

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78145 / June 23, 2016

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3785 / June 23, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17134

In the Matter of

TIMOTHY QUINTANILLA, CPA,

Respondent.

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**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO RULE 102(e) OF THE
COMMISSION’S RULES OF PRACTICE**

I.

On February 25, 2016, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings against Timothy Quintanilla (“Respondent” or “Quintanilla”) pursuant to Rule 102(e)(3) of the Commission’s Rules of Practice.¹

II.

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 him and

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

the subject matter of these proceedings, and the findings contained in Section III.3. below, which are admitted, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Rule 102(e) of the Commission's Rules of Practice ("Order"), as set forth below.

III.

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

1. Quintanilla, age 48, is and has been a certified public accountant licensed to practice in the State of California. From at least 2006 through December 2009, Quintanilla was a partner at Mendoza Berger & Co. LLP ("Mendoza Berger"), a public accounting firm registered with the Public Company Accounting Oversight Board ("PCAOB") that issued audit opinions concerning the financial statements of Electronic Game Card, Inc. ("EGMI").

2. EGMI was, at all relevant times, a Nevada corporation that marketed patented, credit-card sized electronic games. Most recently headquartered in Irvine, California, it has maintained offices in New York City and London, England. During the relevant period, the company's shares were registered under Section 12(g) of the Exchange Act and dually quoted on the OTC Bulletin Board and Pink Sheets (now known as OTC Link), trading under the ticker symbol EGMI. On September 28, 2010, EGMI filed for Chapter 7 bankruptcy protection in the United States Bankruptcy Court for the District of Nevada.

3. On November 8, 2012, the Commission filed a complaint against Quintanilla in Securities and Exchange Commission v. Lee Cole et al., (Civil Action Number 12-CV-8167, in the United States District Court for the Southern District of New York). On December 4, 2015, the court entered an order permanently enjoining Quintanilla, by consent, from future violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b), 10A(a)(1), and 10A(b)(1) of the Exchange Act, and Rule 10b-5 thereunder. Quintanilla was also ordered to pay a \$100,000 civil money penalty.

4. The Commission's complaint alleged, among other things, that Quintanilla was the engagement partner for Mendoza Berger's audits of EGMI's financial statements. The complaint alleged Quintanilla made the final decision to issue unqualified audit opinions with respect to such financial statements for the years ended December 31, 2006, December 31, 2007, and December 31, 2008, even though those statements contained material misstatements and omissions. The complaint alleged that in those audit opinions, Mendoza Berger and Quintanilla knowingly or recklessly misrepresented that the firm had conducted audits of EGMI's financial statements in accordance with the standards of the PCAOB and that, in Mendoza Berger's opinion, those statements presented fairly, in all material respects, the financial position of EGMI. The complaint alleged that Mendoza Berger had not audited critical aspects of EGMI's financial statements, its work did not conform to the standards of the PCAOB, and it had no basis to issue an opinion on EGMI's financial statements. The complaint alleged that in the course of its audit work, Quintanilla and the audit team he supervised failed to properly

investigate a series of red flags, any number of which, if appropriately pursued, would have revealed significant fraud in EGMI's financial reporting

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Quintanilla's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that: Quintanilla is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Brent J. Fields
Secretary