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## Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions

*In the Matter of Fontanella Associates LLC CPA &  
Consulting Firm,*

Respondent.

PCAOB Release No. 105-2024-020

March 28, 2024

By this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions (“Order”), the Public Company Accounting Oversight Board (“PCAOB” or “Board”) is:

- (1) censuring Fontanella Associates LLC CPA & Consulting Firm (“Fontanella,” “Firm,” or “Respondent”);
- (2) imposing a \$25,000 civil money penalty on Fontanella; and
- (3) requiring Fontanella to undertake certain remedial measures to establish policies and procedures directed toward ensuring future compliance with PCAOB reporting requirements.

The Board is imposing these sanctions on the basis of its findings that Fontanella failed to timely file required Form APs, in violation of PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.

### I.

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports, that disciplinary proceedings be, and hereby are, instituted pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002, as amended (“Act”), and PCAOB Rule 5200(a)(1) against Respondent.

### II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondent has submitted an Offer of Settlement (“Offer”) that the Board has

determined to accept. Solely for purposes of these proceedings and any other proceedings brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings herein, except as to the Board's jurisdiction over Respondent and the subject matter of these proceedings, which is admitted, Respondent consents to entry of this Order as set forth below.<sup>1</sup>

### III.

On the basis of Respondent's Offer, the Board finds that:

#### A. Respondent

1. **Fontanella Associates LLC CPA & Consulting Firm** is a limited liability corporation organized under the laws of New Jersey. The Firm is located in Totowa, New Jersey and is licensed to practice public accounting by the New Jersey Board of Accountancy (license no. 20CB00711700). Fontanella is, and at all relevant times was, registered with the PCAOB pursuant to Section 102 of the Act and PCAOB rules.

#### B. Fontanella Failed to Timely File Form APs in Violation of PCAOB Rule 3211

2. PCAOB Rule 3211, which took effect for issuer audit reports issued on or after January 31, 2017, requires every registered public accounting firm to file a Form AP for each audit report it issues for an issuer, and include the identity of the engagement partner and certain information about the issuer and other accounting firms that participated in an audit. Form APs must be filed by the 35<sup>th</sup> day after the date the audit report is first included in a document filed with the U.S. Securities and Exchange Commission ("SEC"),<sup>2</sup> subject to a shorter filing deadline that applies when the audit report is first included in a registration statement filed under the Securities Act of 1933, as amended.<sup>3</sup>

3. Fontanella audited the financial statements of Sunnyside Bancorp, Inc. ("Sunnyside") for each of the years ended December 31, 2016 through December 31, 2021. On June 1, 2022, Vecta Partners LLC acquired Sunnyside, which then changed its name to Vecta Inc. ("Vecta"). Following the acquisition, Fontanella audited the financial statements of Vecta for the year ended December 31, 2022. For each of its audits of the company, the Firm failed to file

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

<sup>2</sup> See PCAOB Rule 3211(b)(1).

<sup>3</sup> In that instance, a firm is required to file the Form AP by the tenth day after the date the audit report is first included in a document filed with the SEC. See PCAOB Rule 3211(b)(2).

a Form AP within 35 days of the inclusion of Fontanella’s audit report in a filing with the SEC, as summarized below:

Financial Statement Date	Date of SEC Filing Including Firm Audit Report	Date Form AP Due	Date Form AP Filed
December 31, 2016	March 30, 2017	May 4, 2017	November 1, 2017
December 31, 2017	March 28, 2018	May 2, 2018	September 7, 2018
December 31, 2018	March 28, 2019	May 2, 2019	June 18, 2019
December 31, 2019	March 27, 2020	May 1, 2020	August 19, 2020
December 31, 2020	March 31, 2021	May 5, 2021	July 22, 2021
December 31, 2021	March 30, 2022	May 4, 2022	June 5, 2023
December 31, 2022	March 31, 2023	May 5, 2023	June 5, 2023

4. In addition to repeatedly filing Form APs after the applicable deadline, Fontanella’s Form APs for its audits of Sunnyside’s financial statements for the years ended December 31, 2016 through 2019 included an incorrect Central Index Key (“CIK”) number for Sunnyside.

5. The PCAOB conducted its first inspection of Fontanella in 2020 and the inspectors brought to the Firm’s attention its failure to file the Form AP for its year-end 2019 Sunnyside audit within the requisite time period—and the inclusion of an incorrect CIK number in it—as deficiencies. The Firm thereafter filed an amended Form AP for that audit, which corrected the CIK number. The Firm continued to use the correct CIK number in its subsequent Form APs, but continued filing those Form APs after the applicable deadline despite such untimeliness having been raised during the inspection.

#### IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports, the Board determines it appropriate to impose the sanctions agreed to in Respondent’s Offer. Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), Fontanella is hereby censured.
- B. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of \$25,000 is imposed upon Fontanella.

1. All funds collected by the PCAOB as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act.
2. Fontanella shall pay this civil money penalty within ten days of the issuance of this Order by (1) wire transfer in accordance with instructions furnished by PCAOB staff; or (2) United States Postal Service money order, bank money order, certified check, or bank cashier's check (a) made payable to the Public Company Accounting Oversight Board, (b) delivered to the Office of Finance, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (c) submitted under a cover letter, which identifies Fontanella as a respondent in these proceedings, sets forth the title and PCAOB release number of these proceedings, and states that payment is made pursuant to this Order, a copy of which cover letter and money order or check shall be sent to Office of the Secretary, Attention: Phoebe W. Brown, Secretary, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006.
3. If timely payment is not made, interest shall accrue at the federal debt collection rate set for the current quarter pursuant to 31 U.S.C. § 3717. Payments shall be applied first to post-Order interest.
4. With respect to any civil money penalty amounts that Fontanella shall pay pursuant to this Order, Fontanella shall not, directly or indirectly, (a) seek or accept reimbursement or indemnification from any source including, but not limited to, any current or former affiliated firm or professional or any payment made pursuant to any insurance policy; (b) claim, assert, or apply for a tax deduction or tax credit in connection with any federal, state, local, or foreign tax; nor (c) seek or benefit by any offset or reduction of any award of compensatory damages, by the amount of any part of Fontanella's payment of the civil money penalty pursuant to this Order, in any private action brought against Fontanella based on substantially the same facts as set out in the findings in this Order.
5. Fontanella understands that failure to pay the civil money penalty described above may result in summary suspension of Fontanella's registration, pursuant to PCAOB Rule 5304(a), following written notice to Fontanella at the address on file with the PCAOB at the time of the issuance of this Order.

- C. Pursuant to Section 105(c)(4)(G) of the Act and PCAOB Rule 5300(a)(9), Fontanella is required:
1. within 90 days from the date of this Order, to establish policies and procedures, or revise and/or supplement existing policies and procedures, for the purpose of providing Fontanella with reasonable assurance of compliance with PCAOB reporting requirements, including PCAOB Rule 3211, and that Form APs are filed in a timely and complete matter;
  2. within 90 days from the date of this Order, to establish policies to ensure training concerning PCAOB reporting requirements, including PCAOB Rule 3211, at least annually, of Fontanella personnel who participate in the Firm's PCAOB reporting process; and
  3. within 120 days from the date of this Order, to certify in writing to the Director of the Division of Enforcement and Investigations, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, Fontanella's compliance with paragraphs C.1 and C.2 above. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. Fontanella shall also submit such additional evidence and information concerning compliance as the staff of the Division of Enforcement and Investigations may reasonably request. ***Fontanella understands that the failure to satisfy these undertakings may constitute a violation of PCAOB Rule 5000 that could provide a basis for the imposition of additional sanctions in a subsequent disciplinary proceeding.***

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

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Phoebe W. Brown  
Secretary

March 28, 2024