

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 56415 / September 13, 2007**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 2695 / September 13, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12776**

**In the Matter of**

**Isaac Gordon, CPA,**

**Respondent.**

**ORDER INSTITUTING PUBLIC  
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,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS AND A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission ("Commission") deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted against Isaac Gordon, CPA ("Respondent" or "Gordon") pursuant to Sections 4C<sup>1</sup> and 21C of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 102(e)(1)(iii) of the Commission's Rules of Practice.<sup>2</sup>

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<sup>1</sup> Section 4C 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 . . . to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

<sup>2</sup> Rule 102(e)(1)(iii) provides, in relevant part, that:

The Commission may censure a person or deny, temporarily or permanently, the privilege of appearing or practicing before it in any way to any person who is found . . . to have willfully violated, or willfully aided and abetted the violation of

## II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Public 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, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

## III.

On the basis of this Order and Respondent’s Offer, the Commission finds<sup>3</sup> that:

### A. RESPONDENT

Isaac Gordon, CPA, 47, of Los Angeles, California, is a certified public accountant licensed in the state of Maryland and doing business as a sole proprietorship. Gordon audited Toffee Sensations, Inc.’s financial statements for the company’s 2003 fiscal year ended September 30, 2003, as well as those for the period ended April 30, 2004. Gordon has been licensed as a CPA in Maryland since 1988.

### B. FACTS

1. Toffee Sensations, Inc. (“Toffee Sensations”) is a California corporation with its headquarters in Los Angeles, California. The audit report in question was issued in connection with a Form SB-2/A registration statement filed with the Commission by Toffee Sensations which has not yet gone effective. For its fiscal year ended September 30, 2003, Toffee Sensations reported revenues of approximately \$6,500 and total assets of approximately \$1,700.

2. Toffee Sensations has at all relevant times been an issuer as defined by the Sarbanes-Oxley Act of 2002 (the “Act”).

3. Gordon audited Toffee Sensations’ 2003 financial statements, as well as those for the period ended April 30, 2004. As part of that audit, Gordon prepared and issued an audit report dated May 13, 2004 (the “Toffee Sensations audit report”), which the company included in its Form SB-2/A registration statement filed with the Commission on August 24, 2004. Gordon received no fees for the audit work.

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any provision of the Federal securities laws or the rules and regulations thereunder.

<sup>3</sup> The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

4. At the time Gordon prepared and issued the Toffee Sensations audit report, he was not registered with the Public Company Accounting Oversight Board (the “Board”), as required by Section 102(a) of the Act.

### **C. VIOLATIONS**

1. Section 102(a) of the Act provides that “it shall be unlawful for any person that is not a registered public accounting firm to prepare or issue, or to participate in the preparation or issuance of, any audit report with respect to any issuer.”<sup>4</sup>

2. The provisions of Section 102(a) of the Act became effective on October 22, 2003.<sup>5</sup>

3. Based on the conduct described above, Respondent willfully<sup>6</sup> violated Section 102(a) of the Act.

### **D. FINDINGS**

Based on the foregoing, the Commission finds that Gordon willfully violated Section 102(a) of the Sarbanes-Oxley Act of 2002.

### **E. UNDERTAKING**

Respondent undertakes not to request, demand, or accept, directly or indirectly, any compensation from Toffee Sensations in connection with the audit work associated with the Toffee Sensations audit report. In determining whether to accept the Offer, the Commission has considered this undertaking.

## **IV.**

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent’s Offer.

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<sup>4</sup> A violation of the Act or any rule that the Board issues under the Act is treated for all purposes in the same manner as a violation of the Exchange Act, including with respect to penalties. Sarbanes-Oxley Act of 2002, 15 U.S.C.A. § 7202(b)(1) (West 2002).

<sup>5</sup> Section 102(a) became effective “[b]eginning 180 days after the date of the determination of the Commission under Section 101(d)” of the Act that the Board was prepared to undertake its statutory responsibilities. The Commission made the required determination on April 25, 2003. See Order Regarding Section 101(d) of the Sarbanes-Oxley Act of 2002, Securities Act Release No. 8223, Exchange Act Release No. 47746, 2003 WL 1956164 (Apr. 25, 2003).

<sup>6</sup> “Willfully” as used in this Offer means intentionally committing the act that constitutes the violation. There is no requirement that the actor also be aware that he is violating a rule or statute. See Wonsover v. SEC, 205 F.3d 408, 414 (D.C. Cir. 2000); Tager v. SEC, 344 F.2d 5, 8 (2d Cir. 1965).

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Gordon shall cease and desist from committing or causing any violations and any future violations of Section 102(a) of the Act.

B. Gordon is censured.

C. Gordon may practice before the Commission as an independent accountant provided that:

1. The public accounting firm with which he is associated is registered with the Board in accordance with the Act, and such registration continues to be effective; and

2. He has submitted to the Commission staff (attention: Office of the Chief Accountant) the Board's letter notifying the public accounting firm with which he is associated that its registration application has been approved.

By the Commission.

Nancy M. Morris  
Secretary