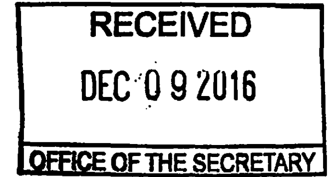
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



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. Cochran, CPA,
and
Susan A. Cisneros

Respondents.

RESPONDENT HELTERBRAN'S POST-HEARING BRIEF

To: Administrative Law Judge Cameron Elliot

THE ALLEGATIONS IN THE ORDER INSTITUTING PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS ("OIP")

The issues in this proceeding are alleged in the OIP dated April 26, 2016. Respondent Helterbran urges Judge Elliot to consider the record in light of the allegations, and require the Securities and Exchange Commission's Division of Enforcement ("DOE") to prove each allegation by a preponderance of the evidence.

STATEMENT OF FACTS

The Respondents

1. **Michelle L. Helterbran Cochran** ("Helterbran"), age 47, resides in Coppell, Texas. Helterbran holds a Bachelors of Business Administration with a major in accounting from Baylor University. Helterbran is a licensed Certified Public Accountant ("CPA") in

Texas. From September 2007 through February 2012, Helterbran worked as a contractor for David S. Hall, P.C. ("The Hall Group" or "the firm") and became a salaried non-equity partner with the firm in February 2012 through until July 2013. From September 2007 until 2011, Helterbran worked part-time (approximately 10-15 hours a week) for The Hall Group. She gradually increased her hours to approximately 35 a week in 2012 through July 2013.

2. **Susan A. Cisneros** ("Cisneros"), age 59 and a resident of Flower Mound, Texas, holds a Master's of Science degree in Accounting from the University of North Texas. Cisneros is not a CPA. Cisneros worked as a contractor for The Hall Group and received a Form 1099 for the tax years 2010, 2011, 2012 and 2013. EX. 4 and 6, Tr. 261, 282 and 354 (Cisneros) and Tr. 549 (Helterbran).

3. During the relevant periods, Cisneros also worked as a contractor for other accounting firms/companies, at times concurrently with her contract work at The Hall Group. Tr. 455 (Cisneros).

4. During the relevant periods, Cisneros paid all payroll taxes individually related to her compensation. The Hall Group did not pay any of the taxes. Tr. 261 (Cisneros).

5. Helterbran resigned from The Hall Group on May 8, 2013 due to the hostile work environment, continued duress and manipulation from and untruthfulness of the 100% equity partner and sole owner of The Hall Group, Mr. David Hall ("Hall"). Helterbran EX. 24 and 41 and Tr. 527 (Helterbran).

6. At all relevant times, David S. Hall was the President and sole owner of The Hall Group. EX. 2 p. 2 (Helterbran).

7. Helterbran and Cisneros are pro se respondents.

ARGUMENTS

I Cisneros Was a Qualified Engagement Quality Reviewer

A.) The Allegation

The Securities and Exchange Division of Enforcement ("DOE") has alleged that Cisneros was not a qualified Engagement Quality Reviewer ("EQR"), as she was not a CPA

or partner with The Hall Group, and she performed the EQR functions on engagements in which Helterbran was the engagement partner[1]. OIP ¶ 6,12, 14 – 17.

B. The DOE has Incorrectly Classified Cisneros as an Employee. Rather than a Contractor, Making Her "Outside the Firm" When Applying AS7 and QC40.

The DOE has incorrectly classified Cisneros as an employee of The Hall Group ("within the firm"[2]) and not as a 1099 contractor ("outside the firm"). For all relevant periods, Cisneros was a 1099 contractor, paid all taxes related to her compensation (Tr. 261 (Cisneros)) and also worked for other firms at times concurrently with her contract work for The Hall Group (Tr. 255 (Cisneros)), and therefore, was "outside the firm". EX. 4 and 6 (Helterbran), Tr. 261, 282 and 356 (Cisneros) and Tr. 549 (Helterbran).

A qualified reviewer from "outside the firm" is **not** required to be a partner of the firm, or even a CPA, (PCAOB Auditing Standard 7 Ex. 7 ¶7 (emphasis added)) but should possess the characteristics outlined in the PCAOB Quality Control Standard QC Section 40, ("QC 40") *"The Personnel Management Element of a Firm's System of Quality Control-Competencies Required by a Practitioner-in-Charge of an Attest Engagement"* " EX. 8 (Helterbran).

Helterbran reasonably used the information provided by Hall and Cisneros herself regarding Cisneros' 1099 contractor status in applying the requirements of AS7 and QC40.

C. Cisneros Met the Competency Requirements of AS7 and QC 40

According to AS7, the general competence provision sets a minimum requirement for those who would perform the EQR, but it does not require the reviewers' competence to match that of the engagement partner. Additionally, the PCAOB clarified in 2009 that the "determination of what constitutes the appropriate level of knowledge and competence should be based on the circumstances of the engagement, including the size and complexity of the business under audit or under interim review". (Emphasis added) EX 7 p. 9 (Helterbran).

It is not a requirement in AS7 that the engagement quality reviewer's knowledge and competence match those of the engagement partner, or for the reviewer to be a "clone" of the engagement partner. AS7 goes on to say, "in many cases, both individuals' competence will exceed the minimum level prescribed, but there is no requirement that they do so in tandem, or even at all". EX 8 p. 8-9. (Helterbran).

---

1 Helterbran was the engagement partner on certain audits and reviews for 360 Global Investments, Inc., DynaResource, Inc., Kingdom Koncrete, Inc., Premier Oilfield Services, Inc., and Surface Coatings, Inc. (OIP Appendix) (Referred to herein as the "Helterbran Engagements").

2 "Within the firm" and "Outside the firm" are phrases used in AS7.

Per QC 40, a practitioner-in-charge of an engagement[3] would gain the necessary competencies through recent experience in accounting, auditing, and attestation engagements, which should be supplemented by continuing professional education and consultation. (Emphasis added) EX. 8 ¶ .05 (Helterbran).

At the time Cisneros acted as an EQR on the Helterbran Engagements, she had been involved in all areas of the audits/reviews of the financial statements and the respective SEC filings for the Helterbran Engagement clients for over five years (approximately 20 audit and review engagements). (With the exception of Premier Oil Field Services, which went public during the five-year period). Tr. 284-285 (Cisneros).

Per QC 40, the competencies expected in performing accounting, auditing and attestation engagements are as follows (EX 8 ¶ .08):

- Understanding the Role of a System of Quality Control and the Code of Professional Conduct
- Understanding of the Service to be Performed
- Technical Proficiency
- Familiarity with the Industry
- Professional Judgment
- Understanding the Organization's Information Technology Systems

For all relevant periods, Cisneros understood the role of a system of quality control and the code of professional conduct. (Tr. 375 (Cisneros)). Each year each employee or contractor of the firm was required to read and affirm they had read and understood The Hall Group's quality control document and the relevant code of professional conduct.

For all relevant periods, Cisneros understood the services to be provided as a practitioner-in-charge of the Helterbran Engagements. (Summarized at Tr. 377 (Cisneros)). The audits and reviews were the same as Cisneros had performed for the prior five years.

For all relevant periods, Cisneros had the technical proficiency to perform as a practitioner-in-charge of the Helterbran Engagements. (Summarized at Tr. 378 (Cisneros)).

Additionally, because of her extensive tenure with the Helterbran Engagements, Cisneros had the knowledge and experience to perform the EQR functions on the equity transactions as well. She adequately illustrated her ability to review equity transactions, including reviewing (and corroborating results through outside sources) equity transactions utilizing the Black Scholes model. Tr. 441-444 (Cisneros).

[3] Page 10 of AS7 refers to the "practitioner-in-charge of an engagement", and refers to QC 40 as the prescribed guidance.

Additionally, during the time Cisneros performed the EQR function on the Helterbran Engagements, all the equity transactions were routine and not complex. Tr. 442 (Cisneros).

For all relevant periods, Cisneros had the professional judgment to perform as a practitioner-in-charge of the Helterbran Engagements. (Summarized at Tr. 380 (Cisneros)).

For all relevant periods, Cisneros understood the Helterbran Engagements' information technology systems, which was QuickBooks, one of the simplest forms of recording keeping. (Summarized at Tr. 381 (Cisneros)).

Each year while a contractor with The Hall Group, Cisneros had approximately 40 hours of relevant continuing education, as required by the Firm. Tr. 577 (Cisneros).

The DOE has not proven, by a preponderance of the evidence, that Cisneros was not a qualified EQR.

Based on AS7 and QC 40, Cisneros, as a contractor from "outside the firm", was a qualified EQR, and in fact, based on her extensive experience with the engagements prior to acting as the EQR, she met or exceeded the standards. QC 40's definition above indicated that, a practitioner-in-charge of an engagement would most likely gain the necessary competencies through recent experience in accounting, auditing, and attestation engagements. (EX 8 ¶.05 Helterbran). QC 40 does **not** say that someone needs to previously have been a partner or previous engagement quality reviewer to gain the necessary competencies.

Additionally, as she had extensive experience with these very small Smaller Reporting Companies, as per AS7, the determination of what constitutes the appropriate level of knowledge and competence should be based on the circumstances of the engagement, including the size and complexity of the business under audit or under interim review". *(Emphasis added.)*. This allows for a judgement to be made by the partner on the engagement based on prior experience of the EQR. By all reasonable means, Cisneros could be judged to be competent to perform the EQR function for these clients with recent experience on approximately 20 engagements for each of these clients and a Master's degree in accounting.

While Cisneros may not have had the appropriate level of knowledge and competence to be the practitioner-in-charge of a large accelerated filer, she had the knowledge and competence to be the practitioner-in-charge of the Helterbran Engagements, which were not large accelerated filers, but Smaller Reporting Companies.

Appendix A shows the assets, liabilities, equity, revenue and net income (loss) for the Helterbran Engagements. As you will note, these are extremely small Smaller Reporting Companies and have nominal activity and complexity. All but one of these engagements had assets, liabilities and equity of less than $500,000. The one engagement with assets

over $500,000, DynaResource, Inc. we discussed auditing in detail during the hearing. Tr. 441-444 (Cisneros). These companies were thinly traded on the Pink Sheets or OTC during the relevant periods. There have been no restatements on any of the Helterbran Engagements in the four to six years since their issuance. This point is important, and further clarifies the emphasis on the actual workpapers as the source of data for determining whether the work was performed in accordance with PCOAB standards, and not the checklists.

II. The DOE has Not Proven that the Respondents Failed to Conduct Audits and Reviews in Accordance with PCAOB Standards.

A. The Allegation

The DOE presented exhibits of third-party checklists (herein referred to as "Supervision and Review form") that had various boxes that had not been checked, were dual-dated, had dates that were not consistent, not signed and in two instances the form for an audit was used for an interim review. (DOE EX. 15, 38, 42, 44, 45, 74, 76, 77, 84, 85, 87 and 108.) Thus, the DOE has alleged that Helterbran failed to conduct these audits and reviews in accordance with PCAOB standards and failed to adequately prepare required audit documentation.

A. Failure to Complete Checklists does not Violate PCAOB Standards

Helterbran admitted to the issues with the third-party checklists presented, and Helterbran and Cisneros both repeatedly advised the DOE that the work was properly documented within the detailed workpapers, and would show the procedures performed, evidence obtained and conclusions reached with respect to the relevant financial statement assertions. (Tr. 430-431, 567-568 (Cisneros) and Tr. 490 and 547 (Helterbran)).

The DOE is ignoring the fact that the detailed workpapers would clearly demonstrate that the work was in fact performed and would contain sufficient information to enable an experienced auditor, having no previous connection with the engagement to understand the nature, timing, extent and results of the procedures performed, evidence obtained and conclusions reached and to determine who performed the work, the date such work was completed, as well as the person who reviewed the work and the date of such review. (AS 3, ¶ 6, Tr. 430-431 (Cisneros) and Tr. 490 (Helterbran).

Additionally, audit programs and several other checklists were included in the detailed workpapers that show the procedures performed and were signed off and dated by the preparer and the reviewer(s). Tr. 568 (Cisneros). However, the DOE chose to ignore the detailed workpapers in presenting their case.

Depending on the timing of the review or audit procedures, the receipt of the signed management representation letter, final review of the 10-Q or 10-K, the issuance of the

financial statements and/or the completion of the workpapers within the 45-day window, the dates on the third-party checklists may vary. In fact, the signature line on the forms presented by the DOE does not specify as of which date the forms should be signed and dated. Tr. 566-568 (Cisneros) and EX 87 as an example. As firms are allowed 45 days subsequent to the filing to complete their workpaper files, one could argue that several of the line items on these Supervision and Review checklists should not be checked off until the workpapers are finalized and ready to archive. AS3 ¶15.

Each audit workpaper in the engagement files had the preparer's handwritten initials and date completed in the top right corner. Beneath the preparer's signoff would be each reviewers' initials and date completed. A paper version of the 10-Q or 10-K filing would be "tied out", referenced, and signed-off by the preparers and reviewers. Often an "OK to file" would be handwritten on the paper copy of the filing if authorization was not given elsewhere. Tr. 567-568 (Cisneros).

For example, the dual dating of checklists when the management representation letter was received would be documented on the actual management representation letter within the workpapers, which shows the date and sign-offs of the person performing and reviewing the work. Often, the audit or review would be complete, and the management representation letter was the last document to be received prior to issuance of the financial statements. Tr. 566-567 (Cisneros).

The DOE noted in two instances, the Supervision and Review form was for an audit engagement and not a review. This was simply an error by administrative personnel in "setting up the binders" in preparation for the reviews to be performed. The forms are very similar in appearance and it was not an intentional error. In fact, the checklist for an audit, as opposed to an interim review, was more rigorous than that of an interim review, and should be treated as an abundance of caution, rather than a mistake in forms.

The mere absence of a duplicative second sign-off from the performer or reviewer of this work on a checklist does not represent a violation of PCAOB Auditing Standards.

The PCAOB even admits in 2012 that the guidance as to how to document supervisory responsibilities needed clarification and amending. Footnote (a) on page 7 of the Supervision and Review form (EX 87 as an example) states: "The PCAOB's 2012 standard-setting agenda anticipates that proposed amendments on the assignment and documentation of firm supervisory responsibilities will be issued in the near future".

This admission of ambiguity by the PCAOB also exists in footnote (a) on page 5 of the interim Supervision and Review form (EX 11 Helterbran as an example) and the third paragraph of page 1 of the Supervision of Review Form (EX 87 as an example). "The PCAOB is considering rulemaking or standard-setting that would require firms to "make and document clear assignments of relevant supervision responsibilities throughout the firm. The rules and standards considered would not create any new supervisory responsibilities; instead they would only focus on the clarity of assigning supervisory

responsibilities that are already required in practice.". As of the time of Helterbran's departure from the firm in 2013, this amendment had yet to be finalized.

The DOE alleges that Helterbran failed to adequately prepare *required* audit documentation (i.e. the checklists mentioned in the exhibits above). However, PCAOB AS 3 states:

> "Audit documentation ordinarily consists of memoranda, correspondence, schedules, and other documents created or obtained in connection with the engagement and may be in the form of paper, electronic files, or other media".

Checklists are *not* listed as a *required* form of audit documentation in AS3. Documentation of sign-offs and approvals can, and did exist within the detailed audit workpapers, including the final printed version of the 10-K or 10-Q. The work, the person performing the work, and the date the work was performed was located within in the detailed workpapers that the DOE chose not to produce during the hearing.

Being paid by the hour, and/or for each hour of overtime worked, Helterbran had no monetary incentive to intentionally short-cut procedures.

The DOE's Allegation is Simply Form Over Substance.

The DOE has not proven, by a preponderance of the evidence, that Helterbran failed to conduct audits and reviews in accordance with PCAOB standards.

III. Mitigating Circumstances

A. Hostile, Harassing and Intimidating Work Environment

As shown by the following statements direct from testimony, people working at The Hall Group endured an extremely hostile, harassing and intimidating work environment. Hall even admits to the environment and appears arrogant about it.

"You (Helterbran) were the voice of reason at the firm". (Tr. Cisneros p388-389).

"Michelle and I continually butted heads on issues". (Tr. Hall p.184).

"David would get very -- anything you said was not right, basically. And so he was very confrontational in those meetings. It was just a very, very stressful time. And like I said, most of the time you couldn't satisfy him. I mean, the first question everyone when they walked in the door was what kind of mood was David in, and that's when you knew, you know". (Tr. Cisneros 271).

"David -- David just didn't know how to express himself well without belittling people, really. It was very difficult to watch". (Tr. Cisneros 273).

"If there was crying, it was because people were not able -- were not doing what they were supposed to do". (Tr. Hall 130).

"And so it was a continual battle to have a reasonable conversation". (Tr. Hall 129).

"And so he (Hall) was just difficult to deal with. He just didn't know how to -- I don't know if it's -- I don't know how to explain it. The only way he could --he thought he could get it through to us is to be angry and make us look down and feel bad". (Tr. Cisneros 273-274).

"And he just pick you one person at a time". (Tr. Cisneros 271).

Q to Hall: Did you ever raise your voice during Monday Morning Meetings. A: Yes, I would say I did. (Tr. Hall 130).

"David was being explosive with us, the attorneys across the hall would come and check on us after he had left because he would get mad and he would leave, and sometimes he would leave for days on end". (Tr. Helterbran 533).

"I told them, "You create the budget." Now, there was back and forth, and as the owner, as the overall person in charge, I did push back on some of the hours." "And her talking about me, getting upset at the Monday morning meetings, it was always about the budgets". (Tr. Hall 67).

Cisneros admits to avoid dealing with Hall and the budget confrontation at the Monday morning meetings, by not recording all her time incurred to stay within the budget on approximately 40% of her engagements. As she was an hourly contract employee, she did not get paid for these hours worked, but not reported. (Tr. Cisneros 271-272).

On May 8, 2013, after Helterbran resigned, Hall sent an email to Helterbran (EX 24) Q to Hall: "I apologize for reacting with you." Q. What does that mean? A It says what it says. Q How would you define "reacting"? In what way did you react? A Challenging. Q The next sentence says: "I've been working really hard on a personal level not to let triggers get to me." (Tr. Hall 125).

And after Helterbran resigned and let Hall know she had accepted another job and would be leaving after her notice period in July 2013, Hall wrote to Helterbran via email: "I am ok with you getting another job. *I'm once again sorry for trying to get you to say what I wanted to hear*". (Tr. Helterbran EX 24).

"I'm once again sorry for trying to get you to say what I wanted to hear". This phrase sums up working at The Hall Group. As long as someone agreed with Hall or didn't challenge him, things were tolerable. Helterbran challenged the existing system, was the voice of reason, as Cisneros indicated, and would defend the need for more time to complete engagements, which Hall didn't want to hear, as most of these engagements were fixed-fee which resulted in less profit for the sole equity partner.

B. The Firm was Plagued with Staffing Issues Because of Hall's Volatility

"Michelle took on a lot of duties of the audit that should have been more delegated, but she did a lot of things that she wasn't able to delegate". (Tr. Hall 162).

The reason Helterbran was often not able to delegate was because of the high turnover of staff and senior associates that were hired to staff the engagements, therefore, there was no one at times to whom to delegate.

Hall admits to taking away workpapers when they had taken Helterbran too long to complete. (Tr. Hall 164).

"People came and went quickly". (Tr. Hall 99).

"We were challenged peoplewise. I think that's understood by everybody in this room. And we did the best that we could with the staff that we had available". (Tr. Hall 102).

"The other big problem that we had is we couldn't keep people. After some of these Monday morning meetings or just confrontation with David, people would just leave at lunch and not come back ever. I have a list of one, two, three, four, five, six, seven, eight, nine, ten, 11, 12 -- 12 employees who either gave a week's notice or just never showed back up. It was that bad. It was that bad". (Tr. Helterbran 532-533).

"Several people left because they couldn't cope with David anymore". (Tr. Cisneros 276).

"Ashley's doctor told her that she needed to leave because she had lost so much weight, she was nervous, and she left because of that. So did Barb McAfee. Q Because of the stress -- A Yes. Q -- of the environment there? A They both told me that". (Tr. Cisneros 276-277).

"I am an [redacted] and I had been [redacted], and then in 2012 I started [redacted]. But I left David because of the stress. Q But you started [redacted] actually at work as well to deal with it -- A Yes. Q -- because it was so stressful? A Yes. It was bad. I was in bad shape. Absolutely. From the morning until the time I went to bed". (Tr. Cisneros 277-278).

"Q: Did anybody at The Hall Group know that you were [redacted] at work? A I think David figured it out toward the end". (Tr. Cisneros 278-279).

When Helterbran had exceeded the time Hall deemed appropriate, Hall admits he had taken workpapers and would not allow Helterbran or the few other remaining staff complete them. **This fact alone could be the entire reason for incomplete and/or incorrectly completed forms**. (Tr. Hall 164). At times there were simply just not enough auditors working at the firm to timely complete the work Hall was prioritizing based on

billings. Hall was the sole partner, responsible for all human resource activities of the audit practice, including hiring and firing. (Helterbran EX 2, (Tr. Hall 102)).

After filings were issued, the staff was reassigned by Hall to the next paying engagement. At times Helterbran and others would come in on Monday morning to offices that had been cleaned over the weekend, and all workpaper binders with completed filings would have been taken back by Hall. New, paying work was always prioritized by Hall over "cleaning up" workpapers for engagements that had already been issued.

This is not a small point. Hall engineered profits for his own gain, at the expense of professionally run engagements and PCOAB standards, by misuse and abuse of staff who wanted to complete projects to the best of their ability and according to standards, but were systematically denied this opportunity by Hall in order for him to make more money on each engagement or to prioritize the work of paying clients.

C. Hall's Modus Operandi Was To Threaten Employment to Get What He Needed

The following are examples that further illustrate the threatening, hostile, manipulative work environment Hall created, and the duress he put Helterbran and other employees/contractors under, which even persisted for over two years after Helterbran's resignation and departure from the firm. Hall is a manipulator of fact, as proved in testimony, and a manipulator of people to produce his own version of the truth, which only serves his desire to increase his financial gain at the expense of Standards and his staff.

Hall Put Helterbran on Texas Firm License Without Her Knowledge and After She Had Firmly Said "No".

"The Hall Group name was a name that the state board of Texas did not like unless there were two licensed CPAs in the group, and so Michelle was asked to come on the license to make sure that we were okay with the state board and the name of the firm, Hall Group". (Tr. Hall 135).

Q to Hall: Had the state board -- you know, I'll use the phrase "dinged you". Had they mentioned that you needed to have more than one CPA on the license, and do you remember when that occurred? A Before Michelle came on board, I believe. (Tr. Hall 135).

Q to Hall: And so at this point in time, there was just one CPA on the license and you needed another CPA on the license and so you were asking Michelle to be on the license. Did she receive anything for that? A Again, I don't know that she was not already on the license. You said that she was not on the license. I don't know that that's true. Okay? So she was on the license when she was on the license. Q Okay. And you say she may have been on the license at that time. Any idea about how long she may have been on the license at that time? A No. (Tr. Hall 134-136).

Hall Then Made Being on the Firm's State License a Condition of Helterbran's Continued Employment

Helterbran Narrative - "And about a year later, I guess, it was -- must have been 2008 or '9. I found out that he (Hall) had put me on the license after I -- he had asked me if that was okay, and I said, "No, I do not want to be on your license. I'm only here part-time. I didn't want to limit my choices and I didn't know the type of liability or anything that being on a license -- somebody's CPA license in Texas. I wasn't a partner. I was a part-time auditor. So this was another big contention that he had gone ahead and done it without my permission and he made that a condition of my employment in 2010, that I was on his firm license". (Tr. Helterbran 529-530 and EX 17 (Helterbran)).

Hall Makes Being Engagement Partner a Condition of Helterbran's Continued Employment

"By about 2010, my rotation of -- partners have to rotate off after five years with public audits. And so I had to rotate off, and Michelle took over as partner on those engagements that I had five years of being partner". (Tr. Hall 208).

_"Again, I can't recall exactly when she was asked to be a partner, but I believe it was the audits that were for year ended 2010 that we were faced with dealing with that. I think that comment came out of the 2010 inspection that I had overstepped on 1Q; (Helterbran EX 3, p. 5) and therefore, we had to do something, and I think that came out after this. (Tr. Hall 147).

"It was pre-PCAOB was my last audit experience, which was in 1995, and I was working 10 to 15 hours a week, like two days in the office and then the rest of it at home. And in -- we -- prior to me becoming partner, David didn't do any training. He didn't – I just -- I wasn't on a partner track, per se. I was still working 10 to 15 hours a week and he made it a condition of my employment to become a partner. He never wanted a true equity partner. He just wanted somebody to be able to sign off on these engagements when he was no longer independent" so he wouldn't lose the revenue. (Tr. Helterbran 526).

Q to Hall: At the time you promoted her to partner in February of 2012, did you make her (Helterbran) continued employment conditional on becoming a nonequity partner? A I don't know Q I'm sorry. You don't know the question I'm asking you or your answer is you don't know? A I don't know the answer. Q Could it be possible that you made her continued employment conditional on her accepting a partner role? A I -- it's possible. (Tr. 164-165 Hall).

Helterbran was the only other CPA working with the firm that was qualified to be on the license or sign off as engagement partner and was pressured into both to avoid being terminated.

Hall Put Helterbran on "Probation" After Helterbran had Resigned To "Pad" the File with the PCAOB

Hall: "So I put her on probation. She says that she quit before that. That is incorrect. Okay? That's incorrect". (Tr. Hall 69).

Hall: "May 13th was the memo of probation. Sometime in June, Michelle gave me a letter formalizing the resignation and referring to a conversation on May 8th. Again, I don't -- I don't agree with that". (Tr. Hall 196 and Helterbran EX 42).

Helterbran presented two LinkedIn messages sent on May 8, 2013 (EX 41) to a recruiter and networking friend that announced her resignation on that day (May 8, 2013) – without another job lined up. (Tr. Helterbran 527).

Hall's probation letter to Helterbran was dated May 13, 2013 and Helterbran signed it on May 15, 2015 – a week after she had resigned. (Helterbran EX 16).

In a letter dated January 7, 2015 from Hall to Mr. Rosenberg with the PCAOB, Hall discusses how he felt Helterbran had not effectively addressed comments on the 2010 inspection, and in April 2013, he "decided to take over this area and relieve Ms. Helterbran". (Helterbran EX 29).

However, in September 2011, Helterbran asked Hall how to respond to the 2010 inspection comments and Hall responded -- "Seems like we can somehow say that their comment "misses the boat", which is the way Helterbran proceeded and drafted some initial verbiage that Hall incorporated into his signed response to the PCAOB. (Helterbran EX 27 and 29).

Also in the January 7, 2015 letter to the PCAOB, Hall says, referring to the final 2010 PCAOB inspection report, that "I believe that this was the basis for the Board to open its current investigation and request for more information". (Helterbran EX 29).

Then Hall tells the PCAOB, "In May, 2013, I put Ms. Helterbran on probation for the matters noted above. In August, 2013, Ms. Helterbran resigned from the firm." The false August resignation date is important, as Hall was no longer independent to take over the engagement partner responsibilities for the June 30, 2013 reviews when Helterbran left the firm. However, if she had left in August, 2013, the independence of these engagements may not have been in question by the PCAOB. (Tr. Helterbran 536).

This is yet another example of Hall's intentional misrepresentation of the facts to serve his own purposes and gain.

Hall Fraudulently Alleges That Helterbran Functionally Served as the Engagement Partner on ALL Audits Conducted During the Proceeding 5 Years

"Hall affirmatively alleges that as to all audits conducted during the preceding 5 years, Ms. Helterbran functionally served as the engagement partner, although Mr. Hall may have nominally been designated on some as engagement partner". (Hall Respondents Answer to the OIP and Cease and Desist Proceedings page 5, paragraph 22).

Q from JUDGE ELLIOT to Hall: Okay. And is it still your position now that for the audits that were between July 2008 and July 2013, which is when she left the firm, that when she was listed -- when she was given the duty of being in charge of an audit, she was functionally the partner on the audit? THE WITNESS: Yes, sir. (Tr. Hall 154).

"Mr. Hall denies that he functioned as engagement partner for any public audits, company audits from 2010 to July 2013, although he admits as to some he was listed as engagement partner in a nominal capacity." (Tr. Hall 148).

Q to Hall: But according to the audit standards that you reviewed earlier, is there a *nominal partner* capacity shown anywhere in those standards? A No. (Tr. Hall 152).

Q to Hall: And so if I have this right, Ms. Cochran was staff, senior, manager AND partner on all public audits for a five-year period. While working in 2008, she was at 10 to 15 hours a week and that gradually increased in November (2011) ......Hall may have *nominally* been designated on some as engagement partner." (Hall 152) A Yes. As I mentioned earlier, I agreed to put myself as the engagement partner in a title sense, but there was no -- there was no doubt between me and her or anybody else in the firm who *did* the audits. That was Michelle Helterbran. (Emphasis added) (Tr. Hall 152) Exactly. Helterbran "did" the audits, but did not perform the partner review and approval functions on the engagements for which Hall was the listed engagement partner.

From Hall: "But again, I want to emphasize that Michelle was the effective partner on all the engagements that she did". Q Okay. A "Certainly since 2010". (Hall 87).

Q to Hall: Does the word "partner" appear anywhere on this document? (Referring to Helterbran's Manager Roles and Responsibilities in August 2010, Helterbran EX 17). A No, but I, again, want to point out that partner in our firm was in two distinct definitions. One was partner, equity partner with the firm that shared in the profits of the company. And one was partner as it related to engagement partner, and she was the engagement partner; maybe not at this time, but shortly after that. Again, I can't recall exactly when she was asked to be a partner, but I believe it was the audits that were for year ended 2010 that we were faced with dealing with that. I think that comment came out of the 2010 inspection that I had overstepped on 10; and therefore, we had to do something, and I think that came out after this.

Hall: "Well, again, it was an – it was agreement that I had with Michelle that I would formally take the role of engagement partner for the first five years that we had the deal.

And then it would -- then it roll off to her. So in 2010, that's when that started happening with DynaResource and some other audits; that I'd been already five years, and so she took over as the engagement partner formally. But she really was the engagement partner on the other audits, as well. She was in charge. She was in control". (Tr. Hall 208-209).

Within a partial day of testimony, Hall indicated Helterbran was the functional partner on every single public company engagement for a 5-year period, even when in August 2010 Hall details out and documents all Helterbran's responsibilities as an Audit Manager. He then steps back and says that Helterbran began functioning as a partner in 2011 for a few 2010 year-end engagements, then quickly adds a postscript that she "really was the engagement partner on the other audits as well".

This assertion from Hall is so preposterous -- that a 10-15 hour a week contractor could perform all the detailed work on the audits and reviews AND be "the partner" on the all the engagements, while Hall actually signed off as such.

Hall Continues to Perpetrate His Hostility Against Helterbran Years After Helterbran Resigned

On June 20, 2014, over a year after Helterbran had resigned from The Hall Group, Hall called Helterbran and asked her to help him "clean up" and "sign off" on some workpapers for a Medient Studios engagement that were being sent to the PCAOB as an additional request from their inspection. These were workpapers he had boxed up and taken away from Helterbran and the staff when he was no longer getting paid for the audit. Helterbran told Hall she would not sign off on anything or create additional workpapers. This is one of things that Hall mentions as to why he verbally assaulted Helterbran a year later when she informed the PCAOB that these workpapers were not complete. (Helterbran EX 23 and Tr. 546-547).

"You Better Watch Yourself. I'm Serious. You Better Watch Yourself."

On July 8, 2015, Helterbran was approached by Hall in a Starbucks in the lobby of the office complex they both worked in. With a very sinister countenance and in a low threatening voice, Hall leaned over and told Helterbran **"You better watch yourself. I'm serious. You better watch yourself"**. Tr. 108 (Hall) At that time, Helterbran had testified for two days with the PCAOB in Dallas and one day with the SEC in Fort Worth. Helterbran was scheduled to testify in Washington DC for another two days the following month.

Hall admits he was "very angry" (Tr. Hall 106) regarding Helterbran's testimony, which was forthcoming and the truth as she knew it.

The DOE asked Hall: "Did you have any threats on that comment? A Well, the -- it was -- it was an emotional response. And I think I was right to confront it. You know, I probably should have handled it a little more formally, but it was -- it just -- it just was what it was". (Tr. Hall 105-109).

Over two years after Helterbran's resignation, Hall still is unable to control his temper and is continuing to harass and intimidate.

Helterbran filed a police report and had to report the incident to the Vice President of Security for her employer. (Helterbran EX 25 and 26).

Subsequently, Hall admits he was banned from the building by his employer's Chief Executive Officer for 30 days. Having to follow her employer's protocol for someone who was assaulted on the company's premises, Helterbran was not allowed to leave the secured floor of her office without a security escort for over four months. (Tr. Hall 159-160 and Tr. Helterbran 544).

This situation echoed an email Helterbran received the morning the PCAOB was arriving on-site at the firm to begin their tri-annual inspection. Hall told Helterbran "I need you to just answer questions to them like you're in court. Don't embellish. Defer to me on accounting points. This is a big deal. Also, make sure that Chas is there for when you are out. I won't be there till early afternoon." Helterbran EX 24 and Tr. 545 (Helterbran).

Working at The Hall Group was Hell

"But time and time again, David's lied to the SEC. He's lied to the PCAOB. He's lied to you in this courtroom, and this is the environment and the hell that Susan and I and a lot of other people went through". (Tr. Helterbran 527, Helterbran EX2, Helterbran EX 31).

Helterbran's errors in a handful of standardized checklists are an isolated error to which she has recognized, apologized and regretted. This occurred at a time when Helterbran was experiencing significant personal pressures as a newly single mother with two small children who was left with a trail of financial issues from her now ex-husband. Her continued employment as a contractor from the only firm she had worked since having children, was often challenged by Mr. Hall if she did not agree with him. During her professional career, Helterbran had never had to "look" for a job – the thought of which after being berated and put down for so long was overwhelming.

When Helterbran had exceeded the time Hall deemed appropriate, Hall admits he had taken workpapers and not allow Helterbran or the few other remaining staff complete them. **This fact alone could be the entire reason for incomplete and/or incorrectly completed forms**. (Tr. Hall 164).

At times there were simply just not enough auditors working at the firm to timely complete the work Hall was prioritizing based on billings. (Called "Type A" work, or "Type B" work on the weekly schedules). Hall was the sole partner, responsible for all human resource activities of the audit practice, including hiring and firing.

Respondent Cisneros testified that she did not record (or get paid for her time) that she spent above and beyond her budgets on approximately 40% of her engagements because she did not want to face Hall's wrath. (Tr. Cisneros 273).

IV. Sanctions Are Not Warranted in This Action.

In view of the foregoing, sanctions against Helterbran are not warranted nor in the public interest.

The allegations of the OIP are not an accurate reflection of Helterbran's character or qualifications. She has accepted responsibility for the incomplete checklists. However, the DOE has failed to acknowledge that that the underlying detailed workpapers included the detailed information they are alleging wasn't performed or documented. The underlying work papers are in fact the standard for the PCOAB. The checklists were merely duplicative checks of the work that was performed and documented within the detailed files and not required by PCAOB Standards.

Helterbran resigned on May 8, 2013 (a date celebrated in her household as "Independence Day") and for the first time in her 22-year career had to look for a job. She had previously been hired away by clients or recruited for new positions. Notwithstanding the allegations herein, Helterbran's now 25-year career has been full of success, high ranking reviews and national honors and recognition.

Unfortunately, this hearing is in the public domain and has already hurt Helterbran's reputation as a CPA, banned her from practicing in the state of California even prior to the hearing (Ex. 34) and has cost her employment when she volunteered information regarding the existence of the April 23, 2016 OIP to the General Counsel and Chief Financial Officer at her last employer. Despite applying for many positions, meeting with numerous recruiters and even being the most qualified prospect, after disclosing the existence of this matter, Helterbran has not been able to secure employment. This has been a significant financial and emotional burden.

As outlined in Section 15(C) of the Exchange Act, the determination of public interest requires the respondent to have had actions that involve fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement or harm to other persons resulting either directly or indirectly from such act or omission. None of the actions in the DOE's allegations against Helterbran involve any fraud, deceit, manipulation or deliberate or reckless disregard for a regulatory requirement. Additionally, no one has been harmed directly or indirectly. None of the Helterbran

Engagements have been restated in the approximately four to six years since they were issued. There has been no proof of "reckless disregard of a regulatory requirement".

Helterbran was not unjustly enriched in any way. She made the same hourly rate working for The Hall Group as a part-time contractor in 2007 as she did when she left the firm in 2013 and received no additional compensation in the form of bonuses or profit sharing. In fact, once Helterbran was named non-equity partner, her rate for all hours over 35 in a week decreased from $75/hour to $40/hour. Being paid by the hour, and/or for each hour of overtime worked, Helterbran had no monetary incentive to intentionally short-cut procedures.

Helterbran has not previously been found by the Commission, or other appropriate regulatory agency, or a self-regulatory organization to have violated the Federal securities laws, State securities laws, or the rules of a self-regulatory organization. She has not been enjoined by a court of competent jurisdiction from violations of such laws or rules, nor has she been convicted by a court of competent jurisdiction of violations of such laws or of any felony or misdemeanors.

There is no need to deter Helterbran from committing alleged acts or omissions. She is currently not employed, has not worked since May 2016, and has no intent of performing public company audits in the future. There is no clear and present danger to the investing community. Even when Helterbran returns to work, the lessons learned during this investigation process have forever changed her outlook and her commitment to following the letter of the standards.

The appropriateness of any remedial sanction in this proceeding is guided by the public interest factors set forth in Steadman v. SEC. They include: (1) the egregiousness of the respondent's actions; (2) the isolated or recurrent nature of the infraction; (3) the degree of scienter involved; (4) the sincerity of the respondent's assurances against future violations; (5) the respondent's recognition of the wrongful nature of his conduct; and (6) the likelihood of future violations. Steadman, 603 F.2d at 1140.

These Steadman factors point to remedial sanctions not being appropriate as:

- the allegations against Helterbran are purely administrative and procedural in nature and not egregious. The DOE has not shown, or even suggested, that anyone has been harmed by the allegations.

- the alleged conduct, which has not been proven to be in violation of any standards or laws, was isolated to a very short period of Helterbran's successful career, while working for a very small firm and enduring significant personal and professional duress.

- As the DOE has noted over the last two and a half years dealing directly with Helterbran in this matter, there is absolutely no scienter involved.

Helterbran never has intended harm or tried to deceive anyone with her actions.

- Helterbran has been very sincere during the pre-hearing investigation and during the hearing about the lessons learned during this investigation and will never be in a situation where any standards or laws are or appear to be violated.

- Helterbran will never be going through a divorce with pre-school aged children, living from paycheck to paycheck while working in an environment where her continued employment in the hands of a volatile boss. As the DOE has witnessed, she will be extremely diligent in dotting every "i" and crossing every "t" in all that she does. There is absolutely no likelihood of any future violations.

Helterbran is an Asset to the Public Interest

With PCAOB audit failure rates for the Big 4 firms between 25 and 50% (depending on the source), the one engagement the PCAOB inspected in June 2013 for which Helterbran was the partner (DynaResource, Inc.) received no comments in the PCAOB Inspection report dated November 24, 2014. (EX. 15, page 3 -5.). This is a testament to the Helterbran's detailed workpapers and how they complied with PCAOB standards.

Financial reporting/SEC work is all Helterbran has done since the birth of her eldest daughter in 2005 (over 11.5 years ago). Helterbran has the skill, personality and the passion for SEC Reporting to be a true asset to the public interest. **Any sanction will prevent her from being able to return to SEC Reporting in the future. In Texas, any sanction will also result in the loss of her CPA license. Any sanction will also permanently mar her professional record and significantly limit her opportunities in the future.**

At the end of the day, although it does not appear the burden of proof has been met, a ban on practice in front of the SEC, which will automatically result in a revocation or suspension of Helterbran's CPA license (her primary means of making a living and supporting her family for 25 years), is a punishment that would far exceed the nature and conduct of the allegations. A ban, combined with the punishment that has occurred already as a result of merely being charged with OIP allegations (including loss of employment directly related to this investigation including lost salary and benefits in excess of $80,000 through November 2016, lost stock compensation, accrued bonus, attorney fees (the previous four items total over $160,000), stress, humiliation, anxiety, burden on the family, etc.), would be overly punitive, especially given the mitigating circumstances presented in the Hearing and the consideration of the Steadman Factors.

Statement from Respondent Helterbran

Your honor, this investigation has overturned my life. The SEC investigation, run concurrently with the PCAOB investigation, which Hall settled earlier in 2016, has been going on for **over two and a half years.** I would have never been involved in this action if it wasn't for the egregious actions and greed of Mr. Hall. The case against Susan Cisneros and I would have never been brought against us on its own merits. I have given five days of forthcoming testimony between the PCAOB and SEC, (including two days out of town), two days in this hearing and have spent hundreds, if not a thousand hours, preparing and defending myself. My honesty cost me a job I loved. This has taken away from my ability to make a living and provide for my family, my time with my children and husband and my health and emotional well-being. This has permanently scarred my professional reputation, and I may not ever recover from the financial impact it has had.

At the end of the day, the case is clear. David Hall was attempting to sell his accounting Firm, The Hall Group. As the "voice of reason for the firm", I unintentionally and inadvertently thwarted Hall's plans by:

1. Developing time budgets to fit the work necessary to be performed, instead of budgeting the time to fit Hall's desired gross margin. Hall would continually question the extent of procedures to be performed and indicated we were doing "too much work".

2. When staff left the firm with little or no notice, the burden of completing the work was on me (Helterbran), who had a higher payrate, and further drove down the gross margin on the engagements.

3. Striving to complete engagement documentation per standards, but the environment was hostile when time incurred was more than Hall wanted. (As we were all paid for each hour worked and recorded). Hall would confiscate work papers, take them to an offsite location so no more work could be done, and no additional money spent on the engagements.

4. Leaving the firm in July of 2013, which made the value of his firm (which was priced as a multiple of revenue billed), plummet. Several of the firms which had initially expressed interest did not pursue the purchase of the firm without me. The ultimate purchaser did not know of my resignation until 6 weeks after I had started a new job, and found out from a source other than Hall.

5. Upon my resignation, Hall had no one to perform certain engagement partner functions. Instead of turning the engagements over to another PCAOB registered firm, he kept the revenue for the engagements to increase the sale price of the firm,

and performed both the engagement partner and EQR functions himself, although he was not independent.

6. Refusing to help Hall (a year after I had left the firm) complete workpapers he had confiscated, which had been subpoenaed by the PCAOB most likely because of my initial testimony.

7. Continuing to be forthcoming with important information and being truthful with the PCOAB and SEC, for which Mr. Hall admits to assaulting me at a Starbucks two years after I resigned because he was "very angry" with me. After seeing Hall's demeanor at the hearing, I continue to be afraid of him and his temper.

CONCLUSION

For the reasons stated herein, the DOE has not satisfied its burden of proof in this case to demonstrate any censure, sanction, ban, bar or civil money or any other penalty is appropriate in this case against Helterbran.

The Division of Enforcement has not established by a preponderance of evidence that Respondent Helterbran violated any of the provisions outlined in the April 26, 2016 Order Instituting Proceedings. No sanctions are warranted or in the public interest.

Dated: December 2, 2016

Respectfully submitted,

Michelle L. Helterbran
Pro Se Respondent
Coppell, TX

	Income Statement Results									
	For the year ended	For the quarters ended			For the year ended	For the quarters ended			For the year ended	For the quarter ended
(in thousands)	12/31/2010	3/31/2011	6/30/2011	9/30/11	12/31/11	3/31/2012	6/30/2012	9/30/12	12/31/12	3/31/13
360 Global Investments, Inc.										
Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Liabilities	330	337	375	413	450	488	525	563	600	728
Equity	(330)	(337)	(375)	(413)	(450)	(488)	(525)	(563)	(600)	(728)
Revenue	-	-	-	-	-	-	-	-	-	-
Net Income/(Loss)	(150)	(38)	(38)	(38)	(150)	(38)	(38)	(38)	(150)	(128)
DynaResource, Inc.										
Assets	$ 6,503	$ 8,978	$ 8,058	$ 8,518	$ 8,184	$ 7,743	$ 7,589	$ 7,091	$ 6,315	$ 5,963
Liabilities	97	63	60	59	125	86	42	76	356	716
Equity	6,406	8,915	7,998	8,459	8,059	7,657	7,547	7,015	5,959	5,247
Revenue	305	-	-	-	-	-	-	-	-	-
Net Income/(Loss)	(5,197)	(1,635)	(1,132)	(1,070)	(5,894)	(670)	(1,333)	(204)	(2,244)	(393)
Kingdom Koncrete, Inc.										
Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Liabilities	330	337	375	413	450	488	525	563	600	728
Equity	(330)	(337)	(375)	(413)	(450)	(488)	(525)	(563)	(600)	(728)
Revenue	101	19	30	20	90	32	38	29	(141)	27
Net Income/(Loss)	(26)	(10)	(1)	(5)	(34)	(7)	1	(7)	(4)	(6)
Premier Oil Field Services, Inc.										
Assets	$ 225	$ 411	$ 398	$ 329	$ 342	$ 494	$ 389	$ 308	$ 459	$ 743
Liabilities	375	376	369	321	253	399	392	304	268	392
Equity	(150)	35	29	8	89	95	(3)	4	191	351
Revenue	120	115	58	116	394	173	40	41	608	571
Net Income/(Loss)	(216)	(3)	(79)	(19)	(21)	6	(98)	(9)	102	160
Surface Coatings, Inc.										
Assets	$ 263	$ 270	$ 314	$ 324	$ 367	$ 335	$ 2	$ -	$ -	$ -
Liabilities	249	226	221	191	227	263	37	47	48	54
Equity	14	44	93	133	140	72	(35)	(47)	(48)	(54)
Revenue	871	393	400	341	1,453	323	-	-	-	-
Net Income/(Loss)	(22)	29	50	40	103	(67)	(16)	(38)	(89)	(6)