

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85159 / February 15, 2019

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4022 / February 15, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19001

In the Matter of

JEFFREY M. MATTICH,

Respondent.

**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 Jeffrey M. Mattich (“Respondent” or “Mattich”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

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

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 him and the subject matter of these proceedings, and the findings contained in Section III.3 and III.5 below, which are admitted, Respondent 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. Mattich, age 57, a resident of Plano, Texas, was a certified public accountant licensed to practice in the State of Pennsylvania, until his license expired in 2007. He served as Chief Financial Officer of Home Solutions of America, Inc. ("HSOA") from January 2006 until January 2008. Mattich was not employed by HSOA in any capacity before that time.

2. HSOA was, at all relevant times, a Delaware corporation, headquartered in Dallas, Texas, until it moved to New Orleans, Louisiana. HSOA was engaged construction and disaster remediation. At all relevant times, HSOA's common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act"). HSOA's stock traded on the NASDAQ National Market, until it was delisted on January 7, 2008 for failure to file timely periodic reports. After that, HSOA traded in the Pink Sheets OTC until January 5, 2010, when the registration of HSOA's securities was revoked.

3. On November 30, 2009, the Commission filed a complaint against Mattich and others in *Securities and Exchange Commission v. Home Solutions of America, Inc., Frank Fradella, Brian M. Marshall, Jeffery M. Mattich, Rick J. O'Brien, Stephen C. Gingrich, Thomas L. Davis, and Jeffrey T. Craft*, Civil Action Number 3:09-cv-2269, in the United States District Court for the Northern District of Texas.

4. The Commission's complaint alleged that, among other things, while serving as CFO for HSOA, Mattich participated in conduct that constituted violations of antifraud and books and records provisions of the federal securities laws. Specifically, the complaint alleged that Mattich participated in various revenue-inflation, expense deferral, and account receivable schemes that resulted in HSOA materially misstating its financial condition and operating results in filings with the Commission, in offering documents, and in other statements to investors.

5. On December 20, 2018, the court entered an order permanently enjoining Mattich, by consent, from future violations of Sections 17(a)(2) and (a)(3) of the Securities Act of 1933 ("Securities Act"), Section 13(b)(5) of the Exchange Act and Rules 13a-14, 13b2-1, and 13b2-2 thereunder, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder. Mattich was also ordered to pay \$86,620 in disgorgement and a \$50,000 civil money penalty.

IV.

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

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

A. Mattich is suspended from appearing or practicing before the Commission as an accountant.

B. After one year from the date of this order, Mattich may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission (other than as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Securities Exchange Act of 1934). Such an application must satisfy the Commission that Mattich's work in his practice before the Commission as an accountant will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or

2. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Securities Act of 1934. Such an application will be considered on a facts and circumstances basis with respect to such membership, and the applicant's burden of demonstrating good cause for reinstatement will be particularly high given the role of the audit committee in financial and accounting matters; and/or

3. an independent accountant.

Such an application must satisfy the Commission that:

(a) Mattich, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Mattich, or the registered public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in Mattich's or the firm's quality control system that would indicate that the respondent will not receive appropriate supervision;

(c) Mattich has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Mattich acknowledges his responsibility, as long as he appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Mattich to resume appearing or practicing before the Commission provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Mattich's character, integrity, professional conduct, or qualifications to appear or practice before the Commission as an accountant. Whether an application demonstrates good cause will be considered on a facts and circumstances basis with due regard for protecting the integrity of the Commission's processes.

By the Commission.

Brent J. Fields
Secretary