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ACCOUNTING & AUDIT

The Comedy Store Sues Moss Adams Over Missed \$8.5 Million in COVID Relief Funds

The suit claims the accounting firm misrepresented its expertise about the federal COVID-related relief program.

Aug. 31, 2022



By Stacy Perman, Los Angeles Times (TNS)

The Comedy Store filed a lawsuit against its accounting firm, alleging that it missed out on receiving at least \$8.5 million in COVID-19 relief funds due to “misrepresentations, gross negligence and misconduct.”

According to the suit filed Tuesday in Los Angeles Superior Court, accountants Moss Adams, based in Seattle with offices in Los Angeles, misrepresented its “expertise and knowledge about” the federal COVID-related relief program and failed to inform the Comedy Store that the application to apply for the government grants was closing in August 2021.

Moss Adams did not immediately respond to a request for comment.

The famed [West Hollywood institution](#) that helped launch the careers of countless comedians including Richard Pryor and Robin Williams alleges that losing out on the COVID-relief money was “particularly damaging” as its business dropped by

some 90% during the end of 2020, when the pandemic halted live entertainment and forced businesses to shutdown as people sheltered at home.

The tax-free government grant funds, part of \$16 billion in emergency assistance for performing arts businesses, was “a critical element of the Store’s efforts to recover from the economic hardship imposed by the COVID-19 pandemic,” the suit states.

After determining that the Comedy Store was eligible for the funds, Harold Breslow, the Store’s temporary acting controller, along with Chief Executive Peter Shore sought help in “navigating” the application process, according to the suit.

Breslow contacted Moss Adams and was informed in July that the firm could assist and introduced Breslow to Aparna Venkateswaran, an accountant at the firm, who was described as “our expert in all things SBA,” meaning the the Small Business Administration, which was overseeing the program.

The Comedy Store alleges that the day after it discussed its application with Venkateswaran, it attempted to submit its application, “only to discover that the program had closed and eligibility consequently terminated.”

“Moss Adams directly induced Breslow and the Store to rely on its expertise in preparing and filing its application, and that obviously included assuring the application was filed while the program remained open and the grant remained available,” the suit alleges.

When the Comedy Store subsequently issued a demand letter to Moss Adams, “concerning this gross negligence,” it was informed that “its entire file relating to the engagement has been lost,” according to the suit.

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