UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10089 / June 7, 2016

SECURITIES EXCHANGE ACT OF 1934
Release No. 78007 / June 7, 2016

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3778 / June 7, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-16729

In the Matter of

MILLER ENERGY RESOURCES, INC., PAUL W. BOYD, CPA, DAVID M. HALL, AND CARLTON W. VOGT, III, CPA

Respondents.

ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTIONS 4C AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 102(e) OF THE COMMISSION'S RULES OF PRACTICE AS TO PAUL W. BOYD, CPA

I.

On August 6, 2015, the Securities and Exchange Commission ("Commission") instituted proceedings pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Sections 4C[1] and 21C of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 102(e)(1)(iii)

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[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

continued . . .

of the Commission's Rules of Practice[2] against Paul W. Boyd ("Boyd" or "Respondent").

II.

Respondent has submitted an Offer of Settlement (the "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 him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V**,** Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 8A of the Securities Act of 1933, Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e)(1)(iii) of the Commission's Rules of Practice as to Paul W. Boyd, CPA (the "Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[3] that:

SUMMARY

1. This case involves financial accounting and reporting fraud, as well as audit failures, related to the valuation of certain oil and gas assets in Alaska ("the Alaska Assets") acquired by Miller Energy Resources, Inc. ("Miller Energy" or "the Company"). Miller Energy, an oil and gas company headquartered in Houston, Texas, purchased these assets for $2.25 million in cash – along with the assumption of certain liabilities it valued at approximately $2 million – during a competitive bid in a bankruptcy proceeding in December 2009.

2. The Company subsequently reported those assets at an overstated value of $480 million and recognized a one-time "bargain purchase" gain of $277 million for its fiscal third quarter ended January 2010 and fiscal year ended April 2010.

> 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)(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 Respondent's Offer of Settlement and are not binding on any other person in this or any other proceeding.

3. Boyd, who was the Chief Financial Officer of Miller Energy at the time, failed to account for the acquisition in accordance with generally accepted accounting principles ("GAAP"). Accounting Standards Codification ("ASC") 805, *Business Combinations*, required Miller Energy to record the value of its acquired Alaska Assets at "fair value." However, contrary to authoritative accounting guidance, Boyd was at least reckless in setting fair value based on a reserve report that was prepared by a petroleum engineer firm using the rules for supplemental oil and gas disclosures. As set forth in GAAP, the numbers used in these supplemental disclosures do not reflect fair value. Boyd knew or, at the very least, should have known that the reserve report did not purport to represent fair value. The reserve report, which he received and reviewed, expressly disclaimed that the numbers therein represented the engineer firm's opinion of fair value. The reserve report Boyd used also contained expense numbers that were understated by the CEO of Miller Energy's Alaska operations ("the Alaska CEO").

4. In addition, Boyd caused Miller Energy to overstate materially the value of the Alaska Assets because he knew or should have known that he had double counted $110 million of certain fixed assets that were already included in the reserve report.

RESPONDENT

5. Paul W. Boyd, CPA, resides in Knoxville, Tennessee. From 2008 until 2011, Boyd was the CFO and Treasurer at Miller Energy. He was the director of risk management from 2011 until April 2015. He is no longer employed by Miller Energy. He has been a licensed CPA in Tennessee since 1993.

THE COMPANY

6. ***Miller Energy Resources, Inc.*** is a Tennessee corporation with its principal place of business in Houston, Texas. It was founded in 1967 as an oil and gas exploration and production company, and went public via a reverse merger in 1996. It changed its name from Miller Petroleum to Miller Energy Resources in April 2011. The Company operated oil and gas assets in the Appalachian region of east Tennessee until selling them in November 2014 for $3.3 million in cash. Miller Energy's securities, registered pursuant to Exchange Act Section 12(b), were listed on the NYSE until September 2015, when the securities were delisted. Between early 2002 and December 2009, Miller Energy's stock price regularly traded below one dollar per share, falling to a low of $0.04 per share in December 2007. On October 1, 2015, Miller Energy filed a voluntary petition for reorganization under chapter 11 of title 11 of the U.S. Code in the United States Bankruptcy Court for the District of Alaska (the "Bankruptcy Case").

FACTS

Miller Energy Acquires and Overvalues the Alaska Assets

7. In the fall of 2009, Miller Energy became aware of certain oil and gas properties in Alaska that were in the process of being "abandoned" as part of the bankruptcy proceedings of a California-based energy company.

8. Unable to service its heavy debt and pay the significant monthly costs required to operate the properties, the bankrupt entity unsuccessfully sought for almost a year to sell its Alaska Assets. Beginning in December 2008, months before it filed for bankruptcy, the former owner of the assets marketed the same group of assets that Miller Energy ultimately bought to 40 potential buyers. This process failed to attract any bidders, and the assets were auctioned by the bankruptcy court in July 2009, with the winning bidder agreeing to a total purchase price of $8 million for the assets. A second entity, who bid $7 million, was designated as the back-up purchaser. Neither bidder closed.

9. As a result, the former owner of the assets sought in August 2009, and was granted in September, an order from the bankruptcy court allowing it to abandon title to the assets due to a lack of interest.

10. Due to renewed interest in the assets from Miller Energy following their abandonment, the bankruptcy court permitted the debtor to reacquire the Alaska Assets and sell them to Miller Energy in a competitive auction for $2.25 million in cash and the assumption of certain limited liabilities. The transaction closed on December 10, 2009.

11. On March 22, 2010, Miller Energy filed its quarterly report on Form 10-Q for its fiscal third quarter ended January 31, 2010 and reported a value of $480 million for the Alaska acquisition. That amount was comprised of $368 million for oil and gas properties and $110 million for fixed assets. Miller Energy also reported an after-tax $277 million "bargain purchase gain" which boosted net income for the quarter to $272 million – an enormous increase over the $556,097 loss reported for the same period the year before.

12. As detailed below, these inflated balance sheet and income statement numbers were repeated in numerous documents subsequently filed with the Commission.

13. The newly-booked value of the Alaska acquisition, which resulted in a nearly 5,000% increase in Miller Energy's total assets, had a significant impact on Miller Energy's stock price. On December 10, 2009, the date of the transaction, Miller Energy's stock closed at $0.61 per share. By March 31, 2010, Miller Energy's stock closed 982% higher at $6.60 per share. Weeks later, its stock began trading on NASDAQ and, after moving to the NYSE a year later, reached an all-time high price on December 9, 2013 of $8.83 per share.

14. As described in detail below, Miller Energy materially overstated the value of its Alaska Assets by more than four hundred million dollars.

Under GAAP, Miller Energy Was Required to Record the Alaska Acquisition at Fair Value

15. ASC 805, *Business Combinations* – formerly Statement of Financial Accounting Standards ("SFAS") 141(R) – became effective in December 2008. Among its principal revisions, ASC 805 requires acquisitions that result in a "bargain purchase," *e.g.*, entities purchased at fire

sales prices in non-orderly transactions, to be measured at fair value, with any resulting gain recorded on the income statement.

16. ASC 820, *Fair Value Measurements* (formerly SFAS 157), provides the framework for measuring fair value. "Fair value" is defined in ASC 820 as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." A reporting entity must determine an appropriate fair value using one or more of the valuation techniques described in accounting literature.

17. ASC 820 outlines three broad approaches to measure fair value: the market approach, income approach, and cost approach. Under the market approach, prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities are used to measure fair value. The income approach utilizes valuation techniques to convert future amounts to a single discounted present value amount. Finally, the cost approach is based on the amount that currently would be required to replace the assets in service, *i.e.*, current replacement cost.

18. ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and should be determined based on the assumptions market participants would use in pricing the asset or liability.

19. ASC 820 emphasizes that when a price for an identical asset or liability is not observable entities should use a "valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs" and entities may not ignore assumptions market participants would use.[4]

20. As described below, Boyd purported to value the Alaska Assets using the income approach for the oil and gas reserves and the cost approach for certain fixed assets. When computing their estimate of fair value, Boyd acted at a minimum recklessly when he failed to consider the existence of numerous, readily apparent data points strongly indicating that the assets were worth substantially less than the $480 million value Miller Energy recorded. In failing to do so, Boyd caused Miller Energy to overstate materially the value of the newly acquired Alaska Assets

[4] ASC 820 defines "unobservable inputs" as "inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances" and "observable inputs" as "inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity."

The Valuation of the Acquired Oil and Gas Properties Was Based Upon a Reserve Report That Did Not Represent Fair Value

21. Reserve reports are commonly used in the oil and gas industry to estimate quantities of oil and gas (the reserves) expected to be recovered from existing properties.[5] Generally, these reports list reserves in categories based on a minimum estimated percentage probability of eventual recovery and production, *i.e.*, proved, probable, and possible. Information in reserve reports that are prepared in accordance with Commission regulations is frequently used, among other purposes, to satisfy supplemental accounting disclosure requirements concerning estimates of future oil and gas production. However, the numbers used in reserve reports for this purpose are expressly not considered "an estimate of fair market value."[6]

22. Shortly after acquiring the Alaska Assets, Boyd asked the Alaska CEO – who was a non-accountant with no formal accounting training -- to obtain a reserve report for the Alaska properties in order to determine the fair value of the acquired assets to be reported on Miller Energy's Form 10-Q for the quarter ended January 31, 2010. Boyd instructed the Alaska CEO that the reserve report should use a pretax present value of net cash flows discounted at 10% ("PV-10").

23. On January 5, 2010, the Alaska CEO hired a petroleum engineer firm to prepare the requested reserve report.

24. The reserve report was finalized in February 2010 and reflected PV-10 of $368 million. The reserve report itself clearly stated that the numbers therein were not an estimate of fair market value. Specifically, on page 3 of the report, it states that "*[t]he discounted values shown*

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[5] Oil and gas reporting companies are subject to two principal authoritative pronouncements governing financial accounting and reporting for oil and gas activities: Rule 4-10 of Regulation S-X (17 C.F.R. 210.4-10), *Financial Accounting and Reporting for Oil and Gas Producing Activities Pursuant to the Federal Securities Laws and the Energy Policy and Conservation Act of 1975* ("Rule 4-10"); and ASC 932-235-50-29 through 33 (formerly SFAS 19, *Financial Accounting and Reporting by Oil and Gas Producing Companies* and SFAS 69, *Disclosures About Oil and Gas Producing Activities*). ASC 932 establishes disclosure requirements for significant oil and gas activities, including disclosure of the "standardized measure," which is the future after-tax net cash flows discounted at 10%. A non-GAAP measure known as "PV-10" is similar to the standardized measure but is typically presented on a pretax basis. The FASB has noted that the standardized measure supplies investors with useful information, however, they also noted their concern "that users of financial statements understand that it is neither fair market value nor the present value of future cash flows. It is a rough surrogate for such measures, a tool to allow for a reasonable comparison of mineral reserves and changes through the use of a standardized method that recognizes qualitative, quantitative, geographic, and temporal characteristics." Paragraph 83 of the Basis for Conclusions of SFAS 69.

[6] *See* Paragraph 77 of the Basis for Conclusion of SFAS 69 ("Although it cannot be considered an estimate of fair market value, the standardized measure of discounted net cash flows should be responsive to some of the key variables that affect fair market value, namely, changes in reserve quantities, selling prices, production costs, and tax rates.").

are for your information and should not be construed as our estimate of fair market value." Boyd received and reviewed that report and therefore knew that it disclaimed to represent fair value. Yet, upon receiving the reserve report, Boyd, without undertaking any additional analysis, merely recorded as the fair value of the acquired oil and gas properties the sum of the PV-10 estimates for 100% of the proved, probable, and possible reserves, which increased the book value of Miller Energy's oil and gas properties on its balance sheet by $368 million.

25. Before recording as fair value in Miller Energy's accounting records the values contained in the reserve report, Boyd never reviewed or questioned any of the reserve report's assumptions or calculations, nor did he communicate with the engineer firm about the reserve report.

26. The $368 million reserve report value did not represent fair value for several reasons.

27. First, the $237 million of projected operating and capital expenses that the Alaska CEO provided the petroleum engineer were unrealistically low, resulting in an overstated valuation.

28. In fact, when the Alaska CEO contacted the petroleum engineer firm that the prior owners of the Alaska Assets had used, that firm advised that the expected level of expenses made a significant portion of the acquisition unprofitable. Specifically, that firm told the Alaska CEO that it would not assign any value to one of the largest fields acquired, the Redoubt Shoal field, because it was uneconomical – *i.e.*, expected future expenses exceeded expected future cash flows – and explained that it would not put its "name on a report that implies value exists where it likely does not."[7]

29. Boyd was aware that Miller Energy chose the new firm because the prior firm would not assign any value to the Redoubt Shoal field. The Redoubt Shoal field – which represented $291 million of the $368 million in fair value recorded by Miller Energy for the reserves – showed positive future cash flows in the reserve report that was ultimately generated primarily because the Alaska CEO of the Alaska operations gave the new engineer firm understated and unsubstantiated expense numbers.

30. The Alaska CEO provided expense projections that, in many cases, were significantly lower than past actual experience. For example, internal documents maintained by the Alaska CEO indicate that the cost to drill a new well in the Redoubt field was roughly $13 million. However, the Alaska CEO told the petroleum engineer firm to use a cost of $4.6 million per well in its reserve report. And instead of using recent expense data, the Alaska CEO gave the

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[7] Unique among the oil and gas properties purchased by Miller Energy, Redoubt Shoal is an offshore field in Cook Inlet, Alaska, which requires the use of an offshore platform that sits in seventy feet of water, is accessible only by boat or helicopter, and drills to depths in excess of 12,000 feet. Offshore drilling presents risks and costs not associated with onshore operations.

engineer firm nearly three year old operating expense data, which he revised down on the pretext that Miller Energy could run a leaner operation than former operators of the properties.

31. Overall, the reserve report implied operating expenses of $4 per barrel of oil equivalent ("boe") for all categories of reserves. That level of operating expenses was unreasonable in light of its predecessor's actual operating expenses of $32.50/boe in 2008 and $55.42/boe in the first half of 2009, before the wells were shut-in. Boyd was at least reckless in using as fair value in Miller Energy's financial statements a report that relied on such unrealistically low expenses.

32. In late December 2009, the Company's outside auditors cautioned Boyd that the lack of any controls over the Alaska CEO's expense estimates was a "concerning void." Notwithstanding his having been made aware of this concern, Boyd knowingly failed to implement any controls relating to the expense estimates.

33. By understating the expense numbers, Miller Energy overvalued its oil and gas properties by tens of millions of dollars.

34. Second, the reserve report did not include amounts for certain asset retirement obligations, *i.e.*, the legal obligations associated with the retirement of tangible long-lived assets.

35. Third, despite showing years of net profit that market participants would expect to be taxable, the reserve report did not make any adjustments for income taxes.

36. Fourth, at Boyd's request, the reserve report used a 10% discount rate that was inappropriate under GAAP for determining fair value. In a discounted cash flow model, a discount rate is used to account for the uncertainties associated with risk and the time value of money. A discount rate is the required rate of return that an investor would demand – based on the risks associated with the benefit stream under consideration – to induce the investor to make an investment. By failing to consider the discount rate using assumptions market participants would use for the Alaska Assets, Miller Energy materially overstated the value of the acquired oil and gas properties.

37. Finally, the valuation also overstated cash flows from certain categories of reserve estimates (*e.g.*, "probable" and "possible" reserves) by failing to apply any risk weight to such reserves and the resulting cash flows. Given the high degree of uncertainty associated with cash flows from these reserve estimate categories, they are required to be risk weighted in order to reflect an appropriate valuation.

Miller Energy Misstated the Value of the Fixed Assets

38. In addition to the $368 million value recorded for the oil and gas properties, Boyd caused Miller Energy to also erroneously record a separate value of $110 million for acquired fixed assets, such as facilities and pipelines ancillary to the oil and gas reserves.

39. In a February 8, 2010 email, Boyd informed the Alaska CEO that Boyd needed an amount to use as fair value for the fixed assets obtained as part of the Alaska acquisition. Boyd noted that, ideally, the value should be what a willing buyer would pay for the assets, but "[i]n the absence of that, replacement values or something similar would probably work." Two days later, Boyd was sent an "asset replacement cost study" purportedly provided by an independent insurance broker, which appeared to list the replacement cost for the assets as $110 million. The "study" was dated September 5, 2008, but "revised" on February 9, 2010.

40. Boyd caused the $110 million amount reported in the revised insurance study to be recorded on Miller Energy's balance sheet.

41. Boyd's use of the insurance study's replacement cost estimates for valuing Miller's fixed assets was, at a minimum, reckless. The reserve report Miller Energy had relied on to value the Alaska Assets used a discounted cash flow model. Valuation specialists use such models to estimate the value of an enterprise's "operating assets" – *i.e.*, the assets employed to generate future cash flows – by converting future benefit streams into a net present value. The fixed assets in the insurance study were the very same operating assets that were expected to generate the future cash flows in the reserve report. Accordingly, Boyd knew or was reckless in not knowing that adding the replacement cost estimates to Miller's estimated value of "operating assets" would result in double counting the value of such assets.

42. Moreover, the "asset replacement cost study" relied upon to support the $110 million fair value was actually a preexisting insurance study created by an insurance broker. It had been refashioned at the direction of the Alaska CEO and Boyd to appear as if a third party had derived the $110 million value. In truth, the numbers in the study had been given to the insurance broker, and its predecessor, by its clients (*i.e.*, Miller Energy and the previous owners of the fixed assets) as far back as 2007 and had been used as starting points for other types of estimates, such as estimates for possible losses resulting from fire or natural disasters. The two employees at the insurance broker who were most familiar with the original "Loss Estimates Study," including the engineer who authored it, confirmed that no one at the broker ever tested or in any way double-checked the values given to them.

43. At the direction of the Alaska CEO, Miller Energy's Alaska personnel contacted a separate consulting firm and sent it the insurance broker's original 2008 insurance report. Late on February 8, the consulting firm informed Miller Energy that the insurance study it sent was a "good reference" but the report did not state "value or replacement cost." The firm offered to conduct its own analysis, but advised that the estimate would take "approximately 2-3 weeks to complete" and "cost around $15,000-$18,000."

44. Upon hearing the news that a new report might take two to three weeks, Alaska personnel called Boyd. According to one participant on this call, Boyd said he could not wait weeks for a new report. He "needed it quickly and he needed to base it on something . . . a professional had to sign off on it, not us, some third party. . . ." During the call, Boyd and the Alaska CEO decided to rely on numbers in the insurance report as replacement costs, despite the Alaska CEO having been told by the broker that it could not provide Miller Energy with

replacement costs and despite Boyd knowing that the numbers in the study were prepared for a purpose other than fair value.

45. By using the reserve report and the "asset replacement cost study," as a proxy for fair value, Boyd caused Miller Energy to overvalue the Alaska Assets by more than $400 million. Consequently, Miller Energy filed with the Commission financial reports that materially misstated the value of its assets, as follows: Forms 10-Q for the third quarter of fiscal year 2010 and all three quarters of fiscal years 2011 through 2015; Forms 10-K for fiscal years ended 2010 through 2014; the Form S-1 filed on August 8, 2010; the Forms S-3 filed on September 6, 2012 and October 5, 2012; and prospectuses filed between August 25, 2010 through August 21, 2014 pursuant to Rule 424.

46. In addition, the following financial reports that Miller Energy filed with the Commission materially misstated the Company's net income: Forms 10-Q for the third quarter of fiscal year 2010, all three quarters of fiscal 2011, and the first two quarter of 2012; Forms 10-K for fiscal years ended 2010 through 2012; the Form S-1 filed on August 8, 2010; the Forms S-3 filed on September 6, 2012 and October 5, 2012; and prospectus supplements filed between August 25, 2010 through August 21, 2014 pursuant to Rule 424. In addition, the improper valuation of the Alaska Assets rendered no fewer than 15 Forms 8-K filed between March 2010 through at least December 2014 materially false and misleading.

VIOLATIONS

47. As a result of the conduct described above, Boyd willfully violated Section 17(a) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.

48. As a result of the conduct described above, Boyd willfully aided and abetted and caused Miller Energy to violate Section 13(a) of the Exchange Act, and Rules 13a-1, 13a-11, and 13a-13 thereunder, which require that every issuer of a security registered pursuant to Exchange Act Section 12 to file with the Commission, among other things, annual, current, and quarterly reports as the Commission may require.

49. As a result of the conduct described above, Boyd willfully aided and abetted and caused Miller Energy to violate Section 13(b)(2)(A) of the Exchange Act, which requires reporting companies to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets.

50. As a result of the conduct described above, Boyd willfully aided and abetted and caused Miller Energy to violate Section 13(b)(2)(B) of the Exchange Act, which requires all reporting companies to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP.

51. As a result of the conduct described above Boyd willfully violated Section 13(b)(5) of the Exchange Act and Rule 13b2-1 thereunder, which prohibit any person from knowingly

circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act.

52. As a result of the conduct described above, Boyd willfully aided and abetted and caused Miller Energy to violate Rule 12b-20 under the Exchange Act, which requires that, in addition to the information expressly required to be included in a statement or report filed with the Commission, there shall be added such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made not misleading.

53. As a result of the conduct described above, Boyd willfully violated Rule 13a-14 of the Exchange Act which requires that an issuer's principal executive and principal financial officers certify each periodic report.

Disgorgement

54. Boyd has submitted a sworn Statement of Financial Condition dated February 1, 2016 and other evidence and has asserted his inability to pay disgorgement plus prejudgment interest.

IV.

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

Accordingly, it is hereby ORDERED that:

A. Respondent Boyd cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Sections 13(a), 13(b)(2)(A), 13(b)(2)(B) and 13(b)(5) of the Exchange Act, and Rules 12b-20, 13a-1, 13a-11, 13a-13, 13a-14 and 13b2-1 thereunder.

B. Respondent Boyd be, and hereby is prohibited for a period of five (5) years from entry of this Order, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

C. Boyd is denied the privilege of appearing or practicing before the Commission as an accountant.

D. After five years from the date of this Order, Boyd 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 Boyd'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) Boyd, or the public accounting firm with which he is associated, is registered with the PCAOB in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Boyd, or the registered public accounting firm with which he is associated, has been inspected by the PCAOB and that inspection did not identify any criticisms of or potential defects in Boyd's or the firm's quality control system that would indicate that the respondent will not receive appropriate supervision;

(c) Boyd has resolved all disciplinary issues with the PCAOB, and has complied with all terms and conditions of any sanctions imposed by the PCAOB (other than reinstatement by the Commission); and

(d) Boyd acknowledges his responsibility, as long as Boyd appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the PCAOB, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

E. The Commission will consider an application by Boyd to resume appearing or practicing before the Commission provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Boyd's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

F. Respondent Boyd shall pay a civil money penalty in the amount of $125,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: $10,000 paid within 10 business days following entry of this Order, followed by $10,000 quarterly payments (*i.e.* 90 days) for three years, with the final payment being $5,000. 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 31 U.S.C. § 3717, shall be due and payable immediately, without further application. 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 Paul W. Boyd as a Respondent 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 M. Graham Loomis, Division of Enforcement, Securities and Exchange Commission, 950 East Paces Ferry Road, N.E., Atlanta, GA 30326-1382.

G. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

H. Respondent Boyd shall, within 10 days of the entry of this Order, pay disgorgement of $158,000 and prejudgment interest of $11,800, but payment of such amount is waived based upon Respondent's sworn representations in his Statement of Financial Condition dated April 1, 2016 and other documents submitted to the Commission.

I. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of disgorgement and pre-judgment interest. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of disgorgement and interest should not be ordered; (3) contest the amount of disgorgement and interest to be ordered; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary