

**From:** Marc Freedman <mbfcpa@outlook.com>  
**Sent:** Monday, August 7, 2023 3:57 PM  
**To:** Comments  
**Subject:** [EXT]: PCAOB Rulemaking Docket 051: Amendments to PCAOB Auditing Standards related to a Company's Noncompliance with Laws and Regulations

If I am reading correctly your description of the proposed amendments related to a Company's non-compliance with Laws and Regulations, it would seem to place an impossible task on Auditors. For example, there are laws against false advertising with which all companies are required to comply. If convicted of false advertising, in a class action suite, for example, the penalties could easily be material. An example – the suit in the last week or so accusing Tesla of false advertising by overstating its mileage. A successful class action suite could have a major impact on the company. Your proposal, as I read it, would have the auditors not only identify all advertising claims but, perhaps by using experts, try to evaluate which, if any of those claims might possibly be challenged and, if challenged, which might, if the challenge is successful, have a material impact on the company.

This is putting an impossible burden on the auditors. For companies, big and small, the possibilities for lawsuits are endless and it is only after a successful suit, especially if the impact on the company is substantial, that the "deep pockets" of the accounting firm, for not having performed the required procedures, will be available to the plaintiffs.

Thank you for taking my comments into account,

Marc B. Freedman, CPA  
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