

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79691 / December 27, 2016

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3838 / December 27, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-9135

	:	ORDER GRANTING APPLICATION FOR
In the Matter of	:	REINSTATEMENT TO APPEAR AND PRACTICE
	:	BEFORE THE COMMISSION AS AN ACCOUNTANT
Philip Greifeld, CPA	:	RESPONSIBLE FOR THE PREPARATION OR
	:	REVIEW OF FINANCIAL STATEMENTS REQUIRED
	:	TO BE FILED WITH THE COMMISSION

On February 20, 1997, Philip Greifeld, CPA (“Greifeld”) was denied the privilege of appearing or practicing before the Commission as an accountant as a result of settled public administrative proceedings instituted by the Commission against Greifeld pursuant to Rule 102(e)(1)(ii) of the Commission’s Rules of Practice.¹ This order is issued in response to Greifeld’s application for reinstatement to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements filed with the Commission.

In an Order Making Findings and Imposing Sanctions, dated February 20, 1997 (the “Order”), the Commission found, among other things, that Greifeld engaged in unethical or improper professional conduct when he failed to comply with several of the tenets of generally accepted auditing standards (“GAAS”). The Commission found that Greifeld signed the audit reports for A.S. Goldmen & Co., Inc. (“Goldmen”) and Middlegate Securities, Ltd. (“Middlegate”), without performing audit procedures in connection with the audits. The Commission found that another accountant conducted field work for the audits and prepared workpapers, and that accountant brought the workpapers to Greifeld’s home, where Greifeld reviewed the workpapers and signed the audit reports. Greifeld did so because the other

¹ See Accounting and Auditing Enforcement Release No. 888 dated February 20, 1997. Pursuant to the order, Greifeld was permitted to apply for reinstatement as a preparer or reviewer, or a person responsible for the preparation or review, of financial statement of a public company to be filed with the Commission, after two years upon making certain showings.

accountant, a friend and former co-worker, was not yet certified and because his employer discouraged moonlighting.

In the Order, the Commission found that Greifeld never met with any of the principals of Goldmen or Middlegate in connection with the audits and he did not receive any compensation from Goldmen or Middlegate. The other accountant received several thousand dollars per audit and paid Greifeld the nominal sum of \$150 per audit for his services. The Commission also found that Greifeld's CPA registration was not current during the time period related to certain of the audit reports. In addition, Greifeld failed to inquire as to any facts or circumstances that might have impaired the other accountant's independence as an auditor. As a result, Greifeld failed to discover that the other accountant had become an employee of Goldmen while engaged on the audit.

In his capacity as a preparer or reviewer, or as a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, Greifeld attests that he will undertake to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, while practicing before the Commission in this capacity. Greifeld is not, at this time, seeking to appear or practice before the Commission as an independent accountant. If he should wish to resume appearing and practicing before the Commission as an independent accountant, he will be required to submit an application to the Commission showing that he has complied and will comply with the terms of the original suspension order in this regard. Therefore, Greifeld's suspension from practice before the Commission as an independent accountant continues in effect until the Commission determines that a sufficient showing has been made in this regard in accordance with the terms of the original suspension order.

Rule 102(e)(5) of the Commission's Rules of Practice governs applications for reinstatement, and provides that the Commission may reinstate the privilege to appear and practice before the Commission "for good cause shown."² This "good cause" determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Greifeld, it appears that he has complied with the terms of the February 20, 1997 order denying him the privilege of appearing or practicing before the Commission as an accountant, that no information has come to the attention of the Commission relating to his character, integrity, professional conduct or qualifications to practice before the Commission that would be a basis for adverse action against him pursuant to Rule 102(e) of the Commission's Rules of Practice, and that Greifeld, by undertaking to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, in his practice before the Commission as a preparer or reviewer of financial

² Rule 102(e)(5)(i) provides:

"An application for reinstatement of a person permanently suspended or disqualified under paragraph (e)(1) or (e)(3) of this rule may be made at any time, and the applicant may, in the Commission's discretion, be afforded a hearing; however, the suspension or disqualification shall continue unless and until the applicant has been reinstated by the Commission for good cause shown." 17 C.F.R. § 201.102(e)(5)(i).

statements required to be filed with the Commission, has shown good cause for reinstatement. Therefore, it is accordingly,

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Philip Greifeld is hereby reinstated to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

By the Commission.

Brent J. Fields
Secretary