

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 82744 / February 21, 2018

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3924 / February 21, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18376

In the Matter of

**ALAN WEINBERG, CPA
AND WEINBERG & BAER
LLC,**

Respondents.

**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 Alan Weinberg (“Weinberg”) and Weinberg & Baer LLC (“W&B”) (“Respondents”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondents have 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

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 . . . 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.

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, and the findings contained in Section III.3 below, which are admitted, Respondents consent to the issuance 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 Respondents' Offer, the Commission finds that:

1. Alan Weinberg, age 60, resides in Israel and is a certified public accountant licensed in Maryland. At all relevant times, Weinberg owned approximately 98.5 percent of Weinberg & Baer LLC.

2. Weinberg & Baer, LLC is a Maryland limited liability company and public accounting firm based in Baltimore, Maryland. W&B is registered with the Public Company Accounting Oversight Board ("PCAOB"). At all relevant times, Weinberg was one of two certified public accountants who worked at W&B. W&B was formerly known as "Alan Weinberg CPA," which was registered with the PCAOB in December 2007.

3. On February 16, 2018, the Commission filed a complaint against Weinberg and W&B in SEC v. Alan Weinberg, et al. (Civil Action No. 1:18-cv-00360-BAH), in the United States District Court for the District of Columbia. On February 20, 2018, the court entered an order (a) permanently enjoining Weinberg and W&B, by consent, from future violations of Section 17(a) of the Securities Act of 1933, Sections 10(b) and 10A(a)(2) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 thereunder, and (b) permanently enjoining W&B, by consent, from future violations of Rule 2-02(b)(1) of Regulation S-X.

4. The Commission's complaint alleges, among other things, that between 2011 and 2014, Weinberg and W&B aided and abetted a scheme to prepare seven fraudulent shell companies (the "Issuers") to issue shares to the public and then to sell the shell companies in reverse mergers or other changes in control. The complaint alleges that Weinberg served as the engagement partner for audits of the Issuers' financial statements, and that Weinberg knew, or was reckless in not knowing, that certain undisclosed persons, not the Issuers' purported officers and directors, exercised control over the Issuers. The complaint further alleges that in violation of professional standards, Weinberg and W&B failed to implement reasonable client-acceptance and continuance procedures and demonstrated virtually no professional skepticism regarding the undisclosed control persons' relationship with the Issuers, and neither questioned their role with regard to the Issuers, nor took reasonable steps to investigate whether the purported directors and officers actually served in those capacities. The complaint also alleges that Weinberg and W&B failed to (a) properly audit related-party transactions between the undisclosed control persons and the Issuers, and (b) maintain sufficient work paper documentation of their audits of the Issuers. The complaint alleges that despite these repeated failures to adhere to PCAOB standards, W&B recklessly and falsely claimed in each of its audit reports for the Issuers that W&B had complied with PCAOB standards.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that Respondents are suspended from appearing or practicing before the Commission as accountants.

By the Commission.

Brent J. Fields
Secretary