

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101579 / November 12, 2024

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4538 / November 12, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22310

<p>In the Matter of</p> <p style="text-align:center">PRAGER METIS CPAs, LLC</p> <p>Respondent.</p>

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION’S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission” or “SEC”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Prager Metis CPAs, LLC (“Respondent” or “Prager Metis LLC”) pursuant to Rule 102(e)(3) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, 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 it and the subject matter of these proceedings, and the findings contained in Section III. 2. below, which are admitted, Respondent consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

Rule 102(e)(3)(iii) further provides that the Commission may impose a censure.

Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Prager Metis LLC is an accounting and auditing firm headquartered in New York, New York, which has been registered with the Public Company Accounting Oversight Board (“PCAOB”) since 2003. Prager Metis LLC provides accounting, auditing, consulting, and tax services to a variety of companies, including public issuers whose securities are registered with the Commission and trade in the U.S. markets, broker-dealers (“BDs”), and investment advisers (“IAs”).

2. On October 3, 2024, the court entered a final judgment permanently restraining and enjoining Prager Metis LLC, by consent, from violating, directly or indirectly, Rule 2-02(b) of Regulation S-X and Rule 17a-5(i) of the Securities Exchange Act of 1934 (“Exchange Act”); from aiding and abetting violations of Sections 13(a), 15(d), and 17(a) of the Exchange Act [15 U.S.C. §§ 78m(a), 78o(d), and 78q(a)] and Exchange Act Rules 13a-1, 13a-11, 13a-13, 15d-1, 15d-13, and 17a-5; and from aiding and abetting violations of Section 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. § 80b-6(4)] and Advisers Act Rule 206(4)-2, as set forth in the final judgment entered in the civil action entitled Securities and Exchange Commission v. Prager Metis CPAs, LLC, et al., Case Number 1:23-cv-23723-RNS, in the United States District Court for the Southern District of Florida. Prager Metis LLC also was ordered to pay disgorgement in the amount of \$172,728.19, plus prejudgment interest thereon in the amount of \$27,486.64, and a civil money penalty in the amount of \$980,000.

3. The Commission’s complaint alleged, among other things, that from in or around December 2017 to in or around October 2020, Prager Metis LLC failed to comply with Rule 2-01(b) of Regulation S-X, the Commission’s general standard for auditor independence, when it included indemnification provisions in engagement letters with its clients, including public issuers, BDs and IAs (collectively, “SEC Registrant Clients”). The complaint further alleged that Prager Metis LLC had been on notice of its independence impairment since at least early January 2019, but continued to enter into engagement letters which contained indemnification provisions until approximately October 2020. The Commission’s complaint alleged that as a result of the inclusion of indemnification provisions in its engagement letters, Prager Metis LLC was not independent during the engagement periods for each of the audits, examinations, and reviews of its SEC Registrant Clients in accordance with Rule 2-01(b) of Regulation S-X and that Prager Metis LLC violated Rule 2-02(b) of Regulation S-X and Rule 17a-5(i) of the Exchange Act; aided and abetted violations of Sections 13(a), 15(d), and 17(a) of the Exchange Act [15 U.S.C. §§ 78m(a), 78o(d), and 78q(a)] and Exchange Act Rules 13a-1, 13a-11, 13a-13, 15d-1, 15d-13, and 17a-5; and aided and abetted violations of Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Advisers Act Rule 206(4)-2.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Prager Metis LLC's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

Prager Metis LLC is censured pursuant to Rule 102(e) of the Commission's Rules of Practice [17 C.F.R. § 201.102(e)].

By the Commission.

Vanessa A. Countryman
Secretary