

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
September 13, 2007

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12793**

**In the Matter of**

**JAY J. SHAPIRO, CPA, P.C.**  
**and JAY J. SHAPIRO, CPA,**

**Respondents.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE AND CEASE-**  
**AND-DESIST PROCEEDINGS**  
**PURSUANT TO SECTIONS 4C AND 21C**  
**OF THE SECURITIES EXCHANGE ACT**  
**OF 1934 AND RULE 102(e) OF THE**  
**COMMISSION'S RULES OF PRACTICE,**  
**AND NOTICE OF HEARING**

**I.**

The Securities and Exchange Commission ("Commission") deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 102(e) of the Commission's Rules of Practice against Jay J. Shapiro, CPA, P.C. ("Shapiro PC") and Jay J. Shapiro, CPA ("Shapiro") (collectively "Respondents").

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENTS**

1. **Jay J. Shapiro, CPA, P.C.** is a California corporation and public accounting firm headquartered in Los Angeles, California. Shapiro PC prepared and issued an audit report dated January 12, 2004, in connection with its audit of Daleco Resources Corp. ("Daleco").

2. **Jay J. Shapiro, CPA**, 57, of Los Angeles, California, is a certified public accountant licensed in the states of Wisconsin and California since 1973 and 1978, respectively. As engagement partner on the Daleco engagement, Shapiro participated in the preparation and issuance of the January 12, 2004 Daleco audit report.

## **B. OTHER RELEVANT ENTITY**

1. Daleco is a Nevada corporation based in West Chester, Pennsylvania. Daleco's common stock trades on the OTC Bulletin Board and is registered with the Commission pursuant to Section 12(g) of the Exchange Act. Daleco reported \$1.5 million of revenues and total assets of \$25 million for fiscal year ended September 30, 2003. Daleco has at all relevant times been an issuer as defined by the Sarbanes-Oxley Act of 2002 (the "Act").

## **C. FAILURE TO REGISTER WITH THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD**

1. Section 102(a) of the Sarbanes-Oxley Act of 2002 (the "Act") prohibits any person that is not a registered public accounting firm with the Public Company Accounting Oversight Board ("PCAOB" or "Board") from preparing or issuing, or participating in the preparation or issuance of, any audit report with respect to any public reporting company after October 22, 2003.

2. Though Respondents were aware of the PCAOB registration requirement, at no time did Shapiro PC register with the PCAOB as a public accounting firm.

3. Shapiro PC audited Daleco's 2003 financial statements included in Daleco's annual report for fiscal year ended September 30, 2003 on Form 10-K, filed with the Commission on January 14, 2004.

4. Shapiro PC prepared and issued an audit report dated January 12, 2004, which was included in Daleco's Form 10-K.

5. Shapiro participated in auditing the 2003 financial statements included in Daleco's annual report for fiscal year ended September 30, 2003 on Form 10-K, filed with the Commission on January 14, 2004.

6. Shapiro participated in the preparation and issuance of an audit report dated January 12, 2004 which was included in Daleco's Form 10-K.

7. Respondents were aware of the registration requirement and the October 22, 2003 deadline for registration with the Board when Shapiro PC issued the January 12, 2004 audit report.

8. Shapiro PC received \$40,000 for conducting an audit of the financial statements of Daleco and for issuing an audit report on those statements.

## **D. VIOLATIONS**

1. Section 4C(a) of the Exchange Act provides, in relevant part, that the Commission "may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found by the Commission ... (1) not to possess the requisite qualifications to represent others ... or (3) to have



