

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77231 / February 25, 2016

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3748 / February 25, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17134

In the Matter of

TIMOTHY QUINTANILLA, CPA.,
Respondent.

ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS AND
IMPOSING TEMPORARY SUSPENSION
PURSUANT TO RULE 102(e)(3) OF THE
COMMISSION'S RULES OF PRACTICE

I.

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

II.

The Commission finds that:

A. RESPONDENT

1. Timothy Quintanilla, age 47, is and has been a certified public accountant (“CPA”) licensed by the California Board of Accountancy. From at least August 2006 through December 2009, Quintanilla was a partner at Mendoza Berger & Co. LLP, an accounting firm. In

¹ 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 attorney, accountant, engineer, or other professional or expert 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.

December 2009, Quintanilla left to open Q Accountancy. Quintanilla was the engagement partner on Mendoza Berger's audits of the 2006, 2007 and 2008 financial statements for Electronic Game Card, Inc. ("EGMI"), a company that purported to be a seller of credit-card sized electronic games and that had common stock registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") during the relevant period. Quintanilla is a resident of Laguna Niguel, California.

B. CIVIL INJUNCTION

2. On December 4, 2015, the U.S. District Court for the Southern District of New York entered a final judgment on consent against Quintanilla which: (a) permanently enjoins him from future violations, direct or indirect, of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b), 10A(a)(1), and 10A(b)(1) of the Exchange Act, and Rule 10b-5 thereunder; and (b) orders him to pay a \$100,000 civil penalty. Securities and Exchange Commission v. Cole et al., Civil Action Number 12-CV-8167 (S.D.N.Y. RJS).

3. The Commission's complaint, filed in November 2012, alleged that Quintanilla, as the engagement partner for EGMI, violated the securities laws by authorizing the issuance of unqualified opinions for the years 2006 through 2008 by the accounting firm Mendoza Berger. The Complaint alleged that in Mendoza Berger's audit reports, Quintanilla knowingly misrepresented that it had conducted audits of EGMI's financial statements "in accordance with the standards of the Public Company Accounting Oversight Board (United States)" ("PCAOB") and that those statements "present[ed] fairly, in all material respects, the financial position" of EGMI.

4. The Commission's complaint further alleged that in the course of its audit work, Quintanilla and the audit team he supervised failed to properly investigate a series of red flags, any number of which, if appropriately pursued, would have quickly uncovered large-scale fraud in EGMI's financial statements. Other evidence indicated that Mendoza Berger simply failed to audit significant portions of EGMI's balance sheet.

5. The Commission's complaint further alleged that to conceal those failures, Mendoza Berger employees, under Quintanilla's supervision, created and backdated documents for the EGMI audit file shortly before an inspection by the PCAOB in September and October 2009.

III.

Based upon the foregoing, the Commission finds that a court of competent jurisdiction has permanently enjoined Quintanilla from violating the Federal securities laws within the meaning of Rule 102(e)(3)(i)(A) of the Commission's Rules of Practice. In view of these findings, the Commission deems it appropriate and in the public interest that Quintanilla be temporarily suspended from appearing or practicing before the Commission.

IT IS HEREBY ORDERED that Quintanilla be, and hereby is, temporarily suspended from appearing or practicing before the Commission. This Order shall be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Quintanilla may within thirty days after service of this Order file a petition with the Commission to lift the temporary suspension. If the Commission within thirty days after service of the Order receives no petition, the suspension shall become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission shall, within thirty days after the filing of the petition, either lift the temporary suspension, or set the matter down for hearing at a time and place to be designated by the Commission, or both. If a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

By the Commission.

Brent J. Fields
Secretary