

**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934
Release No. 76608 / December 10, 2015**

**ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3722 / December 10, 2015**

**ADMINISTRATIVE PROCEEDING
File No. 3-16994**

In the Matter of

**DKM CERTIFIED PUBLIC
ACCOUNTANTS, INC.,
CHARLES U. KLEIN, CPA**

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 4C AND 21C OF
THE SECURITIES EXCHANGE ACT OF
1934 AND RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted against DKM Certified Public Accountants, Inc. (“DKM”) and Charles U. Klein (“Klein”) (together “Respondents”) pursuant to Sections 4C¹ and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 102(e)(1)(ii) and Rule 102(e)(1)(iii) of the Commission’s Rules of Practice.²

¹ Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (1) not to possess the requisite qualifications to represent others . . . (2) to be lacking in character or integrity, or to have engaged in unethical or improper professional conduct; or (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

² Rule 102(e)(1)(ii) provides, in pertinent part, that:

II.

In anticipation of the institution of these proceedings, Respondents have submitted an Offer of Settlement (“Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents’ Offer, the Commission finds³ that:

A. SUMMARY

DKM is a small, Florida-based accounting firm. Among other things, it has performed audits of public companies whose stock is registered with the Commission and who file audited financial statements with the Commission. Klein is a partner at and part owner of DKM. DKM was not independent of three public company audit clients that they audited in 2012 and 2013.

In 2012 – 2013, Respondents audited and reviewed the annual and quarterly financial statements of Issuer A and Issuer B (described below). Klein was the lead engagement partner, and Richard Confessore was the engagement quality reviewer. During these engagements, Klein caused DKM to not be independent of Issuer A or Issuer B because of business, employment, and financial relationships involving Respondents and its clients.

First, at the same time Confessore performed engagement quality reviews for DKM on the 2012 Issuer A and Issuer B audit and interim reviews, he had a business relationship with Issuer A’s

The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found . . . to have engaged in unethical or improper professional conduct.

Rule 102(e)(1)(iii) provides, in pertinent part, that:

The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found...to have willfully violated, or willfully aided and abetted the violation of any provision of the Federal securities laws or the rules and regulations thereunder.

³ The findings herein are made pursuant to Respondents’ Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

and Issuer B's Chief Financial Officer ("CFO"), Peter Messineo, who employed Confessore at Messineo's own audit firm, Messineo & Co., CPAs, LLC ("Messineo & Co.").

Second, in late 2012, Messineo resigned as CFO of Issuer A and Issuer B and became a shareholder and partner at DKM. DKM continued to provide audit services to both Issuer A and Issuer B even though: (1) the companies' former CFO was now a shareholder and partner at DKM and in a position to influence the audits and reviews, and (2) Messineo had been the CFO during the audit periods.

Third, at the time DKM performed the audit and interim review of Issuer A and Issuer B in early 2013, Messineo owned stock in both Issuer A and Issuer B. Klein knew that Messineo owned this stock -- more than 5% of Issuer A's outstanding shares -- when DKM conducted the audit and review.

In addition, in 2013, DKM audited Issuer C's annual financial statement covering the period from April 1, 2011 – March 31, 2012. Confessore participated in the audit despite having served as Issuer C's CFO during the audit period.

Performing these audits and reviews for Issuer A, Issuer B, and Issuer C violated the independence rules of the Federal securities laws and the rules and regulations thereunder. DKM's and Klein's conduct was willful and constitutes improper professional conduct.

B. RESPONDENTS

DKM Certified Public Accountants, Inc. ("DKM") is registered with the Public Company Accounting Oversight Board ("PCAOB") as a public accounting firm based in Clearwater, Florida. DKM is a Florida corporation and successor to audit firms: (i) Drake Klein & Messineo CPAs PA; and (ii) Drake & Klein, CPAs PA ("Drake & Klein"). In December 2012, when Peter Messineo joined DKM, the firm changed its operational name from Drake & Klein to DKM. As of December 2012, DKM had four partners authorized to issue audit reports on behalf of the firm, including Messineo, Confessore, and Charles Klein.

Charles U. Klein, age 60, resides in Dunedin, Florida and is currently President of DKM. From approximately February 2012 through June 2013, Klein was the lead engagement partner for the services DKM performed for Issuer A, Issuer B, and Issuer C. These services included annual audits and interim reviews of the financial statements of Issuer A, Issuer B, and Issuer C. Klein has been a licensed Certified Public Accountant ("CPA") in Florida since 1985, excluding 1995 to 1998 when his license was inactive.

C. OTHER RELEVANT PARTIES

Issuer A was incorporated in Delaware in 2005 and is currently headquartered in California. During 2012 and 2013, Issuer A's common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act. In its most recent Form 10-K filed with the Commission, Issuer A states that its business "offers marketing tools and expertise to advertisers that combine the quality and power of Flash video, interactive features, the ability to update their information and add

special events immediately and as frequently as desired.” From February 2010 to November 2012, Messineo served as CFO of Issuer A. In 2012 and 2013, Issuer A engaged DKM to perform audit services.

Issuer B was incorporated in Nevada in 2004 and is currently headquartered in St. Petersburg, FL. During 2012 and 2013, Issuer B’s common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act. In its most recent Form 10-K filed with the Commission, Issuer B states that its business “creates a unified solution path to securely manage Advanced Metering Infrastructure and other Smart Grid optimization applications such as substation and distribution automation.” From September 2010 to October 2012, Messineo served as CFO of Issuer B. In 2012 and 2013, Issuer B engaged DKM to perform audit services.

Issuer C was incorporated in Colorado in 1981. Currently, it is a Florida corporation headquartered in Southbury, CT. During 2012 and 2013, Issuer C’s common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act. In its most recent Form 10-K filed with the Commission, Issuer C states that its business consists of “operating motor freight carriers, providing truck load service throughout the forty-eight contiguous United States.” Confessore resigned as CFO of Issuer C on April 12, 2011. In 2012, Issuer C engaged Messineo & Co. to provide audit services. Messineo & Co. did not issue an audit report before DKM was formed. In 2013, Issuer C then engaged DKM to provide audit services for the same period for which Messineo & Co. had been retained.

Richard Confessore, age 73, resides in Sarasota, Florida and has been a licensed CPA in Florida since 1970. Confessore is currently a Director and “Quality Review Partner” at DKM. During 2011, Confessore was the CFO and worked at Issuer C. During 2012-2013, Confessore performed engagement quality reviews for the annual audits and interim reviews DKM performed for Issuers A and B. In addition, from June 2012 to December 2012, Confessore was an employee for Messineo & Co, then a sole proprietorship owned by Peter Messineo, the CFO for both Issuer A and Issuer B.

Peter Messineo, age 54, resides in Palm Harbor, Florida and is currently a partner at and 95% owner of Messineo & Co., which is a PCAOB-registered public accounting firm based in Clearwater, Florida. In 2012, he was the sole owner of Messineo & Co. (then named “Peter Messineo, CPA”) and CFO of Issuer A and Issuer B. From December 17, 2012 to April 16, 2013, Messineo was a partner and one third owner of DKM and a shareholder of Issuer A and Issuer B stock. Messineo has been licensed as a CPA in New York since 1989 and in Florida since 2007.

D. IN 2012, AS LEAD ENGAGEMENT PARTNER KLEIN CAUSED DKM (THEN KNOWN AS DRAKE & KLEIN) NOT TO BE INDEPENDENT WHEN DKM CONDUCTED AUDITS AND REVIEWS OF ISSUER A AND ISSUER B.

1. Issuer A engaged DKM to perform reviews for the quarters ending June 30, 2012 (Form 10-Q filed August 14, 2012) and September 30, 2012 (Form 10-Q filed November 14, 2012). Klein was DKM’s lead engagement partner and Confessore was DKM’s engagement quality review (“EQR”) partner on these engagements.

2. During the audit and professional engagement periods for these Issuer A engagements, Messineo was Issuer A's CFO.
3. Issuer B engaged DKM to perform audit services for the annual period ending June 30, 2012 (Form 10-K filed October 15, 2012) and the quarter ending September 30, 2012 (Form 10-Q filed November 14, 2012). Klein was DKM's lead engagement partner and Confessore was DKM's EQR partner on these engagements.
4. During the audit and professional engagement periods for these Issuer B engagements, Messineo was Issuer B's CFO.
5. In June 2012, Messineo hired Confessore to work for him at Messineo & Co. Confessore worked at Messineo & Co. until mid-December 2012. Thus, Confessore worked under Messineo -- the CFO of both Issuer A and Issuer B -- at the same time Confessore conducted quality reviews for DKM of: (i) Issuer A's interim financial statements filed August 14, 2012 and November 14, 2012; and (ii) Issuer B's annual financial statement filed October 15, 2012 (amended October 22, 2012). Confessore also worked for Messineo during the entire audit period of Issuer B's interim financial statements, filed November 14, 2012, which DKM and Confessore reviewed.
6. Confessore's employment with Messineo constituted an improper business relationship and conflict of interest.
7. Rule 2-01(b) of Regulation S-X (*Qualifications of Accountants*) states that the "Commission will not recognize an accountant as independent, with respect to an audit client, if the accountant is not...capable of exercising objective and impartial judgment on all issues encompassed within the accountant's engagement." 17 CFR §210.2-01.
8. Rule 2-01(c)(3) states certain "business relationships" are inconsistent with independence:

Business Relationships. An accountant is not independent if, at any point during the audit and professional engagement period, the accounting firm or any covered person in the firm has any direct or material indirect business relationship with an audit client, or with persons associated with the audit client in a decision-making capacity, such as an audit client's officers, directors, or substantial stockholders.

17 CFR §210.2-01(c)(3)

9. Rule 2-01(f)(11) defines "covered person" to include partners, principals, shareholders, and employees of an accounting firm on the "audit engagement team." 17 CFR §210.2-01(f)(11). The "audit engagement team" includes the "concurring or reviewing partner." 17 CFR §210.2-01(f)(7)(ii)(B).

10. PCAOB standards also require auditor independence. PCAOB Rule 3520 (*Auditor Independence*) requires that, “[a] registered public accounting firm and its associated persons must be independent of the firm's audit client throughout the audit and professional engagement period.”
11. PCAOB Auditing Standard No. 7 (*Engagement Quality Review*) requires that “an engagement quality reviewer must have competence, independence, integrity, and objectivity.” *See* PCAOB AS 7.4.
12. PCAOB Interim Auditing Standard AU 230 (*Due Professional Care in the Performance of Work*) “requires the independent auditor to plan and perform his or her work with due professional care. Due professional care imposes a responsibility upon each professional within an independent auditor's organization to observe the standards of field work and reporting.” *See* PCAOB AU 230.02.
13. DKM was not independent of Issuer A and Issuer B with respect to DKM’s audit and interim reviews of financial statements filed from August 2012 through November 2012 because Confessore -- the engagement quality reviewer -- had a direct business relationship with Messineo -- the CFO of clients Issuer A and Issuer B -- during DKM’s audit and professional engagement periods. *See* Rule 2-01(c)(3) of Regulation S-X.
14. As lead engagement partner, Klein was responsible for ensuring DKM was independent of Issuer A and Issuer B.

E. IN 2013, AS LEAD ENGAGEMENT PARTNER KLEIN CAUSED DKM NOT TO BE INDEPENDENT OF ISSUER A AND ISSUER B.

15. Messineo resigned as CFO of Issuer A effective November 15, 2012 and as CFO of Issuer B effective October 30, 2012.
16. In mid-December 2012, Messineo joined DKM. Messineo was a one-third owner of DKM. While not a shareholder, Confessore was also a partner authorized to issue audit reports on behalf of DKM.
17. Issuer A engaged DKM to perform audit services for the annual period ending December 31, 2012 (Form 10-K filed April 15, 2013). Klein was DKM’s lead engagement partner and Confessore was DKM’s EQR partner on this engagement.
18. Issuer B engaged DKM to perform interim review services for the quarter ending December 31, 2012 (Form 10-Q filed February 19, 2013). Klein was DKM’s lead engagement partner and Confessore was DKM’s EQR partner on this engagement. DKM lacked independence because Messineo, Klein’s partner at DKM, had financial and employment relationships with Issuer A and Issuer B.

19. Rule 2-01(c)(1) (*Financial Relationships*) states that an accountant is not independent if, at any point during the audit and professional engagement period, the accountant has a “direct financial interest” in the accountant’s audit client, including when:

- A. The accounting firm [or] any covered person in the firm...has any direct investment in an audit client, such as stocks, bonds, notes, options, or other securities.

* * *

- B. Any partner, principal, shareholder, or professional employee of the accounting firm...has filed a Schedule 13D...with the Commission indicating beneficial ownership of more than five percent of an audit client’s securities.

17 CFR §210.2-01(c)(1)(i)(A)-(B)

20. Rule 2-01(f)(11) defines “covered person” to include any “other partner, principal, or shareholder from an ‘office’ of the accounting firm in which the lead audit engagement partner primarily practices in connection with the audit.” 17 CFR §210.2-01(f)(11). “Office” means “a distinct sub-group within an accounting firm, whether distinguished along geographic or practice lines.” 17 CFR §210.2-01(f)(15).

21. Rule 2-01(c) (2) (*Employment Relationships*) states that an accountant is not independent if, at any point during the audit and professional engagement period, the accountant has an “employment relationship” with an audit client, including when:

A former officer, director, or employee of an audit client becomes a partner, principal, shareholder, or professional employee of the accounting firm, unless the individual does not participate in, and is not in a position to influence, the audit of the financial statements of the audit covering any period during which he or she was employed by or associated with that audit client.

17 CFR §210.2-01(2)(iv) (*Employment at Accounting Firm of Former Employee of Audit Client*).

22. From December 2012 to April 2013, Messineo worked at DKM’s small office in Clearwater, Florida along with Klein and approximately 6-8 staff personnel. Messineo’s office was less than 10 feet away from the offices of those providing audit services to Issuer A and Issuer B.

23. From December 2012 to April 2013, Messineo had access to all of DKM’s audit files, including those for the audit of Issuer A and the interim review of Issuer B. Messineo supervised the audit staff at DKM, including the audit manager who worked on the Issuer A audit, in some of DKM’s other engagements.

24. During a significant portion of the professional engagement period for DKM's audit of Issuer A, Messineo possessed Issuer A's books and records.
25. During Messineo's tenure as a shareholder and partner at DKM, he owned stock in DKM's clients Issuer A and Issuer B. As of April 15, 2013, when Issuer A's Form 10-K was filed, Messineo owned approximately 6% of the outstanding shares of Issuer A stock.
26. Klein knew Messineo owned stock in Issuer A and Issuer B during the audit and professional engagement periods for those clients. Despite this knowledge, Klein performed audit services for Issuer A and Issuer B.
27. DKM was not independent of Issuer A and Issuer B with respect to their public filings made in February 2013 and April 2013 because Messineo -- a partner and shareholder of DKM -- possessed a direct financial interest (stock ownership) in clients Issuer A and Issuer B during DKM's audit and professional engagement periods. *See* Rule 2-01(c)(1) of Regulation S-X.
28. DKM was not independent of Issuer A and Issuer B with respect to their public filings made in February 2013 and April 2013 because Messineo -- a partner and shareholder of DKM -- was the CFO of Issuer A and Issuer B during the audit period and in a position to influence DKM's audit and interim reviews. *See* Rule 2-01(c)(2) of Regulation S-X.

F. IN 2013, AS LEAD ENGAGEMENT PARTNER KLEIN CAUSED DKM NOT TO BE INDEPENDENT BY EMPLOYING ISSUER C'S FORMER CFO TO AUDIT ISSUER C FOR THE PERIOD HE WAS CFO.

29. Confessore was the CFO of Issuer C until April 12, 2011. Following his resignation, Confessore made himself available to Issuer C on a part-time basis to assist with accounting matters. On June 29, 2011, Issuer C filed a "Notification of Late Filing" for its Form 10-K. The notification explained that Issuer C was unable to complete its accounting at the subsidiary level. Issuer C's notification identified Confessore as the person to contact in regard to the notification.
30. In 2012, Issuer C engaged Messineo & Co. to perform audit services. Confessore performed work for Messineo & Co. concerning Issuer C, including the period for which he had been CFO and worked for Issuer C.
31. In 2013, DKM agreed to audit Issuer C's financial statements for the period from April 1, 2011 through March 31, 2012 despite Confessore's prior position as CFO of Issuer C during that time period. Klein knew that Confessore had been the CFO of Issuer C. DKM incorporated Messineo & Co.'s work into its audit of Issuer C, including Confessore's work. On behalf of DKM, Klein signed the engagement report issued to Issuer C in June 2013.

32. DKM was not independent of client Issuer C with respect to its public filings made in June 2013 because Confessore – a partner of DKM – participated in the audit of Issuer C, which covered the period Confessore had been the CFO and/or worked for Issuer C. *See* Rule 2-01(c)(2) of Regulation S-X.

G. KLEIN AIDED AND ABETTED AND CAUSED DKM'S VIOLATION OF RULE 2-02 OF REGULATION S-X BECAUSE DKM'S AUDIT REPORTS DID NOT COMPLY WITH PCAOB STANDARDS.

33. Rule 2-02(b)(1) of Regulation S-X (*Representations as to the Audit included in Accountants' Reports*) requires an accountant's report to state "whether the audit was made in accordance with generally accepted auditing standards." 17 CFR §210.2-02(b). These standards include the standards of the PCAOB. "[R]eferences in Commission rules and staff guidance and in the federal securities laws to [generally accepted auditing standards "GAAS"] or to specific standards under GAAS, as they related to issuers, should be understood to mean the standards of the PCAOB plus any applicable rules of the Commission." *See* SEC Release No. 34-49708.
34. DKM issued audit reports for its audits of Issuer C, Issuer A, and Issuer B for fiscal years ending March 31, 2012, December 31, 2012 and June 30, 2012, respectively. As lead engagement partner, Klein signed the audit reports on behalf of DKM. The audit reports incorrectly state that DKM "conducted [its] audit in accordance with the standards of the Public Company Accounting Oversight Board (United States.)"
35. DKM's audits were not conducted in accordance with PCAOB auditing standards because they lacked independence as described above. *See* PCAOB Rule 3520 (requiring independence); AS 7 (same).
36. Accordingly, DKM violated and Klein aided and abetted and caused violations of Rule 2-02 of Regulation S-X.

H. RESPONDENTS CONDUCT CAUSED ISSUER A, ISSUER B, AND ISSUER C TO FILE FALSE OR MISLEADING REPORTS WITH THE COMMISSION IN VIOLATION OF SECTION 13(a) OF THE EXCHANGE ACT AND RULES 13a-1 AND 13a-13 PROMULGATED THEREUNDER.

37. Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 require an issuer to file accurate annual and quarterly reports on Form 10-K and Form 10-Q, respectively.
38. Section 13(a) of the Exchange Act requires issuers to file annual reports certified by "independent public accountants." Rule 10-01(d) of Regulation S-X requires that prior to filing, interim financial statements included in quarterly reports on Form 10-Q "must be reviewed by an independent public accountant using professional standards and procedures for conducting such reviews...." 17 CFR §210.10-01(d).

39. Respondents caused Issuer A, Issuer B, and Issuer C to violate Section 13(a) and Rule 13a-1 thereunder by causing them to file annual reports for the years ended March 31, 2012, December 31, 2012 and June 30, 2012, respectively not certified by independent public accountants, and by causing them to file annual reports that included an audit report that incorrectly stated it had been conducted by an independent public accounting firm in accordance with the standards of the PCAOB.
40. Respondents caused Issuer A and Issuer B to violate Section 13(a) and Rule 13a-13 thereunder by causing them to file quarterly reports which had not previously been reviewed by independent public accountants.

I. VIOLATIONS

41. As a result of the conduct described above, DKM willfully⁴ violated and Klein willfully aided and abetted and caused a violation of Rule 2-02 of Regulation S-X.
42. As a result of the conduct described above, DKM and Klein caused Issuer A, Issuer B, and Issuer C to violate Section 13(a) of the Exchange Act and Rules 13a-1 thereunder.
43. As a result of the conduct described above, DKM and Klein caused Issuer A and Issuer B to violate Section 13(a) of the Exchange Act and Rules 13a-13 thereunder.
44. As a result of the conduct described above, DKM and Klein engaged in improper professional conduct as defined in Rule 102(e)(1)(iv) in that DKM and Klein committed intentional and knowing conduct that resulted in a violation of applicable professional standards or committed repeated instances of unreasonable negligent conduct each resulting in a violation of applicable professional standards that indicate a lack of competence to practice before the Commission.

J. FINDINGS

45. Based on the foregoing, the Commission finds that Klein and DKM engaged in improper professional conduct pursuant to Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice.
46. Based on the foregoing, the Commission finds that Klein and DKM willfully violated, or willfully aided and abetted the violation of, provisions of the Federal securities laws

⁴ A finding of willfulness does not require intent to violate, but merely intent to do the act which constitutes a violation. *SEC v. K.W. Brown & Co.*, 555 F. Supp. 2d 1275, 1309 (S.D. Fla. 2007), citing *Wonsover v. SEC*, 205 F.3d 408, 413-15 (D.C. Cir. 2000); *SEC v. Steadman*, 603 F.2d 1126, 1135 (5th Cir. 1979); *Arthur Lipper Corp. v. SEC*, 547 F.2d 171, 180 (2d Cir. 1976).

and the rules and regulations thereunder pursuant to Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(iii) of the Commission's Rules of Practice.

47. Based on the foregoing, the Commission finds that Klein: (a) willfully aided and abetted and caused a violation of Rule 2-02 of Regulation S-X; and (b) willfully caused Issuer A's, Issuer B's, and Issuer C's violations of Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder.
48. Based on the foregoing, the Commission finds that DKM: (a) willfully violated Rule 2-02 of Regulation S-X; and (b) willfully caused Issuer A's, Issuer B's, and Issuer C's violations of Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder.

K. RESPONDENTS' REMEDIAL EFFORTS

49. In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Respondent and cooperation afforded the Commission staff.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' respective Offer.

Accordingly, pursuant to Sections 4C and 21C of the Exchange Act, it is hereby ORDERED, effective immediately, that:

- A. Respondents shall cease and desist from committing or causing any violations and any future violations of Section 13(a) of the Exchange Act, Rules 13a-1 and 13a-13 promulgated thereunder, and Rule 2-02 of Regulation S-X.
- B. Respondents are denied the privilege of appearing or practicing before the Commission as an accountant.
- C. After 2 years from the date of this order, Klein may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:
 1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Klein's work in his practice before the Commission will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or

2. an independent accountant.

Such an application must satisfy the Commission that:

- (a) Klein, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board (“Board”) in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;
 - (b) Klein, or the registered public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in Klein’s or the firm’s quality control system that would indicate that the Klein will not receive appropriate supervision;
 - (c) Klein has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and
 - (d) Klein acknowledges his responsibility, as long as Klein appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.
3. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that his CPA license is current and he has resolved all other disciplinary issues with the applicable boards of accountancy. However, if CPA licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its own merits. The Commission’s review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent’s character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

D. After 2 years from the date of this order, DKM may request that the Commission consider its reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company’s financial statements that are filed with the Commission. Such an application must satisfy the Commission that DKM’s work in its practice before the Commission will be reviewed either by the independent audit committee of the public company for which it works or in some other acceptable manner, as long as it practices before the Commission in this capacity; and/or

2. an independent accountant.

Such an application must satisfy the Commission that:

- (a) Respondent DKM is registered with the Public Company Accounting Oversight Board (“Board”) in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective. However, if registration with the Board is dependent upon reinstatement by the Commission, the Commission will consider an application on its other merits;
 - (b) DKM hired an independent CPA consultant (“consultant”), who is not unacceptable to the staff of the Commission and is affiliated with a public accounting firm registered with the Board, that has conducted a review of DKM’s quality control system and submitted to the staff of the Commission a report that describes the review conducted and procedures performed, and represents that the review did not identify any criticisms of or potential defects in the firm’s quality control system that would indicate that any of DKM’s employees will not receive appropriate supervision. DKM agrees to require the consultant, if and when retained, to enter into an agreement that provides that for the period of review and for a period of two years from completion of the review, the consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with DKM, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the consultant will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the consultant in performance of his/her duties under this Order shall not, without prior written consent of the staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with DKM, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the review and for a period of two years after the review.
 - (c) DKM has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and
 - (d) DKM acknowledges its responsibility, as long as DKM appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.
3. The Commission will consider an application by DKM to resume appearing or practicing before the Commission provided that its CPA license is current and it has resolved all other disciplinary issues with the applicable boards of accountancy.

However, if CPA licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its own merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

E. DKM and Klein shall jointly and severally pay disgorgement, which represents profits gained as a result of the conduct described herein of \$33,000, prejudgment interest of \$2,043.87, and a civil money penalty in the amount of \$25,000 to the Securities and Exchange Commission. Payment shall be made in the following four installments:

Within 14 days of the issuance of this Order \$15,010.97

Within 90 days of the issuance of this Order \$15,010.97

Within 180 days of the issuance of this Order \$15,010.97

Within 270 days of the issuance of this Order \$15,010.96

If any payment is not made by the date the payment is required by this Order, the entire outstanding balance, plus any additional interest accrued pursuant to SEC Rule of Practice 600 or pursuant to 31 U.S.C. §3717, shall be due and payable immediately without further application.

F. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying DKM and Klein as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to John T. Dugan, Associate Regional Director, Boston regional Office, Securities and Exchange Commission, 33 Arch Street, Boston, MA 02110.

By the Commission.

Brent J. Fields
Secretary