



 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 Urish Popeck & Company, LLC,

Respondent.

PCAOB Release No. 105-2026-012

October 1, 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 Urish Popeck & Company, LLC (“Urish Popeck” or “Respondent”), a registered public accounting firm; and
- (2) imposing a civil money penalty in the amount of \$75,000 on Urish Popeck.

The Board is imposing these sanctions on the basis of its findings that, in connection with two audits of an issuer, Urish Popeck violated certain auditor independence requirements when it audited work performed for the issuer by another accounting firm that sponsored an accounting alliance of which Urish Popeck was a member.

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 Respondent pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002, 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, Respondent has submitted an Offer of Settlement (the “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 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 the entry of this Order as set forth below.¹

III.

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

A. Respondent

1. **Urish Popeck & Company, LLC** is a public accounting firm headquartered in Pittsburgh, Pennsylvania. At all relevant times, Urish Popeck was licensed to practice public accounting by the Pennsylvania State Board of Accountancy (License No. AF000410L), among other state boards. Urish Popeck is, and at all relevant times was, registered with the Board pursuant to Section 102 of the Act and PCAOB rules.

B. Issuer

2. **Issuer A** was, at all relevant times, a Delaware corporation headquartered in New York, New York. According to its public filings, Issuer A was a crypto asset mining company. At all relevant times, Issuer A was an "issuer" as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

C. Summary

3. This matter concerns Urish Popeck's violations of certain auditor independence requirements during the fiscal year 2021 and 2022 Issuer A audits.

4. Urish Popeck is, and was during the 2021 and 2022 Issuer A audits and professional engagement periods, a member of BDO Alliance USA, LLC (the "BDO Alliance"), an association of accounting firms that is a wholly-owned subsidiary of BDO USA, P.C. ("BDO"). At the same time it was performing the Issuer A audits, Urish Popeck advertised its association with BDO and the quality denoted by the BDO brand name.

5. During the 2021 and 2022 fiscal years, Issuer A outsourced certain accounting work to BDO. Urish Popeck then audited BDO's accounting work as part of its 2021 and 2022

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.

audits of Issuer A and issued unqualified audit reports for Issuer A's fiscal year 2021 and 2022 financial statements.

6. Issuer A had an interest in the accuracy of its financial statements, including with respect to the accounting work performed by BDO. Urish Popeck likewise had an interest in the quality of BDO's accounting work because Urish Popeck marketed itself in part based on its association with the BDO Alliance and the quality denoted by the BDO brand name. Based on this mutual interest, a reasonable, knowledgeable investor would have concluded that Urish Popeck was not capable of exercising objective and impartial judgment in auditing BDO's work.

7. Accordingly, Urish Popeck violated PCAOB rules and standards requiring an auditor to maintain independence from its audit client.

D. Background

i. Urish Popeck's Relationship With BDO

8. Urish Popeck became a founding member of the BDO Alliance in 1994, and has been a member ever since. The terms of Urish Popeck's BDO Alliance membership were governed by a written agreement and the BDO Alliance USA Policies and Procedures Manual.

9. In return for paying an annual "license fee," Urish Popeck received a number of BDO Alliance membership benefits, including the right to use the BDO Alliance brand name and logo "[s]o that [member] firms may fully benefit from BDO USA's domestic presence" and so that "clients and business contacts . . . know that they have access to these resources." Urish Popeck also received the right to distribute and co-brand BDO marketing materials, the ability to lease BDO personnel, and access to BDO consulting desks and other BDO resources.

10. In accordance with these provisions, Urish Popeck used its connection to BDO and the BDO Alliance to market itself.

11. For example, a Urish Popeck marketing brochure stated: "As a founding member of the BDO Alliance more than 20 years ago, Urish Popeck is able to offer unique advantages to our clients Our U.S. organization serves clients through 60+ domestic BDO offices and a national group of independent alliance firms such as Urish Popeck, totaling more than 10,000 professionals and combined revenues exceeding \$2.5B. . . . The power of our alliance relationship ensures that Urish Popeck has the depth and breadth of resources to meet all of our clients' current and future needs. . . . In summary, our clients benefit from the support of a national firm, as well as access to the BDO International contacts around the world."

12. Urish Popeck similarly leveraged its association with BDO and the quality denoted by the BDO brand name in proposals to provide audit and tax services to prospective clients. In these client proposals, Urish Popeck made statements such as:

- “Our local team combined with the resources of the global BDO organization, possess the industry and accounting and business consulting competencies that you require.”
- Urish Popeck clients “get[] the best of both worlds with high priority local firm client services, pricing and national/global accounting firm technical accounting, tax, and human resources.”
- “To summarize, some competitive advantages Urish Popeck brings to [clients] include . . . [e]xperience serving clients jointly and seamlessly with BDO.”

13. Urish Popeck prominently included the BDO Alliance logo on profiles of firm personnel and engagement letters that it provided to clients—including on the engagement letter for the 2022 Issuer A audit. Urish Popeck also used BDO work paper templates, which used the BDO brand name and contained references to BDO, during its audits—including the 2021 and 2022 Issuer A audits.

ii. The 2021 and 2022 Issuer A Audits

14. During Issuer A’s 2021 and 2022 fiscal years, Issuer A engaged BDO to provide outsourced accounting services. Specifically, in 2021, BDO assisted in preparing Issuer A’s financial statements, drafted a revenue recognition memo, and provided certain valuation services for Issuer A. In 2022, BDO performed Issuer A’s monthly closes and bookkeeping work, drafted a revenue recognition memo, prepared a convertible note and warrant issuance memo, and provided certain valuation and impairment services for Issuer A.

15. As part of its 2021 and 2022 audits of Issuer A, Urish Popeck performed audit procedures over BDO’s accounting work for Issuer A. In addition to auditing the 2021 financial statements prepared by BDO, Urish Popeck tested BDO’s valuation and impairment work, reviewed and retained BDO’s revenue recognition memoranda in the 2021 and 2022 Issuer A audit work papers as audit evidence, and evaluated BDO’s accounting treatment for convertible notes and warrants issued by Issuer A.

16. In addition, during April 2021, Urish Popeck twice consulted with BDO professionals on issues relating to Issuer A’s initial public offering and Form S-1 filing.

iii. Urish Popeck's Independence Analysis

17. Later in April 2021, after Urish Popeck's two consultations with BDO, Urish Popeck's engagement partner for the Issuer A audit emailed BDO personnel. He noted that Issuer A had engaged BDO "to help perform outsourced finance and accounting work." The Urish Popeck engagement partner wrote that he believed "we are okay" from an independence perspective.

18. The engagement partner also had a discussion with BDO personnel, including personnel from BDO's national independence office, in July 2021 concerning Urish Popeck's BDO Alliance membership. While they did not identify an independence impairment, BDO and Urish Popeck decided as a result of this discussion that the engagement team would not consult with BDO about the Issuer A audits on a going forward basis (two such consultations having already occurred in April 2021, as discussed above).

19. On March 10, 2022, the Urish Popeck engagement team met with Issuer A's audit committee and the leader of the BDO team that was providing non-audit services to Issuer A. During this meeting, the engagement partner verbally described Urish Popeck's BDO Alliance membership, the accounting services performed for Issuer A by BDO, and the engagement partner's belief that Urish Popeck was independent of Issuer A.

20. On March 29, 2022, Urish Popeck issued an unqualified audit report on Issuer A's fiscal year 2021 financial statements.² At no point during the 2021 Issuer A audit did Urish Popeck document (or adequately consider) any analysis of the independence implications of its BDO Alliance membership and BDO's performance of accounting services for Issuer A.

21. On April 27, 2022, the Urish Popeck engagement team met with the newly-appointed chairperson of Issuer A's audit committee to discuss, among other things, Urish Popeck's BDO Alliance membership and the accounting services that BDO performed for Issuer A. In that discussion, Urish Popeck personnel communicated their belief that the firm remained independent of Issuer A.

22. Following the April 27, 2022 meeting, the Urish Popeck engagement team drafted a memorandum, which was included in the 2022 audit work papers, documenting the engagement team's conclusion that the firm was independent of Issuer A. In so doing, the

² While Urish Popeck identified a material weakness in Issuer A's internal control over financial reporting ("ICFR") for fiscal year 2021 that Issuer A disclosed in its fiscal year 2021 Form 10-K, BDO was not involved in designing or implementing the controls that led to the material weakness, nor did Urish Popeck issue an audit report on Issuer A's ICFR.

engagement team focused on whether BDO was an “associated entity” of Urish Popeck (and thus should be treated as part of Urish Popeck for auditor independence purposes).³ Urish Popeck did not document, in this memorandum or anywhere else, any consideration of whether a reasonable investor would conclude that Urish Popeck was capable of exercising objective and impartial judgment.⁴

23. For example, Urish Popeck failed to adequately consider how a reasonable investor would view facts such as (i) Urish Popeck’s use of the BDO brand name to market itself to potential clients, (ii) Urish Popeck’s use of the BDO audit methodology and work paper templates during the same audits in which it was auditing BDO’s work, or (iii) Urish Popeck’s consultations with BDO during the 2021 Issuer A audit period.

24. On March 31, 2023, Urish Popeck issued an unqualified audit report on Issuer A’s fiscal year 2022 financial statements.⁵

E. Urish Popeck Violated PCAOB Rules and Standards

25. 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.⁶

26. PCAOB rules and standards require that a registered public accounting firm and its associated persons be independent of the firm’s audit clients throughout the audit and professional engagement period.⁷ A registered public accounting firm’s or associated person’s independence obligation with respect to an issuer audit client encompasses not only an obligation to satisfy the independence criteria set out in the rules and standards of the PCAOB, but also an obligation to satisfy all other independence criteria applicable to the engagement,

³ See 17 C.F.R. § 210.2-01(f)(2); PCAOB Rule 3501(a)(i), *Definitions of Terms Employed in Section 3, Part 5 of the Rules*.

⁴ See 17 C.F.R. § 210.2-01(b).

⁵ Urish Popeck has represented that, beginning in or around September 2023, the firm took steps—including checking a list of the firm’s issuer audit engagements against the clients included in BDO’s internal database—to avoid providing audit services to issuers for whom BDO provided non-audit services.

⁶ PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3200, *Auditing Standards*.

⁷ PCAOB Rule 3520, *Auditor Independence*; AS 1005, *Independence*; see also Note to PCAOB Rule 3500T, *Interim Ethics and Independence Standards*.

including the independence criteria set out in U.S. Securities and Exchange Commission (“Commission”) rules and regulations.⁸

27. Rule 2-01(b) of the Commission’s Regulation S-X provides that an accountant is not independent of an audit client if, at any point during the audit and professional engagement period, “the accountant is not, or a reasonable investor with knowledge of all relevant facts and circumstances would conclude that the accountant is not, capable of exercising objective and impartial judgment on all issues encompassed within the accountant’s engagement.”⁹ In applying this standard, it is appropriate to “look[] in the first instance to whether a relationship or the provision of a service: Creates a mutual or conflicting interest between the accountant and the audit client.”¹⁰

28. A reasonable investor would have concluded that Urish Popeck was not capable of exercising objective and impartial judgment because there was a mutual interest “between the accountant [Urish Popeck] and the audit client [Issuer A]” with respect to the accuracy and reasonableness of BDO’s outsourced accounting services during the 2021 and 2022 Issuer A audits.

29. Issuer A had an interest in the accuracy and reasonableness of its financial statements, including with respect to the accounting work performed by BDO. Based on its marketing efforts tying itself to the quality denoted by the BDO brand name, Urish Popeck also had an interest in the accuracy and reasonableness of BDO’s accounting work.

30. As discussed above, Urish Popeck used the quality denoted by the BDO brand name to market itself, including by specifically touting its access to “the support of a national firm, as well as access to the BDO International contacts around the world.”

31. If Urish Popeck had uncovered deficiencies in BDO’s accounting services, that could have raised questions about the quality of BDO’s work and undermined the value Urish Popeck sought to derive from linking itself to the BDO brand name.

32. Because the mutual interest that Issuer A and Urish Popeck shared with respect to the reasonableness and accuracy of BDO’s accounting services impaired Urish Popeck’s

⁸ PCAOB Rule 3520, Note 1.

⁹ 17 C.F.R. § 210.2-01(b).

¹⁰ Introductory Text to 17 C.F.R. § 210.2-01.

independence, Urish Popeck violated PCAOB Rule 3520 and AS 1005 during the 2021 and 2022 Issuer A audits.

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), Urish Popeck 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 \$75,000 is imposed on Urish Popeck.
 - 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. Urish Popeck shall pay this civil money penalty within ten (10) days of the issuance of this Order by (a) wire transfer in accordance with instructions furnished by PCAOB staff; or (b) United States Postal Service money order, bank money order, certified check, or bank cashier's check (i) made payable to the Public Company Accounting Oversight Board, (ii) delivered to the Office of Finance, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (iii) submitted under a cover letter, which identifies Urish Popeck as the 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. Urish Popeck understands that failure to pay the civil money penalty described above may result in summary suspension of its registration, pursuant to PCAOB Rule 5304(a), following written notice to it at the address on file with the PCAOB at the time of the issuance of this Order.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

October 1, 2026