

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 90003 / September 25, 2020**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 4171 / September 25, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20073**

**In the Matter of**

**AEON GLOBAL HEALTH  
CORP.,**

**Respondent.**

**ORDER INSTITUTING CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTION 21C OF THE SECURITIES  
EXCHANGE ACT OF 1934, MAKING  
FINDINGS, AND IMPOSING A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Aeon Global Health Corp. (formerly known as Authentidate Holding Corp.) (“Respondent” or “Aeon”).

**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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-And-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-And-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds<sup>1</sup> that:

#### Summary

This proceeding involves violations of the federal securities laws in connection with the Respondent's reporting, books and records, and internal accounting control failures, as well as its failure to maintain Internal Control over Financial Reporting ("ICFR"). Respondent failed to maintain, and did not remediate material weaknesses in, ICFR for fourteen consecutive reporting periods from the period ended March 31, 2016 through the period ended June 30, 2019. In addition, Respondent announced three financial statement restatements during the period from 2016 to 2019.

#### Respondent

1. **Aeon** is a Delaware corporation headquartered in Gainesville, Georgia. It provides services to healthcare professionals including medical testing, web-based revenue cycle management applications, and telehealth products and services. Aeon's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is quoted on OTC Link (previously "Pink Sheets") operated by OTC Markets Group Inc., under the ticker "AGHC." Until January 31, 2018, Respondent was known as Authentidate Holding Corp. ("AHC"). AHC had completed, in 2016, a reverse acquisition of Peachstate Health Management, LLC d/b/a AEON Clinical Laboratories. At all relevant times, Respondent filed periodic reports with the Commission, including Forms 10-K and 10-Q, pursuant to Section 13(a) of the Exchange Act and related rules thereunder.

#### Background

2. Respondent disclosed material weaknesses in each of its Forms 10-K and 10-Q over a period of approximately four years, from 2016 through 2019.

3. In its Form 10-Q for the period ended March 31, 2016, Respondent disclosed that it had insufficient resources in its accounting function, which "restricts the Company's ability to gather, analyze and properly review information related to financial reporting in a timely manner." Respondent also disclosed that it had "inadequate controls to ensure that information necessary to properly record transactions is adequately communicated on a timely basis from non-financial personnel to those responsible for financial reporting." These two material weakness disclosures were subsequently repeated in each of the next thirteen reporting periods, up to and including Respondent's most recent Form 10-K for the period ended June 30, 2019.

4. During the period from 2016 through 2019, Respondent filed three financial restatements. In its April 5, 2017 filing of an amended Form 10-Q for the period ended March 31, 2016, Respondent disclosed that its previously reported financial statements for the three- and nine-month periods ending March 31, 2016, contained material errors related to its revenue

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<sup>1</sup> The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

estimates. In connection with the restatement, Respondent disclosed a material weakness resulting from “delays in identifying reduced revenue collections due to modification of payor claims adjudication processes and lack of communication between financial personnel and non-financial personnel.” The same material weakness was subsequently described in each of the next twelve reporting periods up to and including Respondent’s Form 10-Q for the period ended March 31, 2019.

5. In its Form 10-K for the period ended June 30, 2017 filed on October 13, 2017, Respondent disclosed that its previously reported financial statements for the three-month periods ending September 30, 2016, December 31, 2016, and March 31, 2017 included material errors “resulting in the understatement of inventory and the understatement of certain accruals.”

6. In its January 25, 2019 filing of an amended Form 10-Q for the period ended September 30, 2018, Respondent disclosed that its previously reported financial statements for the three months ended September 30, 2018 “contains material errors related to the classification and valuation of the embedded derivative related to an aggregate principal amount of . . . convertible notes.”

7. Beginning with its Form 10-Q for the period ended March 31, 2016, Respondent stated that it would perform certain remedial actions. Planned remedial actions were repeated in subsequent periodic filings. Respondent’s disclosed remedial actions have included reviewing the design of the procedures for the preparation of financial statements; improving documentation; hiring additional personnel in the accounting department; and providing training to individuals in its accounting and reporting functions. Despite these efforts, Respondent continues to report material weaknesses.

### **Violations**

8. As a result of the conduct described above, Respondent violated Section 13(a) of the Exchange Act and Rules 13a-13 and 13a-15(a) thereunder, which require issuers with classes of securities registered pursuant to Section 12 of the Exchange Act to file periodic and other reports with the Commission and to maintain ICFR.

9. As a result of the conduct described above, Respondent violated Section 13(b)(2)(A) of the Exchange Act, which requires Section 12 registrants to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets.

10. As a result of the conduct described above, Respondent violated Section 13(b)(2)(B) of the Exchange Act, which requires Section 12 registrants to devise and maintain a system of sufficient internal accounting controls.

### **Undertakings**

Respondent has undertaken to:

11. Retain, within thirty (30) days of the date of entry of the Order, at its own expense, a qualified independent consultant (the “Consultant”) not unacceptable to the Commission staff, to review and evaluate the Respondent’s ICFR.

12. Provide, within forty-five (45) days of the issuance of this Order, a copy of the engagement letter detailing the Consultant’s responsibilities to Steven G. Rawlings, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, Brookfield Place, 200 Vesey Street, Suite 400, New York, NY 10281.

13. Require the Consultant, at the conclusion of the review, which in no event shall be more than 120 days after the entry of the Order, to submit a report of the Consultant to the Respondent and the Commission staff. The report shall address the Respondent’s ICFR and shall include a description of the review performed, the conclusions reached, and the Consultant’s recommendations for changes or improvements to the Respondent’s ICFR.

14. Adopt, implement, and maintain all policies, procedures and practices recommended in the report of the Consultant. As to any of the Consultant’s recommendations about which the Respondent and the Consultant do not agree, such parties shall attempt in good faith to reach agreement within 180 days of the date of the entry of the Order. In the event that the Respondent and the Consultant are unable to agree on an alternative proposal, the Respondent will abide by the determination of the Consultant and adopt those recommendations deemed appropriate by the Consultant.

15. No later than twelve (12) months after the date of the entry of the Order, direct the Consultant to conduct a follow-up review of the Respondent’s efforts to implement each of the recommendations made by the Consultant and the Respondent shall direct the Consultant to submit a follow-up report to the Commission staff no later than fifteen (15) months after the date of the entry of the Order. The Respondent shall direct the Consultant to include in the follow-up report the details of the Respondent’s efforts to implement each of the Consultant’s recommendations and shall separately state whether the Respondent has fully complied with each of the Consultant’s recommendations.

16. Cooperate fully with the Consultant in its review, including making such information and documents available as the Consultant may reasonably request, and by permitting and requiring the Respondent’s employees and agents to supply such information and documents as the Consultant may reasonably request.

17. Ensure the independence of the Consultant, the Respondent (i) shall not have received legal, auditing, or other services from, or have had any affiliations with, the Consultant during the two years prior to the issuance of this Order; (ii) shall not have the authority to terminate the Consultant without prior written approval of the Commission staff; and (iii) shall compensate the Consultant for services rendered pursuant to the Order at their reasonable and customary rates.

18. Require the Consultant to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional

relationship with Respondent, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the Consultant will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the Consultant in performance of his/her duties under this Order shall not, without prior written consent of the Commission staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Respondent, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

19. The reports by the Consultant will likely include confidential financial, proprietary, competitive business or commercial information. Public disclosure of the reports could discourage cooperation, impede pending or potential government investigations or undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except (1) pursuant to court order, (2) as agreed to by the parties in writing, (3) to the extent that the Commission determines in its sole discretion that disclosure would be in furtherance of the Commission's discharge of its duties and responsibilities, or (4) is otherwise required by law.

20. Require the Consultant to report to the Commission staff on its activities as the staff may request.

21. Respondent agrees that the Commission staff may extend any of the dates set forth above at its discretion.

22. Certify, in writing, compliance with the undertaking(s) set forth above. The certification shall identify the undertaking(s), provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable request for further evidence of compliance, and the Respondent agrees to provide such evidence. The certification and reporting material shall be submitted to Steven G. Rawlings, Assistant Regional Director, with a copy to the Office of the Chief Counsel of the Division of Enforcement, no later than sixty (60) days from the date of the completion of the undertakings.

#### **Civil Penalties**

23. Respondent has submitted a sworn Statement of Financial Condition dated July 7, 2020 and other evidence and has asserted its inability to pay a civil penalty.

#### **IV.**

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Aeon's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent Aeon cease and desist from committing or causing any violations and any future violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 13a-13 and 13a-15(a) thereunder.

B. Respondent shall comply with the undertakings enumerated in Paragraphs 11-22.

C. Based upon Respondent's sworn representations in its Statement of Financial Condition dated July 7, 2020 and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondent.

D. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of the maximum civil penalty allowable under the law. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of a penalty should not be ordered; (3) contest the imposition of the maximum penalty allowable under the law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Vanessa A. Countryman  
Secretary