

BEFORE THE STATE OF MARYLAND BOARD OF PUBLIC ACCOUNTANCY

BOARD OF PUBLIC ACCOUNTANCY

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v.

Agency Case No.: CPAS-17-0036

STEVEN G. HIRSHENSON,
CHARTERED, CPA

Respondent

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SETTLEMENT AGREEMENT AND CONSENT ORDER

The Maryland Board of Public Accountancy (“Board”) initiated a Complaint in this matter as a result of the Public Company Accounting Oversight Board (“PCAOB”) entering an Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions (“PCAOB Order”) against Steven G. Hirshenson, Chartered, CPA (“Respondent”) on or about March 15, 2016. Upon review and a subsequent investigation, the Board determined that administrative charges against the Respondent were appropriate. On or about March 23, 2018, the Board issued a Notice of Charges and Order for Hearing alleging that the Respondent violated the Maryland Public Accountancy Act (“Act”), codified at Business Occupations and Professions Article (“BOP”), Annotated Code of Maryland §§ 2-101, *et seq.*, and related regulations. To resolve this matter without a contested case hearing, the Board and the Respondent (collectively “Parties”) are entering this Settlement Agreement and Consent Order (“Consent Order”), and hereby agree and stipulate as follows:

1. At all times relevant to the matters set forth herein, the Respondent held a permit issued by the Board to practice certified public accountancy as a firm in this State (“permit”), and the Board had jurisdiction over all subject matter relevant to this Complaint.
2. On or about March 5, 1992 the Respondent obtained a permit from the Board to practice certified public accountancy as a firm in this State under Registration No. 05-519, and said permit is next scheduled to expire on November 29, 2018.
3. On or about March 15, 2016, the PCAOB issued an order imposing sanctions against the Respondent for violating PCAOB rules and related auditing standards in connection with an audit of a registered broker-dealer client. (PCAOB Release No. 105-2016-012). Through the PCAOB Order, the PCAOB censured the Respondent and required it to pay a \$2,500 civil monetary penalty.
4. The PCAOB determined that the Respondent’s violative conduct occurred in connection with the Respondent having prepared the financial statements for a broker-dealer audit client for the year ended December 31, 2012. Having prepared the financial statements for the broker-dealer client, the Respondent was not an independent auditor of it. Nevertheless, the Respondent audited the financial statements and issued an audit report

that the broker-dealer client included with the financial statements it filed with the Securities and Exchange Commission.

5. Based on the above described facts, the Respondent acknowledges and admits that its actions violated BOP § 2-315(a)(1)(xi) as alleged in the Board's Notice of Charges and Order for Hearing.
6. As a result of his violation, the Respondent agrees to the following sanctions:
 - a. The Respondent shall pay a TWO THOUSAND DOLLAR (\$2,000) civil monetary penalty to the Board by certified check, cashier's check, or money order within thirty (30) days of the date of this Consent Order; and
 - b. The Board shall issue a reprimand against the Respondent as the holder of a permit issued by the Board to practice certified public accountancy as a firm in this State.
7. The Respondent acknowledges and agrees that if it fails to comply with the requirements of this Consent Order regarding the payment of the civil monetary penalty, the Respondent's permit to practice certified public accountancy as a firm in the State shall be immediately and automatically suspended by the Board until such time as compliance occurs.
8. The Respondent acknowledges and agrees that in all future relevant activities it will abide by the provisions of the Maryland Public Accountancy Act and applicable regulations.
9. The Respondent acknowledges and agrees that this Consent Order shall constitute a Final Order of the Board and shall be enforceable as such.
10. The Respondent acknowledges and agrees that by entering into this Consent Order, it is expressly waiving the right to an administrative hearing on the charges with any procedures attendant thereto, the right to any and all further proceedings before the Board to which it may otherwise be entitled in this matter, and to any rights to appeal from this Consent Order.
11. The Respondent acknowledges and agrees that it is entering into this Consent Order freely, knowingly, and voluntarily and after having had the opportunity to seek advice of counsel.
12. The Parties acknowledge and agree that this Consent Order will serve as the final resolution of Complaint No. CPAS-17-0036, serve as the Final Order in this matter, be a part of the Respondent's permit record that is maintained by the Board, and that the Board's records and publications will reflect the terms of the Consent Order.

BASED ON THESE STIPULATIONS AND AGREEMENTS, IT IS THIS 9th DAY OF August, 2018, BY THE STATE BOARD OF PUBLIC ACCOUNTANCY HEREBY:

- I. **ORDERED** that the Respondent violated BOP § 2-315(a)(1)(xi); and it is further
- II. **ORDERED** that the Respondent shall pay a TWO THOUSAND DOLLAR (\$2,000) civil monetary penalty to the Board by certified check, cashier's check, or money order within thirty (30) days of the date of this Consent Order; and it is further
- III. **ORDERED** that a reprimand is issued against the Respondent as the holder of a permit to practice certified public accountancy as a firm in this State (Registration No. 05-519); and it is further
- IV. **ORDERED** that if the Respondent fails to comply with the requirements in this Consent Order regarding the payment of the civil monetary penalty, then the Respondent's permit to practice certified public accountancy as a firm in this State shall be immediately and automatically suspended by the Board without a hearing on the suspension, and the suspension will continue until compliance occurs; and it is further
- V. **ORDERED** that unless otherwise specified in this Consent Order, each provision herein shall remain in effect and enforceable as herein agreed unless the Board in writing stays, modifies, terminates, or suspends it; and it is further
- VI. **ORDERED** that this document shall constitute a Final Order of the Board, and the Board may consider this Settlement Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any subsequent action or proceeding before the Board, and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Board, its designee, and/or any court; and it is further
- VII. **ORDERED** that the Board's records and publications shall reflect that the Respondent and the Board resolved this matter through this Settlement Agreement and Consent Order.

SIGNATURE ON

ORIGINAL DOCUMENT

Steven G. Hirshenson, Chartered, CPA

By: _____
Authorized Agent

Date: 7/5/18

SIGNATURE ON

ORIGINAL DOCUMENT

Arthur E. Flach, CPA, Chair
Maryland Board of Public Accountancy

Date: 8/9/18