

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 4058/August 12, 2016

ADMINISTRATIVE PROCEEDING  
File No. 3-17228

In the Matter of

DAVID S. HALL, P.C.  
d/b/a THE HALL GROUP CPAs,  
DAVID S. HALL, CPA,  
MICHELLE L. HELTERBRAN COCHRAN, CPA,  
and SUSAN A. CISNEROS

ORDER DENYING MOTION FOR  
SUMMARY DISPOSITION OF  
MICHELLE L. HELTERBRAN  
COCHRAN, CPA

The Securities and Exchange Commission issued an order instituting proceedings (OIP) in this matter on April 26, 2016. In relevant part, the OIP alleges that: between 2010 and 2013, Respondents collectively failed to conduct 16 annual audits and 35 quarterly reviews in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB); as a result, David S. Hall, P.C. d/b/a The Hall Group CPAs (Hall Group) violated, and Michelle L. Helterbran Cochran, CPA, and others aided and abetted and caused the Hall Group's violations of Rule 2-02(b)(1) of Regulation S-X.<sup>1</sup> *See* OIP at 3, 5, 9, Appendix. The OIP further alleges that Helterbran and others aided and abetted and caused issuers to violate Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act) and rules thereunder, and engaged in improper professional conduct subject to Exchange Act Section 4C(a) and Commission Rule of Practice 102(e)(1). *See* OIP at 9-10.

Helterbran filed her answer on May 24, 2016, in which she denied most key allegations. On July 1, 2016, after the Division of Enforcement made the investigative file available to her for inspection and copying, Helterbran submitted by email a motion for summary disposition (Motion) that included one exhibit (Helterbran Ex. 1). *See* Div. Motion at 2 (noting that investigative file has been made available). The Division timely filed an opposition (Opp.) that included one exhibit (Div. Ex. 1), and Helterbran submitted by email a reply (Helterbran Reply) that included four exhibits (Helterbran Exs. A-D).

As hard copy filings of Helterbran's Motion and Reply were not received by the Office of the Secretary, my office forwarded copies of these submissions to that office for inclusion in the

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<sup>1</sup> I refer to David S. Hall, CPA, as Hall, and to Hall together with the Hall Group as the Hall Respondents.

record. The parties are reminded to review the filings requirements of Rules 151 and 152 and filing instructions. *See* Rules of Practice, <http://www.sec.gov/about/rulesprac2006.pdf>; Instructions for Respondents, <http://www.sec.gov/alj/alj-instructions-for-respondents.pdf>.

Summary disposition may be granted if there is no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law. 17 C.F.R. § 201.250(b). The facts on summary disposition must be viewed in the light most favorable to the non-moving party. *See Jay T. Comeaux*, Securities Act of 1933 Release No. 9633, 2014 SEC LEXIS 3001, at \*8 (Aug. 21, 2014). In considering the Motion, the OIP has been taken as true, except as modified by stipulations or admissions made by the Division, by uncontested affidavits, and by facts officially noticed pursuant to Rule of Practice 323. *See* 17 C.F.R. §§ 201.250(a), .323.

The Motion fails to meet this standard. Helterbran has submitted no evidence inconsistent with the OIP that qualifies as a stipulation, admission, uncontested affidavit, or officially noticeable fact. The evidence attached to her moving papers consists of financial statements of the audit clients at issue (Helterbran Ex. 1), one page from the OIP (Helterbran Ex. A), compensation documentation for Respondent Susan A. Cisneros (Helterbran Ex. B), a PCAOB release (Helterbran Ex. C), and what appears to be a copy of PCAOB Quality Control Standard QC Section 40 (Helterbran Ex. D).<sup>2</sup> Other evidence cited in the Motion, but not attached to it, includes various PCAOB releases, periodic filings available on EDGAR, and excerpts of investigative testimony. *See generally* Motion. Only the OIP page, PCAOB releases, QC Section 40, and periodic filings available on EDGAR may be considered under Rule 250(a). Because they are not inconsistent with the OIP, they do not show the lack of a genuine issue of material fact, and so even collectively they do not establish that Helterbran is entitled to summary disposition.

Even if all of Helterbran's evidence could be considered under Rule 250, the Division has shown that there exists at least one genuine issue of material fact. The PCAOB found, and the Hall Respondents did not dispute, that Cisneros improperly served as engagement quality reviewer for three audits in 2012 and 2013. *See* PCAOB Inspection Comment Form at 00020-23 (filed as Ex. 24 to the Division's motion for partial summary disposition against the Hall Respondents). The Division also cites Cisneros' investigative testimony, in which she conceded that she did not "consider [her]self to have the knowledge and competence in accounting, auditing, and financial reporting that's required to serve as the engagement partner for an engagement conducted under PCAOB auditing standards." Div. Ex. 1 at 141. And Helterbran admits that she "began using [Cisneros] as an Engagement Quality Reviewer" in 2010. Helterbran Reply at 2. Such evidence raises a genuine issue of material fact regarding, at minimum, whether the Hall Respondents fully complied with PCAOB Auditing Standard No. 7 (requiring an auditor to obtain an engagement quality reviewer with sufficient qualifications and concurring approval to issue the engagement report for each audit and interim review

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<sup>2</sup> Although not apparent from the face of Helterbran Ex. D, QC Section 40 is available on the PCAOB's website, <https://pcaobus.org/Standards/QC/pages/qc40.aspx>. I encourage the parties when formulating their exhibit lists to be clear about the nature and origin of documentary evidence.

engagement); whether Helterbran aided and abetted and caused The Hall Group's violation of Rule 2-02(b)(1) of Regulation S-X (requiring an auditor's report to accurately state whether an audit was made in accordance with PCAOB standards); and whether Helterbran engaged in improper professional conduct within the meaning of Exchange Act Section 4C(a) and Rule 102(e)(1). *See* OIP at 5-7, 9-10.

It is therefore ORDERED that Helterbran's motion for summary disposition is DENIED.

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Cameron Elliot  
Administrative Law Judge