



UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ADMINISTRATIVE PROCEEDINGS RULINGS**  
Release No. 3932/June 29, 2016

**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**

**MOTION FOR  
SUMMARY  
DISPOSITION**

**RESPONDENTS**

**MOTION FOR SUMMARY DISPOSITION – HELTERBRAN**

Respondent, Michelle L. Helterbran Cochran (herein referred to as “Helterbran”) hereby makes a Motion for Summary Disposition of all claims and allegations against me set forth in the Administrative Proceeding File No. 3-17228 (herein referred to as the “Order”).

**Use of Susan Cisneros as Engagement Quality Reviewer**

The Order alleges that Helterbran failed to follow PCAOB Standards when Susan Cisneros (herein referred to as “Cisneros”) performed Engagement Quality Review procedures for The Hall Group CPAs (herein referred to as “the Hall Group” or “the firm”). However, the allegation incorrectly identifies Cisneros as someone “from the firm” and not “outside the firm”.

During the time Cisneros performed these procedures, it is understood she was a 1099 independent contractor, not a W-2 employee of The Hall Group, and at many times, worked for other CPA firms concurrently. In the discussions on the Docket to make PCAOB Auditing Standard No. 7, the

PCAOB explains in more detail the requirements for an Engagement Quality Reviewer, and the differences of one used from within the firm and outside the firm. <sup>1</sup>

In PCAOB AS 7, it indicates that an outside EQR reviewer must “*possess the level of knowledge and competence* related to accounting auditing and financial reporting required to serve as the person who has overall responsibility for *the same type of engagement*”. (Emphasis added). It does not specifically exclude someone from being an EQR who is not a licensed CPA. Cisneros acted as the EQR for engagements that were reviewed by the PCAOB in their prior inspection of The Hall Group. At that time, the PCAOB inquired about her competence due to the fact she was not a CPA, but after their review and interview with her, did not issue a comment with regard to her serving in this capacity. (corroborates with Hall 161 and 165-166).

Cisneros had the competencies expected in performing accounting, auditing and attest engagements as outlined by QC SEC 40 – “Competencies of a Practitioner in Charge.”<sup>2</sup> These competencies and Cisneros’ qualification relative to each are listed below.

- Understanding Role of Quality Control and Code of Professional Conduct:
  - David Hall (herein referred to as Hall), as the partner in charge of the firm’s audit practice and sole owner of the firm, had each employee and contractor sign a confirmation that they had read the Firm’s Quality Control and Code of Professional Conduct documents on an annual basis. Cisneros would have acknowledged and signed this form each year as a part of the firm’s policy.
- Understanding the Service to be Performed:
  - Cisneros had performed these audits and reviews for several years and was intimately familiar with the clients, the industries and the services to be performed.
- Technical Proficiency:

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<sup>1</sup> From AS7 - “Accordingly, the repropoed standard required an engagement quality review from within the firm issuing the engagement report to be a partner or another individual in an equivalent position, but also allowed a qualified individual from outside the firm to perform the EQR. In either event, the repropoed standard required the reviewed to be an associated person of a registered public accounting firm. The repropoed standard also included a general competence requirement and requirements related to the reviewer’s independence, integrity and objectivity.

As noted above, the repropoed standard, like the original proposal, included a requirement for the reviewer to “possess the level of knowledge and competence related to accounting, auditing and financial reporting required to serve as the person who has overall responsibility for the same type of engagement. This provision was intended to set a minimum requirement for those who would perform the EQR. In response to comments on the original proposal, the repropoed release explained that this provision, by its terms, did or require the engagement quality reviewer’s knowledge and competence to match those of the engagement partner, or for the reviewer to be a clone of the engagement partner”.

<sup>2</sup> From Footnote 3 in AS 7 - The term “engagement partner” has the same meaning as the “practitioner-in-charge of an engagement” in PCAOB interim quality control standard QC sec. 40, *The Personnel Management Element of a Firm’s System of Quality Control-Competencies Required by a Practitioner-in-Charge of an Attest Engagement*. QC sec. 40 describes the competencies required of a practitioner-in-charge of an attest engagement.

- Cisneros was proficient in the applicable accounting, auditing, and attest professional standards including those standards directly related to the industry in which the clients operated and the kinds of transactions in which the clients engaged.
- Familiarity with Industry:
  - Cisneros had performed these audits and reviews on a quarterly basis for many years and was familiar with the industries.
- Professional Judgment:
  - Cisneros possessed the skills that indicated sound professional judgment during the time she did these reviews. In performing an audit or review of financial statements, such skills would have included the ability to exercise professional skepticism and identify areas requiring special consideration including, for example, the evaluation of the reasonableness of estimates and representations made by management and the determination/confirmation of the kind of report necessary in the circumstances. She was not afraid to ask questions.
- Understanding the Organizations IT Systems --
  - These smaller reporting clients all used QuickBooks and maintained very simple IT systems. As Cisneros had audited them for many years, she was very familiar with their IT systems and the risks involved.

As noted in the Order, Cisneros has a Master's Degree in Accounting (in Auditing and Financial Statement Analysis) from the University of North Texas. Additionally, she has significant public accounting and industry experience in accounting, financial reporting and managerial roles as well as annual continuing education related to relevant audit and accounting topics. She was the lead auditor on all of the clients listed on the Appendix (Dyna Resource, Inc., Kingdom Concrete, Inc., Premier Oil Field Service, Surface Coatings, Inc. and 360 Global) for many years during the time she performed services for The Hall Group as an outside contractor, and has significant, hands-on understanding of the client's operations, audit risks, objectives, IT systems and risk of material misstatement. Based on her significant experience with these clients, she would be an ideal EQR reviewer according to the standard in place from 2010 through 2013. As part of The Hall Group's annual quality control procedures, led by Hall, it was determined that she was qualified to perform the EQR responsibilities.

Additionally, Cisneros's response dated May 31, 2016 indicated that her statement required clarification and that she felt she was qualified perform the EQR functions for the Hall Group clients. Helterbran agrees that her testimony quoted in the Order was taken out of context. All of the clients listed in the Appendix to the Order were smaller reporting companies and were thinly traded on the OTC-BB at the time. Additionally, as discussed below, none of the clients listed had any significant audit issues or complex equity transactions for which Cisneros would not have felt competent.

On the Supervision, Review and Approval forms, Cisneros did answer affirmatively that she possessed the independence, integrity and objectivity to perform the EQR function.

Exhibit 1 presents the financial statements for each of the clients in which Cisneros acted in the EQR role for which Helterbran was engagement partner.<sup>3</sup> As you will see, none of these issuers had significant or complex issues. Cisneros actually possessed the level of knowledge and competence related to accounting, auditing and financial reporting (as described above) required to serve as the person who has overall responsibility *for the same type of engagement*.

*Since the date of filings in the Appendix (three to six years later) there have been no restatements, reaudits, amendments filed to correct any disclosures or any known issues with any of the 8 audits or 14 reviews for which Helterbran was the engagement partner and Cisneros performed the EQR<sup>4</sup>. This further supports the fact that Cisneros was qualified. Helterbran did not act in any manipulative, deceptive or fraudulent way, nor did she benefit financially, or otherwise, from these audits, other than being paid her hourly wage from The Hall Group which was the same in 2013 that it was as a part-time auditor in 2007. No client or investor has been harmed or damaged by the allegations herein.*

AS3's Final Release<sup>5</sup> indicates "Nothing in the standard precludes auditors from exercising their professional judgment", and does not deny that "The quantity, type and content of audit documentation are a matter of the auditors' professional judgment". Helterbran's professional judgement, based on these facts, was that Cisneros was qualified to perform the EQR. Cisneros:

- had previously been cleared by the PCAOB to perform this function during prior inspections.<sup>6</sup>
- has a Master's Degree in Accounting and over two decades of significant accounting and auditing experience and ongoing audit and accounting continuing education.

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<sup>3</sup> Please refer to EDGAR for additional filings. Examples are provided within this Motion to illustrate the simplicity of the financial statements listed in the Appendix.

<sup>4</sup> On a few occasions an amendment was filed to include the XBRL on the following day when the company doing the XBRL for the client was not able to complete it on time.

<sup>5</sup> A17. Some commenters also suggested that the standard, as proposed, did not allow for the use of professional judgment. These commenters pointed to the omission of a statement about professional judgment found in paragraph 4.23 of GAGAS that states, "The quantity, type, and content of audit documentation are a matter of the auditors' professional judgment." A nearly identical statement was found in the interim auditing standard, SAS No. 96, Audit Documentation.

A18. Auditors exercise professional judgment in nearly every aspect of planning, performing, and reporting on an audit. Auditors also exercise professional judgment in the documentation of an audit and other engagements. An objective of this standard is to ensure that auditors give proper consideration to the need to document procedures performed, evidence obtained, and conclusions reached in light of time and cost considerations in completing an engagement.

A19. Nothing in the standard precludes auditors from exercising their professional judgment. Moreover, because professional judgment might relate to any aspect of an audit, the Board does not believe that an explicit reference to professional judgment is necessary every time the use of professional judgment may be appropriate.

<sup>6</sup> Hall (p 165-166) Q Sure. Did Susan Cisneros perform either the concurring partner or engagement quality review function for any of the engagements that the PCAOB inspected as part of its 2010 inspection? A: I think so. Q: Okay. Does the partner rotation schedule we have marked as Exhibit 49, does that help answer that question? A: Yes. Q: Does Exhibit 49 show that Susan Cisneros was the EQR for the engagement in 2009 and 2010? A: In 2010, yes, and one for 2009. Q: Right. So the 2010 inspection would have been -- were they inspecting year-end 2009 engagements? A: Yes.

- had been significantly involved with all aspects of the audit for many years prior to performing the EQR.
- indicated she had the independence, integrity and objectivity to perform the EQR function, and nothing came to Helterbran's attention during that time period to the contrary.
- had the competencies expected in performing accounting, auditing and attest engagements has outlined by QC SEC 40 – "Competencies of a Practitioner in Charge:"<sup>7</sup>
- Cisneros, at the time, possessed the level of knowledge and competence related to accounting, auditing and financial reporting required to serve as the person who has overall responsibility *for the same type of engagement*. These engagements were OTC:BB Smaller Reporting Companies with no significant issues, transactions, complex IT systems or operations.

Additionally, PCAOB Release No. 105-2016-015 states that "At all relevant times, Hall was the: (a) sole owner of the Firm; (b) partner in charge of the Firm's issuer audit practice; (c) engagement partner for each of the Audits and (d) contact person with the Board. Hall had overall responsibility for assuring that the Firm complied with relevant laws, rules and professional standards."<sup>8</sup>

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### **Failure to Adequately Prepare Required Audit Documentation**

The Order alleges that Helterbran failed to prepare adequate audit documentation on four audits and four review engagements spanning from December 31, 2010 until June 30, 2013 as indicated in paragraph 10 and the Appendix of the Order. The Order indicated that the workpapers were missing or contained blank or incomplete Supervision, Review and Approval Forms or blank or incomplete Engagement Completion Document forms, and as a result of the workpapers having missing, blank or incomplete forms, Helterbran failed to comply with AS3. It should be noted that Helterbran had long since left the firm when discovery for this proceeding began, and had no workpapers in her possession. All of the discovery documents/workpapers were gathered and presented by Hall and The Hall Group.

Please consider the following in evaluating if Helterbran *willingly aided and abetted and caused* securities violations as a result of four review workpapers and four audit workpapers not being found out of the thousands of hardcopy workpapers that were created over three to six years ago.

- The use of standardized forms on all engagements was not implemented until after the December 31, 2010 audits. The use of the particular forms mentioned in the Order was

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<sup>7</sup> From Footnote 3 in AS 7 - The term "engagement partner" has the same meaning as the "practitioner-in-charge of an engagement" in PCAOB interim quality control standard QC sec. 40, *The Personnel Management Element of a Firm's System of Quality Control-Competencies Required by a Practitioner-in-Charge of an Attest Engagement*. QC sec. 40 describes the competencies required of a practitioner-in-charge of an attest engagement.

<sup>8</sup> Paragraph 43 on Page 15 of PCAOB Release No. 105-2016-015. "Order Instituting Disciplinary Proceedings, Making Findings and Imposing Sanctions - In the Matter of The Hall Group, CPAs and David S. Hall, CPA".

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introduced early in 2012, around the time of the hiring of Paul Babb and several other auditors. Therefore, some of the “missing forms” did not exist prior to implementation during 2012.

- Failure to complete a summary checklist does not constitute a failure to complete adequate documentation and very likely the work could have been documented elsewhere or in electronic form only, and may still exist on someone’s former firm computer.
- Having left the firm on June 28, 2013, Helterbran had absolutely no role or access to play a role in producing the workpapers for the SEC’s subpoena related to the investigation on behalf of The Hall Group and does not know the procedures taken to ensure their completeness.
- Workpapers were routinely archived at The Hall Group by Hall or administrative personnel and taken to an offsite storage facility. This involved taking the paper workpapers out of plastic 3-ring binders and fastening them together with a rubber band, and stacking the audit and review workpapers on top of each other in bankers boxes where they were transported via the administrative assistant’s or Hall’s car to an offsite storage facility. When historical workpapers were needed, Hall or the administrative assistant would go to the facility and search through the boxes for the applicable workpapers.
- Several times workpapers were returned to the office from the storage facility and the workpapers were incomplete or had been mixed up with other client’s workpapers when the rubber bands broke, other workpapers were removed, or the contents were otherwise disturbed.
- It was later learned that the storage facility was a personal unit for Hall and his family and also included personal effects other than just Firm archives. It is possible these workpapers could have been accessed by people outside the Firm.
- When Hall sold a portion of his firm in 2012, the related workpapers were included in the sale. The stored boxes were gone through by Hall and the administrative assistant and workpapers related to the sold portion of the business were pulled out of boxes and delivered to the buyer. It is quite possible that other work papers not related to the sale were accidentally included in those going to the buyer. Hall sold the remaining clients of the Firm after Helterbran left in 2013, and transferred all of the hard copy files to the buyer.
- For a period of time, the Firm’s administrative assistant would prepare (“set up”) binders prior to the audit or review with a complete set of blank checklists to be used for the audit. It ended up that most auditors preferred to complete the checklists within Word or Excel and print them for the binder, with the result that many blank checklists were unused, and the completed checklist would have been in Word or Excel format on the employee’s work computer or the network and would be printed and replace the blank checklist. However, it is entirely possible that the blank form was inadvertently left in the workpapers instead and the completed documents reside on the server or the former employee’s firm laptops.
- Prior to this investigation, certain Premier Oilfield Services and Kingdom Concrete workpapers had been subpoenaed and were hand copied by the Hall Group administrative assistant on a copier without a feeder and were hand delivered to the SEC. The chance that pages went missing or were misfiled during this process is entirely possible.

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- As noted on the Index of workpapers, the Engagement Completion Workpapers and Supervision, Review and Approval forms were at the very end of the binder and could have easily been comingled with other clients' workpapers during the storage process.
  - As Cisneros was a contractor and most often worked off-site, many times certain workpapers were removed from the binder for her signature (or emailed back and forth to her) and simply could have not been printed or filed back correctly. (Cisneros 119)
  - Paragraph 8 of the Order indicates that AS 3 states that an auditor must "identify all *significant findings or issues* in an engagement completion document". The Order does not identify which, if any, clients did not have an engagement completion document to be able to respond with a defense to the allegation. However, based on Helterbran's knowledge of the clients listed on Appendix A, they were all very small Smaller Reporting Companies with extremely simplistic financial statements and had minimal operations and no significant findings or issues, as determined throughout the workpapers; therefore, based on this AS3 definition, no engagement completion document would be necessary.
  - Hall and the auditors employed and subcontracted by The Hall Group had noted the limitations of the firm's manual filing system and had been researching (including demonstrations by the software providers) electronic workpapers which would prevent these types of administrative issues from recurring.
  - Helterbran's last day of work at the firm was June 28, 2013 and all Hall Group workpapers have been out of her control since that date.
  - The PCAOB allows 45 days for the completion of workpapers after the client's filing date. As Helterbran's last work day was June 28, 2013, two of the engagements listed in the Appendix (DynaResource, Inc. March 31, 2013 10Q and 360 Global Investments, Inc. March 31, 2013 10Q) were still within the 45-day workpaper completion window.
  - During most of Helterbran's tenure at The Hall Group, 360 Global Investments, Inc., an OTC-BB filer (herein referred to as "360 Global"), was not current on their SEC filings. During the first three months of 2013, 360 Global filed 14 10-K's and 10-Q's to become current, 5 of which were filed on the same day. 360 Global is listed 9 times on the Appendix for missing forms. Several of the audits and reviews were passed on for EQR review at the same time. As 360 Global's 10-Q was one of those clients within the completion window upon Helterbran's departure, the completion of the prior period workpapers which would have been referenced during the testing and possibly removed is outside of Helterbran's control.
  - During Helterbran's 5 days of testimony with the SEC and the PCAOB, and during the testimony of other Respondents and witnesses, numerous exhibits which were copied from the originals and used in the investigation, were missing pages, cut off or otherwise incomplete. References from testimony include:
    - Question from Mr. Whipple to Hall: I understand -- I understand the process of files maybe going missing in copying and that. (Hall, p. 187)

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- Question from Mr. Whipple to Helterbran: All right. So for this one, it's another example where I'm missing a page. I apologize for that. (Helterbran p. 137)
  - I think it's missing some pages. It looks like the same form, the same signatures, but not with all the pages. (Helterbran p 148)
  - The copy's cut off. I am not sure. I must have made some changes to the file or additions to it. I don't know. (Helterbran p. 150)
  - Question from Mr. King to Helterbran: Q: Maybe June 14th. I can't tell. The copy's cut off. A: I can't tell what it is either. (Helterbran p. 252)
  - Question from Mr. King to Helterbran Q: Okay. And then the last one is cut off on my copy here. A: I don't see it either. (Helterbran p 247)
  - Question from Ms. Magec to Helterbran: Q: But for the missing pages, does this otherwise appear to be a true and accurate copy of this document? A: I would think so, but without the missing pages, it's hard to say.
  - Okay. Then it looks like Michelle Helterbran signed off as of 5/3/13 and 5/20/13. It's cut off on the copy at least I have. (Babb p. 83)
  - And if I flip over, it looks like -- I'm actually missing Page 3 on this document, so I can't tell you who the detailed reviewer is on this. (Babb p.73)
  - And so if you look at this on page actually, this is missing Page 3 by the way. (Cisneros p. 101)
  - And this one I am missing Pages 3 and 4. (Cisneros p.116)
  - And we're missing Pages 3 and 4, but is that your signature on Page 5 as the EQR? (Cisneros p.132)

As noted above, (Hall, p. 187 and Helterbran p. 137) the Commission admits to not having complete and accurate representations of the workpapers and acknowledges that the process is inherent to errors. All of the instances noted above, *including instances occurring under the Commission's watch*, involve human error. Errors happen when large volumes of documents, multiple people and entities and time are involved. Helterbran may be guilty of human error, but has not willfully committed securities violations by the non-existence of checklists not being included in the production.

Additionally, PCAOB Release No. 105-2016-015 states that "At all relevant times, Hall was the: (a) sole owner of the Firm; (b) partner in charge of the Firm's issuer audit practice; (c) engagement partner for each of the Audits and (d) contact person with the Board. Hall had overall responsibility for assuming that the Firm complied with relevant laws, rules and professional standards".<sup>6</sup>



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## Conclusions on Alleged Violations involving Helterbran

### *#32 of the Order*

Based on the above, the Commission does not have a clear and concise preponderance of the evidence that Helterbran “willfully aided and abetted and caused” violations of Rule 2-02(b)(1) by the mere non-existence of eight paper documents (out of thousands of documents) for which a multitude of mishaps, as discussed above, could have occurred subsequent to the audits/reviews, which were four to six years ago.

*Even Mr. Whipple from the Commission notes in his testimony with Hall and Helterbran:*

*– “I understand -- I understand the process of files maybe going missing in copying and that”.*  
*(Hall, p. 187).*

*All right. So for this one, it's another example where I'm missing a page. I apologize for that.*  
*(Helterbran p. 137)*

And from Cisneros’ testimony: Q: Were there ever instances where you felt like the documentation was inadequate or there wasn’t evidence to support the firm’s conclusions? A: No, not with Michelle. (Cisneros p 94 and 95)

Helterbran moves that this allegation and the related proposed violations are dismissed in their entirety.

### *#33 of the Order*

Based on the above, the *Commission* does not have a clear and concise evidence that Helterbran “willfully aided and abetted and caused” issues in violation of Section 13(a) of the Exchange Act Rules 13a-1 and 13a-13 thereunder by allowing Cisneros to perform Engagement Quality Reviews. As shown above, Cisneros met the AS 7 requirements for an outside reviewer as well as the competencies outlined by QC SEC 40.

***Since the date of filings in the Appendix (three to six years later) there have been no restatements, reaudits, amendments filed to correct any disclosures or any known issues with any of the 8 audits or 14 reviews for which Helterbran was the engagement partner and Cisneros performed the EQR. This further supports the fact that Cisneros was qualified. No client or investor has been harmed or damaged by the allegations herein.***

A difference in judgment regarding someone’s qualifications does not establish willful aiding and abetting.

Helterbran moves that this allegation and the related proposed violations against Helterbran are dismissed in their entirety.

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#36 of the Order

Based on the statements in the Order and the facts stated herein, the *Commission* does not have clear and concise evidence to prove that Helterbran engaged in improper professional conduct subject to Section 4C(a)(2) of the Exchange Act and the Commissions Results of Practice 102F(1)(ii).

Helterbran moves that this allegation and the related proposed violations against Helterbran are dismissed in their entirety.

#38 of the Order

Based on the statements in the Order and the facts stated herein, the *Commission* does not have clear and concise evidence that Helterbran willfully aided and abetted and caused violations of the federal securities laws, which constitutes conduct subject to Section 4C(a)(3) of the Exchange Act the Commission's Rules of Practice 102(e)(1)(iii).

Helterbran moves that this allegation and the related proposed violations against Helterbran are dismissed in their entirety.

***Helterbran did not act in any manipulative, deceptive or fraudulent way, nor did she benefit financially, or otherwise, from these audits, other than being paid her hourly wage which was the same in 2013 that it was as a part-time auditor in 2007.***

In closing, Helterbran has spent a significant portion of her career practicing for Big 4 accounting firms and multiple issuers before the Board. The Commission may seek sanction, censure or time-out for their allegations which are not supported by clear or concise evidence. This would be a disservice to the public to have Helterbran with a negative record with the Commission, as Helterbran is an asset to the Commission, issuers and the investing public. There is no compelling reason to take away a dedicated and qualified public servant's livelihood and passion for a few missing pieces of paper and a difference in professional judgment. Helterbran is only 46 years old with two elementary school daughters and will be in the workforce for quite some time. Helterbran is one of those few people who truly loves SEC financial reporting, does a great job in that regard and is focused on doing the right thing -- as noted in the testimony of Respondents and witnesses:

Williford p 72 -- Q: What is the basis for you're saying that she was competent? A: Primarily talking to clients when I came in. They were like, *man, That Michelle is really good, you know, and she was really smart.* And I looked at some of her work. You know, I looked at prior year work papers and some of the memos she wrote. She was, you know, very technical and you know. So I -- but I have never met her. Q: And is that Michelle Helterbran? A: Yeah.

Cisneros p 81 -- Q: When do you first remember learning that there needed to be some type of a quality control review? A: Michelle was the one, I think, that brought it up. So probably three or four years when we started the process of, you know, here's what we need to do. We need to get it set up. We need to work on it. Q: Okay. A: Maybe three years. Q: So that would -- A: 2008, 2009. Q: Okay. And then in terms of when Michelle brought it up, did she point to any specific standards? A: I'm sure she did. *She's very bright too.* Yeah. She did all the research on it as to -- she brought it up that we were supposed to be doing quality reviews, and whether or not she and David had that discussion, I don't know if that came down from David to her, and she researched it. I don't know. But she was the

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one that researched what we needed to do, documentation, having a manual, the document that we used for quality reviews, that type of thing. *She's the one that went in and found out what all needed to be done, and she would do that through research and -- she was big on calling people too, you know, the entities, the PCAOB or whomever to verify that what we were doing was correct.*

Additionally, during the 2013 PCAOB inspection of The Hall Group, the PCAOB selected one of the audits Helterbran was the engagement partner ("DynaResource, Inc."). Based upon their inspection of the workpapers, they had no written comments in their inspection report on this issuer.

Your Honor, please consider the facts laid forth in this Motion and rule to Dismiss all claims and allegations associated with this Order with regard to Michelle Helterbran and do not allow censure or sanction or impose civil money penalties or deny her the privilege of appearing or practicing before the Commission.

Sincerely,



Michelle L. Helterbran

6/30/16

Date

Hellerbran  
Exhibit 1

**360 Global Investments  
Balance Sheets  
June 30, 2012 and December 31, 2011**

**ASSETS**

	<u>June 30, 2012</u> (Unaudited)	<u>December 31, 2011</u> (Audited)
Current assets:		
Cash	\$ 0	\$ 0
Other receivable - funds held in trust	0	0
Total current assets	<u>0</u>	<u>0</u>
Assets held-for-sale	<u>0</u>	<u>0</u>
<b>Total assets</b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>

The accompany notes are an integral part of the financial statements.

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**360 Global Investments  
Balance Sheets  
June 30, 2012 and December 31, 2011**

**LIABILITIES**

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Accrued legal fees related to bankruptcy	\$ 0	\$ 0
Accrued Compensation	525,000	450,000
<b>Total current liabilities</b>	<u>525,000</u>	<u>450,000</u>
<b>Total liabilities</b>	525,000	450,000

**EQUITY**

Stockholders' equity:

Common stock, \$.001 par value, 50,000,000 shares authorized, 5,100,000 and 5,000,000 shares issued and outstanding as of June 30, 2012 and December 31, 2011, respectively	5,100	5,000
Additional paid-in capital	(5,000)	(5,000)
Accumulated deficit	<u>(525,100)</u>	<u>(450,000)</u>
<b>Total stockholders' equity (deficit)</b>	<u>(525,000)</u>	<u>(450,000)</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 0</u>	<u>\$ 0</u>

The accompany notes are an integral part of the financial statements.

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**360 Global Investments**  
**Statements of Operations**  
**Six Months Ended June 30, 2012 and 2011**

	For the Three-Month Period Ended		For the Six-Month Period Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Cost of goods sold	0	0	0	0
Gross profit	0	0	0	0
Operating expenses from continuing operations:				
Sales and marketing	0	0	0	0
General and administrative	37,500	37,500	75,000	75,000
Stock for services expense	100	0	100	0
Total operating expenses	37,600	37,500	75,100	75,000
Net income (loss)	<u>\$ (37,600)</u>	<u>\$ (37,500)</u>	<u>\$ (75,100)</u>	<u>\$ (75,000)</u>
Earnings (Loss) Per Share of Common Stock (Basic & Diluted)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of shares - Basic & Diluted	5,058,242	5,000,000	5,029,121	5,000,000

The accompany notes are an integral part of the financial statements.

**KINGDOM KONCRETE, INC.**  
**Consolidated Balance Sheets**  
**As of September 30, 2012 and December 31, 2011**

	<u>As of September 30, 2012 (Unaudited)</u>	<u>As of December 31, 2011 (Audited)</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 18,569	\$ 23,231
Prepaid Assets	0	1,150
Inventory	1,122	500
<b>Total Current Assets</b>	<u>19,691</u>	<u>24,881</u>
<b>Fixed Assets:</b>		
Equipment	173,884	173,884
Leasehold Improvements	7,245	7,245
Office Equipment	675	675
Less: Accumulated Depreciation	(165,878)	(162,398)
<b>Total Fixed Assets</b>	<u>15,926</u>	<u>19,406</u>
<b>Total Assets</b>	<u>\$ 35,617</u>	<u>\$ 44,287</u>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts Payable – Related Party	\$ 38,599	\$ 6,380
Accrued Expenses	710	611
Due to Shareholder	22,156	49,656
<b>Total Current Liabilities</b>	<u>61,465</u>	<u>56,647</u>
<b>Total Liabilities (All Current)</b>	<u>61,465</u>	<u>56,647</u>
<b>Shareholders' Equity (Deficit):</b>		
Preferred stock, \$.001 par value, 20,000,000 shares authorized, -0- and -0- shares issued and outstanding	0	0
Common stock, \$.001 par value, 50,000,000 shares authorized, 5,721,900 and 5,721,900 shares issued and outstanding, respectively	5,722	5,722
Additional Paid-In Capital	275,082	275,082
Retained Earnings (Deficit)	(306,652)	(293,164)
<b>Total Shareholders' Equity (Deficit)</b>	<u>(25,848)</u>	<u>(12,360)</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 35,617</u>	<u>\$ 44,287</u>

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements.

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**KINGDOM KONCRETE, INC.**  
**Consolidated Statements of Operations**  
**For the Nine Months Ended September 30, 2012 and 2011**  
**(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Revenue	\$ 29,407	\$ 20,201	\$ 99,120	\$ 68,967
Cost of Sales	<u>13,091</u>	<u>11,145</u>	<u>49,365</u>	<u>35,410</u>
Gross Profit	16,316	9,056	49,755	33,557
Operating Expenses:				
Depreciation and Amortization	1,160	1,160	3,480	3,683
General and Administrative	<u>22,474</u>	<u>13,205</u>	<u>59,763</u>	<u>45,705</u>
Total Operating Expenses	23,634	14,365	63,243	49,388
Net Operating Loss	(7,318)	(5,309)	(13,488)	(15,831)
Other Income (Expense)				
Interest Income	0	0	0	2
Interest Expense	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Income (Expense)	0	0	0	2
Net Loss	<u>\$ (7,318)</u>	<u>\$ (5,309)</u>	<u>\$ (13,488)</u>	<u>\$ (15,829)</u>
Basic and Diluted Earnings (Loss) per share	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted Average Shares Outstanding:				
Basic and Diluted	5,721,900	5,471,900	5,721,900	5,471,900

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements.

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**SURFACE COATINGS, INC.**  
**Consolidated Balance Sheets**  
**As of March 31, 2013 and December 31, 2012**

	<u>As of March 31, 2013 (Unaudited)</u>	<u>As of December 31, 2012 (Audited)</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 255	\$ 300
<b>Total Current Assets</b>	<u>255</u>	<u>300</u>
<b>Total Assets</b>	<u>\$ 255</u>	<u>\$ 300</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ —	\$ —
Accrued Expenses	—	—
Due to Related Parties	54,038	47,788
<b>Total Current Liabilities</b>	54,038	47,788
<b>Total Liabilities</b>	54,038	47,788
<b>Stockholders' Equity:</b>		
Preferred stock, \$.001 par value, 20,000,000 shares authorized, -0- shares issued and outstanding	—	—
Common stock, \$.001 par value, 50,000,000 shares authorized, 3,789,000 and 3,789,000 shares issued and outstanding, respectively	3,789	3,789
Additional Paid In Capital	192,354	192,354
Accumulated Deficit	<u>(249,926)</u>	<u>(243,631)</u>
<b>Total Stockholders' Equity (Deficit)</b>	<u>(53,783)</u>	<u>(47,488)</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 255</u>	<u>\$ 300</u>

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements.

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**SURFACE COATINGS, INC.**  
**Consolidated Statements of Operations**  
**For the Three Months Ended March 31, 2013 and 2012**  
**(Unaudited)**

	Three Months Ended	
	March 31, 2013	March 31, 2012
Revenue	\$ —	\$ —
Cost of Sales	—	—
Gross Profit	<u>—</u>	<u>—</u>
Operating Expenses:		
General and Administrative	6,295	18,685
Total Operating Expenses	<u>6,295</u>	<u>18,685</u>
Net Operating Income (Loss) from Continuing Operations	(6,295)	(18,685)
Net Income (Loss) from Discontinued Operations	<u>—</u>	<u>(48,411)</u>
Net Income (Loss)	<u>\$ (6,295)</u>	<u>\$ (67,096)</u>
Basic and Diluted Earnings (Loss) per share from Continuing Operations	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Basic and Diluted Earnings (Loss) per share from Discontinued Operations	<u>\$ 0.00</u>	<u>\$ (0.01)</u>
Basic and Diluted Earnings (Loss) per share	<u>\$ 0.00</u>	<u>\$ (0.01)</u>
Weighted Average Shares Outstanding:		
Basic and Diluted	<u>3,789,000</u>	<u>5,579,000</u>

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements.

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**DYNARESOURCE, INC.**  
**(An Exploration Stage Company)**  
**Consolidated Statements of Operations**  
**For the Three Months Ended March 31, 2012 and 2011**  
**And Cumulative Since Re-entering the Development Stage (January 1, 2007)**  
**through March 31, 2012**

	<u>2012</u>	<u>2011</u>	<u>Cumulative Since Reentering the Exploration Stage (January 1, 2007 through March 31, 2012)</u>
REVENUES	\$ 0	\$ 0	\$ 346,726
EXPLORATION EXPENSES (exclusive of depreciation and amortization shown separately below)	<u>234,871</u>	<u>1,663,036</u>	<u>14,675,987</u>
GROSS PROFIT (DEFICIT)	(234,871)	(1,663,036)	(14,329,261)
OPERATING EXPENSES			
Depreciation and Amortization Stock Issued for Services	35,234 0	35,232	759,175
General and Administrative	<u>781,755</u>	<u>93,181</u>	<u>2,748,564</u>
TOTAL OPERATING EXPENSES	<u>816,989</u>	<u>318,262</u>	<u>7,081,059</u>
NET OPERATING INCOME (LOSS)	(1,051,860)	(2,109,711)	(24,918,059)
OTHER INCOME (EXPENSE)			
Portfolio Income	250	297	21,613
Currency Translation Gain (Loss)	381,491	474,633	(1,086,248)
Other Income	<u>0</u>	<u>0</u>	<u>2,987</u>
TOTAL OTHER INCOME (EXPENSE)	<u>381,741</u>	<u>474,930</u>	<u>(1,061,648)</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	(670,119)	(1,634,781)	(25,979,707)
Provision for Income Taxes (Expense) Benefit	<u>0</u>	<u>0</u>	<u>38,259</u>
NET INCOME (LOSS)	\$ (670,119)	\$ (1,634,781)	\$ (25,941,448)
Net Loss Attributable to Non-Controlling Interest	<u>221,814</u>	<u>724,230</u>	<u>3,769,897</u>
NET LOSS ATTRIBUTABLE TO DYNARESOURCE, INC. COMMON SHAREHOLDERS	(448,305)	(910,551)	(22,171,551)
Unrealized Loss on Securities Held for Sale	0	0	(735,760)
Unrealized Currency Translation Gain (Loss)	<u>80,556</u>	<u>6,125</u>	<u>1,052,039</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	(367,739)	(904,426)	(21,855,272)
Comprehensive (Income) Loss Attributable To Non-Controlling Interest	<u>(32,553)</u>	<u>(1,531)</u>	<u>39,395</u>
COMPREHENSIVE LOSS ATTRIBUTABLE TO DYNARESOURCE, INC. COMMON SHAREHOLDERS	<u>\$ (400,292)</u>	<u>\$ (905,957)</u>	<u>\$ (21,815,877)</u>
EARNINGS PER SHARE, Basic and Diluted			
Weighted Average Shares Outstanding Basic and Diluted	<u>10,615,903</u>	<u>9,833,388</u>	
Income (Loss) per Common Share, Basic and Diluted	<u>\$ (0.0631)</u>	<u>\$ (0.1085)</u>	

The accompanying notes are an integral part of these financial statements.

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**DYNARESOURCE, INC.**  
**(An Exploration Stage Company)**  
**Consolidated Statements of Operations**  
**For the Three Months Ended March 31, 2012 and 2011**  
**And Cumulative Since Re-entering the Development Stage (January 1, 2007)**  
**through March 31, 2012**

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