

Pw's Comments regarding; PCAOB Rulemaking Docket Matter No. 029

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CC:

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Dear Folks:

Good afternoon and hope all is well way back East....

- **Please Note: Pw Carey takes sole ownership and pride in the following comments directed to the PCAOB. Pw, a sometimes reputable individual with an agnostic bent, does tend to drool at times, however this in no way reflect upon his professional associations, societies, friends and relatives of same, at this point in time.**

1. Would disclosure on Form AP as described in this release achieve the same potential benefits of transparency and an increased sense of accountability as mandatory disclosure in the auditor's report?

- **No....not as it is currently being considered**

How do they compare?

- **No, not without fair public access to same, after a triggering event of six (6) investor queries expressing concern with the level of lying, cheating and stealing connected with same.**

Would providing the disclosures on Form AP change how investors or other users would use the information?

- **No. Only if they have unencumbered public access to same....**

2. Are there special considerations relating to the Form AP approach that have not been addressed in this supplemental request for comment?

Yes. The establishment of format rules to assist Forensic Auditors when reviewing the Audit Logs, Audit Reports, et al.

Also, a triggering mechanism, that would kick open the doors for a formal audit review, whereby after six (6) or seven (7) queries/complaints regarding the veracity of the Formal Audit's including; lying, cheating, stealing, fraud, conflicts of interest, withholding of information material to the audit would be nice to have. Don't you agree?

If so, what are the considerations?

Human nature, and the desire to tip the scales in favor of those on the inside, (aka:"... if you're not cheating, you're not trying"....)

How might the Board address them?

Include some teeth-n-sticks along with this proposal, such as a formal review/audit kicks in when ever malfeasance is demonstrated resulting in three (3) years of public service dedicated to getting folks off welfare in the poorest communities in the United States.

What are the costs of Form AP compared to the costs of disclosure in the auditor's report?

Calculate the cost of nipping **one fraud in the bud, say (\$500,000.00 USDs) times another number should give us a fair benchmark. Don't you think?**

3. Would disclosure on Form AP mitigate commenter's' concerns about liability?

Nope. Those suffering from repeated bouts of unforeseen examples of; 'bad judgment', 'ethical lapses', 'mistakes' and 'poor judgment', 'poor choices' et al....would still float to the top, sorta like a half eaten Baby Ruth bobbing around in a country club's swimming pool.

Are there potential unintended consequences, including liability related consequences under federal or state law, of the Form AP approach?

- **Nope, not all. The rule of law in the United States will take care of the consequences, over time....as we can't catch all the speeders, but we'll catch some of them, (aka: financial bad actors)**

If so, what are the consequences?

- **Repeat the question please?.....Just kidding.**

How might the Board address them?

- **Ask yourself, if you were God and wanted to take into account the best interests of the investor, what would you like to have knowledge of....?**

4. In addition to the required filing of the Form AP, auditors may decide to voluntarily provide the same disclosures in the auditor's report. Are there any special considerations or unintended consequences regarding voluntary disclosure in the auditor's report?

- **Nope. The truth tends to will out, just as the wheels of justice tend to grind slowly, very slowly.**

If so, what are those considerations or consequences?

- **Please see previous comments.**

How might the Board address them?

- **Please see previous comments.**

5. What search criteria and functionality would users want for information filed on Form AP?

- **Same data format throughout, universal agreement to satisfy a Forensic Auditor, regardless of what encryption is used. The Content/Data much not be obfuscated and/or destroyed due to data encryption and de-cryption during an investigation.**

What additional criteria and functionality beyond what is described in Section IV of this release would be useful?

- **Don't know, need to review that section IV...**

Would third-party vendors provide additional functionality if the Board does not?

- **Never trust 3rd party vendors. Their goals are counter to ensuring the best outcomes for the investor.**

Are there cost-effective ways to make the disclosure more broadly accessible to investors who may not be familiar with PCAOB forms?

- **Yes, universal use of XML formats including Java formats.....et al...just pick one that doesn't breakdown under stress testing encountered with encrypted data and forensic audits....**

6. Is 30 calendar days after the filing of the auditor's report (and 10 calendar days in the case of an IPO) an appropriate amount of time for firms to file Forms AP?

- **Yes, just don't lose track of them...**

Should the deadline be shorter or longer?

Make that tem (10 Business Days) rather than 10 calendar days....so we're all on the same calendar.

Why?

- **It's more considerate. Don't you agree?**

Are there circumstances that might necessitate a different filing deadline?

- **You mean religious holidays, like Saint Patrick's Day or Guy Fawkes Day? Nope. A deadline is a whatchamacallit.....**

For example, should there be a longer deadline (e.g., 60 days) in the first year of implementation?

- **Nope.**

Should the 10-day deadline apply whenever the auditor's report is included in a Securities Act registration statement, not just in the case of an IPO?

- **Yes, for ease of memory, et al....**

7. This supplemental request for comment contemplates not requiring disclosure of nonaccounting firm participants in the audit as previously proposed. Is it an appropriate approach to not require disclosure of nonaccounting firm audit participants?

No. It is totally inappropriate.....if they have a greater than 10% influence upon the accuracy of the audit in question....and that's being polite.

If not, should the Board adopt the requirements as proposed in the 2013 Release or the narrower, more tailored approach described in Section V of this supplemental request, which would not require disclosure of information about nonaccounting firm participants controlled by or under common control with the accounting firm issuing the auditor's report, with control as defined in Section V?

- **The Golden Rule for Auditing to uncover fraud is; Report, Report, Report, (aka: the more logs the better)**

If the Board were to adopt this narrower, more tailored approach, is the description of the scope of a potential requirement sufficiently clear?

- **No, please refer to "The Golden Rule for Auditing to Uncover FRAUD" is; Report, Report, Report, (aka: the more logs the better)**

Why or why not?

- **Please see previous comment.**

Is the definition of control in Section V appropriate?

- **Nope. Does not protect the investor from the Auditors; lying, cheating and stealing, does it?**

Why or why not?

- **Please See Previous Comment (lack of investor protection)**

8. Does Form AP pose any specific issues for EGCs?

- **Nope. Just something for them to consider along with their Business Model.**

Would disclosure of the required information on Form AP promote efficiency, competition, and capital formation if applied to EGCs?

- **Make this determination after a Test Phase of three (3) months. Don't see why it wouldn't, as it would allow them to take a closer look at what they're doing and trying to accomplish.**

If so, how?

Please see previous comment.

How does disclosure on Form AP compare to disclosure in the auditor's report proposed in the 2013 Release in that regard?

- **More data/information available to the investor is better than less or NO ACCESS WHAT SO EVER. Which is what they're faced with at this point in time. No?**

Would creating an exemption for audits of EGCs benefit or harm EGCs or their investors?

- **Harm.**

Why?

- **Please see previous comments.**

9. Does Form AP pose any specific issues for brokers, dealers, or other entities?

- **Yes.**

If so, what are those issues?

- **Greater opportunity for Independent Forensic Auditors to discover bad actors within the Audit Community/Industry.**

How does disclosure on Form AP compare to disclosure in the auditor's report proposed in the 2013 Release in that regard?

- **Greater opportunity for discovery of Auditor; lying, cheating and stealing via increased information/data pertaining to formal audits.**

10. Are the rule to implement Form AP, the instructions to Form AP, and the amendments to AU sec. 508 included in Appendix 1 clear and appropriate?

- **Sorta but not really.....too many big words....and phrases, such as....”If the Auditor chooses to do so....” Whenever we encounter that phrase it makes us want to pull up the covers and go back to sleep.....**

Why or why not?

- **Fear of being hoodwinked.....by the Equity Goblins**

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11. Are there additional economic considerations associated with mandated disclosure, either in the auditor's report or on Form AP, that the Board should consider?

- **Lack of disclosure leading to financial bombs hurting the Investor Community as well as the Investment Community.....sounds about right....(Aka: guess who stayed up all night last weekend.....hint.....China?)**

If so, what are those considerations?

- **Fear and loathing of the Equity Goblins will suffice at this point in time.....**

The Board is particularly interested in hearing from academics and in receiving any available empirical data commenter's can provide.

- **Find some folks who are truly Agnostic, do not have any skin in the game, are not political and regularly read CITYAM.....would be a nice choice.....or someone like me.....whichever comes first....**

12. Assuming the Board adopts a rule during 2015, would it be feasible to make the requirement, either in the auditor's report or on Form AP, effective for auditors' reports issued or reissued on or after June 30, 2016, or three months after the SEC approves the requirements, whichever is later?

- **Yes, plus or minus a three (3) month stress testing/break-in phase of course.**

How much time following SEC approval would firms need to implement the requirement either in the auditor's report or on Form AP?

- **Three (3) months after successfully completing the Stress Test Phase with a score of 89.7% to pass**

In summary, it is our professional and personal opinion that once again the investor community is kept in the dark. Not the investment community (comprised of all the different aromas drifting out from under Wall Street), nor the auditors, CPAs, Regulators and their bosses in Washington, nor those currently residing in the C-suites around the world.

Rather, once more it's the investor who has been excluded from the role of arbitrator for what information is good for them to have access to. Interesting, no?

In conclusion, thank you for allowing us to express our comments to a swell bunch of regulators who are looking out for our best interests. Honest. We turn to you all for guidance, if not satisfaction at this point in time. And our best wishes, too....

Respectfully submitted,

Pw Carey

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