

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 97669 / June 8, 2023

Admin. Proc. File No. 3-21214

In the Matter of
JOSHUA ABRAHAMS, CPA

ORDER AUTHORIZING ADDITIONAL DEPOSITIONS

On October 21, 2022, the Securities and Exchange Commission issued an order instituting administrative proceedings (“OIP”) against Joshua Abrahams, CPA, pursuant to Section 4C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice.¹ The OIP alleges, in part, that Abrahams engaged in improper professional conduct in connection with the interim review and audit of a company’s financial statements. According to the OIP, the company made an error in calculating the amount of a valuation allowance against its deferred tax assets and Abrahams failed to comply with multiple professional standards in relation to audit’s treatment of that issue. The parties have filed a joint stipulation, which recites their agreement that “five depositions each, for a total of ten depositions, is appropriate and necessary.”² This order gives effect to the stipulation and authorizes additional depositions on the terms set forth therein.

Rule of Practice 233(a)(1) permits each party, in a single-respondent proceeding under the 120-day timeframe like this one, to depose three witnesses as of right.³ Each party may notice up to two additional depositions after obtaining authorization from the Commission or the

¹ *Joshua Abrahams, CPA*, Exchange Act Release No. 96127, 2022 WL 13566785 (Oct. 21, 2022).

² The proposed deponents are respondent; the two tax partners assigned to the audit; the quality review partner; and certain executives at the company audited (the chief financial officer, the tax director, the senior vice president of tax, the vice president and assistant controller, the senior vice president and corporate controller, and a corporate representative witness).

³ 17 C.F.R. § 201.233(a)(1); *see Joshua Abrahams, CPA*, 2022 WL 13566785, at *13 (“This proceeding shall be deemed to be one under the 120-day timeframe . . . for the purposes of applying Rule[] of Practice . . . 233.”).

hearing officer in accordance with Rule of Practice 233(a)(3).⁴ That rule provides that the party seeking additional depositions must demonstrate a “compelling need” for the depositions by identifying the witnesses to be deposed as of right as well as the proposed additional witnesses; describing the role of each witness and proposed additional witness; describing the matters concerning which each witness and proposed additional witness is expected to be questioned and why the deposition of each witness and proposed additional witness is necessary for the moving side’s arguments, claims, or defenses; and showing that the additional depositions requested will not be unreasonably cumulative or duplicative.⁵

Based on the parties’ agreement that additional depositions are appropriate and necessary, as well as the information provided in the joint stipulation as to each witness and proposed additional witness, it appears that the requirements of Rule of Practice 233(a)(3) are met. Accordingly, it is ORDERED that each party may, but is not required to, take the depositions identified in the joint stipulation; that each party may, but is not required to, cross-notice the depositions of the witnesses and that any cross-noticed depositions may be conducted in accordance with the time limitations stated in the joint stipulation; and that each party may take depositions of designated expert witnesses in addition to any fact depositions per side.

Any fact witness may request that the notice of deposition be quashed or modified pursuant to with the procedures set forth in Rule of Practice 232(e).⁶

By the Commission.

Vanessa A. Countryman
Secretary

⁴ 17 C.F.R. § 201.233(a)(3).

⁵ 17 C.F.R. § 201.233(a)(3)(ii). The additional depositions must also satisfy the standards set forth in Rule of Practice 232(e) that are applicable to all depositions—that is, compliance with the notice of deposition must not be “unreasonable, oppressive, unduly burdensome” or “unduly delay the hearing” and the deponent must be a fact witness, expert witness, or document custodian. *Id.*; *see also* 17 C.F.R. § 201.232(e).

⁶ 17 C.F.R. § 201.232(e); *see also* Adopting Release, *Amendments to the Commission’s Rules of Practice*, 81 Fed. Reg. 50,212, 50,217 & n.54 (July 29, 2016) (explaining that “proposed deponents or other [non-parties] described in Rule 232(e)(1)” may file an application to quash additional depositions that have been approved under Rule of Practice 233(a)(3)).