

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 77718 / April 26, 2016**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 3771 / April 26, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17228**

**In the Matter of**

**David S. Hall, P.C. d/b/a The Hall  
Group CPAs,  
David S. Hall, CPA,  
Michelle L. Helterbran Cochran, CPA,  
and  
Susan A. Cisneros**

**Respondents.**

**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**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 4C<sup>1</sup> and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 102(e)(1)(ii) and (iii) of the Commission’s Rules of Practice<sup>2</sup> against **David S. Hall, P.C. d/b/a The Hall Group CPAs** (“The Hall Group”),

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<sup>1</sup> 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 . . . (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.

<sup>2</sup> Rule 102(e)(1)(ii) provides, in pertinent part, that:

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.

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

**David S. Hall, CPA** (“Hall”), and **Michelle L. Helterbran Cochran, CPA** (“Helterbran”); and Sections 4C and 21C of the Exchange Act and Rule 102(e)(1)(iii) against **Susan A. Cisneros** (“Cisneros”).

## II.

After an investigation, the Division of Enforcement alleges that:

### A. RESPONDENTS

1. **David S. Hall, P.C. d/b/a/ The Hall Group CPAs** is a Texas corporation which was licensed to practice public accountancy in Texas as The Hall Group CPAs from April 5, 2006 through May 31, 2014. Thakkar CPA, PLLC (“Thakkar CPA”)<sup>3</sup> acquired certain assets of David S. Hall, P.C. on or about January 6, 2014 (the “Closing Date”), after which the latter firm ceased operations. Thakkar CPA agreed to pay David S. Hall, P.C. \$450,000 in cash at closing and to enter into a 5%, two-year promissory note for \$313,516. On March 25, 2015, David S. Hall, P.C. requested that its registration with the PCAOB be withdrawn.

2. **David S. Hall**, age 58 and a resident of Lewisville, Texas, is a CPA licensed in Texas. Hall owns 100% of David S. Hall, P.C. On April 15, 2014, Hall became the CFO for DynaResource, Inc., (“DynaResource”) whose auditor was David S. Hall, P.C. d/b/a The Hall Group CPAs through January 29, 2014 and, later, Thakkar CPA d/b/a The Hall Group CPAs for the 2013 audit and 2014 reviews.

3. **Michelle L. Helterbran Cochran**, age 46 and a resident of Coppell, Texas, is a CPA licensed in the state of Texas. From September 2007 through July 2013, Helterbran was employed by David S. Hall, P.C. and became a non-equity partner with that firm in February 2012.

4. **Susan A. Cisneros**, age 58 and a resident of Flower Mound, Texas, holds a Master’s of Science degree in Accounting from the University of North Texas but is not a CPA. Cisneros worked as an audit senior for David S. Hall, P.C. from January 2005 through January 2012 and again from May 2013 through December 2013.

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The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found . . . to have willfully violated, or willfully aided and abetted the violation of any provision of the Federal securities laws or the rules and regulations thereunder.

<sup>3</sup> On April 6, 2016, the Commission issued an Order finding that Thakkar CPA, its managing partner, and its owner, engaged in improper professional conduct and violated or willfully violated Rule 2-02 of Regulation S-X and caused issuers to violation Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder. The Order also found that Thakkar CPA’s Vice President of Operations caused Thakkar CPA’s violations of Rule 2-02(b)(1) of Regulation S-X and caused issuers to violate Section 13(a) of the Exchange Act, and Rules 13a-1 and 13a-13 thereunder. *In the Matter of Thakkar CPA, PLLC et. al*, Exchange Act Rel. No. 77542 (April 6, 2016).

**B. OTHER RELEVANT ENTITIES**

5. **Thakkar CPA**, is a Texas corporation formed to acquire certain assets of David S. Hall, P.C. and provided auditing services for multiple public companies between January 2014 and January 2015 signing audit reports as “The Hall Group CPAs,” but never became registered with the PCAOB.

**C. FACTS**

**i. Failure to Conduct Audits and Reviews in Accordance with PCAOB Standards**

6. The Hall Group, Hall, Helterbran, and Cisneros collectively failed to conduct at least 16 annual audits and 35 quarterly reviews<sup>4</sup> in accordance with PCAOB standards in at least three ways: (1) they repeatedly failed to prepare adequate audit documentation in connection with audit and review engagements; (2) failed to conduct – or failed to obtain – an engagement quality review (“EQR”) of audit and review engagements by a qualified reviewer; and (3) on at least four engagements, The Hall Group and Hall performed audit services while the firm’s independence was impaired. As a result, The Hall Group falsely stated that it conducted its audits in accordance with PCAOB standards in at least 16 annual audit reports for eight issuers. Additionally, Hall, after becoming CFO of DynaResource, Inc., allowed Thakkar CPA to provide audit services to DynaResource, Inc. even though he knew he had a direct financial interest in and a business relationship with the company’s external audit firm.

**a. Failure to Adequately Prepare Required Audit Documentation**

7. PCAOB Auditing Standard No. 3, *Audit Documentation* (“AS 3”), states that “[a]udit documentation is the written record of the basis for the auditor’s conclusions that provides the support for the auditor’s representations, whether those representations are contained in the auditor’s report or otherwise.” (emphasis in original.) AS 3, ¶ 2. Additionally, AS 3 states that:

The auditor must document the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial statement assertions. Audit documentation must clearly demonstrate that the work was in fact performed. This documentation requirement applies to the work of all those who participate in the engagement as well as to the work of specialists the auditor uses as evidential matter in evaluating relevant financial statement assertions. Audit documentation must contain sufficient information to enable an experienced auditor, having no previous connection with the engagement:

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<sup>4</sup> See Appendix attached herewith.

- a. To understand the nature, timing, extent, and results of the procedures performed, evidence obtained, and conclusions reached, and
- b. To determine who performed the work and the date such work was completed **as well as the person who reviewed the work and the date of such review**. (emphasis added) AS 3, ¶ 6

8. AS 3 states that an auditor must “identify all significant findings or issues in an *engagement completion document*,” which includes either all information necessary to understand the significant findings, issues or provides references to other audit documentation. AS 3, ¶ 13 (emphasis in original.)

9. The Hall Group utilized standardized forms and checklists while documenting its audit work. For example, The Hall Group used a “Supervision, Review and Approval Form” to document, in part, (1) who performed the partner review and the engagement quality review, (2) the dates of such reviews, (3) the partner’s approval for issuance of the report, and (4) the engagement quality reviewer’s concurring approval for issuance of the report. The Hall Group also used a standardized “Engagement Completion Document Form” to assist in summarizing all significant findings or issues.

10. Hall and Helterbran failed to comply with AS 3 on multiple audits because their workpapers contained blank or incomplete Supervision, Review, and Approval Forms and blank or incomplete Engagement Completion Document Forms for at least five audit and twenty review engagements over multiple periods.

11. The existence of blank or incomplete Engagement Completion Document Forms further evidences Hall’s and Helterbran’s failure to prepare documentation in accordance with AS 3 requirements and does not allow an experienced auditor, having no previous connection with the engagement, to determine who reviewed the work and the date of such review.

#### **b. Failure to Obtain Required Engagement Quality Reviews**

12. Auditing Standard No. 7, *Engagement Quality Review* (“AS 7”), requires an auditor to obtain an EQR and concurring approval to issue the engagement report for each audit and interim review engagement.<sup>5</sup> Additionally, AS 7 states, “[a]n engagement quality reviewer from the firm that issues the engagement report (or communicates an engagement conclusion, if no report is issued) must be a partner or another individual in an equivalent position.” Among other things, an engagement quality reviewer must be competent, *i.e.*, must possess the level of knowledge and competence related to accounting, auditing and financial reporting required to serve as the engagement partner on the engagement under review. Additionally, an engagement quality reviewer must have competence, independence, integrity, and objectivity. To maintain objectivity, the engagement quality

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<sup>5</sup> AS 7 is effective for audits and interim reviews for fiscal years beginning on or after December 15, 2009.

reviewer should not make decisions on behalf of the engagement team or assume any of the responsibilities of the engagement team. AS 7, ¶¶ 3-7. An audit firm may grant permission to the client to use the firm’s audit report only after the engagement quality reviewer provides concurring approval of issuance, AS 7, ¶ 13.

13. The PCAOB defines the engagement partner as the member of the engagement team with primary responsibility for the audit. Auditing Standard No. 10, *Supervision of the Audit Engagement*, (“AS 10”), Appendix, A2. The engagement partner remains responsible for the engagement and its performance, notwithstanding the involvement of the engagement quality reviewer. AS 7, ¶7. Accordingly, the engagement partner is responsible for, among other things, compliance with PCAOB standards. AS 10, ¶13.

14. Audit firms’ quality control policies and procedures should include provisions that provide the firm with reasonable assurance that the engagement quality reviewer has sufficient competence, among other things, to perform the EQR in accordance with PCAOB standards. AS 7, ¶4. Policies and procedures should be established to provide the firm with reasonable assurance that “those hired possess the appropriate characteristics to enable them to perform competently” and “[w]ork is assigned to personnel having the degree of technical training and proficiency required in the circumstances.” PCAOB Quality Control Standard QC Section 40, *The Personnel Management Element of a Firm’s System of Quality Control-Competencies Required by a Practitioner-in-Charge of an Attest Engagement*, ¶ 02.

15. Hall and The Hall Group failed to establish these required policies and procedures. Moreover, on multiple occasions, Hall and Helterbran also failed to comply with AS 7 by either failing to obtain any EQR or instructing an unqualified person, including Cisneros, to perform engagement quality reviews for multiple audit and review engagements from 2010 through 2013. For at least two audit engagements, Hall improperly acted as both the engagement partner and the EQR partner.

16. Hall and Helterbran knowingly or at least recklessly directed or permitted Cisneros to perform an EQR on multiple audits and reviews despite knowing she was not a partner or someone in an equivalent position.<sup>6</sup> Cisneros knowingly or at least recklessly provided the engagement quality reviewer’s concurring approval of issuance of the report despite knowing that she was not a partner or someone in an equivalent position at The Hall Group and not qualified to conduct an EQR. Indeed, Cisneros acknowledged to Commission staff that she lacked the knowledge and competence in accounting, auditing, and financial reporting required to serve as engagement partner for an engagement conducted under PCAOB standards.

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<sup>6</sup> Although AS 7 does not necessarily require that persons performing EQRs be licensed CPAs, the standard states that the person “must be a partner or another individual in an equivalent position.” Cisneros not being a CPA is relevant here because The Hall Group required anyone holding the title of “Principal/Partner” must also be a licensed CPA in Texas.

17. Cisneros performed the engagement quality reviews for at least eight issuer audit engagements for seven issuers and 15 reviews of six issuers' interim financial information, and signed Supervision, Review, and Approval Forms, as the engagement quality reviewer. In each instance, Hall and Helterbran failed to determine whether Cisneros prepared required documentation in connection with the EQRs she performed. AS 7, ¶¶ 9-11 and ¶ 21.

18. Hall failed to comply with AS 7 even after confirming to the PCAOB that he would do so. In connection the PCAOB's 2013 inspection of The Hall Group, Hall confirmed in writing to the PCAOB inspection team that Cisneros performed the EQR for two issuers' fiscal year 2012 audits and the EQRs for the first, second, and third quarter reviews for a third issuer.<sup>7</sup> Hall also told the inspection team during its fieldwork that Cisneros was not a CPA. In August 2013, the PCAOB issued an inspection comment stating that The Hall Group failed to comply with AS 7 and failed to ensure that EQRs were performed by persons with sufficient qualifications. The inspection comment states that Hall's representations demonstrated that Cisneros did not meet the firm's requirements for a "Principal/Partner," and, accordingly, she did not meet the AS 7 requirements for serving as EQR. In an August 5, 2013 handwritten response to this inspection comment form, Hall wrote, "[w]e agree with the issue noted above and are in the process for [sic] negotiating with an outside firm (PCAOB registered) and will not issue any more reports until this is in place and have that firm perform the appropriate review process." (emphasis added).

19. Contrary to Hall's representation, he knowingly disregarded the PCAOB standards when he failed to obtain an EQR by a qualified reviewer for *any* of the firm's review and audit engagements for fiscal periods ended June 30 and September 30, 2013 – engagements conducted after his written representation to the PCAOB. On at least one 2013 audit, Hall added a memo to the audit file stating, in part, "The Hall Group did not have access to an Engagement Quality Reviewer for this audit" and "[t]herefore, Mr. Hall acted as Eng. Quality Reviewer." Hall then signed the supervision, review, and approval checklist as *both* the engagement and EQR partner. Subsequently, for the first quarter fiscal year 2014 review for this same client, Hall did not sign off as EQR but added a memo to the file reiterating that "The Hall Group did not have access to an Engagement Quality Reviewer" and concluded by stating "[w]e stand by our work."

### **c. The Hall Group's Independence Was Impaired**

20. Section 10A(j) of the Exchange Act, *Audit Partner Rotation*, states "it shall be unlawful for a registered public accounting firm to provide audit services to an issuer if the lead (or coordinating) audit partner (having primary responsibility for the audit) or the partner responsible for reviewing the audit, has performed audit services for that issuer in each of the previous five fiscal years of that issuer. The Commission's independence rules allow engagement and concurring partners to serve for five consecutive years, after which they may not serve in either role for another period of five years. Rule 2-01(c)(6)(i)(A) of

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<sup>7</sup> Freestone Resources, Inc. for fiscal year ended June 30, 2012; Seven Arts Entertainment for fiscal year ended June 30, 2012; and DynaResource for quarters ended March 31, June 30, and Sept. 30, 2012.

Regulation S-X. Related PCAOB rules and standards require that a registered public accounting firm and its associated persons be independent of the Firm's issuer audit clients.

21. Hall was The Hall Group's sole partner prior to 2012 and therefore served as the only engagement partner on each of The Hall Group's engagements before 2012. In a February 2012 response to the PCAOB addressing deficiencies noted in the PCAOB's 2010 inspection, Hall acknowledged that he served as the lead engagement partner for one issuer for five consecutive years and the firm's review of the issuer's first quarter of the sixth year. Hall explained that it was the last quarter the firm was engaged as the issuer's auditor, and that to remediate, he (1) named Helterbran as a partner in February 2012; and (2) developed a log to ensure that appropriate partner rotation occurs.

22. After Helterbran's departure in early July 2013, Hall was once again The Hall Group's sole partner. Hall attempted to address the partner rotation issue by offering to promote one of his audit staff to a non-equity partner but the individual rejected the offer. As a result, Hall knowingly or at least recklessly served as the lead engagement partner for at least three of The Hall Group's reviews for quarters ended June 30, 2013 and September 30, 2013, even though he had already served as the lead engagement partner for five consecutive years and, accordingly, The Hall Group lacked independence under the Commission's rules with respect to these issuers.

#### **d. Reports on Audited Financial Statements**

23. Under AU § 508, *Reports on Audited Financial Statements*, an auditor may only express an unqualified opinion on historical financial statements when he has formed such an opinion on the basis of an audit performed in accordance with PCAOB standards. AU § 508.07.

24. Rule 2-02(b)(1) of Regulation S-X requires an accountant's report to state "whether the audit was made in accordance with generally accepted auditing standards." And "references in Commission rules and staff guidance and in the federal securities laws to GAAS or to specific standards under GAAS, as they relate to issuers, should be understood to mean the standards of the PCAOB plus any applicable rules of the Commission." See SEC Release No. 34-49708 (May 14, 2004). Thus, an auditor violates Regulation S-X Rule 2-02(b)(1) if it issues a report stating it has conducted its audit in accordance with PCAOB standards when it has not.

25. The Hall Group issued and Hall and Helterbran approved the issuance of, at least 16 audit reports, including at least eight for which Cisneros provided concurring approval of issuance. Each of the firm's audit reports states that "The Hall Group CPAs" conducted its audits in accordance with PCAOB standards. As stated above, these statements were false. As a result, The Hall Group willfully violated, and Hall, Helterbran, and Cisneros willfully aided and abetted The Hall Group's violations of, Rule 2-02(b)(1).

**ii. Hall, as CFO, Allowed DynaResource to File its 2014 Forms 10-Q Without Reviews by an Independent Public Accountant**

26. Rule 10-01(d) of Regulation S-X states, in part, “[p]rior to filing, interim financial statements included in quarterly reports on Form 10-Q (17 CFR 249.308(a)) must be reviewed by an independent public accountant using professional standards and procedures for conducting such reviews.” Rules 2-01(c)(1) and 2-01(c)(3) of Regulation S-X state, in part, that an accountant is not independent when the accounting firm has any loan to or from, or certain business relationships with, an audit client’s officers.

27. After selling certain of his firm’s assets to Thakkar CPA, Hall assisted Thakkar CPA in soliciting audit engagements from each of The Hall Group’s audit clients, including DynaResource. DynaResource engaged Thakkar CPA in January 2014. On April 15, 2014, Thakkar CPA issued an audit report on DynaResource’s 2013 financial statements, which it signed as “The Hall Group CPAs.” The same day, DynaResource named Hall as its CFO. Thereafter, Hall functioned as Thakkar CPA’s primary contact on audit-related issues. Thakkar CPA continued as DynaResource’s external auditor until it resigned on March 5, 2015.

28. DynaResource filed its first, second, and third quarter 2014 Forms 10-Q with the Commission after the included financial statements were reviewed by Thakkar CPA. Hall signed management letters of representation in connection with each of Thakkar CPA’s reviews, and made certifications required under Rule 13a-14 of the Exchange Act for each of DynaResource’s first, second, and third quarter 2014 Forms 10-Q.

29. Hall allowed Thakkar CPA to provide audit services to DynaResource even though he knew that he was an officer of the company and that he had a direct financial interest in and a business relationship with Thakkar, CPA. Specifically, the following events impaired Thakkar CPA’s independence with respect to its reviews of interim financial information DynaResource included in its Forms 10-Q filed with the Commission in 2014:

- Thakkar CPA delivered a note payable to David S. Hall, P.C., which remained outstanding even after Hall became DynaResource’s CFO, as a result of the terms of the asset purchase agreement, under which Thakkar paid Hall \$450,000 in cash and undertook a 5%, two-year promissory note for \$313,516. The final purchase price also was dependent upon the future success of Thakkar CPA as the purchase price was to be adjusted up or down based upon actual collection during the three years following the Closing Date. Additionally, the asset purchase agreement included a provision under which Hall could earn fees for providing services to Thakkar CPA after the Closing Date (although Hall did not earn any fees under this provision).

- Thakkar CPA unilaterally suspended payments on the promissory note to David S. Hall, P.C. in May 2014 after determining that future collections were likely to be less than the amounts expected at the Closing Date.

30. Hall allowed Thakkar CPA to provide audit services to DynaResource even though he knew he had a direct financial interest in and a business relationship with the company's audit firm and, despite this knowledge, executed the certifications required under Rule 13a-14 of the Exchange Act and allowed DynaResource to file its 2014 Forms 10-Q with the Commission.

#### **D. VIOLATIONS**

31. As a result of the conduct described above, The Hall Group willfully violated, and Hall willfully aided and abetted and caused The Hall Group's violations of, Section 10A(j), which makes it unlawful for a registered public accounting firm to provide audit services to an issuer if the lead (or coordinating) audit partner (having primary responsibility for the audit) or the partner responsible for reviewing the audit, has performed audit services for that issuer in each of the previous five fiscal years of that issuer.

32. As a result of the conduct described above, The Hall Group willfully violated, and Hall, Helterbran, and Cisneros willfully aided and abetted and caused The Hall Group's violations of, Rule 2-02(b)(1) of Regulation S-X which requires an accountant's report to state whether the audit was made in accordance with PCAOB Standards.

33. As a result of the conduct described above, The Hall Group, Hall, Helterbran, and Cisneros willfully aided and abetted and caused issuers to violate Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder.

34. As a result of the conduct described above, Hall willfully aided and abetted and caused DynaResource to violate Section 13(a) of the Exchange Act and Rule 13a-13 thereunder.

35. As a result of the conduct described above, Hall willfully violated rule 13a-14 of the Exchange Act which requires an issuer's principal financial officer to attest that the company's "report does not contain any untrue statement of a material fact."

36. As a result of the conduct described above, The Hall Group, Hall and Helterbran engaged in improper professional conduct subject to Section 4C(a)(2) of the Exchange Act and the Commission's Rules of Practice 102(e)(1)(ii).

37. As a result of the conduct described above, Cisneros engaged in improper professional conduct subject to Section 4C(a)(2) of the Exchange Act.

38. As a result of the conduct described above, The Hall Group, Hall, Helterbran, and Cisneros willfully violated and/or willfully aided and abetted and caused

violations of the federal securities laws, which constitutes conduct subject to Section 4C(a)(3) of the Exchange Act the Commission's Rules of Practice 102(e)(1)(iii).

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. Whether, pursuant to Section 21C of the Exchange Act, Respondents should be ordered to cease and desist from committing or causing any violation and any future violation of Sections 10A and 13(a) and Rules 13a-1, 13a-13, 13a-14 of the Exchange Act and Rule 2-02(b)(1) of Regulation S-X;

C. Whether, pursuant to Section 4C of the Exchange Act and Rule 102(e) of the Commission's Rules of Practice, Respondents should be censured or denied, temporarily or permanently, the privilege of appearing or practicing before the Commission as accountants;

D. Whether, pursuant to Section 21B of the Exchange Act, civil penalties should be levied against Respondents; and

E. Whether, pursuant to Section 21C(e) of the Exchange Act, Respondents should be subject to disgorgement with prejudgment interest.

### **IV.**

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that each Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If a Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields  
Secretary

**Appendix**  
**David S. Hall, P.C. d/b/a The Hall Group CPAs**  
**Audits Not Performed in Accordance with PCAOB Standards**

Issuer	Fiscal Year Ended	Engagement Partner	EQR
1. Freestone Resources, Inc.	6/30/12	Hall	Cisneros
2. Kingdom Koncrete, Inc.	12/31/10	Hall	Cisneros
3. Seven Arts Entertainment, Inc.	6/30/12	Hall	Cisneros
4. Surface Coatings, Inc.	12/31/10	Hall	Cisneros
5. Surface Coatings, Inc.	12/31/12	Hall	Not Obtained or Not Documented
6. Medient Studios, Inc.	12/31/12	Hall	Hall
7. Kingdom Koncrete, Inc.	6/30/13	Hall	Hall
8. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	12/31/10	Helterbran	Cisneros
9. Dyna Resource, Inc.	12/31/10	Helterbran	Cisneros
10. Kingdom Koncrete, Inc.	12/31/11	Helterbran	Cisneros
11. Premier Oil Field Service	12/31/12	Helterbran	Cisneros
12. Kingdom Koncrete, Inc.	12/31/12	Helterbran	Performed by other staff below partner or equivalent level
13. Surface Coatings, Inc.	12/31/11	Helterbran	Not Obtained or Not Documented
14. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	12/31/11	Helterbran	Not Obtained or Not Documented
15. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	12/31/12	Helterbran	Not Obtained or Not Documented
16. Dyna Resource, Inc.	12/31/11	Helterbran	Not Obtained or Not Documented

**David S. Hall, P.C. d/b/a The Hall Group CPAs**  
**Reviews Not Performed in Accordance with PCAOB Standards**

Issuer	Quarter Ended	Engagement Partner	EQR
1. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	3/31/12	Helterbran	Cisneros
2. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	6/30/12	Helterbran	Cisneros
3. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	9/30/12	Helterbran	Cisneros
4. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	3/31/13	Helterbran	Not Obtained or Not Documented
5. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	6/30/13	Hall	Not Obtained or Not Documented
6. 360 Global Investments, Inc. f/k/a 360 Global Wine, Inc.	9/30/13	Hall	Not Obtained or Not Documented
7. Dyna Resource, Inc.	3/31/12	Helterbran	Cisneros
8. Dyna Resource, Inc.	6/30/12	Helterbran	Cisneros
9. Dyna Resource, Inc.	9/30/12	Helterbran	Cisneros
10. Dyna Resource, Inc.	3/31/13	Helterbran	Not Obtained or Not Documented
11. Dyna Resource, Inc.	6/30/13	Hall	Not Obtained or Not Documented
12. Dyna Resource, Inc.	9/30/13	Hall	Not Obtained or Not Documented
13. Freestone Resources, Inc. (FYE 6/30)	9/30/11	** Blank ** <sup>8</sup>	Not Obtained or Not Documented
14. Freestone Resources, Inc. (FYE 6/30)	12/31/11	** Blank **	Not Obtained or Not Documented
15. Freestone Resources, Inc. (FYE 6/30)	3/31/12	Hall	Not Obtained or Not Documented
16. Freestone Resources, Inc. (FYE 6/30)	9/30/12	Hall	Not Obtained or Not Documented
17. Freestone Resources, Inc. (FYE 6/30)	12/31/12	Hall	Not Obtained or Not Documented
18. Kingdom Koncrete, Inc.	3/31/12	Helterbran	Cisneros
19. Kingdom Koncrete, Inc.	6/30/12	Helterbran	Cisneros

<sup>8</sup> \*\*Blank\*\* references instances in which neither the Supervision, Review, and Approval Forms nor the Engagement Completion Forms identify the lead engagement partner.

Issuer	Quarter Ended	Engagement Partner	EQR
20. Kingdom Koncrete, Inc.	9/30/12	Helterbran	Cisneros
21. Kingdom Koncrete, Inc.	3/31/13	** Blank **	Not Obtained or Not Documented
22. Kingdom Koncrete, Inc.	6/30/13	Hall	Not Obtained or Not Documented
23. Premier Oil Field Service	3/31/12	Helterbran	Not Obtained or Not Documented
24. Premier Oil Field Service	6/30/12	Helterbran	Not Obtained or Not Documented
25. Premier Oil Field Service	9/30/12	Helterbran	Cisneros
26. Premier Oil Field Service	3/31/13	** Blank **	Not Obtained or Not Documented
27. Premier Oil Field Service	6/30/13	Hall	Not Obtained or Not Documented
28. Seven Arts Entertainment, Inc. (FYE 6/30)	9/30/12	Hall	Cisneros
29. Seven Arts Entertainment, Inc. (FYE 6/30)	12/31/12	** Blank **	Not Obtained or Not Documented
30. Seven Arts Entertainment, Inc. (FYE 6/30)	9/30/13	Hall	Not Obtained or Not Documented
31. Surface Coatings, Inc.	3/31/12	Helterbran	Cisneros
32. Surface Coatings, Inc.	6/30/12	Helterbran	Cisneros
33. Surface Coatings, Inc.	9/30/12	Helterbran	Cisneros
34. Surface Coatings, Inc.	3/31/13	Helterbran	Cisneros
35. Surface Coatings, Inc.	6/30/13	Hall	Not Obtained or Not Documented

Engagement Partner	Cisneros	Not Obtained or Not Documented	Total
Hall	1	7	8
Helterbran	14	4	18
Blank	--	9	9
Totals	15	20	35