon give my response an "A"? He supposedly said, "God is on the side of the big battalions". In 1960's civil war in the Congo, the US supported Moïse Tshombe, the USSR, Patrice Lumumba. See, Eisenhower and Khrushchev disagreed.

Date: September 1961. Location: Brooklyn, NY. I spoke on Polish geography and Poland's 1939 conditions, **before** Germany invaded. My teacher said a book just came out which I would sympathize with: A.J.P. Taylor's *Origins of the Second World War* (1961). About two or three weeks later I told him I read it and agreed with about 90% of it. I asked should I write an extra credit book report on it? He said, no. Your saying you read it is good enough for me. I was treated like more of an adult in sixth grade then by the PCAOB. IA, Brown History major, could you have survived in my sixth-grade history class? I wonder.

Date 1966, likely March or April. Location: Brooklyn, NY. In a Sociology class, my teacher spoke of the "achievement gap". I listened and said, "I can close the gap tomorrow". My teacher's eyes lit up. "How"? "Easy. The 'gap' is only found in tests of intermediate difficulty. Answer: make all tests so difficult everyone flunks, no gap. Alternatively, make them so easy everyone passes, no gap". My teacher is crestfallen. Now fast forward to 2005 and the NYC Firemen's exam. A federal judge had NYC's Fire Department rework the test five or six times, until he was satisfied it did not discriminate against Negroes. The result: 98% of white applicants passed and drumroll please, 96% of Negro applicants passed.

Date: 1988, probably in September. Location: Los Angeles, California. An accountant in the CPA firm I worked for came to me and said, "Weinbaumowitz, your mind works differently". I respond, "Is that bad"? His answer, "No". Hymie, as I called him, called me by my nickname. Apparently Hymie was right. If interested, I have two cost accounting stories to tell: 1984 in Dallas, Texas and 1992 in San Diego, California and the 1990 "Big Kahuna".

"Many schools today no longer proportionately punish blacks for misbehaving, regardless of their bad behavior while adjusting test standards to eliminate gaps in academic

performance", *Futile*, 2. It was true in 1960 NYC. Harvard's 2023 average undergraduate grade was: 3.8. It is Lake Wobegon, all its students are above average. "So, rather than confess failure, just manufacture the illusion of success via promoting equity. ... In today's world it is hard to hide unpleasant reality given the multiplicity of information sources. Sooner or later harsh reality seeps out, and the manipulations necessary to sustain the fake utopian vision collapses", *Futile*, 4. Did the PCAOB "fix auditing" in 22 years? It can't because **the B4 do what Uncle Sam wants**. No matter what say, Kara Stein thinks, my December 30, 2023 submission, 59-60. Does Uncle Sam want large bank holding companies audited? Have we the "revealed preference" doctrine here? Or, "by their fruits you will know them", Matthew 7:20 (NKJV)? Enron failed because it was not "systemically important", unlike say Citigroup. Why is *Futile* relevant? Ask EW how to "fix auditing". When will we know it is fixed? How?

Because a statement of opinion admits the possibility of error, such a statement remains true and thus is not an 'untrue statement of ... fact' even if the opinion turns out to have been wrong. ... A statement of opinion thus qualifies as an 'untrue statement of ... fact' if that fact is untrue-i.e., if the opinion expressed was not sincerely held. In addition, opinion statements can give rise to false statement liability under § 11 if they contain embedded statements of untrue facts, *Omnicare*, Syllabus, 1321.

Like the PCAOB has a penalty "standard". Or, implicitly, five is less than two. "Moreover, whether an omission makes an expression of opinion misleading always depends on context", *Omnicare*, 1330. Got it, he who does not know five is more than two? "If a [registration statement] either 'contains an untrue statement of a material fact' or 'omits to state a material fact ... necessary to make the statements therein not misleading', a purchaser of the stock may sue for damages", *Omnicare*, Syllabus, 1323. Well? The opinion pages are referenced.

For almost 10 years, I taught a course in statistics and probability at the Columbia Law School. The course is an outlier, only a handful of law schools offer such a course, and none requires an undergraduate course as a prerequisite. And yet, statistical issues, as Holmes predicted, have become omnipresent in the law. Civil cases involving claims of discrimination, election irregularities, antitrust, securities fraud, product disparagement, trademarks, class actions, deceptive advertising, environmental damage, health effects, and many other areas regularly involve statistical evidence, *Stem*, 2-3.

"Correlative to their duty to advocate zealously, lawyers also have a duty of good faith and candor toward the tribunal", *Stem*, 3. Even he who knows five is less than two?

Here are some cases I've cited: *Desert Palace v. Costa*, my June 4, 2024 submission, 10, on employment discrimination; *US. v. Falstaff Brewing*, my April 17, 2023 submission, 18-20, item 134 on anti-trust; *US v. Lopez*, my April 23, 2024 submission, 9-10 on criminal law and *Castenada v. Partida*, my July 5, 2024 submission, 18-19, on grand juror discrimination.

"She graduated from Yale summa cum laude with a bachelor's degree in molecular biophysics and biochemistry. A prestigious Marshall Scholarship punched her ticket to Oxford, where she obtained a Master of Philosophy in philosophy, physiology, and psychology. Then she dual-enrolled in Harvard Medical School and Harvard Law School", *Defense*, 1. "Wax is that rare thing in academia today: a bona fide intellectual. So it was sad, but not surprising, to see Penn severely sanction her for doing what intellectuals do--engaging topics outside the rigid orthodoxy stifling the halls of higher learning", *Defense*, 1. How dare I disagree with the PCAOB. It's as pure as Caesar's wife and as smart as Newton and Einstein combined! Wax is awesome smart. Maybe even Richard Posner or Gary Becker smart. Wow! What's your opinion MBD?

"Professionals with alternative asset managers saw average total compensation rise roughly 35% to \$1.4 million last year from 2022", *Average*. Is their marginal revenue product

(MRP) more than CPAs? What say you Peirce? How bad is it? I've seen CPAs divide by 0 and get a result! I estimate 95% of CPAs do **not** understand cost accounting. Really.

"But house a pet squirrel, and the state's bureaucrats will come down on you like you're a menace to society. ... The 34-year-old had better watch out now that he's gone public, because there's **nobody more vengeful than a bureaucracy that's been embarrassed when its bullying zealotry is exposed**", my emphasis, *Squirrel*. Ray Dirks, 1973, my April 5, 2022 submission, 3-4, Item 127! SEC, here are some numbers: dividing \$64 trillion, the 12/31/23 US MC, by \$13,000, Groom's supposed avoided losses, is 4.92 billion. The SEC pursued *Groom*, which no plaintiffs' law firm would. If it gets 30% of an award, that's \$3,900 (.3 x \$13,000). Using my \$357 SEC "cost" per hour estimate, how many hours could the SEC spend on *Groom*? 11! Policy suggestion: SEC, disclose your employee hours spent on every enforcement action. Is it "good disclosure"? Is more SEC transparency in order? Should the SEC fire half of its enforcement lawyers? Are SEC and PCAOB enforcement priorities misplaced? Not for lawyers intent on ingratiating themselves with prospective NYBigLaw employers! S&I!

"Consider the ways in which, over the past few years, the private sector has rebuffed the advancement of transgender ideology. ... [Transgenderism] is promoted by activists in the non-profit sector ... and by **public-sector busybodies**. ... The commercial sector turned out to be one of the few spheres in which ordinary Americans could register their feeling that transgenderism isn't a thing to celebrate", my emphasis, *Foiled*. Might CPA regulation benefit from this thinking? Why are CPA salaries lower than say attorneys? Is the market saying the MRP of whatever CPAs do during audits is lower?

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"I have written elsewhere that Prof. Wax is 'the most fearless academic in America'. Her willingness to speak proves it. Almost always, they apologize-even crawl--and are then fired or silenced anyway. Not Prof. Wax. She has fought her tormentors every inch of the way, at a cost of thousands of hours of her time and tens of thousands of dollars in legal fees", *Speak*, 1. "Wax has also faced criticism for ... allegedly telling a Penn Carey Law student that she was only accepted into the Ivy League 'because of affirmative action'," *Speak*, 1. Was EW's University of Virginia law degree so obtained? S&I, R&S!

"15 USC § 78j(b) Subsection (b) of Rule 10b5 declares it unlawful in connection with the purchase or sale of any security to make any untrue statement of a material fact or to **omit to state a material fact necessary in order to make the statements made ... not misleading**", my emphasis, cleaned up, *Lemelson*, 23-24. Apply this to not stating five is more than two. Was the omission intended to mislead? "To prove materiality, the SEC must show that there exists a 'substantial likelihood' that the fact 'would have been viewed by the reasonable investor as having significantly altered the total mix of information made available'," *Lemelson*, 25. "Evidence of scienter is required to establish violations of Section 10(b) and Rule 10b5. ... Proof of scienter requires 'a showing of either conscious intent to defraud or 'a high degree of recklessness'," *Lemelson*, 28. MBD, is this true of your employer, the PCAOB?

"The probability that such wildly divergent returns occurred by chance is less than one in a million", *Burleson*, P 4. Probability in an SEC complaint, bravo! Now, SEC, use probability on the PCAOB's actions, or let Burleson assert he had "allocation discretion". *Burleson*, Ps 39-40 has percentages! I use percentages. "The probability that the wildly divergent allocation of returns between Burleson's personal account and his Defrauded Client's accounts occurred

by chance-as **opposed to knowing and intentional conduct**-is less than one in a million", my emphasis, *Burleson*, P 50. Is PCAOB conduct also knowing and intentional? Did someone at the SEC read my April 18, 2024 submission, 19-20 on *Menaker*?

"This scheme was inherently deceptive because cherry-picking is virtually impossible for clients to detect on their own", *Burleson*, P 51. Similarly, my PCAOB case **in isolation**. Only considering hundreds of PCAOB reveal its scheme. "Thus, each time Burleson allocated a trade based on a security's performance was an inherently deceptive act **in furtherance of the scheme**", my emphasis, *Burleson*, P 51, Is this RICO? Have we relatedness and continuity and threats of continued criminal activity? Can the SEC amend its complaint to add a RICO count? *Burleson* is substantive, unlike *Groom*. Attaboy SEC. "Schwab representatives advised Burleson that a securities' performance should not determine its allocation and suggested that Burleson speak to his Firm's compliance consultant or to the SEC for more guidance", *Burleson*, P 54. Similarly, is my not being in a position like D&T's LOC irrelevant to the PCAOB's actions against me? Is PCAOB action subject to *Aikens*, my April 17, 2023 submission, 22, Item 134?

The "Firm's Form ADV Part 2 ... stated that the Firm would 'attempt to allocate trade executions in the most equitable manner possible'," *Burleson*, P 71. The PCAOB claims to be "fair". "These statements from the Firm's Form ADV Part 2 were false and misleading considering Burleson's cherry-picking scheme", *Burleson*, P 72. Are PCAOB fairness statements?

A quibble: *Burleson* does **not** disclose its probability calculation, so I "reverse engineer" it from what is disclosed. SEC, include the **data set** so readers can check your calculations, unlike Anthony Fauci, just redact customer names. Burleson's 26.5% total return made his cost \$7,027,019 (\$1,862,160 / .265. Similarly, the Defrauded Clients cost was \$3,260,260 / .051 =

\$63,926,667). More than 750 is no number, so I assume it is 775. Total cost was: \$70,953,686 (\$7,027,019 + \$63,926,667). The profitability trade ratio is .099037 (\$7,027,019 / \$70,953,686). $775 \times .099037 = 77$, my profitable trade estimate.

With losses of \$1,398,100 (\$1,862,160 - \$3,260,260) and a \$70,953,686 cost, I get a .020 loss ratio; $.265 + .020 = .285$, Burleson's difference from the mean. The square root of 77 is: 8.775. The population standard deviation (SD), using grouped data is: .0945343, *Omni*. $.0945343 / 8.775 = .010773$. $.285 / .010773 = 26.45$. I get Burleson's result as 26.45 SDs from the mean. The probability of this is less than one in a million. It's about E-149, *Normal*. My conclusion: like Lucy, Burleson "has some splainin to do".

"When China's top leaders pledged this summer to act more aggressively to stimulate economic growth, they rounded off their remedies with a political order: Slash red tape. ... But plans will be hobbled, the Communist Party's elite Politburo warned in July if frontline officials remain bogged down by busywork", *Looks*. "Many local bureaucrats are required to submit weekly, monthly and quarterly reports, sapping their time and energy. ... Excessive inspections also were cause for complaint. ... Xi has called '**formalism and bureaucratism**'-- party speak for **box-ticking behavior that favors form over substance**--a 'major enemy' of the party and the people", my emphasis, *Looks*. Was Xi "channeling" his "inner Uncle Miltie" or Von Mises recently? Von Mises wrote *Bureaucracy* in 1944!

"Cost-benefit analysis **requires regulators to think** not only about the risks of AI but also about the risks from slower AI development", my emphasis, *Regulate*. Regulators, think? "Third, address how existing regulations are hindering progress", *Regulate*. It is possible. "Existing regulators should focus on outputs and consequences in their domains, not on inputs and

methods", *Regulate*. EW, got it? "Fifth, regulation must not become a moat protecting incumbents", *Regulate*. Even B4 firms?

"Over the past quarter-century, I've seen a radical change in how cultural and academic elites talk about the judiciary. ... The real message is that **academic and cultural elites are no longer to be trusted** to talk about the judiciary", my emphasis, *Judicial*. "The double standards don't trouble the critics. Because to the critics, this isn't a debate--it's a war", *Judicial*. Anything goes, doesn't it, MBD and IA? "Doublethink" doesn't bother you. Does it?

SEC "Chair Gary Gensler will step down as Wall Street's top regulator at the very end of the Biden administration. ... 'The SEC has met our mission and enforced the law without fear or favor', he said", *Departs*. That's your opinion Gensler.

"Mr, Gensler has spent three-plus years rewriting the law to expand the SEC's remit, only to get rebuked by courts. ... Securities lawyers have racked up billable hours thanks to Mr. Gensler's regulatory overreaching, but few will be sad to see him go", *Again*. I disagree, Gensler's SEC was on a make-work mission for NYBigLaw.

"Venue is proper in this district pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a) ... because certain of the transactions, acts, practices, and courses of conduct constituting violations of the federal securities laws occurred within this district", *Burleson*, P 10. I agree. Should the PCAOB follow this rule? It challenged venue in the three "John Doe" cases filed against it. SEC: please tell the PCAOB to stop wasting investors' money on venue motions.

On February 20, 2020, Deloitte & Touche's (D&T) UPS 12/31/19 financial's opinion date, UPS had 857 million shares outstanding (SO) and share price of \$106.48, a \$91.3 billion

MC, 68,134X Adamant's at the relevant time. UPS \$494 million goodwill writedown was 274X Adamant's \$1.8 million fraud. I await an SEC action against D&T for what looks like a failed 2019 audit. D&T's opinion was less than five years ago. Move fast. Again: from April 30, 2018, when I first had information indicating a fraud occurred at Adamant, until May 24, 2018, when Adamant filed its 2017 Form 10-K, was **24 days**. IA, did you pursue my case because every hour you spent on it is an hour **not** spent on the B4?

"Once, superstars of the sport, running backs now have shorter careers, reduced salaries and lower draft priorities. ... Thus, I **gathered data** to make sense of why my favorite position is no longer in the spotlight. Inspecting supply and demand seemed like the way to start", my emphasis, *Running*, Harvard Professor Fryer apparently had a class like my "Stonier and Hague" class. I agree with a Harvard Economics professor, wow! "A fundamental principle of labor economics is that an employee's wage is tied to his marginal revenue productivity--which, in this case, is related to his contribution to victory", *Running*. What is a CPA's MRP? "Statistically, average passing yards per game have risen around 40% in the past 50 years. ... Quarterbacks have become more physically impressive, faster and more explosive. They also have larger hands and increased throwing velocity compared with many of their predecessors", *Running*. Do CPAs do **anything measureable**, to identify those with higher MRPs? "The correlation between annual passing yards and annual revenue is approximately 0.7. The correlation for rushing yards is negative 0.01", *Running*. I accept Fryer's analysis, he uses data! Correlation coefficients! Shades of *Grayscale*, my December 30, 2023 submission, 30-32. Bad pun notice!

Professor Schmalz has been with the PCAOB 15 months. The PCAOB should disclose which projects it had him work on. I suspect they are all: makework.

"Venue lies in this District ... because certain of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within this District", *Leech*, P 16. See 16 *supra*. "Western asset ... [has] an office in Manhattan", *Leech*, P 18. Has the PCAOB a Dallas office? "The difference in fee structures among the strategies incentivized Leech", *Leech*, P 76. Incentives matter! Has the PCAOB incentives? "Statistically, the probability that these differences in first-day returns occurred by random chance is less than one in one trillion", *Leech*, P 119. I found the data I need in this Complaint to recalculate this, but see my July 27, 2023 submission, 12. E-355! "Leech's scheme was inherently deceptive because cherry-picking is virtually impossible for clients to detect on their own", *Leech*, P 149. See 15, *supra*, The PCAOB "cherry-pick"? Never. "Defendant served or acted **within five years of the date of the filing of this action** with respect to a registered investment company as an officer, director, member of an advisory board, investment adviser, depositor, or principal underwriter", my emphasis, *Leech*, P 192. Well, he who does not know five is more than two, will you file an amicus brief for Leech? That's a question which begs a response.

"At all times relevant to this Indictment, WAMCO had between approximately \$100 and \$165 billion in assets under management [AUM] across the Core Strategies", *Indictment*, P 8. I use \$100 billion in AUM as most favorable to Leech. "At all times relevant to this Indictment, WAMCO had between approximately \$3 and \$16 billion in [AUM] in mutual funds and separately managed accounts following Macro Ops", *Indictment*, P 9. I use \$16 billion in AUM as most favorable to Leech, $\$16 + \$100 = \$116$. Thus Macro Opps was .13793 ($\$16 / \116) of the total AUM.

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"Between 2021 and October 2023, there were over 500 Treasury futures or options trades that Leech chose to allocate specifically to either Macro Opps or the Core Strategies and that had first-day gains over \$500,000. Leech allocated over 90% of those winning trades to Macro Opps and less than 10% to the Core Strategies", *Indictment*, p 19f.i. As Macro Opps was at most .13793 of the total, what if it got 459 of 510 profitable trades? Gigacalculator says to 14 decimal places this probability was 0. Even at 129 "events" it's one in 492.6 billion!

"Conversely, over that same time period, there were over 500 Treasury futures or option trades that Leech chose to allocate specifically to either Macro Opps or the Core Strategies and that had first-day losses over \$500,000. Leech allocated less than 10% of those losing trades to Macro Opps", *Indictment*, p 19f.ii. Similarly, Core Strategies was .86207 (1 - .13793) of the total. So the probability 90% of the losses went to Core Strategies due to chance was 1 in 164.14. I have more. The profit and loss trades are separate "universes" so applying statistical independence, these events simultaneous probability is: $164.14 \times 492.6 \text{ billion} = 80,855 \text{ billion}$ to one. At best. Leech has this going for him: I do not live in the SDNY and will not be on his jury. See my May 19, 2023 submission, 10-11, Item 141.

81 trillion? See my July 27, 2023 submission, 12. "'This alleged Enforcement's Asset Management Unit", *Charges*, 2. Dean, please look at the PCAOB's actions in my case.

"Given all this, one might expect that SEC attorneys regularly make their way to the plaintiffs' bar, and vice-versa. But it is not so. This paper shows that the door between the SEC and the plaintiffs' bar does not revolve", *Non-Revolving*, 752. Welcome aboard Platt. I noticed this, drumroll please, about 35 years ago! "And joining a plaintiffs' side firm might allow an SEC attorney to feel as though they are continuing to pursue the same mission of holding compa-

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nies accountable for fraud and protecting investors", my emphasis, *Non-Revolving*, 754. Craig Seigel left the PCAOB to join PWC. "This non-revolving door between the SEC and the plaintiffs' bar is an intriguing, overlooked feature of the U.S. securities enforcement regime", *Non-Revolving*, 755. I reject the "cultural capture" hypothesis, *Non-Revolving*, 756. "Some worry that SEC personnel looking for a lucrative private sector post will 'go easy' on prospective employers to curry favor with them. This is typically referred to as the 'rent-seeking' hypothesis", *Non-Revolving*, 757. It's "delayed reaction bribery" and I have believed this for about 35 years. I also accept the "market-expansion" hypothesis, *Non-Revolving*, 758. The PCAOB creates rules, **not** to protect investors from miscreant CPAs, but consulting jobs for its future alumni.

"As to the effects of the revolving door, however, empirical work has failed to resolve the debate", *Non-Revolving*, 762. It can't, you can't test for what "should have been done" and wasn't. "Successful attorneys in both practices also need to be skilled at negotiation because neither SEC enforcement cases nor SCAs typically proceed to trial", *Non-Revolving*, 766. I believe the SEC regularly throws cases, or picks the wrong targets. "SEC enforcement attorneys ... have some strong incentives to maximize the amount of penalties they extract", *Non-Revolving*, 767. They have stronger incentives to minimize them! Why? "Uncollected" penalties are a "res" supporting NYBigLaw salaries. "The SEC tends to pursue smaller companies than SCAs, and often produce significantly smaller settlement amounts", *Non-Revolving*, 768. Res ipsa loquitur. "As securities regulation scholars have recognized, 'the ultimate goal of both SEC enforcement lawyers and plaintiffs' attorneys is to uncover and sanction fraud'," *Non-Revolving*, 772. Is it? "Former SEC Chair Mary Schapiro raised a similar point during her confirmation hearing, noting that when SEC regulators 'walk out the door and go to a firm' it 'leaves

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everybody to wonder whether they showed some favor to that firm during their time at the SEC'," *Non-Revolving*, 799. I have no seven-figure jobs for anyone. "The 'non-revolving door' between the SEC and the Plaintiffs' bar is a 'dog that didn't bark'," *Non-Revolving*, 805, my May 19, 2023 submission, 13, Item 141. Platt went to Columbia and Yale LS, two Ivy League schools, just like you MBD. Imagine, even I saw the same metaphor.

"In this paper, we provide an initial examination of whether revolving doors are associated with compromised oversight by the SEC. In particular, we investigate whether civil cases against accounting misrepresentation are influenced by the past and future job prospects of prosecuting SEC lawyers", *Affect*, 1. Are lawyers human? Do humans have interests? What would Adam Smith say? "Another potential explanation for our results could be that rent seeking is observed not at the enforcement stage, but rather at the earlier stage of case selection", *Affect*, 4. Or target choice. "First, due to the unavailability of data, we cannot directly examine revolving door incentives on the choice of targets for enforcement, or on the decision of whether to pursue administrative versus civil cases", *Affect*, 6. By disclosure the SEC can fix this. "An important empirical question is what drives law firms to hire SEC regulators--their technical expertise, or their lobbying potential?", *Affect*, 8. "Specifically, revolvers tend to be involved with firms that are smaller, more likely to delist, and experience more negative stock price reactions around the trigger date. Moreover, revolver lawyers are much more likely to have Ivy League degrees relative to career SEC lawyers", *Affect*, 18-19. "Laxity in the SEC enforcement process can occur at several stages. For instance, **it is likely that rent seeking manifests in the choice of which cases to initiate regulatory action against**", my emphasis, *Affect*, 27.

"There has long been fear of industry capture of regulatory bodies. ... Pursuant to this view, agency personnel seek to maximize their personal utility and not that of the more distant and diffuse public interest; it is argued they do this through regulatory and enforcement choices that favor the regulated", *Capturing*, 847. "The research to date has been inconclusive as to whether such revolving door practices have weakened the SEC's verve", *Capturing*, 848. "Others add the cynical insight that **staffers gain not only transferable skills but also a platform from which to ingratiate themselves to future employers by being more lenient toward them during their time at the agency**", my emphasis, *Capturing*, 854. Cynical? "And there is the significant qualification flowing from the fact that the decision not to prosecute a case in the first place, is not observable and hence beyond empirical assessment", *Capturing*, 863. There are at least 1,000 cases reported in the *WSJ*, that the PCAOB could have brought against the B4, so I reject this notion. "Therefore, the results show that the SEC does not enforce equally against all defendants", *Capturing*, 866. Didn't Senator Metcalf conclude this in 1976, my April 5, 2022 submission, 10, Item 127?

"For auditors, the foundation of this trust lies in the auditor's required independence. Every member of an audit firm should keep this in mind, and audit firm leadership should reinforce this message by actively championing the principles in the auditor independence rules, as opposed to setting a tone of independence as a compliance exercise where independence violations and the resultant enforcement actions are merely a 'cost of doing business'," *Before*, 2. I've heard things like this for 50 years. It's time to accept Holmes's "bad man", my July 27, 2023 submission, 20-21. PM, incentives matter. Even for CPAs. Not just SEC and PCAOB enforcement personnel.

"In many cases, **fraud is eventually uncovered by an accountant who exercises professional skepticism, refuses to stop asking questions, and doesn't succumb to pressure**, but these behaviors are also key to elevating financial reporting and audit quality", my emphasis, *Before*, 3. Did I do with respect to the PCAOB itself? What say you, Boo Hoo Ho?

"Second, audit professionals ... must sometimes make difficult determinations that potentially pit the public interest against self- or firm-interest", *Before* 4. Is this also true of SEC and PCAOB enforcement personnel, ALJs and HOs? "I believe financial reporting that is comparable for similar facts and circumstances, both between companies and over time, should be a primary goal of accounting standard setting", *Before*, 6. Should comparability apply to SEC and PCAOB enforcement actions? "Feedback from stakeholders that is grounded in the Conceptual Framework, including a focus on financial statements being relevant and **faithfully representing the underlying economics**, effectively ensures that such feedback is, in fact, constructive", my emphasis, *Before*, 7.

Should the PCAOB focus on the "underlying economics" of its own operations? A PCAOB that: does not distinguish between a small investor and an investor in a small company, focuses on TSTFW audits and ignores the Fortune 500, has a deceptive ADR and in substance runs a cartel for the B4?

"The number of U.S. testtakers whose mathematics skills didn't surpass those of a primary-school student rose to 34% of the population from 29% in 2017, the last time the test was administered. ... Nearly 2% of Americans scored the highest level of proficiency and were able to understand complex abstract mathematical and statistical information", *Test*. Do **any** of these 2% attend Harvard LS? Peirce, laugh. I didn't say Yale LS.

"At issue, then, are not regulations' overall value per se, but rather the value of individual rules relative to fanatical box-checking", *Rules*, 16. "Empirical evidence not only moved regulatory science from qualitative analysis to quantitative analysis, it also revealed surprising patterns", 17. To who? "In these controlled and replicated studies, trained observers collected both regulatory data and program quality data from eight states, three Canadian provinces, and the U.S. Head Start program. The work ran the gamut, from site selection via stratified random samples, to dispatching data collectors to specific programs, to providing individual states with a blueprint describing how to conduct their studies. ... Program quality scores rise with regulatory compliance until programs reach substantial compliance, after which quality declines", *Rules*, 18. It's the law of "diminishing returns".

"In statistical terms, **such data are nominal**, like a table listing cars by make or model; **you cannot 'do math' on such a table** like you can on, say a table listing automobile curb weights and fuel economies. It is **also binary**: A program either follows a rule, or it doesn't", my emphasis, *Rules*, 20 To an innumerate, economic illiterate, this is a feature, not a bug! Agree, IA? What is my criticism of the PCAOB's ADR, these submissions: December 30, 2023, 42; April 18, 2024, 25 and June 4, 2024, 6, 14, 23, 24 and 26?

"But, here again, we must look deeper and ask, '**What consequences follow** from this either/or approach to measuring compliance, and who decides whether or not a particular box gets checked', ... Nominal, binary licensing data is severely skewed" my emphasis, *Rules*, 20. I wonder if Professor Schmalz agrees?

"The all-or-nothing approach to regulatory compliance and licensing fails as a standard because it generates skewed data, raises the risks of false negatives and false positives,

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and springs from a false assumption that program quality increases in step with 100 percent compliance", *Rules*, 20. The PCAOB creates metrics to show how much it is needed. Unless the PCAOB is that stupid. "Research on aggregate rules from the 1970s, 1980s, and the 2000s established substantial compliance as a 'sweet spot' of best outcomes and showed that the time had come to replace nominal metrics (such as 'compliant' and 'noncompliant') with ordinal ones (such as 98 percent compliant)", *Rules*, 21. But this would require the PCAOB think, which would make it uncomfortable and we can't commit a "hate crime" against the PCAOB, can we?

"Kim Wilcox, chancellor at University of California, Riverside, wrote me a letter of censure on Aug. 16. I was, in the administration's view, guilty of 'discrimination' against 'individuals seeking employment.' I had made 'unwarranted comments' about race", *Riverside*. "During this ordeal, Mr. Brisk repeatedly proposed that we 'settle.' At my age, 79, I felt I could say no. ... Why the dramatic escalation? Because I didn't bend. To the machine, that was more offensive than the original affront. ... A few months later I got a message from university counsel warning that all of what happened to me is confidential and that my writing about it 'may result in discipline'," *Riverside*. I did nothing wrong and will not back down. If the PCAOB or SEC wants to write a 50-60 column inch article about my case for the *WSJ*, go ahead. But be warned, if it's Michael Maurer or Jonathan Weil writing for the *WSJ*, expect me to be interviewed. And respond. Fully. It's time for some "Brandiesian" sunlight on the PCAOB.

"The question in this case is whether forfeiture of the entire \$357,144 that respondent failed to declare would violate the Excessive Fines Clause [EFC] of the Eighth Amendment. We hold that it would because full forfeiture of respondent's currency would be grossly

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disproportional to the gravity of the offense", *Bajakajian*, 324. "Because the forfeiture of respondent's currency constitutes punishment and is thus a 'fine' within the meaning of the [EFC], we now turn to the question whether it is 'excessive'. The touchstone of the constitutional inquiry under the [EFC] is the principle of proportionality. The amount of the forfeiture **must bear some relationship to the gravity of the offense** that is it designed to punish. ... We now hold that a punitive forfeiture violates the [EFC] if it is **grossly disproportional to the gravity of a defendant's offense**", my emphasis, *Bajakajian*, 334. See my April 5, 2022 submission, 11, Item 127. MBD, will my constitutional analysis support a Harvard LS application? Will you write me a recommendation letter? "The constitutional question that we address, however, is just how proportional to a criminal offense a fine must be, and the test of the [EFC] does not answer it", *Bajakajian*, 335. I address the criminal-civil distinction later. "And under the Sentencing Guidelines, the maximum sentence that could have been imposed on respondent was six months, while the maximum fine was \$5,000", *Bajakajian*, 338. Sentencing guidelines? See my April 17, 2023 submission, 6-7, Item 134. "There was no fraud on the United States, and respondent caused no loss to the public fisc", *Bajakajian*, 339. "It is larger than the \$5,000 fine imposed by the District Court by many orders of magnitude, and it bears no articulable correlation to any injury suffered by the Government", *Bajakajian*, 340. $\$357,144 / \$5,000 = 71.4$. 71.4 is less than 26,250. What say you MBD? I'm not asking you, who does not know five is more than two. In dissent, four justices refer to "potential rather than actual harm", *Bajakajian*, 346, citing *TXO*. I cited *BMW*, my April 17, 2023 submission, 9, Item 134.

"In *Browning-Ferris*, the Supreme Court considered whether the [EFC's] ambit encompassed private civil actions and held that the '[EFC] does not apply to awards of punitive

damages in cases between private parties'," *Schwarzbaum*, 1329. Does the PCAOB want to argue this? If so, I think the two-year SOL applies.

"There, the Court concluded that because the [EFC] 'limits the government's power to extract payments, whether in cash or in kind, 'as punishment for some offense', the question is not whether a given fine is 'civil or criminal, but rather whether it is punishment'," *Schwarzbaum*, 1330. "Intead, the Court explained that the critical question remained whether the penalty 'is designed to punish the offender' and thus serve as 'punishment even in part'. ... If so, the penalty is subject to the Eighth Amendmens [EFC]", *Schwarzbaum*, 1331. See *Jackson*, 4, *supra*.

"From 2012 through 2022 (the 'relevant period') Hackert failed to properly supervise numerous audit engagements", *Hackert*, P 4. "For 204 of those audit engagements (or approximately 85%), Hackert failed to supervise the work of the engagement team", *Hackert*, P 5. Did GW fail to supervise any of the nine engagements in question? Is 0 less than 204? I'm not asking you who does not know five is more than two.

"In August 2023, the Commission charged AAI for financial disclosure failures, improper accounting, and reporting, internal controls, and books and records violations from 2017 through 2023", *Hackert*, P 15. That's seven years. Did the SEC charge Adamant with similar failures for any year? "Hackert knew or should have known that backdating documentation violates, at a minimum, his duties under AS 1015, 1201 and 1215", *Hackert*, P 54. What did I backdate? "The only goodwill analysis in the work papers was for one (of the four) AAI acquisitions, and its goodwill was valued at \$265,000 (or 3% of total goodwill). There was no goodwill analysis in the work papers for the other acquisitions, which accounted for about

97% of the goodwill value", my emphasis, *Hackert*, P 67. 97%. I've seen 97% before. Will the SEC tell the PCAOB to spend as much time on the B4 firms which audit 97% of SEC Registrant MC, as those which audit 3%? Percentages? It **almost** looks like a CPA wrote this.

"On August 8, 2024, the Division of Enforcement filed a motion to dismiss the proceedings", *Hackert-2*. Given this dismissal, why I am here? Was Hackert's case dismissed because Debevoise and Plimpton (D&P), 2013-2017 SEC Chair, Mary Jo White's firm, represented him and used a "marker" and told the SEC to dismiss this case? I have no D&P "markers" available, but think my case should be dismissed anyway.

Now *Hackert* analysis. I see the 97% ratio as irrelevant and showing SEC lack of audit understanding. Ask your PM if financial statement materiality relates to the financials "as a whole"? At 12/31/18 DPW had (\$000) these amounts, with my materiality calculation:

Base	Amount	Ratio	Extension
Assets	49,426	.01	494
Equity	18,064	.02	361
Sales	27,154	.01	271
Pre-tax	33,058	.05	<u>1,652</u>
			<u>2,778 x .25 = 694</u>

I see, \$265 being 3% of \$8,463 as irrelevant. That \$8,198 (\$8,463 - \$265) is 11.8X \$694, is relevant. If goodwill was \$85 and \$3 tested, then \$82 or 97% would be untested So? \$85 is 12.2% of \$694. No big deal. Here's more:

On 12/31/18 DPW had 23,190 SO. The 4/16/19 price was \$1,944,975. Now effecting splits, 10,500,000 for one, gives a \$.185 share price or \$4,290 MC, .0000000993 of the \$43.2 trillion 12/31/18 MC. 1 ten-millionth. I say TSTFW. What do you think Uyeda?

The SEC brought an action against Ira Viener, *Viener*, alleging various audit deficiencies including independence violations in 2022. The allegations appear to be to be more serious than anything I am accused of. The SEC dismissed Viener's case on September 27, 2024, *Viener-2*. Well?

"The CAT is a system that one would expect to find in a dystopian surveillance state, not the shining beacon for liberty and the free world", *Dissenting*, 3. The US is becoming a "dystopian surveillance state". I expect "social credit scores" next. "An additional concern is the Commission's use of CAT data in economic analyses to justify certain rulings while at the same time failing to make public the underlying data. A key aspect of the notice and comment process allows interested persons to critique the Commission's work, including efforts to replicate its analytic results", *Dissenting*, 3. This sounds scientiific as opposed to scientific. Good!

"Good regulatory practices include designing 'new regulations in a way that will make later retrospective review easier and more effective.' In this regard, regulators should have a 'target time frame or frequency with which they plan to reassess the proposed regulation", *Dissenting*, 2. Replacing 100 SEC registrant audits with say 1% of SEC registrant MC is overdue and the SEC should ask Congress to change the law. Ignoring SEC registrants and their audits if their MC is less than say one-millionth total SEC registrant MC is also overdue. No inspections, no Forms AP, no nothing What say you SEC Commissioners?

On December 23, 2024 at 11:31 AM I found the *Hackert v. SEC*, 1:24-cv-01477-NRB (SDNY, 2024) amended complaint. Once I have considered it I will send you my comments. I expect will interest you.

"Venue lies in this District under the Securities Act. ... Certain of the acts, practices, transactions, and courses of business alleged in this Complaint occurred within the [SDNY]. ... Seacrest ... [had] a principal place of business in Purchase, New York", *Cobb*, P 13.

"During the Relevant Period, Cobb used the Block Account to trade more than 86.5% (approximately \$47.9 million) of the approximately \$55.3 million he invested in the Cobb Accounts and Client Accounts, and only approximately 13.5% (\$7.5 million) in direct trades he invested for the Cobb Accounts and Client Accounts", *Cobb*, P 49. These numbers confuse me as they seem to mix stocks and flows. The \$55.3 million looks like a stock number, i.e., a balance sheet number and the other numbers are flow numbers as they look like trades made over time. Please check this. Why are these percentages relevant?

From P 53, there were 5,731 (194 + 5,537) total and 2,525 (147 + 2,378) profitable trades. Thus the profitable trade ratio was .440586 (2,525 / 5,731). Using giga calculator's binomial distribution calculator to estimate the hypergeometric distribution (HD) result as I found no high precision HD calculator, the probability of 147 hits in 194 draws is: .000000000000022 or 1 in 4.5 trillion. You can stop here.

If Cobb had \$174,660 in profits, P 56 and the rest \$188,133 in losses, P 58, was the net result a \$13,473 loss? How many dollars were traded? If the Client Accounts lost .22%, P 55, or \$188,133, were total client trades \$85,515,000 (\$188,133 / .0022)? This appears to disagree with the \$55.3 million figure above. I cannot recalculate the \$88,500 in P 58. It looks like a loss. Cobb should have earned \$4,500, P 67. \$4,500 + \$88,500 = \$93,000. This is not my previously computed \$13,473 loss. Please clarify this.

"The trade Aggregation and Allocation policy required that investment adviser representatives allocate such block trades 'in a fair and equitable manner'," *Cobb*, p 37. Cobb did. By PCAOB fairness standards. Ask the PCAOB's Commissioners.

You attack Cobb for "material facts he omitted from his email", *Cobb*, p 77. Will you attack he who does not know five is more than two for a similar omission?

"These rules will disproportionately affect smaller and medium-sized audit firms. We believe these rules will have unintended negative consequences, including driving small and medium-sized firms out of public company auditing practice", my emphasis, *Coffey*, 1. EW got her law degree from Virginia, a top law school. Are we to believe this? Give her an "Allen charge", my April 17, 2023 submission, 18, Item 134. Or is EW above an "Allen Charge"? "The PCAOB's suggestion that these firms would primarily exit the market for large accelerated filers is overly simplistic", *Coffey*, 2. That's the intent! Well, SEC will you call Lina Khan? "A landscape in which smaller issuers have fewer options contradicts the PCAOB's goal of providing fair competition", *Coffey*, 2. Fair? I disposed of that claim. Here I go again: by their fruits you will know them", 11, *supra*.

"In addition to the potential unintended consequences of audit firm exits from the marketplace. we expressed concern about the intended use of the proposed metrics by the PCAOB's inspection and enforcement program, thereby increasing the risk of enforcement for minor, unintentional errors in reporting", *Coffey*, 2. Investors need more sweeps, not actions against the B4! Sure. The SEC dismissed *Hackert*. You might tell the PCAOB you will scrutinize all "foot-fault" PCAOB enforcement actions.

"In conclusion, we believe the recently adopted PCAOB rules will pose significant challenges for accounting firms, especially mid-sized and smaller firms, and **may not achieve the intended benefits** of improved oversight and audit quality", my emphasis, *Coffey*, 3. Is there **any** evidence the PCAOB intends "improved ... audit quality", beyond its say so? SEC, just say no. I see one benefit from this proposal, the PCAOB identified more "surplusage".

"By selling his Comtech stock with knowledge of Comtech's forthcoming material non-public negative earnings results, Peterman **breached his duty of trust and confidence** to Comtech and its shareholders and avoided losses of approximately \$12,445.44", my emphasis, *Peterman*, p 9. That's less than *Groom*. A waste of taxpayers' money. At the relevant time CMTL had 28,474 (000) SO at \$4.94 per share, a \$140.66 million MC, .0000022 of \$64 trillion total MC, or one part in 455,000. Do SEC lawyers divide? *Peterman* should be dropped and CMTL file a breach of fiduciary duty case if it wants. There is value in *Peterman*, page 20 has a list of five SEC attorneys for DOGE to look at. Is it S&I to question SEC lawyers' case selection? Full disclosure: I do not now, nor ever owned any CMTL, but I do pay taxes.



George Weinbaum

SEC-BRIEF06

CERTIFICATE OF SERVICE

I, George Weinbaum certify that today, January 10, 2025, I mailed you three copies of my January 10, 2025 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, cappolij@pcaob.org, delatorrel@pcaob.org and 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 33 pages of 9,810.

A black rectangular box redacting the signature, with a horizontal line extending to the right from its right edge.

George Weinbaum

PCAOB-SEC-COS11