UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106274 / September 3, 2026

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4599 / September 3, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22701

In the Matter of **PAUL FRENKIEL,** **Respondent.**	**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Paul Frenkiel ("Frenkiel" or "Respondent").

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 the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desisted Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

---

1 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.

Summary

1. This matter involves the improper filing of an annual report on Form 10-K by Paul Frenkiel, while he served as the Chief Financial Officer of The Bancorp, Inc. ("Bancorp"). On March 3, 2025, Frenkiel directed that Bancorp file its annual report on Form 10-K for the fiscal year ended December 31, 2024, which represented that the audit of the company's financial statements had been completed and included purported audit opinions and consents from Bancorp's current and prior auditors. The March 3, 2025 Form 10-K also included a certification signed by Frenkiel confirming the accuracy of the annual report and the accompanying financial statements. However, Frenkiel knew that the auditors had not provided final approval to include their audit opinions and consents in the annual report on Form 10-K when he directed that it be filed on March 3, 2025.

Respondent

2. **Paul Frenkiel**, age 74, is a resident of Philadelphia, Pennsylvania and Oakton, Virginia. From September 2009 until March 28, 2025, Frenkiel was Bancorp's Chief Financial Officer.

Relevant Entity

3. The Bancorp, Inc. is a publicly traded company incorporated in Delaware with principal executive offices in Wilmington, Delaware. Bancorp's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and the company's common stock is listed on the Nasdaq Global Select Market under the ticker symbol "TBBK."

Facts

4. Since Bancorp was a "large accelerated filer," as defined in Rule 12b-2 of the Exchange Act, with a fiscal year ending on December 31, 2024, it was required to file its annual report on Form 10-K by March 3, 2025, absent an extension.

5. On February 25, 2025, Bancorp's auditor disclosed at a meeting of the Audit Committee of the Board of Directors, attended by Frenkiel, that certain open items remained with respect to the firm's audit of the company's financial statements for the year ended December 31, 2024. These open items included (i) audit work regarding the accounting for a financial guarantee concerning fintech credit products; (ii) review and sign-off on work papers by the engagement quality review partner; and (iii) approval for release of the Form 10-K.

6. On February 28, 2025, Bancorp provided the auditor with recently signed agreements and other documents that related to the accounting for a financial guarantee of Bancorp fintech credit products.

7. For the purpose of preparing Bancorp's Form 10-K, the current and prior auditors provided Bancorp with draft audit opinions and consents.

8. During the afternoon of March 3, 2025, the current auditor communicated to Frenkiel and others that it was still performing audit work related to the agreements that had been provided on February 28, 2025.

9. Later that afternoon, a partner at Bancorp's prior auditor communicated to Frenkiel and others that it was "not signed off" on the filing of the company's Form 10-K until it received a representation letter from the current auditor disclosing whether the current audit revealed any matters that, in the current auditor's opinion, might have a material effect on, or require disclosure in, the financial statements reported on by the prior auditor. The current auditor never sent the prior auditor a representation letter on March 3, 2025.

10. The current auditor and the prior auditor did not provide Bancorp with final approval to include their audit opinions and consents in a Form 10-K filing on March 3, 2025.

11. Notwithstanding that Frenkiel knew that Bancorp had not received final approval from the auditors, at approximately 4:41 p.m. on March 3, 2025, Frenkiel, through a subordinate, directed a service provider to file Bancorp's Form 10-K for the fiscal year ended December 31, 2024. The Form 10-K was accepted by the Commission as filed at approximately 5:01 p.m.

12. Frenkiel did not consult with the Chairman of the Audit Committee of Bancorp's Board of Directors, legal counsel, or any executive officer or director of Bancorp before he decided on March 3, 2025 to file the Form 10-K without final approval from the current and prior auditors to include their audit opinions and consents.

13. The filed March 3, 2025 Form 10-K misrepresented that an audit of Bancorp's financial statements for the year ended December 31, 2024 had been completed and presented draft audit opinions and consents as if they were final approved versions. The Form 10-K included audit opinions by the current auditor with respect to Bancorp's financial statements and internal control over financial reporting for the year ended December 31, 2024. The filing also contained an audit opinion by the prior auditor with respect to Bancorp's financial statements for the years ended December 31, 2023 and December 31, 2022. In addition, the March 3, 2025 Form 10-K attached as exhibits consents from the auditors to the incorporation by reference of the firms' audit reports in certain registration statements of Bancorp.

14. The filed March 3, 2025 Form 10-K also included a certification that Frenkiel signed as Chief Financial Officer. In the certification, Frenkiel stated, among other things, that he had reviewed the annual report on Form 10-K. He also stated: (i) "Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;" and (ii) "Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report."

15. During the evening of March 3, 2025, the engagement partner of the current auditor informed the Chairman of the Audit Committee of Bancorp's Board of Directors that the Form 10-

K had been filed without the independent public accounting firm's approval and that the firm had not completed its audit.

16. After the market closed on March 4, 2025, Bancorp filed a report on Form 8-K, which stated, among other things, that the company, on March 3, 2025, inappropriately filed its annual report on Form 10-K for the fiscal year ended December 31, 2024, and that the Audit Committee of the Board of Directors had concluded that the company's financial statements for the fiscal years ended December 31, 2022 through 2024 should no longer be relied upon because the company's current auditor and prior auditor had not provided approval to include their audit opinions or consents in the Form 10-K.

17. Thereafter, the Audit Committee of the company's Board of Directors retained outside counsel and conducted an investigation concerning the events of March 3, 2025.

18. On March 5, 2025, the current auditor communicated to Bancorp that the company's accounting treatment of certain consumer fintech loans, as reflected in the March 3, 2025 Form 10-K, was not in accordance with Generally Accepted Accounting Principles.

19. On March 28, 2025, Frenkiel retired from his position as Chief Financial Officer.

20. On April 7, 2025, Bancorp filed an amended annual report on Form 10-K. The company's financial statements for the fiscal year ended December 31, 2024 were revised to reflect, among other things, a reserve on the ending balance of certain consumer fintech loans. The allowance for credit losses as of December 31, 2024 was $44.85 million in the April 7, 2025 amended Form 10-K as compared to $31.94 million in the March 3, 2025 Form 10-K. The amended Form 10-K included audit opinions and consents from the company's current auditor and prior auditor, with their approval.

21. The April 7, 2025 opinion by the current auditor with respect to Bancorp's financial statements for the year ended December 31, 2024 differed in substance from the purported March 3, 2025 opinion. For instance, the opinion included an additional critical audit matter and reflected a higher allowance for credit losses. Moreover, the April 7, 2025 opinion by the current auditor on company's internal control over financial reporting as of December 31, 2024 indicated that material weaknesses had been identified concerning the completion of all closing procedures prior to the filing of a required periodic report with the Commission and the evaluation of the accounting and financial reporting associated with the credit enhancement contained within a third-party agreement and the impact on the allowance for credit losses for consumer fintech loans. These material weaknesses were not identified in the March 3, 2025 Form 10-K filing.

Violations

22. As a result of the conduct described above, Frenkiel caused Bancorp's violations of Exchange Act Section 13(a) and Rules 12b-20 and 13a-1 thereunder, which require issuers with a class of securities registered pursuant to Section 12 to file annual reports with the Commission in accordance with such rules and regulations as the Commission may prescribe, and mandate that those reports contain such further material information as may be necessary to make the required statements made in the report not misleading.

23. As a result of the conduct described above, Frenkiel violated Exchange Act Rule 13a-14, which requires financial officers, among other things, to certify that annual reports filed on Form 10-K do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

IV.

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

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent Frenkiel cease and desist from committing or causing any violations and any future violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-14 thereunder.

B. Respondent Frenkiel shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of $30,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Paul Frenkiel as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Brendan P. McGlynn, Assistant Director, Securities and Exchange Commission, Philadelphia Regional Office, 1617 John F. Kennedy Blvd., Suite 520, Philadelphia, PA 19103.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary