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Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions

In the Matter of Zwick CPA, PLLC and Jack Zwick, CPA,

Respondents.

PCAOB Release No. 105-2026-002

January 13, 2026

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

(1) censuring Zwick CPA, PLLC ("Firm") and Jack Zwick ("Zwick") (collectively, "Respondents");

(2) revoking the Firm's registration;[1]

(3) barring Zwick from being an associated person of a registered public accounting firm;[2]

(4) imposing a civil money penalty in the amount of $50,000, jointly and severally, on the Firm and Zwick;

(5) requiring the Firm to undertake certain remedial measures concerning quality control prior to submitting any future registration application and to provide evidence of such measures with any future registration application; and

(6) requiring Zwick to complete 40 hours of continuing professional education ("CPE") relating to PCAOB auditing standards, in addition to any CPE required in

[1] The Firm may reapply for registration after three years from the date of this Order.

[2] Zwick may file a petition for Board consent to associate with a registered public accounting firm after three years from the date of this Order.

connection with any professional license, before filing any petition for Board consent to associate with a registered public accounting firm.

The Board is imposing these sanctions on the basis of its findings that Respondents violated PCAOB rules and standards in connection with performing an audit of the financial statements of one issuer client.[3]

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 against Respondents pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2022, as amended (the "Act"), and PCAOB Rule 5200(a)(1).

II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondents have each submitted an Offer of Settlement (collectively, the "Offers") that the Board has determined to accept. Solely for the purpose of these proceedings and any other proceeding 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 Respondents and the subject matter of these proceedings, which is admitted, Respondents consent to the entry of this Order as set forth below.[4]

III.

On the basis of Respondents' Offers, the Board finds that:[5]

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[3] All references to PCAOB rules and standards in this Order are to the versions of those rules and standards, and to their organization and numbering, in effect at the time of the audit discussed herein.

[4] The findings herein are made pursuant to Respondents' Offers and are not binding on any other person or entity in this or any other proceeding.

[5] The Board finds that each Respondent's conduct described in this Order meets the conditions set out in Section 105(c)(5) of the Act, 15 U.S.C. § 7215(c)(5), which provides that certain sanctions may be imposed in the event of: (1) intentional or knowing conduct, including reckless conduct, that results in a violation of the applicable statutory, regulatory, or professional standard; or (2) repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

A. Respondents

1. **Zwick CPA, PLLC** is a public accounting firm headquartered in Southfield, Michigan. The Firm is, and at all relevant times was, registered with the PCAOB pursuant to Section 102 of the Act and PCAOB rules. The Firm is licensed to practice public accountancy by the Michigan State Board of Accountancy (license no. 1102002614) and the Connecticut State Board of Accountancy (license no. CPAP.0005441).

2. **Jack Zwick, CPA** is an owner of the Firm and a certified public accountant licensed by the New York State Board for Public Accountancy (license no. 021082) and the Michigan State Board of Accountancy (license no. 1101003535). Zwick is, and at all relevant times was, an "associated person of a registered public accounting firm," as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). At all relevant times, Zwick was the engagement partner in charge of all issuer audits the Firm conducted, including the audit discussed in this Order.

B. Other Relevant Individual

3. **Jeffrey Hoskow** was, at all relevant times, an audit manager at the Firm and an "associated person of a registered public accounting firm," as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). He served as an audit manager on the issuer audit discussed in this Order.[6]

C. Issuer

4. **Genie Energy Ltd.** ("Genie") was, at all relevant times, a Delaware corporation headquartered in Newark, New Jersey. Genie's public filings disclose that it was engaged in the business of providing energy services. Genie was, at all relevant times, an "issuer," as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii). The Firm performed an integrated audit of Genie's financial statements and internal control over financial reporting ("ICFR") for the year ended December 31, 2022 (the "Genie Audit"). In connection with the Genie Audit, the Firm issued audit reports dated March 15, 2023, that contained unqualified opinions on Genie's financial statements and ICFR.

D. Summary

5. This matter concerns Respondents' violations of PCAOB rules and standards in connection with the Genie Audit. Specifically, in the Genie Audit, Respondents failed to: (1) properly plan, identify, and assess the risks of material misstatement; (2) obtain sufficient

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[6] *See also Jeffrey Hoskow*, PCAOB Rel. No. 105-2026-001 (Jan. 13, 2026).

appropriate audit evidence to support the Firm's opinion on ICFR; (3) obtain sufficient appropriate audit evidence as to Genie's reported revenue and unbilled revenue; and (4) prepare audit documentation pursuant to PCAOB standards. In addition, Zwick failed to properly supervise the work of the Firm's engagement team members.

E. Respondents Violated PCAOB Rules and Standards in Performing the Genie Audit

6. In connection with the preparation or issuance of an audit report, PCAOB rules require that a registered public accounting firm and its associated persons comply with the Board's auditing and related professional practice standards.[7] An auditor may express an unqualified opinion on an issuer's financial statements only when the auditor has conducted an audit in accordance with PCAOB standards and "concludes that the financial statements, taken as a whole, are presented fairly, in all material respects, in conformity with the applicable financial reporting framework."[8] PCAOB standards require an auditor to exercise due professional care in the planning and performance of the audit and the preparation of the report, exercise professional skepticism, and plan and perform audit procedures to obtain sufficient appropriate audit evidence to provide a reasonable basis for the auditor's opinion.[9] Further, PCAOB standards require the audit to be performed by a person or persons having adequate technical training and proficiency as an auditor.[10]

7. As described below, in connection with the Genie Audit, Respondents failed to comply with multiple PCAOB rules and standards.

i. Respondents Failed to Properly Plan, Identify, and Assess the Risks of Material Misstatement for the Genie Audit

8. PCAOB standards require the auditor to "properly plan the audit."[11] Proper planning includes "establishing the overall audit strategy for the engagement and developing an

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7 *See* PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3200, *Auditing Standards*.

8 AS 3101.02, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion* (footnotes omitted).

9 *See* AS 1015.01, .07, *Due Professional Care in the Performance of Work*; AS 2301.07, *The Auditor's Responses to the Risks of Material Misstatement*; AS 1105.04, *Audit Evidence*.

10 AS 1010.01, *Training and Proficiency of the Independent Auditor*.

11 *See* AS 2101.04, *Audit Planning*.

audit plan, which includes, in particular, planned risk assessment procedures and planned responses to the risks of material misstatement."[12]

9. PCAOB standards also require the auditor to plan and perform audit procedures to detect misstatements that, individually or in combination with other misstatements, would result in a material misstatement of the financial statements.[13] PCAOB standards further require that the auditor "identify and assess the risks of material misstatement at the financial statement level and the assertion level."[14]

10. In performing risk assessment procedures, the auditor should obtain an understanding of the company and its environment to understand the events, conditions, and company activities that might reasonably be expected to have a significant effect on the risks of material misstatement.[15] In obtaining an understanding of the company, the auditor should evaluate whether significant changes in the company from prior periods, including changes in its internal control over financial reporting, affect the risks of material misstatement.[16]

11. PCAOB standards also require the auditor to "obtain a sufficient understanding of each component of internal control over financial reporting ('understanding of internal control') to (a) identify the types of potential misstatements, (b) assess the factors that affect the risks of material misstatement, and (c) design further audit procedures."[17] "Obtaining an understanding of internal control includes evaluating the design of controls that are relevant to the audit and determining whether the controls have been implemented."[18]

12. For the Genie Audit, Respondents failed to perform sufficient risk assessment procedures. Specifically, Respondents failed to identify and assess the risks of material misstatement at the financial statement level and the assertion level. In addition, Respondents failed to consider in performing their risk assessment procedures a material weakness in Genie's internal controls related to income taxes, which the predecessor auditor had identified in the prior year.

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12 *Id.* at .05.

13 *See* AS 2105.03, *Consideration of Materiality in Planning and Performing an Audit*.

14 AS 2110.59, *Identifying and Assessing Risks of Material Misstatement*.

15 *Id.* at .07.

16 *Id.* at .08.

17 *Id.* at .18.

18 *Id.* at .20.

13. For the Genie Audit, Respondents also failed to obtain an understanding of the company's business, business processes, and related internal controls that addressed the identified risks of material misstatements, including due to fraud.

14. Accordingly, Respondents violated AS 2101 and 2110.

ii. Respondents Failed to Obtain Sufficient Appropriate Audit Evidence

15. PCAOB standards require the auditor to design and implement overall responses to address the assessed risks of material misstatement and specify that the auditor should design and perform audit procedures in a manner that addresses the assessed risks of material misstatement for each relevant assertion of each significant account and disclosure.[19] "For significant risks, the auditor should perform substantive procedures, including tests of details, that are specifically responsive to the assessed risks."[20] "The auditor must evaluate whether the financial statements are presented fairly, in all material respects, in conformity with the applicable financial reporting framework."[21]

16. When an auditor is engaged to perform an audit of management's assessment of the effectiveness of ICFR that is integrated with an audit of the financial statements, "the auditor must plan and perform the work to achieve the objectives of both audits."[22]

17. "When planning and performing the audit of [ICFR], the auditor should take into account the results of his or her fraud risk assessment."[23] "[T]he auditor should evaluate whether the company's controls sufficiently address identified risks of material misstatement due to fraud and controls intended to address the risk of management override of other controls."[24] Because a company's internal control cannot be considered effective if one or more material weaknesses exist, PCAOB standards require that the auditor plan and perform an integrated audit to obtain appropriate evidence that is sufficient to obtain reasonable

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19 *See* AS 2301.05, .08.

20 *Id.* at .11.

21 AS 2810.30, *Evaluating Audit Results*.

22 AS 2201.01, 06, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*.

23 *Id.* at .14.

24 *Id.*

assurance about whether material weaknesses exist as of the date specified in management's assessment.[25]

18. Additionally, "the auditor should test the design effectiveness of controls by determining whether the company's controls, if they are operated as prescribed by persons possessing the necessary authority and competence to perform the control effectively, satisfy the company's control objectives and can effectively prevent or detect errors or fraud that could result in material misstatements in the financial statements."[26]

19. The auditor also should test the operating effectiveness of a control by determining whether the control is operating as designed and whether the person performing the control possesses the necessary authority and competence to perform the control effectively.[27]

20. AS 1105.10 provides that when using information produced by the company as audit evidence, the auditor should evaluate whether the information is sufficient and appropriate for purposes of the audit by performing procedures to: (1) test the accuracy and completeness of the information, or test the controls over the accuracy and completeness of that information; and (2) evaluate whether the information is sufficiently precise and detailed for purposes of the audit.

21. Furthermore, "[i]f the auditor plans to assess control risk at less than the maximum by relying on controls, and the nature, timing, and extent of planned substantive procedures are based on that lower assessment, the auditor must obtain evidence that the controls selected for testing are designed effectively and operated effectively during the entire period of reliance."[28]

a. Respondents Failed to Obtain Sufficient Appropriate Audit Evidence to Support the Firm's Opinion on ICFR in the Genie Audit

22. Despite the above-described requirements, Respondents failed to appropriately evaluate Genie's ICFR in multiple respects.

23. As noted above, the predecessor auditor identified a material weakness related to Genie's income tax provision controls in the prior year. To attempt to remediate the material

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25 *See id.* at 03.

26 *Id.* at .42.

27 *Id.* at .44.

28 AS 2301.16 (footnote and emphasis omitted).

weakness, Genie created a new control, “Tax-15.” During the Genie Audit, however, the Firm failed to perform any design or operating-effectiveness testing over the Tax-15 control and other deficient tax controls in order to conclude whether the material weakness had been remediated as of December 31, 2022.

24. In addition, with the exception of testing certain information technology (“IT”)-dependent manual controls related to revenue and purchases, Respondents failed to perform any procedures over the design or operating effectiveness of (a) Genie’s other IT-dependent manual controls; (b) its IT general controls (“ITGCs”); or (c) its entity-level controls.

25. Moreover, because Respondents failed to test Genie’s ITGCs, they could not rely on data and reports generated by Genie’s IT systems when evaluating the effectiveness of the revenue and purchase-related IT-dependent manual controls they did test. Nor did Respondents perform testing over the completeness and accuracy of data and reports used in the operation of Genie’s IT-dependent manual controls related to revenue and purchases. Therefore, the Firm’s testing of those IT-dependent manual controls also was not sufficient.

26. In addition, and as discussed further below, the Firm’s ICFR work papers assert that the Firm performed certain procedures that had not actually been performed.

27. As a result of the deficiencies described above, the ICFR opinion that Zwick authorized and the Firm issued was not supported with sufficient appropriate audit evidence.

28. Accordingly, Respondents violated AS 1015, AS 1105, AS 2201, and AS 2810.

b. Respondents Failed to Obtain Sufficient Appropriate Audit Evidence as to Revenue and Unbilled Revenue

29. In the Genie Audit, Respondents failed to obtain sufficient appropriate audit evidence as to Genie’s reported revenue. Specifically, the sample sizes Respondents used in certain of the substantive procedures to test revenue were too small to provide sufficient appropriate audit evidence because these procedures were designed based on a level of control reliance that was not supported due to the deficiencies in the testing of Genie’s ICFR described above.

30. Additionally, Respondents failed to perform any procedures to test, or sufficiently test, controls over the accuracy and completeness of information and reports that it used in its substantive procedures for revenue and unbilled revenue.

31. Accordingly, Respondents violated AS 1015, AS 1105, and AS 2301.

iii. Respondents Failed to Prepare Audit Documentation Pursuant to the Standards of the PCAOB

32. The auditor must prepare audit documentation in connection with each engagement conducted pursuant to the standards of the PCAOB. Audit documentation should be prepared in sufficient detail to provide a clear understanding of its purpose, source, and the conclusions reached.[29]

33. Further, audit documentation "must 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."[30]

34. Prior to the report release date, the auditor must have completed all necessary auditing procedures and obtained sufficient evidence to support the representations in the auditor's report.[31] At the time of the Genie Audit, PCAOB standards further provided that "[a] complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the report release date (*documentation completion date*)."[32] In addition, although "[c]ircumstances may require additions to audit documentation after the report release date," any documentation added "must indicate the date the information was added, the name of the person who prepared the additional documentation, and the reason for adding it."[33]

35. In connection with the Genie Audit, Respondents failed to complete all necessary ICFR procedures and failed to obtain sufficient appropriate audit evidence to support the representations in the Firm's ICFR report prior to the report release date. Indeed, no ICFR documentation was included in the work papers as of the report release date for the Genie Audit.

36. Specifically, shortly before the documentation completion date, Hoskow, who had access to the predecessor auditor's work papers for the prior-year audit, took those work papers, replaced the name of the predecessor auditor with "Zwick CPA," updated the year under audit, and added work paper sign-offs.

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29 *See* AS 1215.04, *Audit Documentation*.

30 *Id.* at .06.

31 *Id.* at .15.

32 *Id.*

33 *Id.* at .16.

37. Hoskow did so even when the documentation reflected events that had occurred in the prior year (2021), not the year under audit (2022). For example, in one ICFR work paper, Hoskow replaced the year "2021" with "2022," so that the work paper reads: "In 2022, [Genie] changed their Tax Specialist to [Entity A] instead of [Entity B]. Further this year due to the UK being reported as discontinued operations, [Genie] noted that the complex provision calculation need expertise on UK tax laws and [Genie] outsourced UK provision and calculation to the 3rd party . . . ." However, both of the documented events—the change in Tax Specialists and the discontinuance of Genie's UK operations—actually occurred in 2021, the year before the one the Firm was engaged to audit.

38. In addition, Hoskow prepared various other significant work papers related to audit planning and evaluating audit results that inappropriately included documentation related to other issuers—documentation that was inaccurate and irrelevant to Genie's operations.

39. Zwick failed to review any of the ICFR work papers or the other significant work papers Hoskow added to the Genie Audit documentation shortly before the documentation completion date.

40. As a result of all of these deficiencies, Respondents' audit documentation was insufficient to enable an experienced auditor with no previous connection with the engagement to understand the nature, timing, extent, and results of the procedures performed, evidence obtained, and conclusions reached.

41. Accordingly, Respondents violated AS 1215.

iv. Zwick Failed to Properly Supervise the Work of Engagement Team Members

42. PCAOB standards provide that the objective of the auditor is to supervise the audit engagement, including supervising the work of engagement team members so that the work is performed as directed and supports the conclusions reached.[34] The engagement partner is responsible for the engagement and its performance, including compliance with PCAOB standards.[35]

43. In supervising the engagement, the engagement partner and others performing supervisory activities should review the work of engagement team members to evaluate

34 AS 1201.02, *Supervision of the Audit Engagement*.

35 *Id.* at .03.

whether: (a) the work was performed and documented, (b) the objectives of the procedures were achieved, and (c) the results of the work support the conclusions reached.[36]

44. As evidenced by the numerous audit violations described above, Zwick, as the engagement partner for the Genie Audit, repeatedly failed to carry out his supervision responsibilities. Specifically, Zwick failed to review the work of engagement team members to evaluate whether (i) the work was performed and documented, (ii) the objectives of the procedures were achieved; and (iii) the results of the work support the conclusions reached. Indeed, neither Zwick nor anyone else on the engagement team reviewed any of the ICFR work papers for the Genie Audit.

45. Accordingly, Zwick violated AS 1201.

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 Respondents' Offers:

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), the Firm and Zwick are hereby censured.

B. Pursuant to Section 105(c)(4)(A) of the Act and PCAOB Rule 5300(a)(1), the Firm's registration is revoked.

C. After three years from the date of this Order, the Firm may reapply for registration by filing an application for registration pursuant to PCAOB Rule 2101.

D. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Zwick is barred from being an "associated person of a registered public accounting firm," as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i).[37]

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[36] *Id.* at .05.c.

[37] As a consequence of the bar, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Zwick. Section 105(c)(7)(B) provides: "It shall be unlawful for any person that is suspended or barred from being associated with a registered public accounting firm under this subsection willfully to become or remain associated with any issuer, broker, or dealer in an accountancy or a financial management capacity, and for any issuer, broker, or dealer that knew, or in the exercise of reasonable

E. After three years from the date of this Order, Zwick may file a petition for Board consent to associate with a registered public accounting firm pursuant to PCAOB Rule 5302(b).

F. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of $50,000 is imposed upon the Firm and Zwick, jointly and severally.

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. The Firm and Zwick shall pay this civil money penalty within ten (10) days of the issuance of this Order by: (1) wire transfer pursuant to instructions provided 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 and Zwick as respondents 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. By consenting to this Order, the Firm acknowledges that failure to pay the civil money penalty described above may alone be grounds to deny any reapplication for registration pursuant to PCAOB Rule 2101.

5. By consenting to this Order, Zwick acknowledges that failure to pay the civil money penalty described above may alone be grounds to deny any petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm.

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care should have known, of such suspension or bar, to permit such an association, without the consent of the Board or the Commission."

G. Pursuant to Section 105(c)(4)(G) of the Act and PCAOB Rule 5300(a)(9), the Firm is required:

1. Before filing with the Board any future registration application, to establish, revise, or supplement, as necessary, policies and procedures, including monitoring procedures, for the purpose of providing the Firm with reasonable assurance that: Firm personnel will comply with PCAOB standards when conducting issuer audits, including standards concerning audit planning, risk assessment, performing an integrated audit, audit evidence audit documentation, and supervision.

2. To provide with any future registration application a written certification, signed by the individual ultimately responsible for the Firm's system of quality control, to the Director of the Division, stating that the firm has complied with paragraph G.1 above. The certification shall identify the actions undertaken 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. The Firm shall also submit such additional evidence of, and information concerning, compliance as the staff of the Division or the Division of Registration and Inspections may reasonably request.

H. Pursuant to Section 105(c)(4)(F) of the Act and PCAOB Rule 5300(a)(6), Zwick is required to complete, prior to filing any petition to terminate his bar and for Board consent to associate with a registered public accounting firm, 40 hours of continuing professional education and training relating to PCAOB auditing standards (such hours shall be in addition to, and shall not be counted in, the continuing professional education he is required to obtain in connection with any professional license).

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

January 13, 2026