

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 103008 / May 9, 2025**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 4568/ May 9, 2025**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19803**

<b>In the Matter of</b>  <b>TIMOTHY DALY, CPA</b>	<b>ORDER GRANTING APPLICATION FOR</b> <b>: REINSTATEMENT TO APPEAR AND PRACTICE</b> <b>: BEFORE THE COMMISSION AS AN</b> <b>: ACCOUNTANT RESPONSIBLE FOR THE</b> <b>: PREPARATION OR REVIEW OF FINANCIAL</b> <b>: STATEMENTS REQUIRED TO BE FILED WITH</b> <b>: THE COMMISSION OTHER THAN AS A MEMBER</b> <b>OF AN AUDIT COMMITTEE</b>
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On May 18, 2020, the Commission issued a consented Order Instituting Public Administrative Proceedings Pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 102(e) of the Commission’s Rules of Practice, Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Suspension Order”) against Respondent Timothy Daly, CPA.<sup>1</sup> The Suspension Order denied Daly 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 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 Daly’s application for reinstatement 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.

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<sup>1</sup> See Accounting and Auditing Enforcement Release No. 4141, dated May 18, 2020.

In the Suspension Order, the Commission found that Daly, while a partner at KPMG LLP, solicited and received questions and answers to an internal training examination from a colleague who served as the second partner to an audit engagement where Daly served as the lead engagement partner. After learning of KPMG's internal investigation of its audit professionals' cheating on internal training exams, Daly deleted text messages with his colleague in which the colleague had relayed the questions and answers to the exam, after receiving a notice from the firm requiring Daly to preserve them. Daly also made a misrepresentation to KPMG's investigators, which he subsequently self-corrected. As a result of his conduct, Daly failed to meet standards implemented by the Public Company Accounting Oversight Board and American Institute of Certified Public Accountants requiring him to act with integrity and to refrain from committing acts discreditable to the profession.

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,"<sup>2</sup> which determination is necessarily highly fact specific.

Daly has shown good cause for reinstatement and has met 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, Daly 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.

Daly 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, Daly 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.

Daly's license to practice as a Certified Public Accountant is currently subject to a disciplinary order issued by the New York State Education Department Office of Professional Discipline. That order would subject his license to a two year period of probation upon his return to the practice of public accountancy in the State of New York. Daly has attested that he will notify the Commission if he is found to have violated the terms of the probation. He has also

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<sup>2</sup> Rule 102(e)(5)(i) provides:

"[a]n 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).

attested that he understands that the suspension of his CPA license could result in the revocation of the reinstatement of his privilege to appear and practice before the Commission as an accountant.

On the basis of information supplied, representations made, and undertakings agreed to by Daly, 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 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, Daly 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 Timothy Daly, 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