

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 64280 / April 8, 2011

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3267 / April 8, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14336

In the Matter of

**CHISHOLM, BIERWOLF,
NILSON & MORRILL, LLC**

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE AND CEASE-
AND-DESIST PROCEEDINGS PURSUANT
TO SECTIONS 4C AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934
AND RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted against Chisholm, Bierwolf, Nilson & Morrill, LLC ("Respondent") pursuant to Sections 4C¹ and 21C of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 102(e)(1)(ii) of the Commission's Rules of Practice.²

¹ Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (1) not to possess the requisite qualifications to represent others . . . (2) to be lacking in character or integrity, or to have engaged in unethical or improper professional conduct; or (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

² Rule 102(e)(1)(ii) provides, in pertinent part, that:

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 or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds³ that:

A. SUMMARY

1. From year-end 2004 through the first quarter of 2008, Powder River Petroleum International, Inc. (“Powder River” or “the company”) improperly accounted for over \$43 million in proceeds from conveyances of fractional working interests in oil-and-gas leases to investors in Asia. In particular, Powder River immediately recognized revenue from the conveyances, despite the fact that it had promised the Asian working interest investors a guaranteed return until they recouped their initial investment. In addition, Powder River also improperly recorded assets it did not own or that were stated in excess of net realizable value. As a result, Powder River’s financial statements did not present fairly, in all material respects, the company’s financial position, operating results, and cash flows in conformity with generally accepted accounting principles. Powder River materially overstated its revenues by 7% to 2,417%, its pre-tax income by 18% to 441%, and its assets by 7% to 48% in its Commission filings during the applicable period.

2. From year-end 2004 through the first quarter of 2008, Powder River engaged Respondent to conduct annual audits and quarterly reviews of Powder River’s financial statements. Respondent failed to conduct these engagements in accordance with Public Company Accounting Oversight Board (“PCAOB”) Standards. Respondent also failed to have procedures in place to detect fraud and to evaluate Powder River’s ability to continue as a going concern. Respondent’s failures as Powder River’s auditor were a cause of Powder River’s filing of false and misleading Forms

The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found . . . to have engaged in unethical or improper professional conduct.

³ 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.

10-QSB and 10-KSB. Accordingly, Respondent engaged in improper professional conduct, violated Sections 10A(a)(1) and 10A(a)(3) of the Exchange Act, and was a cause of Powder River's violations of Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13 and 12b-20 thereunder.

B. RESPONDENT

3. Chisholm, Bierwolf, Nilson & Morrill, LLC ("Chisholm Bierwolf"), a PCAOB-registered audit firm with offices in Bountiful and Layton, Utah, and its predecessors, have been Powder River's auditor since 2001.

C. RELEVANT INDIVIDUALS AND ENTITY

4. Todd D. Chisholm ("Chisholm") is a certified public accountant licensed in the state of Utah. He became an audit partner for Respondent in 1995, and he served as the firm's managing partner from 2004 to 2010. Chisholm was the engagement partner on the audits and quarterly reviews of Powder River from 2004 through the third quarter of 2007, and supervised Respondent's engagements to audit and review Powder River's financial statements throughout that period.

5. Troy F. Nilson ("Nilson") is a certified public accountant licensed in the state of Utah and has been an audit partner of Respondent from 2004 to the present. Nilson was the engagement partner on Powder River's audit and quarterly review for year-end 2007 and the first quarter of 2008, and supervised Respondent's engagements to audit and review Powder River's financial statements in those periods.

6. Powder River Petroleum International, Inc. is an Oklahoma corporation headquartered in Calgary, Canada. The company's common stock is registered with the Commission pursuant to Exchange Act Section 12(g). Powder River's shares are currently quoted on Pink OTC Markets, Inc. In July 2008, an Oklahoma district court granted a temporary restraining order and appointed a receiver for Powder River in connection with a complaint filed by certain Asian investors.⁴ In December 2008, Powder River filed for bankruptcy.⁵ It has not restated its financial statements, other than a restatement of its 2007 quarterly financial statements included in its year-end 2007 financial statements, nor has it filed any reports with the Commission since September 17, 2008.

D. FACTS

Oil-and-Gas Working Interest Conveyances

7. From year-end 2004 through the first quarter of 2008, Powder River offered and sold working interests in its oil-and-gas leases through an independent sales agent to investors in

⁴ See *Chang v. Powder River Petroleum Int'l, Inc.* (Okla. Dist. Ct. July 14, 2008) (No. CJ-2008-4855).

⁵ See *In re Powder River Petroleum Int'l, Inc.* (Bankr. W.D. Okla. Dec. 12, 2008) (No. 08-15613).

Singapore, Malaysia and Indonesia. Powder River's contracts with Asian investors provided that they would receive guaranteed payments yielding an annual minimum of 9%, and in some cases more, beginning approximately six months after the date of investment until investors reached the "break-even point," i.e. when their principal had been repaid (the "guaranteed payments"). Thereafter, investors received lease production payments based on their respective working interests. By the second quarter of 2007, Powder River's guaranteed payments exceeded not only the investors' share of oil-and-gas production revenues, but also Powder River's total production revenues. After that date, Powder River used proceeds from working interest conveyances to new investors to fund guaranteed payments to earlier investors.

8. From year-end 2004 through the first quarter of 2008, Powder River improperly recognized as revenue over \$33.5 million in proceeds from conveyances of the working interests to investors. These conveyances were in substance and should have been reported by Powder River as borrowings, not revenue (*see* Financial Accounting Standards No. 19, *Financial Accounting and Reporting by Oil and Gas Producing Companies*, paragraph 43). The investors' contractual right to receive guaranteed payments until their "break-even point" represented, in substance, a loan of capital to Powder River at a guaranteed 9% minimum rate of return. As a result of Powder River's improper accounting, the company materially overstated its revenues in its Forms 10-QSB, 10-Q, 10-KSB and 10-K for the year ended December 31, 2004 through the quarter ended March 31, 2008 by 7% to 2,417% and its net pre-tax income by 18% to 441%.

9. Respondent Chisholm Bierwolf conducted audits and quarterly reviews of Powder River's financial statements from year-end 2004 through the first quarter of 2008. Chisholm supervised Respondent's audits and quarterly reviews from year-end 2004 through the third quarter of 2007. During Respondent's 2004 and 2005 audits, and quarterly reviews during 2005 and 2006, Chisholm failed to examine the documents underlying the working interest conveyances or to question Powder River's improper revenue recognition of conveyance proceeds. Instead he relied, without further inquiry, on the Powder River CEO's characterization of the working interest conveyances as "sales." As a result, Powder River: a) failed to disclose and account properly for the guaranteed payments; and b) improperly reported the working interest conveyance proceeds as revenue in financial statements included in its 2004 and 2005 Forms 10-KSB and its Forms 10-QSB from the first quarter of 2005 through the third quarter of 2006.

10. During Powder River's 2006 audit, Chisholm became aware of Powder River's 9% payments to the working interest investors, but failed to inquire further about them or consider how those payments might affect Powder River's revenue recognition or whether the company should disclose its payment obligation in its 2006 financial statements. As a result, Powder River continued to record the working interest conveyance proceeds as revenue, failed to disclose the guaranteed payments, and improperly offset the guaranteed payments against the company's oil-and-gas production receipts.

11. In the second quarter of 2007, when the guaranteed payments exceeded Powder River's entire oil-and-gas receipts, the company began recording the guaranteed payments on its balance sheet as an asset labeled "pre-paid production payments." Chisholm was aware of these

facts. Yet, during 2007 quarterly reviews, he again failed to consider the impact of the guaranteed payments on Powder River's revenue recognition or to inquire further whether Powder River's accounting for those payments was correct. Chisholm also failed to consider whether Powder River should disclose its guaranteed payment obligation. As a result of the foregoing, Powder River continued to record the working interest conveyance proceeds as revenue, failed to disclose the guaranteed payments, and mischaracterized those payments as an asset in its financial statements included in its second and third quarter 2007 Forms 10-QSB.

12. Nilson supervised Powder River's 2007 audit and first-quarter 2008 review. During the 2007 audit, Nilson examined some of the contracts underlying the working interest conveyances, which described the guaranteed payments, and determined that Powder River's accounting for those payments as an asset was improper. The company filed a Form 8-K on March 17, 2008, which disclosed the guaranteed payments and indicated that the company's second and third quarter 2007 financial statements could not be relied upon. When Powder River filed its 2007 Form 10-K and first-quarter 2008 Form 10-Q, the company disclosed the guaranteed payments as a future commitment in its financial statement footnotes. Nilson failed, however, to consider whether, as a result of the guaranteed payment provisions, the conveyances should have been reported as borrowings rather than sales. As a result, the company continued to improperly report the proceeds from its working interest conveyances as revenues.

13. Furthermore, Nilson was aware that Powder River's guaranteed payments exceeded the company's total oil-and-gas revenues for 2007. Yet, he failed to include a "going concern" paragraph in Chisholm Bierwolf audit opinion, despite substantial reason to doubt that Powder River's future oil-and-gas revenues, which were only \$3.3 million in 2007, would be sufficient to cover the \$6.1 million of guaranteed payments due in 2008.

Inflated Assets

14. Powder River reported assets that it did not own, that did not exist, or that it should have written in financial statements included in its 2005, 2006 and 2007 Forms 10-KSB and 10-K and for its Forms 10-QSB and 10-Q for the first, second and third quarters of 2005, 2006, and 2007 and the first quarter of 2008. During the company's 2005, 2006 and 2007 audits, Respondent failed to conduct sufficient audit procedures to support the recorded oil-and-gas assets and a "loan receivable"; otherwise it would have discovered information that indicated a significant amount of such assets should be removed from Powder River's financial statements. As a result, the company overstated its assets by 7% to 48%.

15. In particular, Powder River improperly included as assets on its financial statements two oil-and-gas leases it had agreed, but failed, to acquire. Specifically, in 2005, Powder River made \$500,000 in nonrefundable payments as a part of an agreement to acquire a New Mexico oil-and-gas lease for \$5 million, but by August 2005 it had defaulted on the terms of the agreement and lost its rights to the lease. Nonetheless, Powder River continued to report the lease as an asset on its balance sheet from the third quarter of 2005 through the first quarter of 2008, which was its last quarterly report. Similarly, Powder River made nonrefundable payments totaling \$1.5 million

in late 2006 and early 2007 as part of an agreement to acquire a Texas oil-and-gas lease for \$6.5 million. The company reported the lease, along with an associated note payable, as assets on its balance sheet from year-end 2006 onward. In reality, the agreement was never consummated, no note agreement was ever executed, and by the end of 2007 Powder River had forfeited its payments.

16. During Powder River's 2005 and 2006 audits, Chisholm failed to review the oil-and-gas lease purchase documents for the New Mexico and Texas leases and to obtain adequate documentation for the \$2 million paid to third-parties in the failed lease purchases. During the 2006 audit, Chisholm also failed to perform adequate alternate procedures even though: a) documents provided by Powder River to Respondent indicated the Texas lease purchase agreement terms expired in December 2006; and b) Respondent received an irregular confirmation of the purported \$5 million promissory note.

17. During Powder River's 2007 audit, Nilson failed to perform procedures to verify the existence and ownership of the New Mexico and Texas leases, despite the size of the assets and the fact that the company had not paid any significant development costs or taxes on the properties in 2007. Nilson did not review the oil-and-gas lease purchase documents or any promissory note agreement on the Texas lease. During the 2007 audit, Nilson requested confirmation of the purported \$5 million promissory note on the Texas lease, but failed to perform sufficient alternative procedures when the confirmation was not returned.

18. In addition, Powder River listed a \$1.2 million item as a "loan receivable" on the company's balance sheet in its 2007 Form 10-K financial statements. In prior periods, this item was reported as a cash or cash equivalent. Despite this unexplained change in accounting treatment and the fact that no payments had ever been made on the loan receivable, Nilson failed to obtain documentation of the purported loan receivable or to perform any procedures to evaluate the collectability of the loan. Further, Nilson failed to identify that the loan receivable had not been disclosed as a related party transaction in compliance with Statement of Financial Accounting Standard No. 57, *Related Party Disclosures*.

Failure to Assess the Work of a Professional

19. At year-end 2005 and 2006, oil-and-gas properties represented 62% and 67%, respectively, of Powder River's total assets. In auditing Powder River's 2005 and 2006 financial statements, Respondent and Chisholm obtained and relied upon brief excerpts from oil-and-gas reserve reports. He did little, if anything, to: a) evaluate the qualifications of the petroleum engineer who prepared the oil-and-gas reserve reports; b) understand the nature of the work performed in preparing the oil-and-gas reserve reports; and c) evaluate the petroleum engineer's relationship to Powder River. Prior to the completion of the 2005 audit, Chisholm learned that the Commission's Division of Corporation Finance staff had issued comments, some of which addressed Powder River's oil-and-gas reserves, on its 2004 Form 10-KSB, and participated in at least one telephone call regarding the company's response to those comments. Chisholm knew or should have known that the staff's comments and Powder River's responses thereto raised questions as to: a) the qualifications of the engineer who prepared the reserve reports; b) the adequacy of the reserve

reports to support disclosures made in the financial statements; and c) conformity of the reserve reports with Rule 4-10 of Regulation S-X. Accordingly, Respondent and Chisholm failed to adhere to the guidance contained in AU 336, *Using the Work of a Specialist*, and failed to obtain sufficient competent evidential matter to support Respondent's report on Powder River's 2005 and 2006 financial statements.

20. Powder River's year-end 2005 and 2006 financial statements disclosed supplementary, unaudited footnote information required under Statement of Financial Accounting Standards No. 69, *Disclosures about Oil and Gas Producing Activities*. Despite the questions raised by the staff's comments on Powder River's 2004 Form 10-KSB, Respondent and Chisholm failed to comply with the provisions of AU §9558, *Required Supplementary Information; Auditing Interpretation of Section 558*, while supervising Powder River's 2005 and 2006 audits. AU §9558 states that if an auditor believes that information may not be presented within the applicable guidelines he ordinarily should make additional inquiries. Respondent and Chisholm had reason to believe that Powder River's footnote information may not have been presented within applicable guidelines. Therefore, they ordinarily should have made additional inquiries, but failed to do so.

21. At year-end 2007, oil-and-gas properties represented approximately 82% of Powder River's total assets. The company, however, failed to obtain new or updated reserve reports in 2007, instead relying on the reports that it had used in connection with the 2006 audit. In auditing Powder River's 2007 financial statements, Respondent and Nilson relied on the work performed in the audit of Powder River's 2006 financial statements, without performing procedures to test or verify the scope or adequacy of that prior audit work or the 2006 reserve reports. Respondent and Nilson did nothing to: a) evaluate the qualifications of the petroleum engineer who prepared the oil-and-gas reserve reports; b) understand the nature of the work performed in preparing the oil-and-gas reserve reports; and c) evaluate the petroleum engineer's relationship to Powder River. They knew or should have known that Powder River's failure to obtain new or updated reserve reports raised questions as to: a) the qualifications of the engineer who prepared the reserve reports and b) the adequacy of the reserve reports to support disclosures made in the financial statements. Accordingly, Respondent and Nilson failed to adhere to the guidance contained in AU 336, *Using the Work of a Specialist*, and failed to obtain sufficient competent evidential matter to support Respondent's report on Powder River's 2007 financial statements.

Creation of Audit Documents

22. Prior to a PCAOB inspection in 2007, Chisholm and Nilson created and back-dated and directed Respondent's staff to create and back-date audit planning and other documents more than 45 days after the documentation completion dates for the 2006 audit of Powder River's financial statements. Respondent, Chisholm, and Nilson failed to document in the workpapers the dates that these changes were made, the names of the persons who made them, and the reasons for adding information. They also failed to notify the PCAOB inspection team that changes had been made to the audit files without appropriately documenting those changes. As a result, Respondent failed to comply with PCAOB Auditing Standard No. 3, *Audit Documentation*, in addition to violating PCAOB rules. Respondent produced those documents to SEC staff during its

investigation, without disclosing that they had been back-dated or created after the document completion deadlines.

Failure to Conduct Audits in Accordance with PCAOB Standards

23. As the foregoing conduct demonstrates, Respondent failed to conduct Powder River's 2004 through 2007 audits in accordance with PCAOB Standards and Rules. Specifically, Respondent, failed to:

a. Adequately plan audits and properly train and supervise assistants, under AU 311, ¶8, *Planning & Supervision*;

b. Gather sufficient competent evidential matter, under AU 326, ¶13, *Audit Evidence*, to support the characterization of Powder River's revenue and Respondent's conclusions on company assets;

c. Exercise due professional care and skepticism, under AU 230, ¶¶9, 25, *Due Professional Care in the Performance of Work*, as illustrated by repeated failures to review underlying documentation, undue reliance on management, and failure to respond appropriately to "red flags;"

d. Consider whether, under AU 336, ¶¶8, 9, *Using the Work of a Specialist*, Powder River's petroleum engineers possessed the necessary qualifications for their work to be used as audit evidence;

e. Make additional inquiries under AU §9558, *Required Supplementary Information; Auditing Interpretation of Section 558*, although Respondent had reason to believe that Powder River's oil-and-gas reserves footnote information may not have been presented within applicable guidelines;

f. Evaluate, under AU 341, ¶3, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, Powder River's ability to continue as a going concern even though the fact that Powder River's total revenues were significantly less than its guaranteed payment obligations should have raised substantial doubt about its ability to continue as a going concern;

g. Perform sufficient alternative procedures, under AU 330, ¶31, *The Confirmation Process*, when Respondent did not receive proper confirmations of a promissory note and a loan receivable; and

h. Properly prepare audit documentation, under PCAOB Auditing Standard No. 3, ¶15, *Audit Documentation*, as demonstrated by after-the-fact creation and back-dating of audit planning documents and checklists.

24. Furthermore, Respondent did not have procedures in place designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on Powder River's financial statement amounts, as required by Section 10A(a)(1) of the Exchange Act. This was demonstrated by Chisholm and Nilson's failure to recognize Powder River's improper revenue recognition, their failure to identify assets improperly included on its balance sheet, and their reliance on non-SEC compliant reserve reports that failed to support Powder River's reported reserves.

25. Respondent also did not include in the 2007 audit an evaluation of whether there was substantial doubt about the ability of Powder River to continue as a going concern during the ensuing fiscal year, as required by Section 10A(a)(3) of the Exchange Act. This is demonstrated by Nilson's failure to recognize that Powder River's total revenues in 2007 were significantly less than its guaranteed payment obligations for the following year, which should have raised substantial doubt about the company's ability to continue as a going concern.

E. VIOLATIONS

26. Exchange Act Section 10A(a)(1) requires each audit to include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts, and Section 10A(a)(3) requires each audit to include an evaluation of whether there is substantial doubt about the ability of the issuer to continue as a going concern during the ensuing fiscal year. No showing of *scienter* is necessary to establish a violation of Section 10A. See *SEC v. Solucorp Indus., Ltd.*, 197 F. Supp. 2d 4 (S.D.N.Y. 2002).

27. As discussed above, Respondent violated Sections 10A(a)(1) and 10A(a)(3) by failing to have adequate procedures in place during Powder River's 2004 through 2007 audits to: 1) reasonably assure detection of illegal acts, such as Powder River's undisclosed guaranteed payments (from 2004 through 2006), its material overstatement of its revenues, improperly recorded assets on its balance sheet, its materially overstated oil and gas reserves, and Powder River's payments of later working interest conveyance proceeds to earlier working interest investors, which materially affected the determination of financial statement amounts; and 2) to evaluate whether there was substantial doubt about Powder River's ability to continue as a going concern during the 2007 audit.

28. Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 thereunder, require every issuer of a security registered pursuant to Section 12 of the Exchange Act file with the Commission information, documents, and annual and quarterly reports as the Commission may require, and mandate that periodic reports contain such further material information as may be necessary to make the required statements not misleading. The obligation to file such reports embodies the requirement that they be true and correct. See, e.g., *SEC v. Savoy Indus., Inc.*, 587 F.2d 1149, 1165 (D.C. Cir. 1978), *cert. denied*, 440 U.S. 913 (1979).

29. As discussed above, from year-end 2004 through the first quarter of 2008, Respondent's failures were a cause of Powder River's filing of false and misleading periodic reports with the Commission. Accordingly, Respondent was a cause of Powder River's violations of Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 thereunder.

30. Rule 102(e)(1)(ii) of the Commission's Rules of Practice and Section 4C of the Exchange Act authorize the Commission to censure or deny, temporarily or permanently, the privilege of appearing or practicing before the Commission to accountants who are found to have engaged in improper professional conduct. Under Rule 102(e)(1)(iv), the term "improper professional conduct" means, in part, "repeated instances of unreasonable conduct, each resulting in a violation of applicable professional standards, that indicate a lack of competence to practice before the Commission." Respondent's actions were unreasonable and failed to conform to applicable professional standards. Accordingly, Respondent's conduct supports an action under Rules 102(e)(1)(ii) and 102(e)(1)(iv)(B)(2) of the Rules of Practice.

F. FINDINGS

31. Based on the foregoing, the Commission finds that Respondent violated Sections 10A(a)(1) and 10A(a)(3) of the Exchange Act, and was a cause of Powder River's violations of Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 promulgated thereunder.

32. Based on the foregoing, the Commission finds that Respondent engaged in improper professional conduct pursuant to Rules 102(e)(1)(ii) and 102(e)(1)(iv)(B)(2) of the Commission's Rules of Practice.

G. UNDERTAKING

33. Cooperation. Respondent undertakes to cooperate fully with the Commission with respect to any matter relating to the Commission's investigation of Powder River or its current or former officers, directors, employees, or auditors, including but not limited to any litigation or other proceeding related to or resulting from that investigation. Such cooperation shall include, but is not limited to, upon reasonable notice and without subpoena:

a. Producing any document, record, or other tangible evidence reasonably requested by Commission staff in connection with the Commission's investigation, litigation or other proceedings;

b. Providing all information reasonably requested by Commission staff in connection with the Commission's investigation; and

c. Attending and providing truthful statements at any meeting, interview, testimony, deposition, trial, or other legal proceeding reasonably requested by the Commission staff.

34. In determining whether to accept the Offer, the Commission has considered these undertakings.

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, effective immediately, that:

A. Respondent shall cease and desist from committing or causing any violations and any future violations of Sections 10A(a)(1) and 10A(a)(3) of the Exchange Act.

B. Respondent shall cease and desist from committing or causing any violations and any future violations of Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 promulgated thereunder.

C. Respondent is denied the privilege of appearing or practicing before the Commission as an accountant.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), on the Respondent and its legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Shoshana Thoma-Isgur, Esq.
Fort Worth Regional Office
Securities and Exchange Commission
801 Cherry Street, Suite 1900
Fort Worth, TX 76102

Mr. Troy F. Nilson, Managing Member
Chisholm, Bierwolf, Nilson & Morrill, LLC
c/o Douglas E. Griffith, Esq.
Kesler & Rust
68 South Main Street, 2nd Floor
Salt Lake City, UT 84101

Douglas E. Griffith, Esq.
Kesler & Rust
68 South Main Street, 2nd Floor
Salt Lake City, UT 84101
(Counsel for Chisholm, Bierwolf, Nilson & Mo