

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

**SECURITIES EXCHANGE ACT OF 1934**  
Release No. 82710 / February 14, 2018

**ACCOUNTING AND AUDITING ENFORCEMENT**  
Release No. 3920 / February 14, 2018

**ADMINISTRATIVE PROCEEDING**  
File No. 3-18372

<p><b>In the Matter of</b></p> <p><b>Brian S. Block, CPA</b></p> <p><b>Respondent.</b></p>
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**ORDER INSTITUTING PUBLIC  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO RULE 102(e) OF THE  
COMMISSION'S RULES OF PRACTICE,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Brian S. Block, CPA (“Respondent” or “Block”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.<sup>1</sup>

**II.**

In anticipation of the institution of these proceedings, 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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in

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<sup>1</sup> 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 . . . permanently 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.

Section III.3 and 5 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

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

1. Block, age 45, is and has been a certified public accountant licensed to practice in the State of Pennsylvania. He served as Chief Financial Officer of American Realty Capital Properties Inc. (“ARCP”) from 2010 until his resignation in October 2014.

2. ARCP was, at all relevant times, a Maryland corporation with its principal place of business in New York, NY. At all relevant times, ARCP was in the business of real estate investment. At all relevant times, ARCP’s common stock was registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 (“Exchange Act”), and traded on the NASDAQ Stock Market. ARCP is now known as VEREIT, Inc., and its common stock trades on the New York Stock Exchange.

3. On September 8, 2016, the Commission filed a complaint against Block in *SEC v. Brian S. Block, et al.*, No. 16 Civ. 7003 (LGS) (S.D.N.Y.). On February 8, 2018, the court entered an order permanently enjoining Block, by consent, from future violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Rule 13a-14 [17 C.F.R. 240.13a-14], promulgated under Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and from aiding and abetting violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-11 and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-11 and 240.13a-13].

4. The Commission’s Complaint alleged, among other things, that Block, together with the former Chief Accounting Officer of ARCP, engaged in a fraudulent scheme to manipulate and falsely report ARCP’s Adjusted Funds From Operations (“AFFO”), a key non-GAAP financial metric, in its public reports for the fiscal quarter ended June 30, 2014. The Complaint alleged that the inflated figures, among other things, made it appear that ARCP had met analysts’ consensus AFFO estimates for the quarter and concealed the fact that ARCP had overstated its AFFO for the previous quarter.

5. On June 30, 2017, a jury returned a verdict of guilty against Block for related criminal conduct in *United States v. Block*, No. 16 Cr. 595 (JPO) (S.D.N.Y.). Specifically, Block was convicted of violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 13(a) of the Exchange Act and Rules 12b-20, 13a-11, 13a-13, and 13a-14 thereunder, as well as violations of 18 U.S.C. § 371 (conspiracy) and 18 U.S.C. § 1350(c)(1) and (c)(2) (false certification).

### IV.

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

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

By the Commission.

Brent J. Fields  
Secretary