

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 Fifth Follow Up On July 5, 2024 Brief

June 23, 2025

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On February 11, 2025, the PCAOB released *Diez*. In reading *Diez*, I concluded 2016's Bancolombia audit had defects. *Diez* made me ask if the PCAOB sanctioned SAS.

Yes, in SAS for \$900,000. Was the \$900,000 based on the Mr. He who does not know five is more than two "standard"? I compute Bancolombia's market cap (MC) on its 12/31/16 SAS opinion date, 5/11/17 as follows: 509,704 (000) common shares (CS) outstanding (SO) at four CS per ADS and a \$40.14 ADS price, the common was worth \$5,115 million. I found no Bancolombia 5/11/17 preferred share price so used 2017's second quarter average, \$46.98 + \$38.88 = \$85.86; $\$85.86 / 2 = \42.93 . Bancolombia had 452,122 preferred SO at four preferred shares per ADS or \$4,852 million, for a \$9,967 million MC or 7,438X Adamant's relevant MC. I did nothing comparable to *Diez*, but offer the PCAOB \$10 ($\$75,000 / 7,438$) and a 2.35 hour suspension with **automatic reinstatement** computed as follows: $365 \times 2 = 730$, $730 / 7,438 = .098$; $.098 \times 24 \text{ hours} = 2.35 \text{ hours}$. The \$9,967 million above, makes Bancolombia, the largest entity by MC, giving rise to a PCAOB sanction, exceeding Satyam, my April 17, 2023 submission, 15, Item 134 at \$6.6 billion

Using the PCAOB's 8.333X "Stewart standard", my May 19, 2023 submission, 19, Item 141, it could have fined SAS: SAS 14,781 million COP 2016 fee / 3,000.71 the COP-USD 12/31/16 exchange rate or \$4.915 million; $\$4.915 \times 8.333 = \40.958 million. SAS paid .022 of this. I calculate materiality on Bancolombia's 12/31/16 financials (millions of COP):

| | Base | Ratio | Extension |
|---------|-------------|-------|-----------------------------------|
| Assets | 196,261,044 | .005 | 981,305 |
| Equity | 22,476,980 | .01 | 224,769 |
| Revenue | 20,697,855 | .005 | 103,489 |
| Pre-tax | 3,968,282 | .05 | <u>198,414</u> |
| | | | $1,507,977 \times .25 = 376,994.$ |

SAS used a \$70.4 million planning materiality, *Diez*, P 16, or 211,250 COP. Dividing the 151,747,486 gross loans by 211,250, assuming SAS relied on internal control, I get 718 samples. P 29 says SAS tested 20 items for the fair value of loans. This looks inadequate.

On February 11, 2025, the PCAOB issued *Release*. Yay.

"With Democrats focus on the liberal arts, which train students to be leftist activists beginning in grade school, it is the STEM studies that keep America functioning. As students ascend that ladder of mathematical logic, calculus becomes central to their ability to maintain our systems and invent new ones", *Calculus*, 1. Should they go to Harvard law school?

"Each student, in turn, will point first to one point in the computations on the board and then to a second point, asking, 'How do you get from here to here'? It is paramount to understand that this question is not a calculus question, rather it is an algebra question, one arising from the algebra the student was assumed to have mastered in K-12 before enrolling in the college calculus class", *Calculus*, 2. Should PCAOB attorneys know how to use fractions?

"Mr. Trump should go a step further and shut the CFPB down. As I pointed out in these pages in May, the bureau is operating illegally. Congress mandated that it be funded by the earnings of the Federal Reserve, but there have been no earnings since ... September 2022. ... The CFPB's defense, in 13 pending enforcement cases where defendants have raised the illegality of funding, is that 'earnings' really means revenue", *Chopra*. Did the SEC file amicus briefs in all 13 cases explaining that revenues are **not** earnings? Well?

I enclosed the latest John Doe case against the PCAOB, *Doe*. NYBigLaw, Akin Gump (AG), represents Doe. Will the PCAOB will fold *Doe* for that reason alone? Doe attacks the PCAOB's "fair procedures", *Doe*, P 7. I did at my May 19, 2023 submission, 16, Item 141. "As

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the Enforcement Staff knew at the time, Plaintiff had never issued an audit report for the company and thus, investors in the company had never relied on any audit work conducted by the Plaintiff", my emphasis, *Doe*, P 37. If so, the PCAOB should "bear the burden" of explaining why it brought this case? I cooperated with the PCAOB. Ask PCAOB alumnus Craig Seigel.

"It is impossible to read the Commission's authority under section 78d as covering appointment of the Board's Chief Hearing Officer without creating an untenable conflict with that pronouncement", *Doe*, P 56. Abraham Lincoln (AL) was supposedly asked "If I call a tail a leg, how many legs does a lamb have"? AL's answer, "Four. Calling a tail a leg, does not make it one". I realize AL's opinion is not the US Supreme Court's, but consider it "persuasive authority". AG disposes of any claim the PCAOB's remedies are equitable, *Doe*, P 75. "All told, enforcement targets like Plaintiff have virtually no chance for success through the Board's in-house disciplinary hearings", *Doe*, P 94. I exposed the PCAOB "hearings" at my January 11, 2024 submission, 4. "The public record on adjudications reveals no instance in which the Board overruled a decision in favor of the Enforcement Staff in its entire 22-year history", *Doe*, P 94. I noted this. My opinion: PCAOB hearings are shams. My case against the PCAOB is at least as strong as the SEC's Leech case, my January 10, 2025 submission, 19-20. "Once the Board has rubber-stamped a formal investigation", my emphasis, *Doe*, P 100. Go AG!

"As Glen Loury and I once demonstrated mathematically, meritocratic policies maximize productivity and insure against bias", *DEI*. Will the SEC replace Erica Williams (EW)? Or is she "untouchable"? "When we run the data through a series of more than 200 statistical tests, the results demonstrate that these disparities aren't driven by bias", *DEI*. What could Fryer do with PCAOB data? Would his analysis traumatize at least one PCAOB enforcement lawyer? It

might contain numbers larger than five. "Instead they revert to box--checking exercises, like gathering employees to talk about their feelings or mandating useless training", *DEI*. PCAOB box-checking? Useless training? Fryer was a Gary Becker post-doc. I believe it.

On March 11, 2025, the PCAOB released nine enforcement actions against KPMG affiliates based on defective Forms AP and similar matters, i.e., Peircean "foot-faults". I summarize them here, penalty in 000, average penalty per defect in dollars :

| Number | Country | Penalty | Defects | Average |
|--------------|-----------|----------------|------------|-----------------|
| 105-2025-008 | Brazil | \$ 700 | 46 | \$15,217 |
| 105-2025-009 | Canada | 700 | 41 | \$17,073 |
| 105-2025-010 | Italy | 175 | 2 | \$87,500 |
| 105-2025-011 | Israel | 250 | 24 | \$10,417 |
| 105-2025-012 | UK | 600 | 23 | \$26,087 |
| 105-2025-013 | Mexico | 275 | 10 | \$27,500 |
| 105-2025-014 | Korea | 275 | 10 | \$27,500 |
| 105-2025-015 | Switzer. | 175 | 4 | \$43,750 |
| 105-2025-016 | Australia | <u>225</u> | <u>6</u> | <u>\$37,500</u> |
| | | <u>\$3,375</u> | <u>166</u> | <u>\$20,331</u> |

The PCAOB should reveal its basis for penalizing KPMG Italy 8.4X as much per violation (\$87,500 / \$10,417) as KPMG Israel. Will the PCAOB's "standard", the one He who does not know five is more than two, let us recalculate this ratio?

Ps 142 and 143 of *Leibowitz*, show he tolled "Any Applicable Statute of Limitations".

The SEC apparently asked him to. I never agreed to any tolling.

I once considered it to be the most important program within the PCAOB to help public company auditors improve audit quality, but I now have my doubts. Specifically, the publicly available inspection reports identify deficiencies but **there are no severity ratings**, meaning an investor cannot read inspection reports to discern whether a deficiency has an impact on the financial statements, and the relevant assertions and cannot discern the materiality of the deficiency. This is important because not all deficiencies are the same. Some deficiencies may reflect a disagreement between the PCAOB and firms on the firms' exercise of

judgment, where in many cases reasonable minds can disagree, my emphasis, *Revisit*, 4-5.

I mentioned HSG, my November 13, 2024 submission, page 14. I disagree with the PCAOB. "Furthermore, the PCAOB issued a news release last week, announcing settled orders with nine foreign affiliates of a Global Network Firm, for filing inaccurate Form APs, among other things. ... In sum, I believe our enforcement program needs to focus more on violations that are material and most significant to real investors and less on shaking down firms for infractions like late reporting", *Revisit*, 6. Peircian foot-faults. The PCAOB enforcement staff cannot distinguish a "small investor" from an "investor in a small company", my June 4, 2024 submission, 5. Has the PCAOB "Handian fools"? The KPMG affiliate sanctions made me ask if there is something more insidious at the PCAOB. Are PCAOB enforcement staffers "Handian knaves"? Did the PCAOB "enforcers" gave KPMG this "deal": give us some "throw-aways" and we will not bring any actions against a KPMG affiliate for a defective audit for the next two years. I put the PCAOB's own conduct in issue. Scandalous and impertinent (S&I) again.

"Shaking down firms"? Is this PCAOB "Mafiazny"? That's Russian for Mafianess. Does it make firms offers they can't refuse? Small firms maybe. Not the Big Four (B4). It can't.

This is from memory. In *The Maltese Falcon* (1941), Sidney Greenstreet (SG) as Kasper Gutman threatens Humphrey Bogart as Sam Spade. Bogart tells SG something to the effect that all his threats mean nothing as "the threat of death is not behind them". SG thinks about this and makes an accommodation with Bogart. Unless the threat of B4 "death" exists, I call actions like the PCAOB's nine KPMG actions nothingburgers.

"Scientists like to measure things. Doing so is part of what it means to be meticulous in the gathering of evidence. It has often been said that science is measurement. ... Because their work depends upon precise, repeatable measurements, scientists and engineers are obsessively meticulous about such matters", *Measure*, 86. Did the PCAOB in its 22-year history, employ anyone so obsessed? Are inspection results "repeatable"?

"For both qualitative and quantitative research, the goal is to devise an instrument that gives measurements that are both repeatable, meaning that others can get the same results when using it under the same conditions and reliable, meaning that its measurements are consistent and and accurate", *Measure*, 86-87. Like PCAOB "risk-based" audit inspection selections. "A probability sample requires that every unit in the population has a known, non-zero chance of being selected", *Measure*, 87. Using MC, non-B4 audits inspection chances were 91X, the B4's, my June 24, 2024 submission, 9! "This evidence-based mindset is the very essence of science", *Measure*, 89, Does the PCAOB's "resident biologist" agree?

The nine KPMG enforcement actions gave me another idea. Professor Schmalz, with PCAOB permission, can announce no KPMG affiliate need file a Form AP for the next five years. Then he can see if KPMG auditees prices: fall, rise or do not measureably change relative to other BF auditees. Might this reveal Forms AP investor **informational value**?

"The firm did not perform procedures to test whether all criteria were met to recognize revenue. ... In addition, the sample size the firm used in its substantive procedure was too small to achieve the planned objective for the test because it used a methodology for determining a sample size for a test of controls and did not consider factors relevant to determining the sample size for its substantive testing", *MJF*, 6. **Bunk to both assertions.** I will only

discuss the sample size issue. I wrote a 2.5 page memo, included in the workpapers, describing the test and sample basis. We divided engagement materiality by 3, from Table D-2, *Reliability Factors*, to select 77 items from a 325-item population using the "mini-max" principle and probability proportional to size (PPS) sampling. I asked the PCAOB inspector if 77 items was inadequate, how many should we have selected? 78, 79, 80? I also asked for his backup. **I got neither.** Mohidin and I speculated **before** the audit, the PCAOB would **not understand what we did.** **We were right.** Who has the "burden" here? Will the SEC insist PCAOB inspectors learn sampling? Is PPS sampling accepted? I also enclose some pages from *Assurance*.

"The auditing profession has come under immense scrutiny in recent years, as the [PCAOB] has dramatically increased enforcement fines, set an aggressive standard-setting agenda, and created an opaque audit inspection framework. This trajectory has created an environment where **auditors focus more on satisfying regulatory checklists than exercising professional judgment**", my emphasis, *Must*, 1. Only 3% of CPAs by auditee MC come under "immense scrutiny". I agree about the rise of "template" or checklist auditing. I say **at best**, the PCAOB is incompetent.

"Restatements due to PCAOB inspections have remained below 1% since 2009 and dropped to 0.5% from 2017 to 2021", *Must*, 2. An AICPA vice president used percentages! Henry could **not** work for the PCAOB. "Firms should focus on addressing substantive audit concerns rather than navigating procedural compliance", *Must*, 3. Is Henry saying filling out myriad checklists will not protect investors? "Substantive economic analysis must be conducted to assess the cost-benefit impact of new proposals", *Must*, 4. Calling Professor Schmalz.

"On Monday, the Trump administration struck back at the legal-industrial complex's war against MAGA. President Donald Trump's Justice Department filed an emergency petition asking the Supreme Court to take a stand on the 'epidemic of national injunctions that leftist district court judges are using to halt the Trump agenda', *Stop*, 1-2. "But another judge on the three-member panel, Justin Walker, nailed the American Civil Liberties Union lawyers representing the deportees, asking **why they didn't bring a habeas corpus action in Texas**, where the deportation flights originated", my emphasis, *Stop*, 3. See my March 31, 2025 submission, 14. Why did the PCAOB drop *John Doe* after losing a writ of mandamus? Did the PCAOB post on its website **the new information** it became aware of in *John Doe* to make it drop the case? Should investors know? "In response, the ACLU offered only double-talk because the truth is, they went court shopping", *Stop*, 4. Did the PCAOB at Mr. 18 in a Row's "court"?

"This is the doctrine that courts should judge deals and business operations under antitrust laws not according to vague, ever-shifting standards but by their measurable impacts on price, quality, and innovation for the consumer", *FTC*, 1. "Without this standard and its reliance on econometrics, antitrust law is no longer a tool to promote efficiency and competition in the service of the consumer. It becomes **a weapon the regulator can point in any direction he or she wants, at any politically disfavored target**. ... 'Thanks to politicians, companies can be accused of improper behavior regardless of what they do', economist Dan Mitchell wrote", my emphasis, *FTC*, 3. See for example, my April 5, 2022 submission, 4, Item 127.

"The Elon Musk-led [DOGE] ... should waste no time turning its attention to a glaring problem at the ... SEC. In particular, the agency's whistleblower programs--originally designed to detect and prevent financial fraud--have morphed into a billion-dollar whistle-

blower-industrial complex", *Whistleblower*, 1. "Whistleblower programs emerged in response to the Bernie Madoff investment fraud. For years, would-be whistleblowers had tried to alert the SEC, urging it to scrutinize what many analysts believe should have been an easily detectable Ponzi scheme. The SEC's catastrophic failures allowed Madoff's scam to continue unchecked for years", my emphasis, *Whistleblower*, 1-2. Now the SEC "Grooms". "Platt argued that the initiative has become an unaccountable and secretive pathway for SEC employees to enrich themselves after leaving the agency--at the expense of legitimate whistleblowers", *Whistleblower*, 2. Remember Platt, my January 10, 2025 submission, 20-22? "In other words, success in today's whistle-blower programs often depends less on the quality of the tip and more on how well-connected you and your attorneys are", *Whistleblower*, 2, Peirce, have we the "repeat player" advantage here? "The SEC whistleblower programs have strayed far from their original mission, evolving into a billion-dollar enterprise that disproportionately benefits well-connected former regulators", *Whistleblower*, 3. Having read *The Politics of Industry* in 1968, my April 17, 2023 submission, 22, Item 134, I ask: were the programs **designed** to enrich SEC lawyers and alumni?

"A program that successfully generates many tips may nonetheless fail to detect major misconduct if it cannot accurately and efficiently identify the good ones and assign an appropriate level of agency resources to investigate them", *Regulation*, 691. How much time should the PCAOB have spent on Smartheat with its \$4,342 MC, my May 19, 2023 submission, 13, Item 141? "Scholarly analysis of the WBPs have either ignored these lawyers, minimized their role, or adopted a rosy, optimistic account of their influence: that is, assuming these attorneys improve agency tip sifting by screening out low quality tips and by ensuring that the

highest-quality ones receive the most careful attention", *Regulation*, 692. "Repeat-player lawyers dominate both programs. ... About a quarter of the dollars awarded by the SEC have gone to clients of lawyers who formerly worked for that agency", *Regulation*, 693. "This article highlights a new way former officials seem to be wielding considerable authority to capitalize on their experience and sway agency action by moving from the SEC into the private whistleblower bar", *Regulation*, 696.

"The universe of corporate misconduct is vast. It includes era-defining catastrophes, technical violations that seemingly harm no one, and much in between. Picking which violations to pursue is a defining challenge for law enforcement", *Regulation*, 697. Is it?

"At the staff level, 'independence' may create its own problems. For instance, 'bureaucratic slack' may skew case selection; the relatively stable work environment and comfortable salaries and benefits may lead **members of the professional staff to be less diligent and ambitious, leading some offices to avoid the most difficult, risky, and challenging cases**", my emphasis, *Regulation*, 699. Like the PCAOB ignoring 1,000 B4 potential restatement cases.

Enforcers may decline to pursue certain potential misconduct because they do not want to anger a prospective future employer when they hope to walk through the 'revolving door' to the private sector or because they have come to internalize the views of the industry. ... Leaders may face pressure to look for highly salient (but socially non-valuable) cases or cases against disfavored companies (and look the other way when violations occur within favored companies) and to rack up impressive-seeming (but meaningless) enforcement statistics, *Regulation*, 699.

Mr. Grewal "racked up" 2,400 cases at the SEC, my November 13, 2024 submission, 14-15. Were say 90%, "Milton Friedman tiny nuts"? Kara Stein complained about coddling big banks, my December 30, 2023 submission, 59-61. Why did the PCAOB have time for me?

Relatedly, the lawyer may perform a complete legal analysis of the tip, including detailed comparisons between the strength and nature of the particular allegations and evidence gathered in this case and that relied upon in prior cases settled or adjudicated by the agency. A tip that includes such independent verification, factual documentation or legal analysis may reasonably be treated by the agency as more deserving of its scarce attention, my emphasis, *Regulation*, 714.

I support my legal analysis, factual allegations and make "strength comparisons".

Platt grouped "settled or adjudicated" cases, unlike the PCAOB. "For instance, one prominent revolver whistleblower attorney (the first director of the SEC whistleblower program) stated that some times the SEC enforcement staff had been 'willing to just turn over the entire file to me and my client to say 'Can you help us contextualize what we were told by the company'," *Regulation*, 727. What would a reasonable fee for me to "contextualize" Macy's file, my March 31, 2025 submission, 7-8? "Yet, a few months later, the firm proudly announced its latest hire: former SEC Commissioner Allison Herren Lee. It seems worth paying attention to what these firms are actually doing, rather than merely what they are saying", *Regulation*, 728. As it is written, "By their fruit you will recognize them", *Matthew 7:16, (NIV)*.

"Privitization has led agency leaders to repeatedly make misleading statements to Congress and the public. These officials have repeatedly claimed that the aggregate dollar amounts paid out by their agencies in bounties were awarded to whistleblowers. But, as these officials know (or should know), a very substantial portion of these funds went to private intermediaries, not the whistleblowers themselves", *Regulation*, 734-735. "Once the true costs of intermediation ... are factored in, it is much less clear whether SEC resources have truly been conserved or whether this is really just a kind of accounting trick, where the real costs are kept 'off the books'," *Regulation*, 735. Good question on "accounting tricks".

"The agencies could compare pro se vs. represented tipsters regarding (a) the number of tips filed; (b) the number of tips that led to further investigations; (c) the number of tips that led to an enforcement action; and (d) that led to an award", *Regulation*, 755. And what was done with respect to the PCAOB and its treatment of the B4 and all other CPA firms?

"The Census doesn't count refundable tax credit checks, food-stamp debit cards, Medicaid and some 100 other federal, state and local transfer payments as income to the recipients. ... The Census's poverty measure today isn't consistent with the [1965] definition because it fails to count the more than \$2 trillion in government benefits that are given to low-income households", *Census*. The PCAOB's audit deficiency rate (ADR) can create any impression to justify its existence and penalize CPA firms. See my April 18, 2024 submission, 25-26.

"In particular, the SEC's performance is measured by Congress and in the court of public opinion on the simplistic basis of how many cases it brings and on the size of the fines it collects", *Distorting*, 639. Is it? Like Grewal's bringing 2,400 cases, my November 13, 2024 submission, 14-15, or 13, *supra*. The SEC emphasizes these numbers.

"For example, the SEC's narrow focus on such measurable indicia of success as the raw number of cases brought explains, among other things, the SEC's complete lack of interest in exposing the fraud at Bernard L. Madoff Investment Securities, LLC", *Distorting*, 639-640. Did the SEC's enforcement staff protect Madoff as being a "person of consequence"? "A second major factor that influences the SEC's conduct is the metamorphosis of the SEC from an administrative agency dominated by a combination of industry experts, economists and lawyers into an agency dominated exclusively by lawyers", *Distorting*, 640. I've said things like this for 30-35 years. The PCAOB has been lawyer dominated since inception.

"Thirdly, the SEC has strong incentives to promote the appearance that the capital markets are in crisis and to eschew the development of market mechanisms that might solve the very problems that the SEC is tasked with solving", *Distorting*, 640. The PCAOB too! Read EW's comments, 21-22, *infra*. EW can **always** say auditing is in crisis.

"[F]ew SEC employees have been seriously accused of generating bad ... enforcement decisions for corrupt motives", *Distorting*, 642. "A notable exception to this general situation is the apparent successful effort by the investment banking firm Morgan Stanley to limit the SEC's insider trading investigation of a hedge fund called Pequot Capital Management. ... **Maneuvering within the SEC delayed Mack's testimony until after the statute of limitations [SOL] had lapsed**", my emphasis, *Distorting*, 642, note 6. I didn't consider this before: did the PCAOB delay my case, to let the SEC to throw it out? If so, thank you Ian Anderson (IA) for having sufficient confidence in me, to believe I would pick up on the SOL issue.

"In light of this metric of success, it is not surprising that the SEC focuses on low-hanging fruit. Because **investigations take time, the SEC focuses on bringing cases that do not require much, if any, investigative effort**", my emphasis. *Distorting*, 646. Peircian foot-faults. The PCAOB spends most of its time on "process" defects, **not** substantive audit failures.

"The consequence of [lawyer] dominance include increased concern with process and decreased concern with social science evidence in decision making", *Distorting*, 648. "Harry Markopolos, the industry whistle-blower who tried unsuccessfully to bring the SEC's attention to Bernie Madoff's Ponzi scheme ... further observed that the Commission '**was hindered by lawyers, did not understand the red flags, could not do the math and was captive to**

the financial industry'," my emphasis, *Distorting*, 648. Does any of this sound familiar? Did the SEC give Markopolos say, \$5 million for his efforts?

"One 'could be forgiven for thinking that the whole point of landing a job as the SEC's Director of Enforcement is position oneself for the better paying one (as a lawyer on Wall Street')," *Distorting*, 648-649 Macey, thank you for forgiving me.

"For years the SEC has taken the view that people who specialize in selling so-called penny stocks should be pursued. This strategy serves not only the interest that the SEC has in bringing cases, but also the interests of the established broker-dealer firms that compete with the upstart penny stock operations. This group of established broker-dealer firms is an important constituency of the SEC, not to mention an important source of employment for SEC alumni", *Distorting*, 665. "Say it ain't so" Macey.

"A few themes are emerging: Prosecuting executives for wrongdoing that doesn't have obvious victims is out. ... While the shifting approach to enforcement stands to help white-collar defense lawyers on the current cases, some are getting worried that future work will dry up if the administration fully retreats from foreign-bribery investigations and complex Wall Street probes", *White*. Do SEC lawyers bring cases to make work for SEC alumni? S&I again! "Defending clients enmeshed in overseas bribery investigations has become a lucrative business for lawyers, forensic accountants and document-retention firms. ... Another lucrative source of work for lawyers-monitoring corporate compliance with laws that companies admitted to violating--also looks to be in jeopardy", *White*. Can I get a big monitoring contract?

The stock pitch seemed too good to be true: A century-old company near Washington, D.C., with strong ties to the intelligence community has secret ways of making money. ... At least management is transparent about how opaque it is. 'Because we are limited in our ability to provide information about these

contracts and services', the company said in its annual report, 'important information about our business may not be available, which may limit insight into a substantial portion of our business and reduce the ability to fully evaluate the risks related to that portion of our business'. ... Given this, one could reasonably argue that Booz Allen shouldn't be a public company, *Spy*. What about banks and their secrecy?

I promised the SEC some stories. Here's goes:

1. Dallas, Texas, 1984. I was taking a 2.5 day oil and gas industry accounting class.

The professor draws a two-level completed well diagram on the blackboard and says, "I'm showing you something you've never seen before". I look at it for about three seconds, raise my hand and say, "Professor, I disagree. Everyone here has seen this before". Professor, "go on". Me, "Everyone here has taken cost accounting. All you have is level one as product A and level 2 as product B in joint cost accounting. The cost of the shaft is the joint cost to be allocated". The professor steps back 2-3 steps from the blackboard, looks at it and says, "I've taught this class for over 20 years and no one ever made that observation before". Me, "Feel free to quote me whenever you want, just give me attribution".

2. San Diego, CA, 1992 or 1993, I was auditing an electronic parts maker doing about \$5.8 million in annual sales. In testing inventories I found it changed its overhead allocation method in the prior year. I called the predecessor CPA firm partner and asked him about the change, which changed pre-tax income 5 or 6 times my materiality calculation. He knew nothing about it and referred me to the manager and senior, neither of whom understood the issue. He finally admitted none of the three of them understood cost accounting. The CPA firm: Price Waterhouse! That's right.

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3. Midtown Manhattan, July or August 1990. I had an interview with a 200-person CPA firm which wanted to hire a director of accounting practice as an in-house consultant, accounting and auditing expert and emerging issues task force representative. My meeting with "Mr. Human Resources Guy" (HRG) went like this: HRG, "Before hiring anyone we give him a 30-question test. It consists of 10 accounting theory, 10 economics and 10 college-level math questions. It was put together by an accounting, an economics and a math professor from NYU. You have 30 minutes to finish it". 12 minutes later I hand it to HRG. He says, "Did you check your answers"? Me, "Yeah". HRG, "Did you get them all right"? Me, "I might have missed one or two". HRG, "You got at least 28 right"? Me, "Yeah. For 28 of them, I did not even have to read the four choices. I could have written the answer in. For two of them, I'm not so sure". Three minutes later, HRG, "You got 29 right! You got 29 right"! Me, annoyed, speaking slowly and loudly, "I told you I got at least 28 right. What's the big deal here"? HRG, "Do you realize, we've given this test to over 10,000 applicants". Me, "So"? HRG, "Nobody ever got more than 27 right before. Let me show you the one you got wrong. Is our answer key right? Should we change it"? Me, "Let me read the question. Yeah, yeah, this is one of the two I wondered about". I read it over five or six times and said, "The answer is right. Do not change your answer key. With your permission, I would like to slightly reword the question so it is clear what the examiners are looking for. I misread the question". I added a comma or an article, then said, "Now it will be almost impossible to misread". HRG, "Did you get 800 on the mathematical portion of the SAT" Me, "No, but very close to it". HRG, "You can do the job we have in mind for you in your sleep". Me, "Probably". HRG, "Let me introduce you to the partners". HRG did, in each instance pointing at me, saying, "This is the guy who got 29 right".

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I didn't hear from HRG for two weeks. I call HRG and ask what's going on. HRG says, "The partners agree you can do the job. But they are afraid". Me, "afraid of what"? HRG, "Afraid you will ask too many questions. You will raise too many issues. So they can't bring you aboard".

4. Beverly Hills (BH), CA, 1992 or 1993. BH law librarian, Harold, calls me over and points at a woman looking at Federal Supplement (FS). He gives me an evil grin and asks me to "take her". I say, "I think I'm going to regret this, but OK. I owe you one. She's a nice looking babe". She was nicely dressed, in her late 20s. I say, "Young lady, may I help you"? She says she is a 60-80 person Los Angeles law firm third-year associate which firm was representing an individual in a FINRA arbitration against a brokerage firm. I told her such proceedings are not published and FS only has federal district court cases. I asked her if her firm ever did such a case before. She said no. I suggested her firm affiliate someone who had and I knew an NASD firm principal, who among other things, had been a NASD arbitration panel member and had represented individuals and brokerages in such cases. She told me the partner who took the case, didn't want to do that. I said I felt her firm would not represent its client correctly and I could not help her. I read her Martindale-Hubbell listing and noted she graduated from Cal. Berkeley and Boalt Hall. A top ten law school graduate didn't know FS only contains district court cases! Wow!

5. Los Angeles, CA and Miami, FL, July or August 1988. A physician client hired me to tell him if he should sell his practice to BMJ for \$1.5 million in stock. I read BMJ's Forms 10-Q and 10-K for two or three years and couldn't find it had any value added. I called BMJ's president and had him authorize his Big Eight partner to talk to me. I called E&Y Miami and

asked the partner what did BMJ do to make a living, what was its value added? He either couldn't or wouldn't answer me. I told my client don't consider anything from BMJ aside from cash. BMJ filed bankruptcy on 12/17/88. Yes, this happened.

"It is a classic statistical problem. ... Evidence is clear that machine-learning algorithms can make better decisions than humans, especially when bias is present", *Bring*. Even to select audits for inspection instead of the PCAOB "risk-based" system? "Feed a model the past few years of admissions files: grades, scores, essays, extracurriculars, such contextual indicators as family income ... and so forth. ... The algorithm can learn which combination of attributes predict success within each subgroup", *Bring*. Registrant MC, B4 versus non-B4 firm, industry and other facts **might be** relevant to measure "risk". "Let the algorithm rank applicants by predicted performance", *Bring*. Hmm.

"Today the PCAOB's mission is as important as ever. History tells us that when the economy is tight, the risk of fraud goes up. And the stakes are high", said its chair [EW]. 'With millions of Americans invested in the stock market. ... auditors need to perform their audits with more care than ever. Now is not the time for a major disruption in audit oversight'," *GOP*, 2. See 16, *supra*. When will be the time? 22 years ago millions of Americans were investors. What changed? "Many accountants and regulators say eliminating the PCAOB could weaken oversight of large auditing firms", *GOP*, 2. Not me. "When asked about the impact of the possible proposal for her role, Williams said, 'I'm not focused on myself. I'm focused on the investors that we are here to protect and I'm focused on the talented and dedicated staff'," *GOP*, 3. By issuing new auditing standards? By bringing enforcement actions based on Form APs? By never bringing an enforcement action against a CPA firm arising from an audit which audi-

tee MC exceeded \$10 billion? By looking at Smarthead? Is EW's interest to keep her \$670,000 a year sinecure? S&I and racist and sexist (R&S)!

"Of course, our staff are also available should auditors have any questions", *Remarks*, 6. But will the staff respond? "The dedicated staff who do this work for the PCAOB are unmatched in their expertise", *Remarks*, 6. Really EW? See my April 5, 2022 submission, 7-8, Item 127.

"Similar to our standard-setting and inspections staff, our enforcement professionals bring invaluable knowledge and experience **to the work of conducting complex audit-related investigations**", my emphasis, *Remarks*, 8. By "sweeping"? With the nine KPMG cases, 7, *supra*? "As president George W. Bush said when he signed the law that created the PCAOB, 'For the sake of our free economy, those who break the law--break the rules of fairness, ... must pay a price'," *Remarks*, 9. Even PCAOB Commissioners or enforcement staffers? As for "fairness", see my May 19, 2023 submission, 16-18, Item 141.

"The cases we investigate and ultimately decide to enforce involve complex and serious matters, including audit failures in cases involving financial statement fraud, ... and not performing sufficient work before signing audit opinions", *Remarks*, 9. So why am I here, EW? SEC, give me another S&I and R&S! "And we have shown that the PCAOB does not and will not tolerate unethical behavior", *Remarks*, 9. Explain Mr. 18 for 18's "decisions".

"Legal objectivity and neutrality are just ideals. ... Judges really don't get paid to think", *Bad*, 1. Mr. "18 for 18" is well situated. S&I again! "Because law schools are set up as graduate professional schools, they hold out a career path, and one that can achieve high remuneration, competitive prestige and rewards. This mean that **being 'clever', is highly**

valued. It is antithetical to restraint. This includes even technically bypassing the law, which law schools call 'workarounds'," my emphasis, *Bad*, 2. Was "hexidecimal 60" clever enough?

"Symbology and self-delusion play a big part in this problem. ... In both cases, a slippery slope is created that can lead to the exact opposite of what they ethically stand for, and include systemic corruption, and even crime, often without fully recognizing or admitting it (see Robert J. Lipton's celebrated psychological analysis, 'Nazi Doctors', and Judge Jerome Frank's [JF] brilliant 'Courts on Trial')," *Bad*, 3. Would the SEC case against Ray Dirks, my April 5, 2022 submission, 3-4, Item 127, today fall under 18 USC 1513? *Courts on Trial* (1949), is one of two JF's books I read. The other is: *Law and the Modern Mind* (1930). The "legal system ... operates by the logical fallacy of assertion", *Bad*, 3. Like the PCAOB's claim it has a penalty "standard". Or that I waived the SOL?

"I believe that the PCAOB over the past 3+ years has done little to improve audit quality and has possibly harmed future audit quality", *Regulation*, 1. I say this was true for 22 years. "What is audit quality in the context of investor protection? PCAOB defines audit quality as compliance with PCAOB auditing standards. ... PCAOB programs all seem to be anchored on the assumption that a 'check-the-box' process of compliance with PCAOB auditing standards is the 'be all and end all', which I believe is a flawed approach", *Regulation*, 2. I call this "template auditing". It's a fraud on investors, but cements the PCAOB's existence!

"I am concerned that the PCAOB ... 'can't see the forest for the trees' approach is doing a disservice to investors and U.S. capital markets", *Regulation*, 2. But it serves the PCAOB's agenda: creating positions for PCAOB personnel and Commissioners.

"Almost one year ago, I laid out my regulatory vision which consists of the following three pillars: (1) regulations should only be adopted when necessary", *Regulation*, 6. My opinion: this will be virtually never. They are adopted to avoid doing anything substantive.

"It seems like the PCAOB has a 'heads you lose', 'tails you lose' approach where it is setting up smaller firms to fail", *Regulation*, 7. It must protect the B4.

Ho quotes EW, see 22 *supra*, "This sounds good, but unfortunately **the numbers tell a different story**. Between January 1, 2022, and March 31, 2025, approximately 27% of the PCAOB's enforcement orders consisted of 'traffic violations', for example, failures by firms to comply with PCAOB reporting requirements", my emphasis, *Regulation*, 9. More "foot-faults".

"The PCAOB should re-focus its enforcement program where less time is spent on traffic violations, and more time is spent investigating and taking enforcement action against firms for **material violations that carry a real risk of harm to the investors** the PCAOB is sworn to protect", my emphasis *Regulation*, 9-10. I say no "TSTFW" SEC registrant can have a "material" risk of harm to investors from a defective audit. It's TSTFW, my December 30, 2023 submission, 19-20.

In May I became aware of *E&Y*. The SEC gave neither Fronckiewicz nor Adams a monetary penalty. Weatherford's March 2, 2011 stock price was \$23.52 (\$2.38 + \$21.14), with 743,125 (000) SO for a \$17.478 billion MC, 13,044X Adamant's \$1.34 million relevant MC. The SEC gave Fronckiewicz a two-year bar, or 17,520 hours. Does the SEC want 1.34 hours from me **with automatic reinstatement**? E&Y billed Weatherford (000) for 2007- 2010: \$6,902; \$6,762; \$8,866 and \$9,126; a \$31,656 total. Using the "Steward Ratio", the SEC could have fined E&Y \$263,800. \$10,000 was .038 of that. Did the SEC leave \$253.8 million (\$263.8 - \$10) "on the

table"? How many NYBIGLaw partnerships can \$253.8 million buy? S&I again! Yet the SEC fined E&Y \$100 million for continuing education problems? What puts investors at risk? 1976's *Metcalf Report* noted the SEC's differential treatment of B4 and other CPAs, see my April 5, 2022 submission, 10, Item 127. **49 years ago!** "Charlie Munger, chief investment advisor to Warren Buffett, famously said, "Show me the incentives and I will show you the outcome'," *Point*, 1. I agree. Should the SEC change its enforcers incentives?

Could the SEC have handled E&Y's Weatherford conduct differently? I don't believe E&Y's "audit team ... did not detect the four-year fraud", *E&Y*, P 4. I conclude E&Y accepted the fraud to keep Weatherford's fees. Could a B4 firm be so incompetent it missed the fraud? Were E&Y's team "Handian" knaves, not fools, see my May 19, 2023 submission, 25, Item 141? Weatherford "also had a reputation in [E&Y's] Southwest Region as a particularly risky and difficult client", *E&Y*, P 17. Did the SEC review E&Y's 2008 to 2016 PCAOB inspections to see if Weatherford's audit was a "risk-based" selection? Is "risk-based" just words?

"During 2007, when Weatherford's fraud began, the company was, based on audit fees, [E&Y's] 14th largest close monitoring client firm-wide ... in terms of audit fees", *E&Y*, P 26. Did the SEC find out how many of these 14 audits the PCAOB inspected from 2008 to 2016? "As a result of Respondents' conduct above, Respondents failed to prepare and retain required audit documentation in sufficient detail to provide a clear understanding of its purpose, source and conclusions reached on the 2007, 2008, and 2009 Weatherford engagements", *E&Y*, P 80. Did E&Y want to leave a paper trail for the plaintiffs' bar to follow? Have we a "cumulation of instances", my May 19, 2023 submission, 25, Item 141?

"At the government's urging the district court not only gave the standard charge of 'knowingly', but also gave a 'willful blindness' charge". ... The government may prove the defendant acted 'knowingly by proving, beyond a reasonable doubt, that the defendant deliberately closed her eyes to what otherwise should have been obvious to her", *Alston*, 336. In a civil case, the "preponderance" standard is enough.

"As to the factual predicate for the instruction, we agree with Alston-Graves that there was none. Some courts hold that a willful blindness instruction should not be given unless there is substantial evidence that the defendant 'purposely contrived to avoid learning all the facts in order to have a defense in the event of a subsequent prosecution'," *Alston*, 341. Did E&Y do this? Could a jury draw such a conclusion?

Did E&Y "know"? "We next consider SAIC's alternative contention that we must vacate and remand for a new trial because the district court's 'collective knowledge' instruction was both erroneous and prejudicial", *Science*, 1273. "In non-FCA cases we have expressed a great deal of skepticism about corporate intent theories that rely on aggregating the states of mind of multiple individuals", *Science*, 1274. Did at least two E&Y partners have knowledge, imputable to E&Y? "According to the Senate Committee Report to the 1986 amendments, Congress adopted this definition of 'knowingly' to capture the 'ostrich-like' conduct which can occur in large corporations where 'corporate officers ... insulate themselves from knowledge of false claims submitted by lower-level subordinates'," *Science*, 1274. Should this apply to E&Y?

Instead of the E&Y page 25-30 "Undertakings", the SEC could have:

1. Used the "Stewart ratio" and billed E&Y \$263,800.
2. Sent a copy of AAER 3814 to the 13 other close monitoring E&Y clients audit committees without comment.
3. Sent a copy of AAER 3814 to the other B4 firms, without comment.

4. Waited 12 months to see how many of the 13 companies restated their financials. Will each think about the effect on its stock price, if its' being on the list became public?
5. Found how many of the 13 clients audits were inspected from 2008 to 2016?

"In fact, both of these phrases--**Strategic Courage and Bold Thinking**--rightly describe the necessary behaviors a financial statement auditor must demonstrate to perform high quality audits and protect investors", my emphasis, *Courage*, 2. Do I lack either? How many **days** elapsed from the time I first learned of a problem at Adamant and Admant's filing it's 10-K? 24. Now IA, tell all small CPA firms what the PCAOB will do if they insist a client restate its financials. Go ahead! "These four qualities are a responsibility to investors and the public interest; a drive to obtain an understanding of a company's business operations, and strategy; a dedication to lifelong learning and finally an obligation to professional skepticism", *Courage*, 2. Even of the PCAOB and SEC? Lifelong learning, oh boy!

"The PCAOB was created in the wake of several well-known financial reporting and audit failures that resulted in a loss of trust in the audit profession and the U.S. capital markets more broadly", *Courage*, 3. Did our lawyer-dominated Congress create the lawyer-dominated PCAOB to **deflect attention from the SEC** which should have found the Enron fraud **years before** it was exposed? "In the more than 20 years since its establishment, the PCAOB has, **in my view**, evolved into the model for effective audit oversight", my emphasis, *Courage*, 5. Here's my view: the PCAOB is just another paper pushing bureaucracy driving up investors' costs. If a CPA botches an audit, let it get sued and pay a multiple of its fees for the years in question. Let the plaintiffs' bar file CPA malpractice cases. Did the PCAOB do anything about

E&Y's Lehman Brothers audit, my December 30, 2023 submission, 17? E&Y ignored \$50 billion in liabilities! Big enough?

"In 2024, our inspectors inspected 171 firms and reviewed portions of 803 audits of public companies", *Courage*", 6. In 2024 the PCAOB inspected parts of B4 audits as follows: PWC, E&Y and KPMG, 64 each; and D&T 63, a 255 total, leaving 548 (803 - 255) other audits. Does the PCAOB believe non-B4 firms audits are 69.5X as risky to investors as the B4's: $255 / .97 = 262.9$; $548 / .03 = 18,266.7$; $18,266.7 / 262.9 = 69.5$. Less than 91X, but still revealing. If non-B4 audits are that risky, should we see it reflected in companies cost of capital? That might make an interesting study for the SEC's "terrifics".

"If you want to become a tyrant and transform your fellow citizens into slaves, all you need are a few good mush words. 'Mush words' are words with vague definitions. They're slippery, hard to pin down, elusive, ultimately unknowable--and, for budding tyrants, extremely useful", *Mush*, 1. How about, "Driving improvement in audit quality to protect investors"? Is audit quality whatever the PCAOB says it is? "It takes no talent or intelligence to just sling these words around and reap the rewards without understanding the dynamics involved", *Mush*, 1. Like not distinguishing a small investor from an investor in a small company, my June 4, 2024 submission, 6. "It's interesting to notice that hardly anyone accuses anyone else of having six fingers or being nine feet tall. Why is that? Because **those things can be easily verified**", my emphasis, *Mush*, 2. I'm 5' 7" tall and weigh 147 pounds. Check it if you wish.

"Since there is no objective, public, scientific way to verify mush word accusations one way or another, these areas are beyond the reach of fair-minded reasonable people. This

sets the stage for a confidence game, which allows anyone to bluff their way in. Whoever can pretend to have certainty on the matter wins", my emphasis, *Mush*, 3.

"Use a mush word to accuse anyone of doing something 'wrong', and they'll panic and scramble around like terrified children, trying desperately to prove that they aren't whatever you accuse them of being. They'll fail of course--which means they've fallen right into your trap", *Mush*, 4. Not me.

"The game collapses when someone assertively stands up against mush words. If people insist on being judged by clear, objective, publicly available measures-or if they simply know themselves well-then they'll see through it all. (Or worse, they might go on offense and accuse the accuser of slander). When that happens the gig is up. The spell will be broken. It's time to find a new mush word and an easier target and start over", *Mush*, 6. Is E&Y an easier target than me, PCAOB? "Informally, they're guilty until proven innocent unless they can definitively clear their name-which is difficult, if not impossible because the burden of proof is on them", *Mush*, 4. "Mr. 18 for 18", who has the burden of production? See my April 5, 2022 submission, 1, Item 127.

"Birkelbach first argues that the five-year [SOL] set out at 28 USC § 2462 bars the disciplinary action in its entirety", *Birkelbach*, 478. "The SEC rejected the [SOL] challenge on two grounds. Initially, the SEC opined that § 2462 ... does not apply to FINRA, which is a private self-regulatory organization, and, therefore, is not a governmental entity", *Birkelbach*, 479. Then does the two-year SOL apply, my November 13, 2024 submission, 9? "Indeed, if we were to accept Birkelbach's interpretation--that failure to supervise is a single indivisible act which begins on the first day of unethical supervision--the result would be absurd", *Birkelbach*, 479.

Can the SEC "end run" § 2462 by having the PCAOB discipline CPAs? Or would that be absurd?

Absurd interpretations are disfavored. Also "one cannot do through another, what he cannot do himself". That's what I think. Have we "judicial estoppel" here?

"Scientists observe the world. They develop theories that aim to explain what they see. They collect data to test their theories and reject those that don't conform to the data", *Econ.* Unlike the PCAOB: I collect data and do not make unsupported assertions. I believe my data discredits the PCAOB as "protecting investors".

The SEC released *Medallion* on June 6, 2025. I read it and some related materials. Here are my unsolicited comments. Will the SEC thank me for them?

The 49-page complaint does **not** list Mazars as a defendant. It lists Medallion Financial Corp. (MFC) and three others. "The second scheme was to increase [MFC's] stock price by boosting the carrying value, or 'fair value' of Medallion Bank", *Complaint*, p 5. "Prior to 2018, the Bank was required to be carried at fair value on [MFC's] financial statements", *Complaint*, p 20. It **was** carried that way. I disagree with "it was required to be". "Prior to 2015, [MFC] measured the Bank's fair value as the equivalent of 'book value'," *Complaint*, p 88. In effect, treating the Bank as an equity subsidiary. "To justify this change, [MFC] claimed the increase in the value of the Bank was justified because the Bank had a 'premium' as a Utah industrial bank", *Complaint*, p 90. Was it true in 2014? Did Mazars challenge this? Did the SEC or PCAOB ask Mazars why it accepted this? To the SEC's credit, in February 2016 you asked about MFC's Bank non-consolidation. Does your new Chief Accountant find this erroneous?

"In 2019, 2020 and 2021, [MFC], Murstein and Meyers signed tolling agreements entered into with the Commission", *Complaint*, p 190. June 8, 2018 was **seven years ago**. I

never signed anything. The only PCAOB action against Mazars was Release 105-2024-008 (February 20, 2024), another nothingburger. A Peircian "foot-fault".

I read parts of the 10-Ks. In reading MFC's 12/31/17's balance sheet, I immediately questioned the Bank's non-consolidation. "A **wholly-owned portfolio investment**, Medallion Bank", my emphasis, 2017, F-7. Was MFC **always** a Bank Holding Company? What does your new Chief Accountant think? "Medallion Bank ... was established by [MFC] in 2003", *Complaint*, p 20. Was there no acquisition needing "fair value" allocation?.

Mazars' March 13, 2019 opinion, 2018 10-K, F-2, " says "[T]he Company withdrew its previous election to be regulated as a business development company". MFC owned 100% of the Bank in 2017 and 2018. As no facts changed, why did the accounting? Did the PCAOB or SEC spot this? 2018 Form 10-K, F-17 has \$150.8 million in goodwill arise from consolidating the Bank. Did the PCAOB look at Mazars' workpapers to see if it tested this? This \$150.8 million is on MFC's 2024 balance sheet. What difference does it make if the \$150.8 million debit is called goodwill or excess "fair value" of the bank? *Complaint*, p 150 reveals the 12/31/17 fair value was \$152.6 (\$290.5 - \$137.9) million over book value. \$152.6 looks close to \$150.8 to me.

"NRG Energy, one of the S&P 500's biggest year-to-date gainers, has volatile earnings due to its large derivatives-trading operation. ... The NPNS label means NRG decided it probably would settle the contracts through physical delivery of the underlying items, such as electricity or natural gas", *Trick*. This looks like CRAP to me. During the summer of 1976, I was semi-senior on a can manufacturer audit. The audit senior said, "CRAP" at one point. I responded, "Crap"? He said, "This is a creatively revised accounting principle". I do not see why the method of product delivery changes the accounting.

"NRG [changed accounting] based on its interpretation of a loophole in the accounting rules. In effect, it is saying it can initially use fair value for a contract but later switch to NPNS, so long as it makes a determination at the outset that the contract could qualify for NPNS treatment", *Trick*. SFAS 133, issued in June 1998, in my June 1, 2008 *Original Pronouncements* is 175 pages, attached. Now SEC, for a **Weinbaum Hueristic**: any SFAS over 10 pages long is suspect; any SFAS over 20 pages is wrong.

"This reading is consistent with what NRG's outside auditor, KPMG has said in a derivatives handbook on its website, The other Big Four accounting firms have published similar interpretations", *Trick*. I say "Crap". Applying my heuristic: derivatives should be marked to the market. My opinion is so simple even I can understand it. It uses no accounting metaphysics like found in "intent to hold an asset", my June 4, 2024 submission, 12-13. Well will the SEC "lane drift" and end this accounting nonsense? June 1998 was **27 years ago**.

"As I've been pointing out forever, liberals don't understand analogies, one of the most basic building blocks of logic, at least since Aristotle", *Wait*, 1. IA: AC also graduated from Michigan Law School and has an Ivy League degree, Cornell. "By contrast, analogies, especially in politics and the law are used to vindicate the **principle that like cases should be treated alike**", my emphasis, *Wait*, 2. IA, what do you claim not to understand? What did you learn in law school? You can push around non-lawyers? Not me.

"Historians, sociologists and journalists have shaped much of today's debate about slavery. but economists deserve a seat at the table too. Our comparative advantage is cutting through complexity to expose the incentives that drive behavior. ... Long before anyone coined the term 'business analytics', plantation owners were running a data-driven labor system", *Slav-*

very. Plantation owners had better "cost accounting" 250 years ago than the PCAOB has now!

"For two decades I have asked my Harvard undergraduates whether slavery harms them today; they invariably answer yes. Pressed for specifics, they cite lack of wealth creation, neighborhood segregation, or lingering notions of black inferiority once used to justify bondage. But when I request empirical proof, the room goes silent", *Slavery*. Then send them to law school then the PCAOB. "In my experience, **an economic lens, anchored in data and empirical evidence**, compliments moral reflection", my emphasis, *Slavery*. Data, evidence. Wow! Not authoritarian posturing. There I go again, S&I!

On June 18, 2025, the SEC ended *Fife*. I mentioned it in my September 4, 2024 submission, 12. My opinion: it should never have been brought. Belated congratulations.



George Weinbaum

SEC-BRIEF08

CERTIFICATE OF SERVICE

I, George Weinbaum certify that today, June 23, 2025, I mailed you three copies of my June 23, 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 9,722.

A black rectangular redaction box covering the signature of George Weinbaum.

George Weinbaum

PCAOB-SEC-COS13