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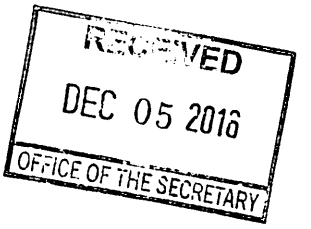
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



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

Respondents.

DIVISION OF ENFORCEMENT'S POST-HEARING BRIEF

Dated: December 2, 2016

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TABLE OF CONTENTS

TABLE OF AUTHORITIES

FEDERAL CASES

FEDERAL STATUTES

DIVISION OF ENFORCEMENT'S POST-HEARING BRIEF

The Division of Enforcement ("Division") submits this Post-Hearing Brief and respectfully shows the following:

I.
INTRODUCTION

The core question before the Court is whether Respondents Michelle Helterbran and Susan Cisneros conducted audit and review engagements in accordance with Public Company Accounting Oversight Board ("PCAOB") standards. They did not. As shown below, in at least 29 engagements, Helterbran and Cisneros repeatedly failed to abide by PCAOB standards. Instead, Helterbran knowingly failed to obtain or document Engagement Quality Reviews, permitted the reviews of engagements to be performed out of order, and used Cisneros as an Engagement Quality Reviewer, when she was not competent to perform such reviews. Through this conduct, Helterbran and Cisneros willfully aided and abetted and caused their firm's violations of Rule 2-02(b)(1) of Regulation S-X and caused their firm's clients' violations of Section 13(a) of the Exchange Act and Rule 13a-1 and 13a-13 thereunder. Although they try to marginalize their conduct by mischaracterizing it as simple lapses in documentation, these violations are meaningful, go beyond just documentation errors, and serve important roles in the protection of investors. Accordingly, the Division requests that they be permanently suspended from appearing or practicing before the Commission as accountants; required to cease-and-desist from their violations; and ordered to pay monetary relief.

II.
FACTS

David Hall began auditing public companies through his firm, The Hall Group ("THG"), in 2003. [Tr. 62:10-12]. For the five preceding years, THG had primarily

audited nonprofit clients. [Tr. 61:24 – 62:9]. THG was a small firm, averaging three to five employees. [Tr. 62:13-16]. In 2005, Hall hired Susan Cisneros to work as an auditor. [Tr. 71:20 – 72:5]. Although Cisneros had an accounting background, she was not a Certified Public Accountant. [Tr. 72:6-18]. Prior to joining THG, Cisneros had not performed any public company auditing. [Tr. 221:12-21]. While at THG, she primarily worked on audits of the firm's not-for-profit clients, but may have spent up to half her time on public company audits. [Tr. 223:25 – 224:3; 512:18 – 513:3].

In September 2007, Hall hired Michelle Helterbran, a Texas Certified Public Accountant, to work on public company audits. [Tr. 458:9-12; 457:20-25]. Beginning in 2011, Helterbran began acting as the engagement partner for some of THG's public company clients, primarily because Hall could no longer serve as the Engagement Partner on those engagements due to partner rotation requirements. [Tr. 458:13-20; 64:14-22]. Indeed, from December 2010 to March 2013, she served as the engagement partner for at least 24 audit and review engagements for public company clients. Stip. ¶ 9.

After Helterbran joined THG in 2007, Cisneros reduced her public company workload to 20% of her time. [Tr. 512:18 – 513:3]. Beginning in 2011, Cisneros began acting as an Engagement Quality Reviewer for THG, serving in that role on at least 19 engagements through 2013. Stip. ¶ 10; DOE Exh. 28 p. 5.

Cisneros initially left the Hall Group in January 2012, and Helterbran left in the first half of 2013. [Tr. 251:12-14]. But Cisneros continued to conduct EQRs for THG on an as-needed basis through 2013. [Tr. 257:16-24]. And after David Hall sold THG to Thakkar CPA in January 2014, Cisneros returned to the firm. [Tr. 257:20 – 258:4]. In May or June 2014, she was fired from THG. [Tr. 258:16-18, 432:10-12].

III.
ARGUMENTS AND AUTHORITIES

On July 28, 2009, the PCAOB adopted Auditing Standard No. 7, *Engagement Quality Review* ("AS 7"), which required that Engagement Quality Reviews be performed on audits and reviews for fiscal years beginning on or after December 15, 2009. PCAOB Release No. 2009-004 (July 28, 2009).[1] When conducting an Engagement Quality Review, the Engagement Quality Reviewer "should evaluate the significant judgments made by the engagement team and the related conclusions reached in forming the overall conclusion on the engagement and in preparing the engagement report." AS 7 ¶ 9. This is accomplished through discussions with the engagement team and by reviewing their documentation of the engagement. AS 7 ¶ 9. The ultimate objective of the Engagement Quality Review is to "determine whether to provide concurring approval of issuance" of the audit report or the report on the review of interim financial statements (or communication of the completion of a review engagement if no report is issued). AS 7 ¶ 2. The Engagement Quality Reviewer can provide this "concurring approval of issuance" only if, after performing the review with due professional care, they are unaware of any significant engagement deficiency. AS 7 ¶ 12, 17. The firm cannot grant permission to the client to use the engagement report (or communicate the conclusion of the engagement) unless the Engagement Quality Review provides the concurring approval of issuance. AS 7 ¶ 13, 18.

[1] The Commission has clarified that any reference to generally accepted auditing standards ("GAAS") in the federal securities laws or the Commission's rules and guidance must be read as a reference to the standards promulgated by the PCAOB. Commission Guidance Regarding the Public Company Accounting Oversight Board's Auditing and Related Professional Practice Standard No. 1, Exchange Act Release No. 49708, 69 Fed. Reg. 29064, 29065 (May 14, 2004) (the "2004 Guidance") ("Effective immediately, references in Commission rules and staff guidance and in the federal securities laws to GAAS or to specific standards under GAAS, as they relate to issuers, should be understood to mean the standards of the PCAOB plus any applicable rules of the Commission."). For example, when Rule 10-01(d) of Regulation S-X requires that interim financial statements be reviewed using "professional standards and procedures for conducting [] reviews, *as established by generally accepted auditing standards . . .*" (emphasis added), that language must be read to mean the PCAOB's standards. There is no other standard that applies.

The Engagement Quality Reviewer must be someone that has competence, independence, integrity, and objectivity. AS 7 ¶ 4. Competence means that the Engagement Quality Reviewer "must possess the level of knowledge and competence related to accounting, auditing, and financial reporting required to serve as the engagement partner on the engagement under review." AS 7 ¶ 5. In other words, if someone is not qualified to be the engagement partner on an engagement, they cannot serve as the EQR on that engagement. As to objectivity, the Engagement Quality Reviewer "should not make decisions on behalf of the engagement team or assume any of the responsibilities of the engagement team." AS 7 ¶ 7. Further, if the Engagement Quality Reviewer is "from the firm" that issues the report, then they must be a partner of the firm or in an equivalent position. AS 7 ¶ 3. Consistent with Auditing Standard No. 3, *Audit Documentation* ("AS 3"), AS 7 requires that documentation of an Engagement Quality Review should contain "sufficient information to enable an experienced auditor, having no previous connection with the engagement, to understand the procedures performed by the engagement quality reviewer," including who performed the EQR, the documents they reviewed, and the date the concurring approval of issuance was provided or why it was not. AS 7 ¶ 19.

As discussed below, Helterbran, when obtaining EQRs for engagements on which she acted as the Engagement Partner for THG, and Cisneros, when acting as the EQR on engagements for THG, failed to comply with these provisions.

A. Helterbran and Cisneros Conducted Audit and Review Engagements that Did Not Comply With PCAOB Standards.

In its Order Instituting Proceedings ("OIP"), the Division provided an Appendix identifying 16 audit and 35 review engagements by THG that it alleged were not conducted in accordance with PCAOB standards. Of these 51 total engagements, 19 relate only to David Hall, who has settled the charges against him, and three with blank or missing work

papers. These engagements are not part of this brief. Rather than addressing each of the remaining engagements in turn, the Division has identified four categories covering the remaining engagements. Each category represents a basis for finding that the related engagements were not conducted in accordance with PCAOB standards:

1. No Engagement Quality Review Performed;
2. Engagement Quality Review Performed Before the Detail or Engagement Partner Review;
3. Engagement Quality Review Performed by Someone "From the Firm" But Not a Partner; and
4. Engagement Quality Review Conducted by Someone Not Competent to Act as the Engagement Quality Reviewer.

Although some of the engagements fall into multiple categories, each of the remaining engagements belongs to at least one. Attached as Exhibit A is a copy of the Appendix filed with the OIP that includes an additional column stating which of the four categories apply to each of the engagements.

1. No Engagement Quality Review Performed

Under AS 7, Engagement Quality Reviews ("EQRs") are required for both audit and review engagements. AS 7 ¶ 1; Tr. 493:7-12. Thus, an audit or review engagement is not conducted in accordance with PCAOB standards if an EQR is not performed. AS 7 ¶ 1. Further, under AS 3 and AS 7, engagement quality reviews must be documented such that an experienced auditor with no previous connection to the engagement can determine what work was performed, who reviewed the work, and the date the review occurred. AS 3 ¶ 6; AS 7 ¶ 19. Accordingly, an EQR that is not sufficiently documented is also not conducted in accordance with PCAOB standards.

Helterbran and Cisneros have stipulated, and testimony from the hearing otherwise proves, that THG used a Supervision, Review and Approval Form[2] ("SRAF") to document multiple, critical components of the engagements, including:

- The engagement partner's confirmation that the engagement was conducted in accordance with PCAOB standards [Stip. ¶¶ 5.d, 7.d];
- The engagement partner's approval to issue the firm's report on an audit [Stip. ¶ 5.d];
- The name of the Engagement Quality Reviewer and confirmation of certain procedures performed in connection with the Engagement Quality Review of the work papers and the date of such review [Stip. ¶¶ 5.e, 7.f]; and
- The Engagement Quality Reviewer's approval of issuance of the report for the engagement [Stip. ¶ 5.f; Tr. 505:18-21].

The SRAF was the sole method THG used to document the completion of the Detailed Review, the Engagement Partner Review, and the Engagement Quality Review, including the concurring approval of issuance by the EQR. [Tr. 96:19-23, 199:1-5, 505:18-21]. Thus, if the SRAF does not indicate that an EQR was performed, there is sufficient evidence that the EQR did not occur, in violation of AS 7, or it was not documented, in violation of AS 3. On the below engagements, the related SRAFs lack *any* indication that an EQR was performed, and these engagements were therefore not conducted in accordance with PCAOB standards.

Appendix No.	Engagement Type	Issuer	Fiscal Period Ended	SRAF
13	Audit	Surface Coatings, Inc.	12/31/2011	Exh. 101
4	Review	360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	3/31/2013	Exh. 32
10	Review	Dyna Resource, Inc.	3/31/2013	Exh. 49
21	Review	Kingdom Koncrete, Inc.	3/31/2013	Exh. 77
23	Review	Premier Oil Field Service	3/31/2012	Exh. 83
24	Review	Premier Oil Field Service	6/30/2012	Exh. 84

[2] The firm used multiple versions of two separate forms: PCA-CX-14-1, for audits, and PCA-IR-4, for review engagements. Stip. ¶3, 6.

On the three below engagements, while there is an indication that someone was supposed to perform the EQR, or purportedly did so over the phone, there is no signature indicating who performed the work, what work was performed, or when that work was performed. Accordingly, these engagements were also not conducted in accordance with PCAOB standards.

Appendix No.	Engagement Type	Issuer	Fiscal Period Ended	SRAF	EQR Notation
11	Audit	Premier Oil Field Service	12/31/2012	Exh. 87	"need s/o"
25	Review	Premier Oil Field Service	9/30/2012	Exh. 85	"get sig & sign-offs" and "ok per SC (over phone)"
34	Review	Surface Coatings, Inc.	3/31/2013	Exh. 108	"SC to s/o"

2. Engagement Quality Reviews Performed Before the Detail or Engagement Partner Review

In addition to documenting the EQR, THG also used the SRAF to document a review of the engagement work papers by the staff member in charge of the fieldwork for the engagements (the Detail Review) and a review of the work papers by the Engagement Partner (the Engagement Partner Review). [Tr. 85:1-10; 86:19-23; 505:18-21]. The objective of an Engagement Quality Review "is to perform an evaluation of the significant judgments made by the engagement team and the related conclusion reached in forming the overall conclusion on the engagement . . . to determine whether to provide *concurring* approval of issuance." AS 7 ¶ 2 (emphasis added). Indeed, Cisneros acknowledged that the EQR is intended to act as a second set of eyes on the engagement. [Tr. 232:18-22]. Thus, the

detail and engagement partner reviews must occur *before* the EQR, otherwise there are no judgments or conclusions for the Engagement Quality Reviewer to evaluate, let alone concur with, and the EQR fails to achieve its intended purpose. [Tr. 94:10-15]. Notably, the SRAF was designed to ensure that the EQR did not occur before the other reviews: the first item under the Engagement Quality Review section of the SRAF to be confirmed states that both preceding sections—the Detail Review and the Engagement Partner Review—had already been completed. See, e.g., DOE Exh. 63.

On each of the below engagements, the SRAF indicates that the EQR was performed *before* the completion of both the Detail Review and Engagement Partner Review, and therefore the engagements were not conducted in accordance with PCAOB standards.

Appendix No.	Eng. Type	Issuer	Fiscal Period Ended	Detail Review (Date Signed)	EP (Date Signed)	EQR (Date Signed)	SRAF
1	Audit	Freestone Resources, Inc.	6/30/12	Helterbran (9/24/12 & 10/12/12)	Hall (10/4/12)	Cisneros (9/23/12)	Exh. 63
3	Audit	Seven Arts Entertainment Inc.	6/30/12	Helterbran (11/10/12)	Hall (11/15/12)	Cisneros (10/16/12)	Exh. 92
9	Review	Dyna Resource, Inc.	9/30/12	Helterbran (11/26/12)	Helterbran (11/26/12)	Cisneros (11/15/12)	Exh. 45
20	Review	Kingdom Koncrete, Inc.	9/30/12	Helterbran (10/24/12 & 11/24)	Helterbran (10/24/12)	Cisneros (10/25/12)	Exh. 74
32	Review	Surface Coatings, Inc.	6/30/12	Incomplete and Undated	Helterbran (8/20/12)	Cisneros (8/20/12)	Exh. 103

3. Engagement Quality Reviews Performed by Someone "From the Firm" But Not a Partner.

Auditing Standard 7 requires that if the person performing the EQR is "from the firm," that person "must be a partner or another individual in an equivalent position." AS 7 ¶ 3. While AS 7 does not define the phrase "from the firm," there can be no doubt that Susan Cisneros was "from" THG. During the hearing, Cisneros testified that from 2005 to 2012

she was employed by THG and she considered herself an employee of THG. [Tr. 221:8-11, 251:12-14, 262:4-13]. She further testified that she did not recall working for anyone else during this period, a fact confirmed by her resume. [Tr. 255:8-16; DOE Exh. 119]. Thus, any EQR Cisneros performed during this period was performed while she was "from" THG.

Because Cisneros was "from" THG, AS 7 required that she be a partner of THG or in an equivalent position. AS 7 ¶ 3. She was not. As she noted repeatedly during the hearing, Cisneros was not a partner of THG, nor was she in an equivalent position. [Tr. 222:17-223:5; 453:20-454:5]. Further, she could not have been a partner of the firm because THG required partners to be Texas CPAs, and Cisneros was not a CPA. [Tr. at 72:17-18, Tr. 101:4-7; DOE Exh. 118 at p. 1]. And she admits that because she was not a partner, she should not have been acting as EQR. [Tr. 570:22 – 571:3].

The following engagements were not conducted in accordance with PCAOB standards because Cisneros acted as EQR while she was "from" the firm but was not a partner or in an equivalent position:

Engagement Type	Appendix No.	Issuer	Fiscal Period Ended	EP	EQR	SRAF
Audit	2	Kingdom Koncrete, Inc.	12/31/2010	Hall	Cisneros	Exh. 68
Audit	4	Surface Coatings, Inc.	12/31/2010	Hall	Cisneros	Ex. 99
Audit	9	Dyna Resource, Inc.	12/31/2010	Helterbran	Cisneros	Exh. 38

In addition to these engagements, which involve Helterbran and Cisneros, Helterbran also used another staff auditor to conduct an EQR, Paul Babb, who was "from" THG but was not a Texas CPA nor a partner or partner equivalent. [Tr. 509:22 – 511:25]. This engagement was also not conducted in accordance with PCAOB standards.

Engagement Type	Appendix No.	Issuer	Fiscal Period Ended	EP	EQR	SRAF
Audit	12	Kingdom Koncrete, Inc.	12/31/2012	Helterbran	Performed by other staff below partner or equivalent level	Exh. 76

4. Engagement Quality Review Conducted by Someone Not Competent to Act as the Engagement Quality Reviewer

AS 7 requires that Engagement Quality Reviewers must be competent, *i.e.* must possess the level of knowledge and competence related to accounting, auditing and financial reporting required to serve as the Engagement Partner on the engagement under review. AS 7 ¶ 5.

a. Engagements Involving Complex Equitable Transactions

At the hearing, Cisneros admitted that she did not possess the level of knowledge and competence related to accounting, auditing, and financial reporting required to serve as the Engagement Partner on engagements involving options, derivatives, and complex equity transactions, such as stocks for services, which Cisneros specifically identified as complex. [Tr. 452:18-453:14, 225:10-16]. The ability to serve as the Engagement Partner on an engagement is the very definition of the competence required to serve as the Engagement Quality Reviewer on that engagement. AS 7 ¶ 5. Accordingly, the engagements for which Cisneros served as the EQR and which involved options, derivatives, and complex equity transactions, such as stocks for services, were not reviewed by a competent EQR and were not conducted in accordance with PCAOB standards:

Eng.Type	Appendix No.	Issuer	Fiscal Period Ended	EP	EQR	SRAF	SEC Filing Page Ref.

Audit	1	Freestone Resources, Inc.	6/30/2012	Hall	Cisneros	Exh. 63	7, 22
Audit	3	Seven Arts Entertainment, Inc.	6/30/2012	Hall	Cisneros	Exh. 92	37-40, 53, F-6, F-25-27
Audit	9	Dyna Resource, Inc.	12/31/2010	Helterbran	Cisneros	Exh. 38	39, 49
Audit	10	Kingdom Koncrete, Inc.	12/31/2011	Helterbran	Cisneros	Exh. 70	F-5, F-10
Review	2	360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	6/30/2012	Helterbran	Cisneros	Exh. 26 & 27	5, 10
Review	7	Dyna Resource, Inc.	3/31/2012	Helterbran	Cisneros	Exh. 42	5,13-14
Review	8	Dyna Resource, Inc.	6/30/2012	Helterbran	Cisneros	Exh. 43 & 44	5, 13
Review	9	Dyna Resource, Inc.	9/30/2012	Helterbran	Cisneros	Exh. 45	5,13
Review	33	Surface Coatings, Inc.	9/30/2012	Helterbran	Cisneros	Exh. 104	5, 8

b. All Engagements for which Cisneros acted as EQR

In addition to the engagements involving options, derivatives, and complex equity transactions, Cisneros was not competent to serve as an EQR on any engagement at issue in this matter. Numerous factors support this conclusion:

- She was not a CPA [Tr. 217:1-5];
- The vast majority of her work at THG was on work not involving public company audits or otherwise subject to PCAOB standards [Tr. 223:25 – 224:3, 512:18 – 513:3];
- She never acted as an Engagement Partner on any public company audits [Tr. 262:15-17];
- She relied on Helterbran and Hall, the very people whose work she was purportedly reviewing, to tell her what was required to comply with PCAOB standards [226:8-15];
- She never read AS 3, but signed documents confirming that engagement documentation complied with AS 3 [Tr. 251:9-11; 520:8-11; 521:13-16];
- She never read AS 7 prior to this proceeding [Tr. 239:22-24; 573:21-25];
- She testified she never received training on EQRs [Tr. 234:18-25];
- She was, and remains, unsure whether EQRs were required for review engagements (They are.) [Tr. 236:21-237:4];
- She was not aware when EQRs were required to be conducted [Tr. 234:18-25];
- She told the Texas Workforce Commission that she was terminated from the successor entity to THG because she was told she "did not have the

knowledge and experience that [she] needed." [Tr. 434:21-24; DOE Exh. 128 p. 5];

- Her performance reviews indicated that she "understands the basics of auditing, but does not have the skills to perform a quality audit. In particular, [she] is unable to thoroughly evaluate risks and issues and design [audit] procedures to address those risks arounds issues." [DOE. Exh. 128 p. 7]; and
- She has already been found to not be competent to act as an EQR on engagements at issue in this matter by the PCAOB [DOE Exh. 114 p. 2-3; *In re The Hall Group, CPAs and David S. Hall, CPA*, PCAOB Release No. 105-2016-015 (Apr. 26, 2016)].

Further, Cisneros noted that she has struggled with alcohol abuse, including from 2012 to 2014. [Tr. 277:14-25]. She stated that she would drink throughout the day, including during work. [Tr. 278:14-22]. And although she has since sought treatment and was forthcoming about her struggles, she admitted that her substance abuse affected her performance. [Tr. 449:14-18].

Accordingly, Cisneros was not competent to act as an EQR, and the engagements for which she served that role were not conducted in accordance with PCAOB standards.

B. Helterbran and Cisneros Willfully Aided and Abetted and Caused The Hall Group's Violations of Rule 2-02(b)(1) of Regulation S-X.

Rule 2-02(b)(l) of Regulation S-X requires an accountant's report to state "whether the audit was made in accordance with generally accepted auditing standards." 17 C.F.R. § 210.2-02(b)(1). Thus, an auditor violates Rule 2-02(b)(l) if it issues a report stating it has conducted its audit in accordance with PCAOB standards when it has not. Because the audit engagements discussed above were not conducted in accordance with PCAOB standards, THG violated Rule 2-02(b)(1) of Regulations S-X when it issued accountant's reports on these audits. Attached as Exhibit B is a chart identifying the audit engagements at issue in this matter, the SRAF for each of these audits, and relevant excerpt of the 10-K for each of those audits. And Helterbran and Cisneros willfully aided and abetted and caused these violations.

Aiding-and-abetting liability requires: (1) a primary violation of the securities laws; (2) awareness or knowledge of the primary violation by the aider and abettor; and (3) knowing and substantial assistance by the aider and abettor in the commission of the primary violation. *See, e.g., SEC v. DiBella,* 587 F.3d 553, 566 (2d Cir. 2009); *Monetta Fin. Servs., Inc. v. SEC,* 390 F.3d 952, 956 (7th Cir. 2004). The knowledge or awareness requirement can be satisfied by recklessness. *See, e.g., Howard v. SEC,* 376 F.3d 1136, 1143 (D.C. Cir. 2004). Causing liability requires finding (1) a primary violation; (2) that the respondent knew, or should have known, that his or her conduct would contribute to the violation; and (3) that the respondent engaged in an act or omission that contributed to the violation. *See, e.g., Gateway Int'l Holdings, Inc.*, Exchange Act Release No. 53907, 2006 WL 1506286, at *8 (May 31, 2006); *Robert M. Fuller*, Exchange Act Release No. 48406, 2003 WL 22016309, at *4 (Aug. 25, 2003), *petition denied*, 95 F. App'x 361 (D.C. Cir. 2004). One who aids and abets a primary violation is necessarily a cause of that violation. *E.g., Joseph John Vancook*, Exchange Act Release No. 61039, 2009 WL 4005083, at *14 (Nov. 20, 2009); *Sharon M. Graham*, Exchange Act Release No. 40727, 1998 WL 823072, at *7 n.35 (Nov. 30, 1998), *petition denied*, 222 F.3d 994 (D.C. Cir. 2000).

The primary violation at issue here is THG's violation of Rule 2-02(b)(1) of Regulation S-X for each of the audits that were not conducted in accordance with PCAOB standards. Helterbran and Cisneros both assisted in these violations: Helterbran by acting as Engagement Partner on certain of these audits, and Cisneros by acting as Engagement Quality Reviewer. And they acted with the requisite scienter. Indeed, Helterbran approved the issuance of, and THG issued:

- two audit reports that she *knew* had not undergone an Engagement Quality Review [*See Infra* § II.A.1];

- two audit reports on which the EQR was performed by someone from THG that Helterbran *knew* was not a partner of THG or in an equivalent position [*See Infra* § II.A.3];

- three audit reports for which she *knew* the Engagement Quality Reviewer was not competent [*See Infra* § II.A.4; Tr. 512:1-513:24].

Similarly, Cisneros, as the EQR, approved the issuance of, and THG issued:

- three audit reports for which she acted as EQR while she *knew* she was "from" THG but not a partner or in an equivalent position [*See Infra* § II.A.3];

- two audit reports for which she purported to fulfill her role as EQR although she *knew* that the Engagement Partner had not yet approved the issuance of the audit report, thus making her review a nullity [*See Infra* § II.A.2]; and

- four audit reports, which she *knew* involved complex equity transactions, and for which she admits she was not competent to act as the EQR [*See Infra* § II.A.4].

Thus, Helterbran and Cisneros willfully aided and abetted THG's violations of Rule 2-02(b)(1) of Regulation S-X. And because they aided and abetted the violations, they also necessarily caused those violations.

C. Helterbran and Cisneros Caused Issuers to Violate Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 Thereunder.

Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder require issuers to file annual and quarterly reports with the Commission. 17 C.F.R §§ 240.13a-1, 13a-13. Form 10-K is the standard form for annual reports, while Form 10-Q is the standard form for quarterly reports. *See* 17 C.F.R § 249.310 (10-K), 249.308(a) (10-Q). Both forms require that the financial statements included therein comply with Regulation S-X. *See* Item 8, Form 10-K; Item 1, Form 10-Q.

For annual reports, Regulation S-X requires that an accountant's report state whether the audit was made in accordance with PCAOB standards. 17 C.F.R. § 210.2-02(b)(1). For quarterly reports, Regulation S-X requires that the interim financial statements included in the report be reviewed by an independent public accountant in accordance with PCAOB standards. 17 C.F.R. § 210.10-01(d). Accordingly, issuers violate Section 13(a) and Rules

13a-1 and 13a-13 when they file a Form 10-K or Form 10-Q that has not been audited or reviewed in accordance with PCAOB standards.

As shown above, Helterbran failed to obtain or document Engagement Quality Reviews, permitted the EQR to occur out of order, and used an improper Engagement Quality Reviewer. Accordingly, these engagements were not conducted in accordance with PCAOB standards. Further, Cisneros acted as an engagement quality reviewer on engagements that she was not qualified to act in that role. Thus, these engagements were also not conducted in accordance with PCAOB standards.

THG issued accountant's reports on these audit engagements and falsely stated that it conducted its audits in accordance with PCAOB standards. Accordingly, issuers were not compliant with Section 13(a) and Rule 13a-1 thereunder when they incorporated THG's false accountant's reports into their Forms 10-K. Similarly, Helterbran failed to conduct the reviews of interim financial statements and Cisneros failed to conduct EQRs of interim financial statements in accordance with PCAOB standards. Issuers on these engagements were not compliant with Rule 13a-13 when they included in the Forms 10-Q interim financial statements that THG failed to review in accordance with PCAOB standards. As a result, Helterbran and Cisneros caused issuers to violate Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder.

IV.
REMEDIES

The Court should impose the remedies requested in the OIP against Helterbran and Cisneros, including:

a. suspending their privilege of appearing or practicing before the Commission as accountants;

b. requiring that they cease and desist from committing or causing any violation and any future violation of Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder and Rule 2-02(b)(1) of the Regulation S-X;

c. requiring disgorgement, with prejudgment interest, of their ill-gotten gains; and

d. imposing civil penalties.

A. The Court Should Suspend Helterbran's and Cisneros's Privilege of Appearing or Practicing Before the Commission as Accountants.

Rule of Practice 102(e) is the primary tool available to the Commission to preserve the integrity of its processes and ensure the competence of the professionals who appear and practice before it. *In the Matter of Michael C. Pattison, CPA*, 2012 SEC LEXIS 2973, 15-16 (SEC 2012) (*citing Marrie v. SEC*, 374 F.3d 1196, 1200 (D.C. Cir. 2004) (stating that Rule 102(e) "is directed at protecting the integrity of the Commission's processes, as well as the confidence of the investing public in the integrity of the financial reporting process"). Section 4C(a)(2) and (3) and Rule 102(e)(1)(ii) and (iii) both provide that the Commission may "censure any person, or deny, temporarily or permanently," the privilege of appearing or practicing before the Commission in any way if that person is found to have engaged in "improper professional conduct" or "to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations issued thereunder."[3]

1. Helterbran and Cisneros Engaged in Improper Professional Conduct

Rule 102(e)(iv) and Section 4C(b) define improper professional conduct as: "[a] single instance of highly unreasonable conduct that results in a violation of applicable professional standards in circumstances in which the registered public accounting firm or associated person knows, or should know, that heightened scrutiny is warranted; [or] [r]epeated instances of unreasonable conduct, each resulting in a violation of applicable professional standards, that indicate a lack of competence to practice before the Commission."

[3] According to Rule of Practice 102(f), "practicing before the Commission" includes, but is not be limited to, "[t]ransacting any business with the Commission," and "[t]he preparation of any statement, opinion or other paper by any attorney, accountant, engineer or other professional or expert, filed with the Commission in any registration statement, notification, application, report or other document with the consent of such attorney, accountant, engineer or other professional or expert." 17 C.F.R. § 201.102(f).

Exchange Act § 4C(b)(2); Rule 102(e)(1)(iv). "The term 'repeated' may encompass as few as two separate instances of unreasonable conduct occurring within one audit." *Rule 102(e) Release*, 57,169, quoted approvingly in *Kevin Hall, CPA and Rosemary Meyer, CPA,* Rel. No. 61162, AAER No. 3080 (December 14, 2009). When considering "'[r]epeated instances of unreasonable conduct'...[t]he term 'unreasonable'...connotes an ordinary or simple negligence standard." Amendment to Rule 102(e) of the Commission's Rules of Practice, 63 Fed. Reg. 57,164, 57,169 (Oct. 26, 1998).

Under the circumstances here, Helterbran's and Cisneros's failure to conduct audit and review engagements in accordance with PCAOB standards constitutes "improper professional conduct." *Dearlove v. SEC*, 573 F.3d 801, 805 (D.C. Cir. 2009). And these instances were repeated because Helterbran and Cisneros improperly conducted at least 29 in at least four different ways.

2. Helterbran and Cisneros Willfully Violated the Federal Securities Laws.

Rule 102(e)(l)(iii) and Section 4C(a)(3) also authorize the Commission to censure or temporarily or permanently suspend accountants who willfully violate, or willfully aid and abet a violation of, any provision of the federal securities laws. "Willfully" means intentionally committing the act that constitutes the violation. There is no requirement that the actor also be aware the he is violating a rule or statute. *See Wonsover v. SEC*, 205 F.3d 408, 414-15 (D.C. Cir. 2000); *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). As shown in Section III.B above, Helterbran and Cisneros willfully aided and abetted The Hall Group's violations of Rule 2-02(b)(l) of Regulation S-X.

3. A Permanent Suspension is Appropriate.

Helterbran's and Cisneros's repeated instances of unreasonable conduct and willful aiding and abetting of violations of the federal securities laws demonstrate that they are incompetent and undeserving to practice before the Commission. *See U.S. v. Arthur Young &*

Co., 465 U.S. 805, 817-18 (1984) (accountant who disregards professional obligations lacks competence to discharge "'public watchdog' function'" demanding "total independence from the client at all times"). Notwithstanding her unsuitability to practice before the Commission, Helterbran is still a licensed CPA, has expressed her desire to continue practicing before the Commission [Tr. 554:3 – 555:17], and poses a continuing threat to the Commission's processes and to the investing public. *See In re Marrie,* Securities Act Rel. No. 1823, Exchange Act Rel. No. 48246, 80 SEC Docket 2163, 2003 WL 21741785 *19 & n.51 (July 29, 2003) (accountants who are "actively licensed CPAs create a significant risk that they may return to that profession and again conduct audits of public companies").

The determination of the appropriate remedial sanction under Rule 102(e) is further guided by the public interest factors in *Steadman v. SEC,* 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981). *Chris G. Gunderson, Esq.*, Exchange Act Release No. 61234, 2009 WL 4981617, at *5 (Dec. 23, 2009). Those factors[4] support a permanent suspension. As evidenced by the number of engagements at issue in this matter, Helterbran and Cisneros repeatedly failed to satisfy PCAOB standards in their engagements. And they were aware of the violations, as shown in Section III.B above.

Although at the hearing Helterbran made overtures of remorse, her testimony demonstrates her clear reluctance to accept responsibility for her improper professional conduct. For example, during the hearing, Helterbran called the allegations against her mere "infractions" that only dealt with "documentation" and just involved "some checklists" that were not properly completed. Tr. at 553:18-23. But AS 7, and its proper documentation, represents an essential gatekeeping role the Commission relies on to demonstrate and verify

[4] The *Steadman* factors include: (1) the egregiousness of the respondent's actions; (2) the isolated or recurrent nature of the infraction; (3) the degree of scienter involved; (4) the sincerity of the respondent's assurances against future violations; (5) the respondent's recognition of the wrongful nature of his conduct; and (6) the likelihood that the respondent's occupation will present opportunities for future violations. *Steadman v. SEC,* 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981)

that required work was performed. Due to Helterbran's misconduct, she failed to prepare documentation *required* by the auditing standards such that an experienced auditor with no previous connection to the engagement can determine what work was performed, who reviewed the work, and the date the review occurred. AS 3 ¶ 6; AS 7 ¶ 19. Moreover, although she knew that THG's audit and review engagements were not being conducted in accordance with PCAOB standards, she was unwilling to take any corrective steps. [Tr. 514:4-23]. Her misconduct, and reluctance to acknowledge her wrongdoing, warrants a suspension to protect the Commission's processes.

Although not a current CPA, Cisneros was readily willing to take on the responsibilities that typically only Engagement Partners fulfill, while simultaneously knowing she could not serve as a partner since she was not a CPA. She has a long work-history serving in various accounting capacities, including financial reporting at public companies, which evidences the risk of future violations. She also poses a risk due to her ignorance of the rules and willingness to sign off on items confirming compliance with rules she had never read. Hence, she has demonstrated that she cannot be trusted with the important gatekeeping roles the Commission relies upon – especially when the auditors charged with evaluating whether others have complied with important rules failed to comply with required auditing rules themselves.

Accordingly, Helterbran and Cisneros should be permanently suspended from appearing before the Commission in accordance with Section 4C(a)(2) and (3) of the Exchange Act and Rule of Practice 102(e)(1)(iii), and Helterbran should be permanently suspended under Rule of Practice 102(e)(1)(ii).[5]

[5] Respondents cannot in good faith argue that Rule 102(e) sanctions are "punitive," as to do so would place undue emphasis on the implications for Hall's own career. *See Decker v. SEC*, 631 F.2d 1380, 1384 (10th Cir. 1980) (SEC disciplinary actions are "remedial in character, with the primary function of protecting the public," even though they "portend serious consequences for the individuals involved"). Indeed, if sanctions were to be viewed from a subjective perspective, every sanction could constitute a "penalty." *See Johnson v. SEC*, 87 F.3d

B. The Court Should Enter Cease-and-Desist Orders Against Helterbran and Cisneros.

Section 21C of the Exchange Act authorizes the Court to impose a cease-and-desist order upon any person who "is violating, has violated, or is about to violate" any provision of the acts or the rules and regulations thereunder, as well as any other person that is, was, or would be cause of the violation. 15 USC § 78u-3. In determining whether a cease-and-desist order is appropriate, the Commission considers the *Steadman* factors, as well as the recency of the violation, the degree of harm to investors or the marketplace, and the order in context of the other sanctions being sought. *WHX Corp. v. SEC*, 362 F.3d 854, 859-60 (D.C. Cir. 2004); *KPMG Peat Marwick LLP*, Exchange Act Release No. 43862, 2001 SEC LEXIS 98, at *114 (Jan. 19, 2001), *pet. denied*, 289 F.3d 109 (D.C. Cir. 2002). "The risk of future violations required to support a cease-and-deist order is significantly less than that required for an injunction, and, absent evidence to the contrary, a single past violation ordinary suffices to raise a sufficient risk of future violations." *In re Rodney R. Schoemann*, 2009 WL 3413043, at *12-13 (Oct. 23, 2009), aff'd, 2010 WL 4366036 (D.C. Cir. 2010). The Court should also "consider the function that a cease-and-desist order will serve in alerting the public that a respondent has violated the securities laws." *In re Fundamental Portfolio Advisers, Inc.*, 2003 WL 21659248, at * 18 (July 15, 2003).

The *Steadman* factors favor a cease-and-desist order for the reasons discussed above. Particularly in light of the likelihood for future violations given Helterbran's status as a CPA. Further, their violations are recent, and a cease-and-desist order from future violations would complement the requested suspension under Section 4C and Rule 102(e). For these reasons, a cease-and-desist order should issue.

484, 488 (D.C. Cir. 1996) (adopting "objective" standard, since "'even remedial sanctions carry the sting of punishment'"). Thus, 102(e) sanctions, including those sought to be imposed against Respondents are remedial.

C. The Court Should Order Helterbran and Cisneros to Pay Disgorgement.

Section 21C(e) of the Exchange Act authorizes the Court to order disgorgement in cease-and-desist proceedings such as this one. 15 U.S.C. § 78u-3(e). To obtain disgorgement, the Commission need only show a reasonable approximation of profits causally connected to the violations. *SEC v. JT Wallenbrock & Assocs.*, 440 F.3d 1109, 1114 (9th Cir. 2006) (quotations and citation omitted); *see also SEC v. First City Fin. Corp., Ltd.*, 890 F.2d 1215, 1231 (D.C. Cir. 1989) (noting that, when calculating disgorgement, "separating legal from illegal profits exactly may at times be a near-impossible task"). All doubts concerning the approximation are to be resolved against the respondent. *SEC v. Hughes Capital*, 917 F. Supp. 1080, 1085 (D.N.J. 1996); *see also First City Fin.*, 890 F.2d at 1232; *SEC v. MacDonald*, 699 F.2d 47, 55 (1st Cir. 1983). Once the Division establishes that its disgorgement amount is a reasonable approximation of ill-gotten gains, the burden of proof shifts to the respondent to show otherwise. *SEC v. Lorin*, 76 F.3d 458, 462 (2d Cir. 2006); *see also, e.g., Zacharias v. SEC*, 569 F.3d 458, 472-73 (D.C. Cir. 2009) (noting that, where disgorgement cannot be exact, the "well-established principle" is that the burden of uncertainty in calculating ill-gotten gains falls on the wrongdoer whose illegal conduct created that uncertainty); *SEC v. Calvo*, 378 F.3d 1211, 1217 (11th Cir. 2004) ("Exactitude is not a requirement; so long as the measure of disgorgement is reasonable, any risk of uncertainty should fall on the wrongdoer whose illegal conduct created that uncertainty." (quotations omitted)).

In her testimony, Helterbran estimated that she earned $100,000 in 2011, $136,500 in 2012, and $68,250 in 2013, for a total compensation of $304,750 during the relevant period. [Tr. 459:11-25, 461:16-21, 462:9-15]. Estimating that 25% of her time during that period was spent on administrative matters, Helterbran received $228,563 for her work on THG's engagements. In the background questionnaire she submitted prior to her testimony before

the Commission, Helterbran stated that she worked on engagements for 15 total issuers during the relevant period. [DOE Exh. 123 at 1]. The audit and review engagements at issue in this matter account for five of those issuers, or one-third. Thus, a reasonable approximation of Helterbran's ill-gotten gains would be one-third of the amounts she received for her time working on audit and review engagements, or $76,188.

Cisneros testified that she received $67,340 from THG in 2010 and 2011 and $2,104 in 2012. [Tr. 253:2-14, 255:6-8, 253:24-2254:1]. She further testified that she spent almost all of her time in 2010 and 2011 working on not-for-profit engagements, and Hall estimated that she only spent 20% of her time on public company engagements. [Tr. 223:6-11; 101:8-12]. Estimating that half of the 20% of her time on public company engagements was spent on conducting EQRs in 2010 and 2011, a reasonable approximation of Cisneros's ill-gotten gains would be 10% of her 2010 and 2011 earnings plus half of her 2012 income, or $14,520.

D. The Court Should Order Helterbran and Cisneros to Pay Prejudgment Interest.

Rule 600(a) of the Commission's Rules of Practice provides that prejudgment interest "shall be due on any sum required to be paid pursuant to an order of disgorgement." The IRS underpayment of federal income tax rate, as set forth in 26 U.S.C § 6621(a)(2), is the required rate for calculating prejudgment interest in SEC enforce enforcement actions such as this one. Rule of Practice 600(b). That rate "reflects what it would have cost to borrow the money from the government and therefore reasonably approximate one of the benefits that defendant derived from its fraud." *SEC v. First Jersey, Sec., Inc.*, 101 F.3d at 1476. Based on a principal disgorgement amount of $76,188 for Helterbran and $14,520 for Cisneros, application of the tax underpayment rate from May 1, 2016 (the first month following the filing of the OIP) through September 30, 2016 (the month preceding the hearing in this matter), results in a total prejudgment interest amount of $1,279.07 for Helterbran and

$243.77 for Cisneros. *See* Prejudgment Interest Report, attached hereto as Exhibit B. The Division urges the Court to require Helterbran and Cisneros to disgorge all of their ill-gotten gains plus prejudgment interest.

E. The Court Should Order Helterbran and Cisneros to Pay Civil Penalties.

Section 21B(a)(2) of the Exchange Act authorizes the Commission to impose civil money penalties in any proceeding, such as this one, instituted under Section 21C of the Exchange Act where the Commission finds that a person is has violated, or caused the violation of, any provision of the Exchange Act or the rules and regulations issued thereunder.

In considering whether a penalty is in the public interest, the Commission may consider six factors: (1) fraud; (2) harm to others; (3) unjust enrichment; (4) previous violations; (5) deterrence; and (6) such other matters as justice may require. *See* Sections 21B(c) of the Exchange Act, *New Allied Dev. Corp.*, Exchange Act Release No. 37990 (Nov. 26, 1996), 52 S.E.C. 1119, 1130 n.33; *First Sec. Transfer Sys., Inc.*, 52 S.E.C. 392, 395-96 (1995); *see also Jay Houston Meadows*, Exchange Act Release No. 37156 (May 1, 1996), 52 S.E.C. at 787-88, aff'd, 119 F.3d 1219 (5th Cir. 1997); *Consol. Inv. Servs., Inc.*, 52 S.E.C. 582, 590-91 (1996).

Penalties against Helterbran and Cisneros are appropriate and should be imposed due to the brazen and repeated nature of their misconduct. Helterbran and Cisneros were entrusted by issuers and users of financial information—including investors—to act as important gatekeepers and safeguards to ensure the integrity and accuracy of information filed with the Commission. Investors would have wanted to know that the auditors entrusted to review the issuers' financial statements did not comply with PCAOB standards and that the required "second pair of eyes" was either an unqualified reviewer or not performed at all. Helterbran and Cisneros, rather than identifying and preventing violations of the federal securities laws,

substantially assisted and perpetuated violations. Indeed, the evidence shows that they knew that they had failed to properly conduct the audits and reviews. See Infra § III.B. Penalties are warranted here to both penalize Helterbran and Cisneros for their actions, but also to deter them from future bad acts.

The federal securities laws establish a three-tiered system of civil penalties, setting three levels of maximum monetary penalties, depending upon the gravity of the violation. The Division requests that Respondents be ordered to pay first-tier penalties. For each violative act or omission, the maximum first-tier penalty the Court may order is $7,500 for an individual. *See* 15 U.S.C. 78u-2(b)(2). To determine the number of violations the Court could consider, on the low end, the number of different ways that Helterbran and Cisneros failed to conduct engagements in accordance with PCAOB standards (four for Helterbran and three for Cisneros). On the upper range, the Court could consider the number of different engagements that Helterbran and Cisneros were associated with that were not conducted in accordance with PCAOB standards. See Exhibit A. The Division asks the Court to set an appropriate penalty.

IV.
CONCLUSION

The evidence in this case establishes that Helterbran and Cisneros willfully aided and abetted and caused violations of the federal securities laws—violations that involved repeated instances of improper professional conduct—and lack the competence to appear and practice before the Commission. For these reasons, the Division respectfully asks that the Court enter an order:

(a) requiring Helterbran and Cisneros to cease and desist from committing or causing any violation and any future violation of Rule 2-02(b)(1) of the Regulation S-X and Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder;

(b) suspending Helterbran's and Cisneros's privilege of appearing or practicing before the Commission as accountants;

(c) requiring Helterbran and Cisneros to disgorge their ill-gotten gains with prejudgment interest; and

(d) requiring Helterbran and Cisneros to pay civil penalties.

Dated: December 2, 2016

Respectfully submitted,

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DIVISION OF ENFORCEMENT

SERVICE LIST

Pursuant to Rule 150 of the Commission's Rules of Practice, I hereby certify that a true and correct copy of the Division of Enforcement's Post-Hearing Brief was served on the following on December 2, 2016 via United Parcel Service, Overnight Mail:

Honorable Cameron Elliot
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Michele L. Helterbran Cochran, CPA
[redacted]
Coppell, TX [redacted]

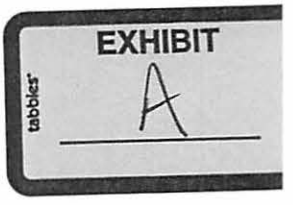
Ms. Susan A. Cisneros
[redacted]
Flower Mound, TX [redacted]

Timothy L. Evans

Appendix
David S. Hall, P.C. d/b/a The Hall Group CPAs
Audits Not Performed in Accordance with PCAOB Standards

Issuer	Fiscal Year Ended	Engagement Partner	EQR	Category
1. Freestone Resources, Inc.	6/30/12	Hall	Cisneros	2, 4(a)
2. Kingdom Koncrete, Inc.	12/31/10	Hall	Cisneros	3, 4(b)
3. Seven Arts Entertainment, Inc.	6/30/12	Hall	Cisneros	2, 4(a)
4. Surface Coatings, Inc.	12/31/10	Hall	Cisneros	3, 4(b)
5. Surface Coatings, Inc.	12/31/12	Hall	Not Obtained or Not Documented	Hall only
6. Medient Studios, Inc.	12/31/12	Hall	Hall	Hall only
7. Seven Arts Entertainment, Inc.[1]	6/30/13	Hall	Hall	Hall only
8. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	12/31/10	Helterbran	Cisneros	4(b)
9. Dyna Resource, Inc.	12/31/10	Helterbran	Cisneros	3, 4(a)
10. Kingdom Koncrete, Inc.	12/31/11	Helterbran	Cisneros	4(a)
11. Premier Oil Field Service	12/31/12	Helterbran	Cisneros	1(b), 4(b)
12. Kingdom Koncrete, Inc.	12/31/12	Helterbran	Performed by other staff below partner or equivalent level	3
13. Surface Coatings, Inc.	12/31/11	Helterbran	Not Obtained or Not Documented	1(a)
14. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	12/31/11	Helterbran	Not Obtained or Not Documented	No SRAF
15. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	12/31/12	Helterbran	Not Obtained or Not Documented	No SRAF
16. Dyna Resource, Inc.	12/31/11	Helterbran	Not Obtained or Not Documented	Blank SRAF

[1] The chart attached to the OIP incorrectly identified this issuer as "Kingdom Koncrete, Inc."



David S. Hall, P.C. d/b/a The Hall Group CPAs
Reviews Not Performed in Accordance with PCAOB Standards

Issuer	Quarter Ended	Engagement Partner	EQR	Category
1. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	3/31/12	Helterbran	Cisneros	4(b)
2. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	6/30/12	Helterbran	Cisneros	4(a)
3. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	9/30/12	Helterbran	Cisneros	4(b)
4. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	3/31/13	Helterbran	Not Obtained or Not Documented	1(a)
5. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	6/30/13	Hall	Not Obtained or Not Documented	Hall only
6. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	9/30/13	Hall	Not Obtained or Not Documented	Hall only
7. Dyna Resource, Inc.	3/31/12	Helterbran	Cisneros	4(a)
8. Dyna Resource, Inc.	6/30/12	Helterbran	Cisneros	4(a)
9. Dyna Resource, Inc.	9/30/12	Helterbran	Cisneros	2, 4(a)
10. Dyna Resource, Inc.	3/31/13	Helterbran	Not Obtained or Not Documented	1(a)
11. Dyna Resource, Inc.	6/30/13	Hall	Not Obtained or Not Documented	Hall only
12. Dyna Resource, Inc.	9/30/13	Hall	Not Obtained or Not Documented	Hall only
13. Freestone Resources, Inc. (FYE 6/30)	9/30/11	** Blank **[2]	Not Obtained or Not Documented	Hall only
14. Freestone Resources, Inc. (FYE 6/30)	12/31/11	** Blank **	Not Obtained or Not Documented	Hall only
15. Freestone Resources, Inc. (FYE 6/30)	3/31/12	Hall	Not Obtained or Not Documented	Hall only
16. Freestone Resources, Inc. (FYE 6/30)	9/30/12	Hall	Not Obtained or Not Documented	Hall only
17. Freestone Resources, Inc. (FYE 6/30)	12/31/12	Hall	Not Obtained or Not Documented	Hall only
18. Kingdom Koncrete, Inc.	3/31/12	Helterbran	Cisneros	4(b)
19. Kingdom Koncrete, Inc.	6/30/12	Helterbran	Cisneros	4(b)

[2] **Blank** references instances in which neither the Supervision, Review, and Approval Forms nor the Engagement Completion Forms identify the lead engagement partner.

Issuer	Quarter Ended	Engagement Partner	EQR	Category
20. Kingdom Koncrete, Inc.	9/30/12	Helterbran	Cisneros	2, 4(b)
21. Kingdom Koncrete, Inc.	3/31/13	Helterbran[3]	Not Obtained or Not Documented	1(a)
22. Kingdom Koncrete, Inc.	6/30/13	Hall	Not Obtained or Not Documented	Hall only
23. Premier Oil Field Service	3/31/12	Helterbran	Not Obtained or Not Documented	1(a)
24. Premier Oil Field Service	6/30/12	Helterbran	Not Obtained or Not Documented	1(a)
25. Premier Oil Field Service	9/30/12	Helterbran	Cisneros	1(b), 4(b)
26. Premier Oil Field Service	3/31/13	** Blank **	Not Obtained or Not Documented	Hall only
27. Premier Oil Field Service	6/30/13	Hall	Not Obtained or Not Documented	Hall only
28. Seven Arts Entertainment, Inc. (FYE 6/30)	9/30/12	Hall	Not Obtained or Not Documented[4]	Hall only
29. Seven Arts Entertainment, Inc. (FYE 6/30)	12/31/12	** Blank **	Not Obtained or Not Documented	Hall only
30. Seven Arts Entertainment, Inc. (FYE 6/30)	9/30/13	Hall	Not Obtained or Not Documented	Hall only
31. Surface Coatings, Inc.	3/31/12	Helterbran	Cisneros	4(b)
32. Surface Coatings, Inc.	6/30/12	Helterbran	Cisneros	2, 4(b)
33. Surface Coatings, Inc.	9/30/12	Helterbran	Cisneros	4(a)
34. Surface Coatings, Inc.	3/31/13	Helterbran	Cisneros	1(b), 4(b)
35. Surface Coatings, Inc.	6/30/13	Hall	Not Obtained or Not Documented	Hall only

Engagement Partner	Cisneros	Not Obtained or Not Documented	Total
Hall	1	7	8
Helterbran	14	4	18
Blank	--	9	9
Totals	15	20	35

[3] Previously marked blank in error.

[4] The chart attached to the OIP incorrectly identified Cisneros as performing the EQR.

U.S. Securities and Exchange Commission

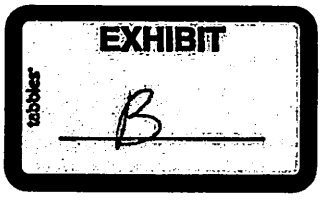
Division of Enforcement

Prejudgment Interest Report

Michelle Helterbran Cochran

Quarter Range	Annual Rate	Period Rate	Quarter Interest	Principal+Interest
Violation Amount				$76,188.00
05/01/2016-06/30/2016	4%	0.67%	$507.92	$76,695.92
07/01/2016-09/30/2016	4%	1.01%	$771.15	$77,467.07

Prejudgment Violation Range	Quarter Interest Total	Prejudgment Total
05/01/2016-09/30/2016	$1,279.07	$77,467.07



U.S. Securities and Exchange Commission

Division of Enforcement

Prejudgment Interest Report

Susan Cisneros

Quarter Range	Annual Rate	Period Rate	Quarter Interest	Principal+Interest
Violation Amount				$14,520.00
05/01/2016-06/30/2016	4%	0.67%	$96.80	$14,616.80
07/01/2016-09/30/2016	4%	1.01%	$146.97	$14,763.77

Prejudgment Violation Range	Quarter Interest Total	Prejudgment Total
05/01/2016-09/30/2016	$243.77	$14,763.77