

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 72672 / July 24, 2014**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 3570 / July 24, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15984**

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<b>In the Matter of</b>	:	
	:	<b>ORDER INSTITUTING</b>
<b>DEBRA L. HOBBS, CPA</b>	:	<b>ADMINISTRATIVE PROCEEDINGS</b>
	:	<b>PURSUANT TO RULE 102(e) OF THE</b>
	:	<b>COMMISSION'S RULES OF</b>
<b>Respondent.</b>	:	<b>PRACTICE, MAKING</b>
	:	<b>FINDINGS, AND IMPOSING</b>
	:	<b>REMEDIAL SANCTIONS</b>
	:	

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**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Debra L. Hobbs (“Respondent” or “Hobbs”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.<sup>1</sup>

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “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

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<sup>1</sup> Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

findings herein, except as to the Commission's jurisdiction over her and the subject matter of these proceedings, and the findings contained in Section III. C. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

A. Hobbs, age 56, was a certified public accountant licensed to practice in the State of Virginia, but that license expired in 1988. Hobbs served as Chief Financial Officer of Volt Delta Resources, LLC ("VDR"), a subsidiary of Volt Information Sciences, Inc. ("Volt" or "the Company"), from 1996 until April 2008. In April 2008, Hobbs became the Chief Operating Officer of VDR. Volt terminated Hobbs in February 2012.

B. Volt is a New York corporation with its principal executive offices located in New York, New York. Its common stock, previously registered under Section 12(b) of the Exchange Act, traded on the New York Stock Exchange (symbol VOL) until it was de-listed on May 9, 2011, for the Company's failure to file periodic reports with the Commission. Volt now trades in the Over-the-Counter market (OTC symbol VISI). Volt provides services relating to staffing, telecommunications, computer systems, and printing through four corresponding business units.

C. On January 18, 2013, a final judgment was entered against Hobbs, permanently enjoining her from violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Exchange Act Rules 10b-5(a), 10b-5(b), 10b-5(c); and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Exchange Act Rules 12b-20, 13a-1, and 13a-11 thereunder, in the civil action entitled *Securities and Exchange Commission v. Volt Information Sciences, Inc. and Debra L. Hobbs*, Civil Action No. 13-CV-237 (S.D.N.Y.) (January 10, 2013). The Court did not impose payment of a civil penalty based on Hobbs' agreement to cooperate in a related enforcement proceeding.

D. The Commission's Complaint alleges that for Volt's fiscal year ended October 28, 2007, Volt's computer-segment subsidiary recognized \$7.55 million of revenue that it included in its financial statements filed with the Commission. The Complaint further alleges that the recognition of the revenue was improper and caused Volt's net income for its fourth quarter and fiscal year ended October 28, 2007, to be overstated materially and falsely. The Complaint further alleges that Hobbs justified the improper revenue recognition by asserting the existence of, and the subsidiary's substantial performance on, a purported \$10 million contract of sale with a customer, even though the purported contract did not lead to any revenue event recognizable under Generally Accepted Accounting Principles.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Hobbs' Offer.

Accordingly, IT IS HEREBY ORDERED, effective immediately, that:

A. Hobbs is suspended from appearing or practicing before the Commission as an accountant.

B. After 5 years from the date of this order, Respondent may request that the Commission consider her reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. A preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in her practice before the Commission will be reviewed either by the independent audit committee of the public company for which she works or in some other acceptable manner, as long as she practices before the Commission in this capacity; and/or
2. An independent accountant. Such an application must satisfy the Commission that:
  - (a) Respondent, or the public accounting firm with which she is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;
  - (b) Respondent, or the registered public accounting firm with which she is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in the respondent's or the firm's quality control system that would indicate that the respondent will not receive appropriate supervision;
  - (c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

- (d) Respondent acknowledges her responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that her state CPA license is current and she has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Jill M. Peterson  
Assistant Secretary