

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

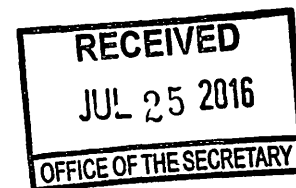
**Administrative Proceeding
File No. 3-17228**

In the Matter of

**David S. Hall, P.C. d/b/a The Hall
Group CPAs,
David S. Hall, CPA,
Michelle L. Helterbran Cochran,
CPA, and
Susan A. Cisneros**

Respondents.

**DIVISION OF ENFORCEMENT'S
RESPONSE TO RESPONDENT
MICHELLE L. HELTERBRAN COCHRAN,
CPA'S MOTION FOR SUMMARY
DISPOSITION**



The Division of Enforcement of the United States Securities and Exchange Commission (“Division”) opposes Respondent Michelle L. Helterbran Cochran, CPA’s Motion for Summary Disposition and asks that it be denied, respectfully showing the following:

I.
PROCEDURAL HISTORY

On April 26, 2016, the Commission entered its *Order Instituting Public Administrative and Cease-And-Desist Proceedings Pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice*, SEC Release No. 77718 (April 26, 2016) (the “OIP”). Helterbran filed her response to the OIP on May 24, 2016, and her *Motion for Summary Disposition* on July 5, 2016 (the “Helterbran Motion”).

II.
LEGAL STANDARD FOR SUMMARY DISPOSITION

Rule of Practice 250(a) permits a party to move for summary disposition on any or all of the allegations in the Order Instituting Proceedings (“OIP”). 17 C.F.R. § 201.250(a). The

Administrative Law Judge may only grant such a motion where there exists no genuine issue of material fact in connection with the challenged allegations. *Id.* at § 201.250(b).

While Helterbran filed a motion seeking summary disposition of the Division's claims against her, the motion almost exclusively identifies contested factual issues regarding whether she used a proper engagement quality reviewer and whether she prepared adequate audit documentation in the audits and reviews at issue in this proceeding. Because her motion does not conclusively establish the absence of any material fact issue but, rather, identifies and raises numerous key factual issues which the parties dispute, her motion for summary disposition should be denied.

III. **ARGUMENT AND AUTHORITY**

A. Helterbran's Motion Identifies Multiple Questions of Fact Regarding Cisneros's Relationship with The Hall Group and Her Competency to Act as an Engagement Quality Reviewer

Helterbran raises multiple questions of fact regarding Cisneros's role as an engagement quality reviewer ("EQR"). As one example, Helterbran alleges that the OIP "incorrectly identifies Cisneros as someone 'from the firm' and not 'outside the firm'." Helterbran Motion, at p. 1. She goes on to argue that there are different standards for EQRs that come from within the firm than those outside the firm, and appears to argue that the standard for someone from within the firm is that the reviewer must be a partner or an individual in an equivalent position. *Id.*, at pp. 1-2, n.1. She appears to argue that because Cisneros was from outside the firm, that standard did not apply to her. *Id.* The OIP clearly alleges that Cisneros was an employee of The Hall Group and was not a partner of the firm, or someone in an equivalent position, and therefore was not a proper engagement quality reviewer. OIP, at ¶¶ 4, 16. Because Cisneros's status as

an employee of The Hall Group is a material and disputed fact, Helterbran's motion for summary disposition must be denied.

Helterbran also contends that Cisneros was competent to act as an EQR. Cisneros's qualifications to act as an EQR involve factual allegations that go to the core of this proceeding. The OIP alleges that Cisneros was unqualified to perform engagement quality reviews and performed engagement quality reviews without having the requisite competency to do so. OIP, at ¶ 15-17. Those allegations rely, in part, on the Public Company Accounting Oversight Board's (the "PCAOB") determination that Cisneros was improperly serving as an engagement quality reviewer. *Division of Enforcement's Motion for Partial Summary Disposition as to Respondents David S. Hall P.C. d/b/a/ The Hall Group CPAs and David S. Hall, CPA and Brief in Support*, Declaration of David Whipple, at ¶ 25 and Exhibit 24. Moreover, Cisneros testified under oath that she did not consider herself "to have the knowledge and competence in accounting, auditing, and financial reporting that's required to serve as the engagement partner for an engagement conducted under PCAOB auditing standards." Declaration of Timothy Evans, attached hereto as Exhibit A, at ¶ 2 and Exhibit 1; OIP, at ¶ 16. Helterbran, citing Cisneros's response to the OIP, argues that Cisneros's testimony to the Division—which is effectively an admission of the OIP's claims against Cisneros—was "taken out of context." Helterbran's Motion, at p. 3. The Division contends that her testimony could not have been more clear.

Cisneros's sworn admission and her qualifications to act as an EQR go to the very heart of the allegations against Helterbran. Any dispute regarding Cisneros's qualifications, or concerning the nature of her testimony, is a genuine issue of a material fact. Because

Helterbran's motion identifies numerous questions of fact regarding whether Cisneros was a proper engagement quality reviewer, summary disposition is improper.

B. Helterbran's Ambiguous Position on Her Failure to Adequately Prepare Required Audit Documentation Either Creates Questions of Fact or Admits Her Violations

The OIP alleges that Hall and Helterbran failed to prepare adequate audit documentation. OIP, at ¶ 7-11. Helterbran's position on this allegation is ambiguous: while she argues that if the documentation is missing or incomplete it is due to circumstances beyond her control, she never contends that she prepared the required documents in the first instance. Helterbran's Motion, at pp. 5-8.

If Helterbran is arguing that she did prepare completed versions of the required audit documentation, but that documentation is missing, then she is raising a factual issue, because the OIP alleges that the documentation was never prepared or was incomplete for specific audits and reviews [OIP, at ¶ 10-11]; therefore summary disposition is not appropriate. On the other hand, if she is conceding that she never prepared completed versions of the required audit documentation, but is simply trying to hide behind subsequent events to excuse her failure, then she is admitting that she violated PCAOB auditing standards and her motion must also be denied. See OIP, at ¶ 7-11.

**III.
CONCLUSION**

Helterbran's motion does not set out why summary disposition in her favor is appropriate. Rather, it underscores why it is not: there are numerous, significant questions of fact that must be answered before a determination can be made of whether she violated the law. While the Division is confident that its evidence will show that its allegations are true, that

determination is one best suited for the October hearing in this proceeding, not in summary disposition. Helterbran's motion should be denied.

Dated: July 22, 2016

Respectfully submitted,



Timothy L. Evans
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David D. Whipple
D.C. Bar No. 999495
New York Registration No.402565
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EvansTim@sec.gov

COUNSEL FOR
DIVISION OF ENFORCEMENT

Service List

Pursuant to Rule 150 of the Commission's Rules of Practice, I hereby certify that a true and correct copy of the *Division of Enforcement's Response to Respondent Michelle L. Helterbran Cochran, CPA's Motion For Summary Disposition* was served on the following on July 22, 2016 via United Parcel Service, Overnight Mail:


Honorable Cameron Elliot
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

David S. Hall, P.C. d/b/a The Hall Group CPAs
c/o Stuart N. Bennett, Esq.
Jones & Keller, P.C.
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Denver, CO 80202

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Michele L. Helterbran Cochran, CPA
[REDACTED]
Coppell, TX [REDACTED]

Ms. Susan A. Cisneros
[REDACTED]
Lewisville, TX [REDACTED]


Timothy L. Evans

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-17228

In the Matter of

David S. Hall, P.C. d/b/a The Hall
Group CPAs,
David S. Hall, CPA,
Michelle L. Helterbran Cochran, CPA,
and
Susan A. Cisneros

Respondents.

**DECLARATION OF TIMOTHY L. EVANS IN SUPPORT OF DIVISION OF
ENFORCEMENT'S RESPONSE TO RESPONDENT MICHELLE L.
HELTERBRAN COCHRAN, CPA'S MOTION FOR SUMMARY DISPOSITION**

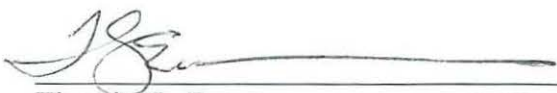
TIMOTHY L. EVANS, pursuant to 28 U.S.C. § 1746, declares:

1. I am trial counsel with the Division of Enforcement ("Division") of the Securities and Exchange Commission ("Commission"), and lead counsel for the Division in the above-captioned administrative proceeding. I submit this Declaration in support of the Division's Motion for Summary Disposition ("Motion").

2. Attached hereto as Exhibit 1 is a true copy of an excerpt of Respondent Susan A. Cisneros's testimony taken on April 15, 2015.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 22, 2016.



Timothy L. Evans



Page 1

1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 2
 3 In the Matter of:)
 4) File No. FW-03976-A
 5 THE HALL GROUP, CPAS)
 6
 7 WITNESS: Susan Cisneros
 8 PAGES: 1 through 149
 9 PLACE: Securities and Exchange Commission
 10 801 Cherry Street, 19th Floor
 11 Fort Worth, Texas
 12 DATE: Wednesday, April 15, 2015
 13
 14 The above-entitled matter came on for hearing,
 15 pursuant to notice, at 9:22 a.m.
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 22
 23
 24 Diversified Reporting Services, Inc.
 25 (202) 467-9200

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1 APPEARANCES:
 2
 3 On behalf of the Securities and Exchange Commission:
 4 DAVID R. KING, STAFF ACCOUNTANT
 5 DAVID A WHIPPLE, ESQ., STAFF ATTORNEY
 6 Securities and Exchange Commission
 7 Division of Enforcement
 8 801 Cherry Street, 19th Floor
 9 Fort Worth, Texas 76102
 10 (817) 900-2613
 11
 12 On behalf of the Witness:
 13 SUSAN CISNEROS, PRO SE
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 10 84 June 30, 2012 supervision
 11 Review and approval form -
 12 DynaResources 103
 13 85 December 31, 2009 supervision
 14 And approval form - Kingdom
 15 Koncrete 105
 16 86 December 31, 2010 supervision
 17 And approval form - Kingdom
 18 Koncrete 108
 19 87 December 31, 2011 supervision
 20 And approval form - Kingdom
 21 Koncrete 110
 22 88 March 31, 2012 supervision
 23 And approval form - Kingdom
 24 Koncrete 115
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1	C O N T E N T S (C O N T .)	
2		
3	EXHIBITS: DESCRIPTION	IDENTIFIED
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18	Coatings	119
19	94 March 31, 2012 supervision	
20	And approval form - Surface	
21	Coatings	120
22	95 June 30, 2012 supervision	
23	And approval form - Surface	
24	Coatings	120
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1	C O N T E N T S (C O N T .)	
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3	EXHIBITS: DESCRIPTION	IDENTIFIED
4	96 September 30, 2012 supervision	
5	And approval form - Surface	
6	Coatings	123
7	97 March 31, 2013 supervision	
8	And approval form - Surface	
9	Coatings	124
10	98 December 31, 2010 supervision	
11	And approval form -	
12	360 Global Investments	126
13	99 March 31, 2012 supervision	
14	And approval form -	
15	360 Global	132
16	100 June 30, 2012 supervision	
17	And approval form -	
18	360 Global	133
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1 P R O C E E D I N G S

2 MR. KING: We are on the record at

3 9:22 a.m. on April 15, 2015. Miss Cisneros, would

4 you please raise your right hand.

5 Whereupon,

6 SUSAN CISNEROS,

7 was called as a witness and, having been first duly

8 sworn, was examined and testified as follows:

9 EXAMINATION

10 BY MR. KING:

11 Q Would you state and spell your full name for

12 the record.

13 A Susan A Cisneros, S-U-S-A-N, A is the

14 initial, C-I-S-N-E-R-O-S.

15 Q Thank you. My name's David King.

16 A Uh-huh.

17 Q With me is David Whipple. We're both officers

18 of the United States Securities and Exchange Commission

19 for purposes of this proceeding.

20 This is an investigation by the United

21 States Securities and Exchange Commission in the matter

22 of The Hall Group, CPAs, Investigation Number FW-3976,

23 to determine whether there have been violations of

24 certain provisions of the federal securities laws.

25 However, the facts developed in this investigation

Page 8

1 might constitute violations of other federal or state

2 civil or criminal laws.

3 Prior to the opening of the record, I gave

4 you a couple of documents, the first of which is the

5 formal order of investigation. It's not marked as an

6 exhibit but is available for your inspection today

7 during the proceeding.

8 Have you had an opportunity to review the

9 formal order?

10 A Yes.

11 Q Okay. I also give you what we've marked as

12 Exhibit 1. It's a copy of the commission's

13 Supplemental Information Form 1662. A copy of that was

14 attached to your subpoena. Have you had an opportunity

15 to review the Form 1662?

16 A Yes.

17 Q Okay. Do you have any questions about

18 Exhibit 1?

19 A No.

20 Q Miss Cisneros, are you represented by counsel

21 today?

22 A No.

23 Q Okay. And because you're not represented, I

24 just want to point out a couple of things. You do have

25 the right to be accompanied, represented, and advised

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1 A Yes.
2 Q Is that because they felt like you may not
3 have the technical competence to do some of the more
4 complex areas like equity?
5 A Yes, and also because Michelle -- most of
6 those customers we had for a little while. I don't
7 think there were too many really new ones. She had
8 been doing them too, and so she understood much better
9 than I, you know, their whole process and their shares
10 and, you know, what they did with, like I said, options
11 or -- I don't know all the terminology even.
12 So that's usually why -- and usually she
13 and David worked on that together too in case Michelle
14 was -- you know, had any questions.
15 Q Okay. So do you consider yourself to have the
16 knowledge and competence in accounting, auditing, and
17 financial reporting that's required to serve as the
18 engagement partner for an engagement conducted under
19 PCAOB auditing standards?
20 A No.
21 Q Okay. And when you came back in May of
22 2013 --
23 A Uh-huh.
24 Q -- I think at that point in time you said that
25 you knew that David Hall was trying to sell or around

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1 that time he was trying to sell the --
2 A Uh-huh.
3 Q -- for-profit part of his business.
4 A Uh-huh.
5 Q Is that right?
6 A Uh-huh?
7 MR. WHIPPLE: Is that yes?
8 THE WITNESS: Yes.
9 BY MR. KING:
10 Q And my understanding is that Paul Babb had
11 planned to leave --
12 A Yes.
13 Q -- in the May time frame. Is that something
14 you knew when you were coming back?
15 A Yes.
16 Q Okay. And when you were asked to come back,
17 had Michelle given her notice yet?
18 A She was gone because really -- so it was the
19 end of June when I left Thakkar. No. That's 2014.
20 You're talking about 2013.
21 Q '13, yeah. My understanding is that Michelle
22 was there until --
23 A Was still there, yes.
24 Q -- the end of June, maybe the first week of
25 July.

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1 A Yes.
2 Q And so the question I have is, were you aware
3 that she was leaving --
4 A Yes.
5 Q -- or did she -- okay. So you already knew
6 that she was leaving?
7 A Yes.
8 Q Okay. So her leaving was not a surprise to
9 anyone?
10 A No.
11 Q At least after you left. Okay. And did you
12 ever become aware of -- well, let me back up. Were you
13 aware that PCAOB did inspections of David Hall's --
14 A Yes.
15 Q -- engagements from time to time? Did you
16 ever review any of the inspection reports?
17 A No.
18 Q Okay. Do you know that there were reports on
19 his audits on the PCAOB website?
20 A That there were what?
21 Q The PCAOB posted --
22 A Yes.
23 Q But you never went to read any of those?
24 A No.
25 Q Okay. Were you ever made aware of any issues

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1 or comments that were raised on engagements that you
2 had worked on?
3 A Only from peer review.
4 Q Okay. And when you say only by peer review,
5 what do you mean?
6 A Well, I read -- he gave the peer review report
7 to everybody. When we would get a peer review done,
8 the peer review report went to us because that had more
9 to do with us on how we were doing our documentation or
10 that type of thing, but not the SEC or the PCAOB
11 because I think the SEC came in too. Did they? I know
12 the PCAOB did.
13 Q Okay. And so the peer review are you talking
14 about when --
15 A When another CPA firm comes in.
16 Q Okay. And that's where the other firm's
17 looking at nonpublic issuers, right?
18 A Yes.
19 Q Okay.
20 A Yes. I'm not really sure what -- I mean, I
21 only know which ones he pulled from not-for-profit.
22 Q Okay.
23 A And it was usually based on the man-hours
24 worked.
25 Q So you don't know whether or not PCAOB ever

PROOFREADER'S CERTIFICATE

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In the Matter of: THE HALL GROUP, CPAS
Witness: Susan Cisneros
File Number: FW-03976-A
Date: April 15, 2015
Location: Fort Worth, TX

This is to certify that I, Nicholas Wagner,
(the undersigned), do hereby swear and affirm
that the attached proceedings before the U.S.
Securities and Exchange Commission were held
according to the record and that this is the
original, complete, true and accurate transcript
that has been compared to the reporting or recording
accomplished at the hearing.


(Proofreader's Name)

4-21-2015
(Date)

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U.S. SECURITIES AND EXCHANGE COMMISSION
REPORTER'S CERTIFICATE

I, Barby D. Black, reporter, hereby certify that the foregoing transcript consisting of 147 pages is a complete, true, and accurate transcript of the statements indicated, held on April 15, 2015, in the matter of: The Hall Group, CPAs.

I further certify that this proceeding was recorded by me and that the foregoing transcript has been prepared under my direction.

Date: April 20, 2015

Barby D. Black

Official Reporter

Diversified Reporting Services, Inc.