

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-21745

In the Matter of

Stanley Stefanski, CPA,

Respondent.

**MOTION TO THE COMMISSION TO
TERMINATE ADDITIONAL
PROCEEDINGS TO DETERMINE
CIVIL PENALTIES, DISGORGEMENT
AND PREJUDGMENT INTEREST**

On September 28, 2023, the Commission instituted these proceedings and issued a settled Order that Respondent Stanley Stefanski, CPA (“Respondent” or “Stefanski”) cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5, 12b-20, 13a-1, 13a-11, 13a-13, and 13b2-2 thereunder. *In the Matter of Stanley Stefanski, CPA*, Securities Act Release No. 11245, File No. 3-21745 (Sept. 28, 2023) (the “Order”). In Section IV of that Order, Respondent agreed to “additional proceedings in this proceeding to determine what, if any, disgorgement, prejudgment interest and civil penalties are appropriate and in the public interest under Section 8A of the Securities Act, and appropriate under Sections 21B and 21C of the Exchange Act” (the “Additional Proceedings”). The Division of Enforcement (the “Division”) hereby moves the Commission to terminate the Additional Proceedings. In support of its Motion, the Division states as follows:

Respondent agreed to cooperate in a Commission investigation or related enforcement action. *See* Order Section IV(B). The Order also mentioned remedial acts promptly undertaken by

Respondent and cooperation that he afforded the Commission staff. Order ¶ 16.

BACKGROUND

This case concerns accounting and disclosure fraud by Pareteum Corporation (“Pareteum”), a telecommunications company, spanning from 2018 through mid-2019. Order ¶ 1. During this time, Pareteum’s public filings materially overstated revenue by approximately \$12 million for fiscal year 2018 (60% of the ultimately restated revenue), and by approximately \$30 million for the first and second quarters of 2019 (91% of the ultimately restated revenue). Order ¶ 1. These misstatements resulted from improper accounting practices, whereby Pareteum executives, including Stefanski, allowed revenue to be recognized based on non-binding purchase orders and prior to product shipment, which was not in accordance with generally accepted accounting principles (“GAAP”). Order ¶ 2. Further, Stefanski and others took steps to conceal these practices from Pareteum’s auditor. Order ¶ 2. As a result, Stefanski willfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) and 13b2-2 thereunder, and willfully aided and abetted and caused Pareteum’s and Pareteum’s CFO’s violations of Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, 13a-11, and 13a-13 thereunder. Order ¶ 3.

TERMINATION OF PROCEEDINGS TO DETERMINE CIVIL PENALTIES, DISGORGEMENT AND PREJUDGMENT INTEREST

Respondent agreed to the Additional Proceedings in this matter to determine what, if any, disgorgement and prejudgment interest or civil penalties are appropriate under Section 8A of the Securities Act and Sections 21B and 21C of the Exchange Act. The Division requests that the Commission terminate the Additional Proceedings against Respondent.

In May 2023, Respondent entered into a cooperation agreement with the Division that required him to provide full, truthful and continuing cooperation in an investigation and any other

related proceedings. The Division is satisfied that Respondent has fulfilled his obligations under his cooperation agreement. In addition, Respondent accepted responsibility for his conduct concerning the accounting fraud by consenting to an order directing him to cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) and 13b2-2 thereunder. The Division has determined not to seek a civil penalty.

The Division also has determined that Respondent did not receive any ill-gotten gains as a result of the violations, and therefore disgorgement and prejudgment interest are not applicable.

WHEREFORE, the Division respectfully requests that the Commission terminate the Additional Proceedings in this matter that were to determine what, if any, disgorgement and prejudgment interest or civil penalties are appropriate against Respondent.

Dated: May 30, 2025

Respectfully Submitted,

/s/ Karen M. Klotz

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