

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79147 / October 24, 2016

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3818 / October 24, 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 MAKING FINDINGS AND
IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-
DESIST ORDER PURSUANT TO
SECTIONS 4C AND 21C OF THE
SECURITIES EXCHANGE ACT OF
1934 AND RULE 102(e) OF THE
COMMISSION'S RULES OF
PRACTICE AS TO RESPONDENTS
DAVID S. HALL, P.C. D/B/A THE
HALL GROUP CPAs AND DAVID S.
HALL, CPA**

I.

The Securities and Exchange Commission ("Commission") instituted public administrative and Cease-and-Desist Proceedings Pursuant to Sections 4C¹ and 21C of the Securities Exchange Act of 1934 and Rule 102(e)² of the Commission's Rules of Practice

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:

against Respondents 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 on April 26, 2016.

II.

Respondents David S. Hall, P.C. d/b/a The Hall Group CPAs and David S. Hall, CPA (the “Hall Respondents”) have submitted an Offer of Settlement (“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 them and the subject matter of these proceedings, which are admitted, and as provided herein in Section X, the Hall Respondents consent to the entry of this *Order Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order as to Respondents David S. Hall, P.C. d/b/a The Hall Group CPAs and David S. Hall, CPA* (“Order”), as set forth below.

III.

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

A. SETTLING 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”)⁴ acquired certain assets of David S. Hall, P.C. on or about January 6, 2014 (the “Closing Date”), after

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:

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.

³ The findings herein are made pursuant to the Hall Respondents’ Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

⁴ 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 violate 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).

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. In their June 16, 2016 answer to the order instituting these proceedings, the Hall Group and David Hall admitted the findings in paragraphs 7, 9, 12-14, 18, 20-21, and 28 below. And in his September 2, 2016 *Order on Motions for Summary Disposition* in these proceedings, the administrative law judge found in favor of the Division of Enforcement as against the Hall Group and David Hall, at least as to the period commencing July 2013, on the matters set forth in paragraphs 6, 15-16, 19, 22, 27, 29-30, 33-35, and 38 below.

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. In their June 16, 2016 answer to the order instituting these proceedings, the Hall Group and David Hall admitted the findings in paragraphs 7, 9, 12-14, 18, 20-21, and 28 below. And in his September 2, 2016 *Order on Motions for Summary Disposition* in these proceedings, the administrative law judge found in favor of the Division of Enforcement as against the Hall Group and David Hall, at least as to the period commencing July 2013, on the matters set forth in paragraphs 6, 15-16, 19, 22, 27, 29-30, 33-35, and 38 below.

B. OTHER RESPONDENTS

3. **Michelle L. Helterbran Cochran (“Helterbran”)**, age 47 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 (“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.

C. 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.

D. 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 reviews⁵ 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:

- 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

⁵ See Appendix attached herewith.

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.⁶ 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 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

⁶ AS 7 is effective for audits and interim reviews for fiscal years beginning on or after December 15, 2009.

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, ¶3.

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 Heltterbran 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 Heltterbran 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.⁷ 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.

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 Heltterbran 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

⁷ 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.

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.⁸ 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 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

⁸ 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.

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.

E. 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).

F. FINDINGS

Based on the foregoing, the Commission finds that:

39. The Hall Group willfully violated,⁹ and Hall willfully aided and abetted and caused The Hall Group's violations of, Section 10A(j) of the Exchange Act;

40. The Hall Group willfully violated, and Hall willfully aided and abetted and caused The Hall Group's violations of, Rule 2-02(b)(1) of Regulation S-X;

41. The Hall Group and Hall willfully aided and abetted and caused issuers to violate Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder;

42. Hall willfully aided and abetted and caused DynaResource to violate Section 13(a) of the Exchange Act and Rule 13a-13 thereunder;

43. Hall willfully violated Rule 13a-14 of the Exchange Act;

44. The Hall Group and Hall engaged in improper professional conduct subject to Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice.

45. The Hall Group and Hall 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 and Rule 102(e)(1)(iii) the Commission's Rules of Practice.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in the Hall Respondents' Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. The Hall Group and David S. Hall shall cease and desist from committing or causing any violations and any future violations of Sections 10A(j) and Rules 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 promulgated thereunder and Rule 2-02(b)(1) of Regulation S-X.

B. David S. Hall shall cease and desist from committing or causing any violations and any future violations of Rule 13a-14 of the Exchange Act.

⁹ As used herein, the term "willful violation of the securities laws means merely 'that the person charged with the duty knows what he is doing.'" *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir.2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). "There is no requirement that the actor 'also be aware that he is violating one of the Rules or Acts.' *Id.* (quoting *Gearhart & Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965))."

C. The Hall Group and David S. Hall are denied the privilege of appearing or practicing before the Commission as accountants.

D. David S. Hall shall, within 14 days of the entry of this Order, pay a civil money penalty in the amount of \$25,000.00 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

E. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

F. Payments by check or money order must be accompanied by a cover letter identifying David S. Hall as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to David Peavler, Division of Enforcement, Securities and Exchange Commission, 801 Cherry Street, Suite 1900, Fort Worth, Texas 76102.

G. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related

Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by David S. Hall, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Hall under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Hall of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

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 ** ¹⁰	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

¹⁰ **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