



1666 K Street NW
Washington, DC 20006

Office: 202-207-9100
Fax: 202-862-8430

www.pcaobus.org

Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions

In the Matter of Halpern & Associates, LLC,

Respondent.

PCAOB Release No. 105-2024-041

September 24, 2024

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

- (1) censuring Halpern & Associates, LLC (“Firm” or “Respondent”);
- (2) imposing a \$20,000 civil money penalty on Respondent; and
- (3) requiring Respondent to undertake certain remedial measures, including measures to establish policies and procedures directed toward ensuring compliance with PCAOB reporting requirements.

The Board is imposing these sanctions on the basis of its findings that Respondent failed to disclose a reportable event to the Board on PCAOB Form 3, *Special Report*.

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.¹

III.

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

A. Respondent

1. **Halpern & Associates, LLC** is a public accounting firm organized under the laws of Connecticut and located in Wilton, Connecticut. The Firm is licensed to practice public accounting by the Connecticut State Board of Accountancy (License No. 0003520). The Firm is, and at all relevant times was, registered with the Board pursuant to Section 102 of the Act and PCAOB rules.

B. Summary

2. This matter concerns the Firm's failure to disclose to the Board on Form 3 a reportable event regarding a disciplinary proceeding brought against it (and the Firm's president) by the U.S. Securities and Exchange Commission ("Commission"). PCAOB rules require registered firms, including the Firm, to complete and file with the PCAOB a special report on Form 3 to report any event specified in that form within thirty days of the event's occurrence. Among the events that a registered firm is required to report on Form 3 is a firm becoming aware that it has become a respondent in certain disciplinary proceedings.

3. On March 14, 2022, the Commission initiated a proceeding against the Firm,² which involves allegations concerning two audits the Firm conducted of a non-issuer client.³

¹ 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.

² *Halpern & Associates LLC and Barbara Halpern, CPA*, Exchange Act Rel. No. 94410 (Mar. 14, 2022).

³ The term "issuer" means an issuer as defined in Section 3 of the Securities Exchange Act of 1934 ("Exchange Act"), the securities of which are registered under Section 12 of the Exchange Act, or that is required to file reports under Section 15(d) of the Exchange Act, or that files or has filed a registration

4. The initiation of the Commission’s proceeding against the Firm constituted a reportable event under Form 3, but the Firm failed to file a Form 3 reporting the initiation of that proceeding until May 30, 2024—only after being alerted to the reporting failure, and instructed to correct it, by PCAOB staff.

C. Respondent Failed to Disclose A Reportable Event to the Board, in Violation of PCAOB Rules

5. PCAOB Rule 2203 provides that a registered public accounting firm must file a special report on Form 3 to report any event specified in that form within thirty days of the event’s occurrence.⁴ One such specified event occurs when a firm “has become aware that, in a matter arising out of the Firm’s conduct in the course of providing professional services for a client, the Firm has become a defendant or respondent in a civil . . . proceeding initiated by a governmental entity or in an administrative or disciplinary proceeding other than a Board disciplinary proceeding.”⁵

6. The Commission initiated a proceeding against the Firm (and its president) on March 14, 2022. The proceeding concerns alleged violations of several auditing standards in two annual audits the Firm conducted of private equity fund.

7. The initiation of the Commission proceeding constituted a reportable event under Form 3. Accordingly, the Firm was required to report it to the Board on Form 3 within thirty days, i.e., not later than April 13, 2022.⁶ However, the Firm failed to file a Form 3 reporting the initiation of the proceeding for over two years. The Firm did not report the initiation of the proceeding on Form 3 until May 30, 2024, after Board staff raised the delinquency with the Firm and instructed it to file a Form 3.

statement that has not yet become effective under the Securities Act of 1933, and that it has not withdrawn. See PCAOB Rule 1001(i)(iii).

⁴ See PCAOB Rule 2203, *Special Reports*. As the Board noted when adopting its rules on special reporting, “reportable events will sometimes occur, and the public interest, as well as the ability to consider whether prompt action is warranted by the Board’s inspection staff or enforcement staff, will be served by contemporaneous reporting of the event.” *Rules on Periodic Reporting by Registered Public Accounting Firms*, PCAOB Rel. No. 2008-004, at 17 (June 10, 2008).

⁵ PCAOB Form 3, at Item 2.7 (italics in the original removed).

⁶ See PCAOB Rule 2203(a).

8. The Firm's internal compliance and reporting systems failed to identify the initiation of the Commission's proceeding against the Firm as being reportable to the PCAOB on Form 3. As a result, the Firm inappropriately failed to timely notify the PCAOB of the initiation of a relevant disciplinary proceeding, in violation of PCAOB Rule 2203.

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), Respondent 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 \$20,000 is imposed upon Respondent.
 1. All funds collected by the Board 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. Respondent 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 Board 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 the Firm 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 Respondent shall pay pursuant to this Order, Respondent 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 Respondent's payment of the civil money penalty pursuant to this Order, in any private action brought against Respondent based on substantially the same facts as set out in the findings in this Order.
 5. Respondent understands that failure to pay the civil money penalty described above may result in summary suspension of Respondent's registration, pursuant to PCAOB Rule 5304(a), following written notice to Respondent 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), Respondent is required:
1. within 90 days from the date of this Order, to establish, revise, or supplement, as necessary, policies and procedures, including monitoring procedures, for the purpose of providing Respondent with reasonable assurance of compliance with PCAOB reporting requirements, including policies and procedures providing reasonable assurance that reportable events are identified by Firm personnel who participate in Respondent's PCAOB reporting process and that those events are reported on the applicable PCAOB form in a timely and complete manner;
 2. within 90 days from the date of this Order, to establish policies and procedures to ensure training concerning PCAOB reporting requirements, at least annually, of any Firm personnel who participate in Respondent's PCAOB reporting process;
 3. within 90 days from the date of this Order, to assign the role of compliance with PCAOB reporting matters to an individual within the Firm who possesses adequate knowledge and experience with PCAOB reporting requirements

and sufficient authority within the Firm to fulfill those requirements on behalf of Respondent; and

4. within 120 days from the date of this Order, to have the individual referenced in paragraph C.3 above 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, Respondent's compliance with paragraphs C.1 through C.3 above. The certification shall identify the actions taken to satisfy the conditions specified above, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. Respondent shall also submit such additional evidence of and information concerning compliance as the staff of the Division of Enforcement and Investigations may reasonably request.
5. Respondent understands that the failure to satisfy any provision of Section IV.C 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

Phoebe W. Brown
Secretary

September 24, 2024