

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 23-cv-23723-RNS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**PRAGER METIS CPAs, LLC,
and PRAGER METIS CPAs LLP,**

Defendants.

**PLAINTIFF’S UNOPPOSED MOTION FOR ENTRY OF FINAL JUDGMENTS
AGAINST DEFENDANTS PRAGER METIS CPAs, LLC,
AND PRAGER METIS CPAs LLP**

Plaintiff Securities and Exchange Commission (“Commission”) moves for entry of final judgments against Defendants Prager Metis CPAs, LLC (“Prager Metis LLC”) and Prager Metis CPAs LLP (“Prager Metis LLP”) (collectively, “Defendants”). The Defendants have consented to the entry of the proposed Final Judgments which include permanent injunctive relief and monetary remedies collectively totaling \$1,205,000. *See* Consents attached as Exhibits 1 and 2 and proposed Final Judgments attached as Exhibits 3 and 4. The Court’s entry of the proposed Final Judgments will conclude the Commission’s litigation of this case against the Defendants.

I. Relevant Procedural History

On September 29, 2023, the Commission filed its Complaint against Prager Metis LLC and Prager Metis LLP, alleging, among other things, the affiliated accounting and auditing firms violated the Commission’s auditor independence rules. *See* Complaint, DE 1. On May 29, 2024, the Court denied Defendants’ Motion to Dismiss. *See* Order, DE 32. On August 1, 2024 and September 3, 2024, the parties informed the Court that they were communicating regarding

potential settlement of this matter and that the Commission's staff was seeking settlement authorization from the five-member Commission. *See* Motions, DE 36 and DE 39.

II. Injunctive Relief

The proposed Final Judgments provide for the entry of injunctive relief and monetary relief, among other things. Regarding injunctive relief, the proposed Final Judgments comply with Federal Rule of Civil Procedure 65(d), which provides that “[e]very order granting an injunction . . . must: (A) state the reasons why it issued; (B) state its terms specifically; and (C) describe in reasonable detail—and not by referring to the complaint or other document—the act or acts sought to be restrained or required.” *See* Fed. R. Civ. P. 65(d). Eleventh Circuit law likewise requires that judgments for injunctive relief describe in reasonable detail the acts or conduct sought to be restrained. *SEC v. Goble*, 682 F.3d 934, 951-52 (11th Cir. 2012). The *Goble* court, while questioning whether merely reciting the language of a statute in an injunction adequately informs a defendant of the prohibited conduct, also explained that “a broad, but properly drafted injunction, which largely uses the statutory or regulatory language may satisfy the specificity requirement of Rule 65(d) so long as it clearly lets the defendant know what he is ordered to do or not do.” *Id.* at 952.

As to Prager Metis LLC, the proposed Final Judgment permanently restrains and enjoins Prager Metis LLC from violating Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)] and Rule 17a-5(i) of the Securities Exchange Act of 1934 (“Exchange Act”) [17 C.F.R. § 240.17a-5(i)]; 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 [17 C.F.R. §§ 240.13a-1, 240.13a-11, 240.13a-13, 240.15d-1, 240.15d-13, and 240.17a-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 [17 C.F.R. § 275.206(4)-2]. *See* Ex. 3.

As to Prager Metis LLP, the proposed Final Judgment permanently restrains and enjoins Prager Metis LLP from violating Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)], and from aiding and abetting violations of Sections 13(a) and 15(d) of the Exchange Act [15 U.S.C. §§ 78m(a) and 78o(d)] and Exchange Act Rules 13a-1, 13a-13, 15d-1, and 15d-13 [17 C.F.R. §§ 240.13a-1, 240.13a-13, 240.15d-1, and 240.15d-13]. *See* Ex. 4.

Both proposed Final Judgments (Exhibits 3 and 4) conform with *Goble* because the statutory language “clearly lets the defendant[s] know what [they are] ordered to do or not.” *See id.* Furthermore, the proposed Final Judgments include injunctive language that prohibits conduct directly tied to the allegations in the Complaint, and sufficiently notifies Defendant of the prohibited conduct. Additionally, the Defendants have consented to the injunctive language contained in the proposed Final Judgments. *See* Ex. 1-2.

III. Additional Relief

As additional relief, Prager Metis LLC has consented to the proposed Final Judgment awarding the Commission disgorgement of \$172,728.19, plus prejudgment interest thereon in the amount of \$27,486.64, and a civil penalty of \$980,000. *See* Ex. 1 and 3. As to Prager Metis LLP, it has consented to the proposed Final Judgment awarding the Commission disgorgement of \$3,868.90, plus prejudgment interest thereon in the amount of \$916.27, and a \$20,000 civil penalty. *See* Ex. 2 and 4.

IV. Conclusion

The Commission respectfully requests that the Court enter the proposed Final Judgments, which the Defendants have consented to, and which will fully resolve this pending matter.

RULE 7.1.A.3 CERTIFICATE OF CONFERRAL

Pursuant to Southern District of Florida Local Rule 7.1.A.3, undersigned counsel has conferred with counsel for Defendants Prager Metis CPAs, LLC, and Prager Metis CPAs LLP, who does not oppose this motion.

Dated: September 17, 2024

Respectfully submitted,

By: s/ Christine Nestor

Christine Nestor, Esq.

Senior Trial Counsel

Florida Bar No. 597211

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Brian Lechich, Esq.

Trial Counsel

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ATTORNEYS FOR PLAINTIFF

SECURITIES AND EXCHANGE COMMISSION

801 Brickell Avenue, Suite 1950

Miami, Florida 33131

Telephone: (305) 982-6300

Facsimile: (305) 536-4154

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on September 17, 2024, I electronically filed the foregoing with the Clerk of Court by using the CM/ECF system, which will send a notice of electronic filing to counsel of record, or service will be by means denoted below, upon the below list of counsel.

By: s/ Christine Nestor
Christine Nestor

SERVICE LIST

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Via CM/ECF
Counsel for Defendants

EXHIBIT 1

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 1:23-cv-23723-RNS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**PRAGER METIS CPAs, LLC,
and PRAGER METIS CPAs LLP,**

Defendants.

CONSENT OF DEFENDANT PRAGER METIS CPAs, LLC TO FINAL JUDGMENT

1. Defendant Prager Metis CPAs, LLC (“Defendant”) acknowledges having been served with the complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the final Judgment in the form attached hereto (the “Final Judgment”) and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Defendant from violating, directly or indirectly, Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)] and Rule 17a-5(i) of the Securities Exchange Act of 1934 (“Exchange Act”) [17 C.F.R. § 240.17a-5(i)]; 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 [17 C.F.R. §§ 240.13a-1, 240.13a-

11, 240.13a-13, 240.15d-1, 240.15d-13, and 240.17a-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 [17 C.F.R. § 275.206(4)-2];

- (b) orders Defendant to pay disgorgement in the amount of \$172,728.19, plus prejudgment interest thereon in the amount of \$27,486.64, for a total of \$200,214.83; and
- (c) orders Defendant to pay a civil penalty in the amount of \$980,000, pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

3. Defendant agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including, but not limited to, payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

6. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the United States Securities and Exchange Commission (“Commission”) or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

7. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

8. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

10. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court’s entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory

organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that it shall not be permitted to contest the factual allegations of the complaint in this action.

11. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant does not deny the allegations; and (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii)

right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

12. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney’s fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

13. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

14. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: 8/26/2024

PRAGER METIS CPAs, LLC

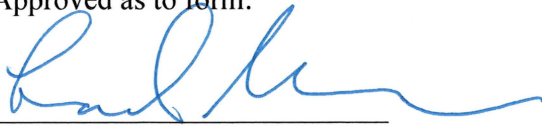
By: Lori A. Roth
Lori A. Roth
Global Managing Partner
14 Penn Plaza, Suite 1800
New York, NY 10122

On August 26, 2024, Lori A. Roth, a person known to me, personally appeared before me, and acknowledged executing the foregoing Consent with full authority to do so on behalf of Prager Metis CPAs, LLC as its Global Managing Partner.

Flora L. Peralta
Notary Public
Commission expires:

FLORA L. PERALTA
Notary Public, State of New York
No. 01PE5053131
Qualified in Kings County
Commission Expires February 18, 2026

Approved as to form:



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Attorneys for Defendant

EXHIBIT 2

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 1:23-cv-23723-RNS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**PRAGER METIS CPAs, LLC,
and PRAGER METIS CPAs LLP,**

Defendants.

CONSENT OF DEFENDANT PRAGER METIS CPAs LLP TO FINAL JUDGMENT

1. Defendant Prager Metis CPAs LLP (“Defendant”) acknowledges having been served with the complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the final Judgment in the form attached hereto (the “Final Judgment”) and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Defendant from violating, directly or indirectly, Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)], and from aiding and abetting violations of Sections 13(a) and 15(d) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78m(a) and 78o(d)] and Exchange Act Rules 13a-1, 13a-13, 15d-1, and 15d-13 [17 C.F.R. §§ 240.13a-1, 240.13a-13, 240.15d-1, and 240.15d-13];

- (b) orders Defendant to pay disgorgement in the amount of \$3,868.90, plus prejudgment interest thereon in the amount of \$916.27, for a total of \$4,785.17; and
- (c) orders Defendant to pay a civil penalty in the amount of \$20,000, pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

3. Defendant agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including, but not limited to, payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

6. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the United States Securities and Exchange Commission (“Commission”) or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

7. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

8. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

10. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant

understands that it shall not be permitted to contest the factual allegations of the complaint in this action.

11. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant does not deny the allegations; and (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

12. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses,

or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

13. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

14. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: 8/26/2024

PRAGER METIS CPAs LLP

By: Lori A. Roth
Lori A. Roth
14 Penn Plaza, Suite 1800
New York, NY 10122


On August 26, 2024, Lori A. Roth, a person known to me, personally appeared before me, and acknowledged executing the foregoing Consent with full authority to do so on behalf of Prager Metis CPAs LLP as its Global Managing Partner.

Flora L. Peralta
Notary Public
Commission expires:

FLORA L. PERALTA
Notary Public, State of New York
No. 01PE5053131
Qualified in Kings County
Commission Expires February 18, 2026



Approved as to form:



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Attorneys for Defendant

EXHIBIT 3

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 1:23-cv-23723-RNS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**PRAGER METIS CPAs, LLC,
and PRAGER METIS CPAs LLP,**

Defendants.

FINAL JUDGMENT AS TO DEFENDANT PRAGER METIS CPAs, LLC

The Securities and Exchange Commission (“SEC” or “Commission”) having filed a Complaint, and Defendant Prager Metis CPAs, LLC (“Defendant” or “Prager Metis LLC”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

PERMANENT INJUNCTIVE RELIEF

A.

Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)]

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)], by failing to be independent in accordance with Rule

2-01(b) of Regulation S-X [17 C.F.R. § 210.2-01(b)] and violating the accountant's reports provisions of Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)], by misstating as to audits included in accountant's reports (which certify financial statements and which Defendant provides to issuer clients who then make filings with the Commission that include or incorporate by reference those accountant's reports) that those audits the Defendant conducts on behalf of those issuer clients are conducted by an independent registered public accounting firm in accordance with the applicable professional standards.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

B.

Aiding and Abetting Any Violation of Section 13(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78m(a)] and Rules 13a-1, 13-a-11, and 13a-13 [17 C.F.R. §§ 240.13a-1, 240.13a-11, and 240.13a-13] thereunder

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 13a-1, 13a-11, and 13a-13 [17 C.F.R. §§ 240.13a-1, 240.13a-11, and 240.13a-13] thereunder, by failing to be independent in accordance with Rule 2-01(b) of Regulation S-X [17 C.F.R. § 210.2-01(b)] and by knowingly or recklessly providing substantial assistance to an issuer with securities registered under Section 12 of the Exchange Act [15 U.S.C. § 78l] that fails to file:

- i. accurate and complete annual reports with the Commission on Forms 10-K or 20-F that include financial statements audited and certified by an independent public

accountant, in violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rule 13a-1 [17 C.F.R. § 240.13a-1] thereunder;

- ii. accurate and complete current reports with the Commission on Forms 8-K (including if such forms include financial statements audited and certified by an independent public accountant), in violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rule 13a-11 [17 C.F.R. § 240.13a-11] thereunder; and
- iii. accurate and complete quarterly reports with the Commission on Forms 10-Q that include interim financial statements reviewed by an independent public accountant (which Rule 10-01(d) of Regulation S-X [17 C.F.R. § 210.10-01(d)] also requires the interim financial statements included in a Form 10-Q to be reviewed by an independent public accountant), in violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rule 13a-13 [17 C.F.R. § 240.13a-13] thereunder.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

C.

Aiding and Abetting Any Violation of Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] and Rules 15d-1 and 15d-13 [17 C.F.R. §§ 240.15d-1 and 240.15d-13] thereunder

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] and Rules 15d-1 and 15d-13 [17 C.F.R. §§ 240.15d-1 and 240.15d-13] thereunder, by failing to be independent in accordance with Rule

2-01(b) of Regulation S-X [17 C.F.R. § 210.2-01(b)] and by knowingly or recklessly providing substantial assistance to an issuer reporting under Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] either voluntarily or due to an effective registration statement under the Securities Act of 1933 (“Securities Act”) that fails to file:

- i. accurate and complete reports with the Commission, which are required by Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] for each class of securities covered by an effective registration statement under the Securities Act, including annual reports on Forms 10-K or 20-F that include financial statements audited and certified by an independent public accountant, in violation of Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)] and Rule 15d-1 [17 C.F.R. § 240.15d-1] thereunder; and
- ii. accurate and complete reports with the Commission, which are required by Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] for each class of securities covered by an effective registration statement under the Securities Act, including quarterly reports on Forms 10-Q that include interim financial statements reviewed by an independent public accountant (which Rule 10-01(d) of Regulation S-X [17 C.F.R. § 210.10-01(d)] also requires the interim financial statements included in a Form 10-Q to be reviewed by an independent public accountant), in violation of Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)] and Rule 15d-13 [17 C.F.R. § 240.15d-13] thereunder.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s

officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

D.

Exchange Act Rule 17a-5(i) [17 C.F.R. § 240.17a-5(i)]

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Exchange Act Rule 17a-5(i) [17 C.F.R. § 240.17a-5(i)], by failing to be independent in accordance with Rule 2-01(b) of Regulation S-X [17 C.F.R. § 210.2-01(b)] (as Exchange Act Rule 17a-5(f)(1) [17 C.F.R. § 240.17a-5(f)(1)] requires an independent public accountant to “be qualified and independent in accordance with” Rule 2-01 of Regulation S-X [17 C.F.R. § 210.2-01]) and violating the accountant’s reports provisions of Exchange Act Rule 17a-5 [17 C.F.R. § 240.17a-5], by misstating as to audits included in accountant’s reports (which certify the financial statements and which Defendant provides to registered broker-dealer clients who then make filings with the Commission that include or incorporate by reference those accountant’s reports) that those audits the Defendant conducts on behalf of those registered broker-dealer clients are conducted by an independent registered public accounting firm in accordance with the applicable professional standards.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

E.

Aiding and Abetting Violations of Section 17(a) of the Exchange Act [15 U.S.C. § 78q(a)] and Rule 17a-5 [17 C.F.R. § 240.17a-5] thereunder

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of Section 17(a) of the Exchange Act [15 U.S.C. § 78q(a)] and Rule 17a-5 [17 C.F.R. § 240.17a-5] thereunder, by failing to be independent in accordance with Rule 2-01(b) of Regulation S-X [17 C.F.R. § 210.2-01(b)] (as Exchange Act Rule 17a-5(f)(1) [17 C.F.R. § 240.17a-5(f)(1)] requires an independent public accountant to “be qualified and independent in accordance with” Rule 2-01 of Regulation S-X [17 C.F.R. § 210.2-01]) and by knowingly or recklessly providing substantial assistance to a registered broker-dealer that fails to file accurate and complete annual reports with the Commission containing financial statements audited and certified by an independent public accountant in accordance with applicable professional standards, in violation of Section 17(a) of the Exchange Act [15 U.S.C. § 78q(a)] and Rule 17a-5 [17 C.F.R. § 240.17a-5] thereunder.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

F.

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 Rule 206(4)-2 [17 C.F.R. § 275.206(4)-2] thereunder

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of

Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-2 [17 C.F.R. § 275.206(4)-2] thereunder, by failing to be independent in accordance with Rule 2-01(b) of Regulation S-X [17 C.F.R. § 210.2-01(b)] (as Advisers Act Rule 206(4)-2(d)(3) [17 C.F.R. § 275.206(4)-2(d)(3)] defines an independent public accountant as “a public accountant that meets the standards of independence described in rule 2-01(b) and (c) of Regulation S-X” [17 C.F.R. § 210.2-01(b) and (c)]) and by knowingly or recklessly providing substantial assistance to a registered investment adviser that fails to file accurate and complete Forms ADV-E with the Commission attaching surprise examination reports for examinations of client assets in the custody of an investment adviser, in violation of Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-2 [17 C.F.R. § 275.206(4)-2] thereunder, which require, among other things, that (i) client funds and securities be maintained with a qualified custodian, and (ii) those client funds and securities over which the investment adviser has custody be verified through an annual surprise examination by an independent public accountant.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

DISGORGEMENT, PREJUDGMENT INTEREST, AND CIVIL PENALTY

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$172,728.19, representing net profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$27,486.64. The

Court finds that sending the disgorged funds to the United States Treasury, as ordered below, is consistent with equitable principles. The Court further imposes a civil penalty in the amount of \$980,000, pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]. Defendant shall satisfy these obligations by paying \$1,180,214.83 to the Securities and Exchange Commission within 30 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Prager Metis CPAs, LLC as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by using all collection procedures authorized by law, including, but not limited to, moving for civil contempt at any time after 30 days following entry of this Final Judgment. The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the violation of any Court orders issued in this action.

Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

III.

INCORPORATION OF CONSENT

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

IV.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

DONE AND ORDERED, in Miami, Florida, on _____, 2024.

UNITED STATES DISTRICT JUDGE

Copies to:
Counsel of record

EXHIBIT 4

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 1:23-cv-23723-RNS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**PRAGER METIS CPAs, LLC,
and PRAGER METIS CPAs LLP,**

Defendants.

FINAL JUDGMENT AS TO DEFENDANT PRAGER METIS CPAs LLP

The Securities and Exchange Commission (“SEC” or “Commission”) having filed a Complaint, and Defendant Prager Metis CPAs LLP (“Defendant” or “Prager Metis LLP”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

PERMANENT INJUNCTIVE RELIEF

A.

Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)]

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)], by failing to be independent in accordance with Rule

2-01(b) of Regulation S-X [17 C.F.R. § 210.2-01(b)] and violating the accountant's reports provisions of Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)], by misstating as to audits included in accountant's reports (which certify financial statements and which Defendant provides to issuer clients who then make filings with the Commission that include or incorporate by reference those accountant's reports) that those audits the Defendant conducts on behalf of those issuer clients are conducted by an independent registered public accounting firm in accordance with the applicable professional standards.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

B.

Aiding and Abetting Any Violation of Section 13(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78m(a)] and Rules 13a-1 and 13a-13 [17 C.F.R. §§ 240.13a-1 and 240.13a-13] thereunder

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 13a-1 and 13a-13 [17 C.F.R. §§ 240.13a-1 and 240.13a-13] thereunder, by failing to be independent in accordance with Rule 2-01(b) of Regulation S-X [17 C.F.R. § 210.2-01(b)] and by knowingly or recklessly providing substantial assistance to an issuer with securities registered under Section 12 of the Exchange Act [15 U.S.C. § 78l] that fails to file:

- i. accurate and complete annual reports with the Commission on Forms 10-K or 20-F that include financial statements audited and certified by an independent public

accountant, in violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rule 13a-1 [17 C.F.R. § 240.13a-1] thereunder; and

- ii. accurate and complete quarterly reports with the Commission on Forms 10-Q that include interim financial statements reviewed by an independent public accountant (which Rule 10-01(d) of Regulation S-X [17 C.F.R. § 210.10-01(d)] also requires the interim financial statements included in a Form 10-Q to be reviewed by an independent public accountant), in violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rule 13a-13 [17 C.F.R. § 240.13a-13] thereunder.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

C.

Aiding and Abetting Any Violation of Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] and Rules 15d-1 and 15d-13 [17 C.F.R. §§ 240.15d-1 and 240.15d-13] thereunder

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)] and Rules 15d-1 and 15d-13 [17 C.F.R. §§ 240.15d-1 and 240.15d-13] thereunder, by failing to be independent in accordance with Rule 2-01(b) of Regulation S-X [17 C.F.R. § 210.2-01(b)] and by knowingly or recklessly providing substantial assistance to an issuer reporting under Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] either voluntarily or due to an effective registration statement under the Securities Act of 1933 ("Securities Act") that fails to file:

- i. accurate and complete reports with the Commission, which are required by Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] for each class of securities covered by an effective registration statement under the Securities Act, including annual reports on Forms 10-K or 20-F that include financial statements audited and certified by an independent public accountant, in violation of Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)] and Rule 15d-1 [17 C.F.R. § 240.15d-1] thereunder; and
- ii. accurate and complete reports with the Commission, which are required by Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] for each class of securities covered by an effective registration statement under the Securities Act, including quarterly reports on Forms 10-Q that include interim financial statements reviewed by an independent public accountant (which Rule 10-01(d) of Regulation S-X [17 C.F.R. § 210.10-01(d)] also requires the interim financial statements included in a Form 10-Q to be reviewed by an independent public accountant), in violation of Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)] and Rule 15d-13 [17 C.F.R. § 240.15d-13] thereunder.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

DISGORGEMENT, PREJUDGMENT INTEREST, AND CIVIL PENALTY

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$3,868.90, representing net profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$916.27. The Court finds that sending the disgorged funds to the United States Treasury, as ordered below, is consistent with equitable principles. The Court further imposes a civil penalty in the amount of \$20,000, pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy these obligations by paying \$24,785.17 to the Securities and Exchange Commission within 30 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Prager Metis CPAs LLP as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment,

Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by using all collection procedures authorized by law, including, but not limited to, moving for civil contempt at any time after 30 days following entry of this Final Judgment. The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the violation of any Court orders issued in this action.

Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

III.

INCORPORATION OF CONSENT

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

IV.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

DONE AND ORDERED, in Miami, Florida, on _____, 2024.

UNITED STATES DISTRICT JUDGE

Copies to:
Counsel of record