

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11255 / November 28, 2023

SECURITIES EXCHANGE ACT OF 1934
Release No. 99033 / November 28, 2023

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4475 / November 28, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-18020

	CORRECTED ORDER GRANTING APPLICATION
In the Matter of	: FOR REINSTATEMENT TO APPEAR AND
DANIEL L.	: PRACTICE BEFORE THE COMMISSION AS AN
ROTHBAUM, CPA	: ACCOUNTANT RESPONSIBLE FOR THE
	: PREPARATION OR REVIEW OF FINANCIAL
	: STATEMENTS REQUIRED TO BE FILED WITH
	: THE COMMISSION OTHER THAN AS A MEMBER
	: OF AN AUDIT COMMITTEE

On June 9, 2017, the Commission issued a consented Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings and Imposing Remedial Sanctions (the "Suspension Order") against Respondent Daniel Rothbaum, CPA.¹ The Suspension Order denied Rothbaum the privilege of appearing or practicing before the commission as an accountant but permitted him, after three years from the date of the Suspension Order and if certain conditions were met, to request that the Commission consider his reinstatement to resume appearing or practicing before the Commission as (1) a preparer or reviewer, or a person responsible for the preparation or review, of financial statements that are required to be filed with the Commission other than as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Securities Exchange Act of 1934 ("Exchange Act"); (2) a preparer or reviewer, or a person responsible for the preparation or review, of financial statements that are required to be filed with the Commission as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Exchange Act; or (3) an independent accountant.

This order is issued in response to Rothbaum's application for reinstatement to appear and practice before the Commission as an accountant responsible for the preparation or review of

¹ See Accounting and Auditing Enforcement Release No. 3874, dated June 9, 2017.

financial statements required to be filed with the Commission, other than as a member of an audit committee.

In the Suspension Order, the Commission found that Rothbaum, as the Controller for a subsidiary of UniTek Global Services Inc. (“UniTek”), was, among others, responsible for UniTek materially overstating its earnings in public filings with the Commission. The misstatements arose from the premature recognition of revenue using the percentage of completion accounting model based on goods and services purportedly purchased from subcontractors. Rothbaum did not fully understand the relevant accounting principles with respect to this issue and, along with UniTek’s Chief Accounting Officer and Corporate Controller, provided incorrect accounting advice to others and improperly relied on receipt of subcontractor invoices rather than receipt of the related goods and services to conclude when recognition of revenue was appropriate. As a result of this conduct, Rothbaum willfully violated Section 17(a)(3) of the Securities Act of 1933, Section 13(b)(5) of the Exchange Act, and Rule 13b2-1 thereunder. Rothbaum also caused UniTek to violate Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder.

Rule 102(e)(5) of the Commission’s Rules of Practice governs applications for reinstatement and provides that the Commission may reinstate the privilege to appear and practice before the Commission “for good cause shown,”² which determination is necessarily highly fact specific.

Rothbaum has shown good cause for reinstatement and has met all of the conditions set forth in the Suspension Order to be reinstated to appear and practice before the Commission as a person responsible for the preparation or review of financial statements required to be filed with the Commission, other than as a member of an audit committee. In his capacity as a person responsible for the preparation or review of financial statements required to be filed with the Commission, other than as a member of an audit committee, Rothbaum attests that he will have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, while practicing before the Commission in this capacity. Rothbaum is not, at this time, seeking to appear or practice before the Commission as a person responsible for the preparation or review of financial statements required to be filed with the Commission *as a member of an audit committee* or as an independent accountant. If, in the future, Rothbaum should wish to resume appearing and practicing before the Commission in such a capacity, he will be required to submit an application to the Commission showing, among other things, that he has complied and will comply with the terms of the Suspension Order.

On the basis of information supplied, representations made, and undertakings agreed to by Rothbaum, and for the reasons stated immediately above, it appears that he has complied with the terms of the Suspension Order denying him the privilege of appearing or practicing before

² Rule 102(e)(5)(i) provides:

“An application for reinstatement of a person permanently suspended or disqualified under paragraph (e)(1) or (e)(3) of this rule may be made at any time, and the applicant may, in the Commission’s discretion, be afforded a hearing; however, the suspension or disqualification shall continue unless and until the applicant has been reinstated by the Commission for good cause shown.” 17 C.F.R. § 201.102(e)(5)(i).

the Commission as an accountant. No information has come to the attention of the Commission relating to his character, integrity, professional conduct or qualifications to practice before the Commission that would be a basis for adverse action against him pursuant to Rule 102(e) of the Commission's Rules of Practice. As a result, Rothbaum has shown good cause for reinstatement. Therefore, it is accordingly,

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Daniel Rothbaum, CPA is hereby reinstated to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission, other than as a member of an audit committee.

By the Commission.

Vanessa A. Countryman
Secretary