ORDER INSTITUTING
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 that public administrative and cease-and-desist proceedings be, and hereby are, instituted against David A. Aronson, CPA (“Respondent” or “Aronson”) pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and 102(e)(1)(iii) of the Commission’s Rules of Practice.²

II.

After an investigation, the Division of Enforcement alleges that:

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)(iii) 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 willfully violated, or willfully aided and abetted the violation of any provision of the Federal securities laws or the rules and regulations thereunder.
A. RESPONDENT

David A. Aronson, CPA, age 56, of North Miami, Florida, is a certified public accountant licensed in the state of Florida. Aronson has functioned as an accountant to Company A and Company B, from at least October 2, 2015 to approximately February 2016. From March 2005 through October 2, 2015, Aronson was the sole proprietor of a Public Company Accounting Oversight Board (“PCAOB”)-registered public accounting firm and was engaged as Company A’s auditor from 2013 through July 2015, and as Company B’s auditor from 2011 through June 2015. Aronson consented to a PCAOB order dated October 2, 2015 pursuant to which he was barred from being an associated person of a registered public accounting firm.

B. FACTS

1. ARONSON’S UNLAWFUL ASSOCIATION
   
   a. Section 105(c)(7)(B) of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”) states that it is “unlawful for any person that is ... barred from being associated with a registered public accounting firm [...] willfully to become or remain associated with any issuer [...] in an accountancy or financial management capacity [...] without the consent of the [PCAOB] or the Commission.”

   b. On October 2, 2015, the PCAOB filed a settled action against Aronson and his firm, David A. Aronson, CPA, for multiple deficiencies in audit work performed between 2011 and 2015 on several public company engagements, including Company B (the “PCAOB Order”). The PCAOB Order, which was and is available on its website, revoked the registration of his accounting firm and barred Aronson from being an associated person of a registered public accounting firm.

   c. Company A is a Delaware corporation and at all relevant times its common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act.

   d. Company B is a Nevada corporation and at all relevant times its common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act.

   e. Aronson continued to perform accountancy or financial management services after the PCAOB Order for Company A until February 2016, including, but not limited to, preparing Company A’s financial statements, and the notes to the financial statements, and preparation of the company’s Management Discussion & Analysis section for its Form 10-Q for the period ended November 30, 2015.

   f. Additionally, after the PCAOB Order was issued, Aronson continued to perform accountancy or financial management services for Company B until February 2016, including, but not limited to, preparing Company B’s financial statements and the notes to the financial statements for its Form 10-Q for the
period ended September 30, 2015 and preparation of the financial statements for Company B’s Form 10-K for the period ended December 31, 2015.\(^3\)

g. Aronson received payment for accountancy or financial management work he performed despite having been barred by the PCAOB.

h. Aronson never requested or received consent from the PCAOB or the Commission to remain associated with Company A or Company B in this accountancy or financial management capacity.

2. **VIOLATION**

   As a result of the conduct described above, Aronson willfully violated Section 105(c)(7)(B) of Sarbanes-Oxley, which prohibits a person barred from associating with a registered public accounting firm from willfully becoming or remaining associated with an issuer in an accountancy or financial management capacity without consent of the PCAOB or the Commission.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it appropriate 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 Respondent an opportunity to establish any defenses to such allegations;

B. Whether, pursuant to Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or causing any violation and any future violation of Section 105(c)(7)(B) of Sarbanes-Oxley.

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

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

E. Whether, pursuant to Sections 21B and 21C of the Exchange Act, Aronson should be subject to disgorgement with prejudgment interest.

IV.

IT IS ORDERED that a public hearing for purposes 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

---

\(^3\) Company B terminated Aronson as its accountant on February 10, 2016 prior to the filing of its 2015 Form 10-K.
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 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 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 Respondent as provided for in the Commission’s Rules of Practice.

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 120 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission’s Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission’s Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

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