

Dear PCAOB:

Docket No. 029 Comments Submitted – Feb. 3<sup>rd</sup>, 2014

Good afternoon and we made the deadline, although it wasn't easy.....but we won't bore you with the grimy details, at this point in time...

Please Note: The following is only intended to help you all along on your efforts to improve a rather remarkable industry.

**For Example: Terms Used or Not Within PCAOB Docket No. 029, Feb. 3rd, 2014.....:**

- Use Case - 0
- COSO - 0
- COBIT - 0
- Fines - 0
- Penalties - 0
- Sample Test - 0
- Best Practices - 0
- Fraud - 4 or 5 (with 3 being referenced citations)
- Risk Assessment - 0
- Risk Analysis - 0
- Governance - 0

**Section VII Response:**

Questions 1 thru 25

Yes when the solution comes down on the side of the investor community and No when it does not favor the Investor community (in all instances) and how this would be accomplished is via a series of quantitative analysis, peer review and independent testing available for a three month 'Comments' window, followed by a Six month trial period using volunteer entities who can see the value in this effort.

## **Lastly, two notes, one regarding Libor:**

Thank gaud both the internal & external auditors uncovered this on-going and massive fraud involving the following (and growing list) of entities:

- ICAP
- RBS
- JP Morgan
- Deustche Bank
- Societe Generale
- UBS
- Citigroup
- Rabobank.....et al.....

We appreciate your efforts in providing a more level playing field for the investor community, and in the same vein of sharing, please note the following view of the Dodd-Frank Volker Rule analysis:

Dodd-Frank Act / Volker Rule\_2014

## **References Made to the Following Terms or Not - Within The Volker Rule, 2014:**

- PCAOB - 0
- COSO - 0
- COBIT - 0
- Fraud - 12 (give or take a few)
- Audit - 45 (with caveats)
- Exemption - 10,000 instances and counting....big enough to satisfy anyone with a dark heart....

and reasons provided were comprised of the Dark Triad of;

- Higher Costs,
- Negative Economic Impact and our favorite
- Liability

rather than those associated with the ole fashioned psychological Dark Triad comprised of;

- Narcissistic,
- Machiavellian,
- Psychopath

**Please Note: Never, ever go on a date with the latter Dark Triad.....never.**

*The reference to “audit” does not mean that the independent testing must be performed by a designated auditor, whether internal or external.*

**Page 777**

*The Agencies believe it would be unnecessarily burdensome to require particular licensing and registration processes for internal auditors that are specific to section 13 of the BHC Act.*

**Page 805**

*Accordingly, the information contained in these metrics is retained in the final rule while the burden associated with computing, auditing and reporting these additional metrics on an ongoing basis has been eliminated.*

**Page 844**

*(4) Independent testing and audit of the effectiveness of the compliance program conducted periodically by qualified personnel of the banking entity or by a qualified outside party;*

**Page 941**

*Subject the effectiveness of the compliance program to periodic independent review and testing, and ensure that the entity’s internal audit, corporate compliance and internal control functions involved in review and testing are effective and independent;*

**Page 954**

*The proposed definition of material conflict of interest did not address instances in which a banking entity has made a material misrepresentation to its client, customer, or counterparty in connection with a transaction, class of transactions, or activity, as such transactions or activity appears to involve fraud rather than a conflict of interest. This is because such misrepresentations are generally illegal under a variety of Federal and State regulatory schemes (e.g., the Federal securities laws).<sup>1554</sup> In addition, the Agencies noted that any activity involving a material misrepresentation to, or other fraudulent conduct with respect to, a client, customer, or counterparty would not be permitted under the proposed rule in the first instance.*

Page 451

That’s about it for now....do keep up the good effort as it can only improve a system deserving of your attention....

In closing, our best wishes, too....

Respectfully yours,

Pw Carey