
ORDER INSTITUTING DISCIPLINARY
PROCEEDINGS, MAKING FINDINGS, AND
IMPOSING SANCTIONS

*In the Matter of Armando C. Ibarra, P.C.,
Armando C. Ibarra, Sr., and Armando C.
Ibarra, Jr.*

Respondents.

)
)
) PCAOB Release No. 2006-009
) PCAOB No. 105-2006-001

)
) December 19, 2006

Summary

By this Order, the Public Company Accounting Oversight Board ("Board" or "PCAOB") is revoking the registration of Armando C. Ibarra, P.C. (the "Ibarra Firm") and barring its two partners, Armando C. Ibarra, Sr. ("Ibarra Sr.") and Armando C. Ibarra, Jr. ("Ibarra Jr.") from being associated persons of a registered public accounting firm.^{1/} The Board is imposing these sanctions on the basis of its findings concerning the respondents' violations of PCAOB rules and auditing standards in auditing the financial statements of four issuer clients from 2003 to 2005.

I.

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, fair and independent audit reports, that disciplinary proceedings be, and hereby are, instituted pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002 ("Act") and PCAOB Rule 5200(a)(1) against the Ibarra Firm, Ibarra Sr. and Ibarra Jr. (collectively, "Respondents").

^{1/} The Ibarra Firm may reapply for registration after two (2) years from the date of this Order. Ibarra Sr. and Ibarra Jr. each may file a petition for Board consent to associate with a registered public accounting firm after two (2) years from the date of this Order.

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II.

In anticipation of institution of these proceedings, and pursuant to PCAOB Rule 5205, the Ibarra Firm, Ibarra Sr. and Ibarra Jr. have each submitted an Offer of Settlement ("Offers") that the Board has determined to accept. Solely for purposes of this proceeding and any other proceedings brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings herein, except as to the Board's jurisdiction over them and the subject matter of these proceedings, which is admitted, the Respondents each consent to entry of this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions ("Order") as set forth below.

III.

On the basis of Respondents' Offers and information obtained by the Board in this matter, the Board finds^{2/} that:

A. Respondents

1. The Ibarra Firm is an accounting firm incorporated in the state of California and licensed by the California Board of Accountancy (license no. 4318). The Ibarra Firm is registered with the Board pursuant to Section 102 of the Act and PCAOB Rules. Its office is located in Chula Vista, California.

2. Ibarra Sr., 66, of Chula Vista, California, is a certified public accountant licensed by the California Board of Accountancy (license no. 41710). He has been the principal shareholder of the Ibarra Firm at all times relevant to this matter. Ibarra Sr. is an associated person of the Ibarra Firm, as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i).

3. Ibarra Jr., 39, of Bonita, California, is a certified public accountant licensed by the California Board of Accountancy (license no. 68766). He joined the Ibarra Firm in

^{2/} The findings herein are made pursuant to the Respondents' Offers and are not binding on any other person or entity in this or any other proceeding. The sanctions that the Board is imposing in this Order may be imposed only if a respondent's conduct meets one of the conditions set out in Section 105(c)(5) of the Act, 15 U.S.C. § 7215(c)(5). The Board finds that Respondents' conduct described in this Order meets the condition set out in Section 105(c)(5)(A), which provides that such sanctions may be imposed in the event of "intentional or knowing conduct, including reckless conduct, that results in a violation of the applicable statutory, regulatory, or professional standard."

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1985 and was a shareholder of the firm at all times relevant to this matter. Ibarra Jr. is an associated person of the Ibarra Firm, as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i).

B. Respondents Violated PCAOB Auditing Standards

4. An auditor may express an unqualified opinion on an issuer's financial statements only when the auditor has formed such an opinion on the basis of an audit performed in accordance with PCAOB standards.^{3/} Among other things, those standards require that an auditor exercise due professional care, exercise professional skepticism, obtain sufficient competent evidential matter to afford a reasonable basis for an opinion regarding the financial statements, and prepare appropriate audit documentation.^{4/} In addition, those standards require an auditor to take appropriate actions to assess the importance of audit deficiencies identified after the date of the audit report to the auditor's present ability to support its previously expressed opinions.^{5/}

5. In connection with the audits of the fiscal year ("FY") 2003 financial statements of four issuer clients, Respondents failed to exercise due professional care, exercise professional skepticism, obtain sufficient competent evidential matter, and prepare appropriate audit documentation. In May 2004, through a PCAOB inspection, Respondents were notified in writing of various audit deficiencies relating to those audits. Respondents failed, however, to take appropriate actions to assess the importance of those deficiencies to Respondents' ability to support the previously expressed opinions on those financial statements. Moreover, Respondents' audit work on those issuers' FY 2004 financial statements, less than a year after the inspection, suffered from several of those same deficiencies. Specific instances of Respondents' conduct constituting violations of PCAOB standards are described below.

^{3/} See AU § 508.07, *Reports on Audited Financial Statements*.

^{4/} See AU § 150.02, *Generally Accepted Auditing Standards*; § 230, *Due Professional Care in the Performance of Work*; § 326, *Evidential Matter*; Auditing Standard ("AS") No. 3, *Audit Documentation*. (AS No. 3 is effective for audits of financial statements with respect to fiscal years ending on or after November 15, 2004, which includes some of the audits discussed in this Order. AU § 339, *Audit Documentation*, applied to audits of financial statements with respect to fiscal years ending before November 15, 2004.)

^{5/} See AU § 390, *Consideration of Omitted Procedures After the Report Date*; AU § 561, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*.

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FY 2003 and 2004 Audits of Triad Industries, Inc.

6. Triad Industries, Inc. (n/k/a Direct Equity International, Inc.) ("Triad") is a Nevada corporation with offices in Newbury Park, California. Its common stock is registered with the United States Securities and Exchange Commission ("Commission") under Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") and is dually quoted on the OTC Bulletin Board and the Pink Sheets. Triad's public filings disclose that at all times relevant to this matter it operated a merger and acquisition consulting business and various real estate ventures through wholly owned subsidiaries. At all relevant times, Triad was an issuer, as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

7. The Ibarra Firm was engaged as Triad's independent auditor from 2002 through 2006. The Ibarra Firm issued an audit report dated March 19, 2004, and included in Triad's Form 10-KSB filed with the Commission on March 26, 2004, in which it expressed an unqualified audit opinion on Triad's consolidated financial statements for FY 2003 and FY 2002. The Ibarra Firm subsequently issued an audit report dated March 22, 2004,^{6/} and included in Triad's Form 10-KSB filed with the Commission on March 31, 2005, in which it expressed an unqualified audit opinion on Triad's consolidated financial statements for FY 2004 and FY 2003. The Ibarra Firm's reports stated that the company's financial statements were fairly presented in all material respects in conformity with U.S. generally accepted accounting principles ("GAAP"). For the audits related to those audit reports, Ibarra Sr. was the engagement partner, and Ibarra Jr. served as the concurring review partner.

8. Although Triad's FY 2003 consolidated financial statements state that all "significant intercompany transactions have been eliminated,"^{7/} Triad's reported revenue of \$227,171 included \$90,000 of inter-company transactions that overstated the company's revenue on a consolidated basis by nearly 66% and its reported gross profit by approximately 600%. Triad's failure to eliminate those inter-company transactions

^{6/} The firm's audit report was misdated as 2004; it should have been dated as 2005.

^{7/} See Triad's Form 10-KSB , filed on March 26, 2004 at Note 2.

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from the financial statements constituted a departure from GAAP,^{8/} and Respondents should have identified and appropriately addressed that departure.^{9/}

9. In addition, although Triad reported accounts receivable of \$88,142, or approximately 10% of total assets, as of the end of FY 2003, Respondents did not confirm accounts receivable and did not document how they overcame the presumption that they would confirm accounts receivable.^{10/} Indeed, Respondents did not perform any procedures to audit accounts receivable aside from obtaining management representations.

10. The departures from PCAOB standards described in paragraphs 8 and 9 were brought to Respondents attention during a PCAOB inspection in May 2004. Respondents then separately violated other PCAOB standards by failing to take action to assess the importance of those points to their ability to support the previously expressed audit opinion on the FY 2003 financial statements.^{11/} Moreover, in performing their next audit of Triad's financial statements, less than a year after receiving the inspection feedback, Respondents again failed in precisely the same respects as they had failed in the earlier audit. Triad continued not to eliminate FY 2003's inter-company revenue transactions from the financial statements, and Respondents again failed to address Triad's continuing failure to eliminate inter-company revenue transactions from the FY 2003 financial statements. Respondents again performed no procedures concerning accounts receivable other than obtaining management representations. This failure was even more notable in this later audit, because, among other things, the Firm failed to

^{8/} See ARB No. 51 at ¶ 6, *Consolidated Financial Statements* (requiring elimination of inter-company balances and transactions in the preparation of consolidated financial statements).

^{9/} An auditor's opinion that an issuer's financial statements are presented in conformity with GAAP must be based on an audit performed in accordance with PCAOB standards. PCAOB standards require an auditor to perform audit procedures sufficient to evaluate the issuer's adherence to GAAP. This Order's description of audit failures relating to GAAP departures in an issuer's financial statements necessarily reflects the Board's judgment concerning the proper application of GAAP. Any such description of GAAP departures, however, should not be understood as an indication that the Commission has considered or made any determination concerning the issuer's compliance with GAAP.

^{10/} See AU § 330.34-35, *The Confirmation Process*.

^{11/} See AU § 390; AU § 561.

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evaluate the appropriateness of Triad's failure to record any bad debt expense even though many of the accounts that were 12 months overdue as of the end of FY 2003 remained unpaid and were 24 months overdue as of the end of FY 2004.^{12/}

11. The Ibarra Firm's March 19, 2004 audit report included a going concern explanatory paragraph that failed to use certain required language. PCAOB standards require the use of the phrase "substantial doubt about its (the entity's) ability to continue as a going concern" [or similar wording that includes the terms substantial doubt *and* going concern].^{13/} Despite this exact issue being identified for Respondents by PCAOB inspectors in May 2004, Respondents violated this PCAOB standard in the March 22, 2005 audit report, which stated that the "accompanying financial statements do not include any adjustments to the financial statements that might be necessary should the Company continue as a going concern." The going concern language was identical to that of the March 19, 2004 audit report and again failed to include the required language.

12. In connection with the audit of Triad's FY 2003 financial statements, Respondents also failed, in a number of instances, to prepare the required audit documentation.^{14/} For example, Respondents' work papers failed to document that Triad's FY 2003 audit was properly planned and supervised. The work papers do not document a discussion among engagement personnel regarding the risk of material misstatement due to fraud, which is required during an audit's planning stage.^{15/} In addition, there was no indication in the work papers that either Ibarra Sr., the engagement partner, or Ibarra Jr., the concurring review partner, reviewed the work papers for Triad's FY 2003 audit.

^{12/} A write-off, if appropriate, of Triad's entire FYE 2004 accounts receivable balance of \$61,566 would represent approximately 33% of FY 2004 reported net loss.

^{13/} AU § 341.12, *An Entity's Ability to Continue as a Going Concern*.

^{14/} During the relevant timeframe PCAOB standards required that, among other things, audit documentation be sufficient to: a) document that the work was adequately planned and supervised; b) enable other engagement team members to understand the nature, timing, extent, and results of procedures performed; c) indicate the engagement team members who performed and reviewed the work; and d) show that accounting records agree or reconcile with the financial statements. See AU § 339, *Audit Documentation*.

^{15/} AU § 316.83, *Consideration of Fraud in a Financial Statement Audit*.

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FY 2003 and 2004 Audit of Naturewell, Inc.

13. Naturewell, Inc. ("Naturewell") is a Delaware corporation with offices in San Diego, California. Its common stock is registered with the Commission under Section 12(g) of the Exchange Act and is dually quoted on the OTC Bulletin Board and the Pink Sheets. Naturewell's public filings disclose that it is engaged in the research and development of healthcare products. At all relevant times, Naturewell was an issuer, as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

14. The Ibarra Firm was engaged as Naturewell's independent auditor from 2002 through 2006. The Ibarra Firm issued an audit report dated October 15, 2003, and included in Naturewell's Form 10-KSB filed with the Commission on October 17, 2003, in which it expressed an unqualified audit opinion on Naturewell's consolidated financial statements for the years ended June 30, 2003 and 2002. The Ibarra Firm also issued an audit report dated September 22, 2004, and included in Naturewell's Form 10-KSB filed with the Commission on October 13, 2004, in which it expressed an unqualified audit opinion on Naturewell's consolidated financial statements for the years ended June 30, 2004 and 2003. The audit reports stated that the company's financial statements were fairly presented in all material respects in conformity with U.S. GAAP. For the audits related to those audit reports, Ibarra Jr. was the engagement partner, and Ibarra Sr. served as the concurring review partner.

15. Naturewell's consolidated balance sheet as of June 30, 2003, reported long-term liabilities of \$1,695,541, or approximately 35% of total liabilities. The footnotes to Naturewell's financial statements, however, disclosed that at least \$855,000, or approximately 50%, of the liabilities reported as long-term, were in fact due within one year of the June 30, 2003 balance sheet date and had not been renegotiated under long-term arrangements.^{16/} Under GAAP, those liabilities should have been reported as short-term liabilities.^{17/} Respondents should have identified and appropriately addressed this departure from GAAP.

16. In addition, Respondents failed to identify and address a departure from GAAP relating to Naturewell's valuation of inventory. GAAP requires inventory to be

^{16/} See Naturewell's Form 10-KSB, filed on October 17, 2003 at Notes K and L.

^{17/} See SFAS 78, *Classification of Obligations That Are Callable by the Creditor*, SFAS 6, *Classification of Short-Term Obligations Expected to Be Refinanced*.

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valued at the lower of cost or market value.^{18/} Naturewell's consolidated balance sheet as of June 30, 2004 reported inventory of \$356,973, or approximately 95% of total assets. Based on cost of goods actually sold during FY 2004, Naturewell's inventory balance represented approximately 22 years worth of sales, which should have increased Respondent's skepticism concerning the inventory's utility and stated value.^{19/} Instead, Respondents relied solely on management's representation of the valuation of inventory.

17. Respondents' failure to identify and address the issues described in paragraphs 15 and 16 was brought to Respondents' attention in May 2004 by PCAOB inspectors. Respondents then separately violated other PCAOB standards by failing to take action to assess the importance of those points to their ability to support the previously expressed audit opinion on the FY 2003 financial statements.^{20/} Moreover, in performing their next audit of Naturewell's financial statements, less than a year after receiving the inspection feedback, Respondents again failed to address Naturewell's FY 2003 classification of short-term debt as long-term in its FY 2004 financial statements.

18. Respondents also failed to prepare the required audit documentation while conducting their FY 2003 Naturewell audit.^{21/} Respondents' work papers failed to document, among other things, consideration of whether and how Naturewell's accounting records agreed or reconciled with its financial statements. For example, the work papers contain no documentation related to reconciliation of Naturewell's reported long-term debt and inventory to the company's related general ledger balances.

FY 2003 and FY 2004 Audit of California Clean Air, Inc.

19. California Clean Air, Inc. ("CCA") is a Nevada corporation with offices in Escondido, California. Its common stock is registered with the Commission under Section 12(g) of the Exchange Act. CCA's public filings disclose that it owns and operates test-only vehicle emissions inspection facilities. At all relevant times, CCA was

^{18/} ARB 43, ch. 4, ¶ 8 (a loss should be recognized whenever the utility of goods is impaired by damage, deterioration, obsolescence, changes in price levels, or other causes).

^{19/} Cost of Goods Sold used for this analysis represented \$16,189 derived as follows: \$195,559 reported Cost of Goods Sold less \$179,370 applicable to an inventory write-down as of March 31, 2004.

^{20/} See AU § 390; AU § 561.

^{21/} See supra note 14.

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an issuer, as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

20. The Ibarra Firm was engaged as CCA's independent auditor from 2004 through 2006. The Ibarra Firm issued an audit report dated March 31, 2004, and included in CCA's Form 10-KSB filed with the Commission on April 8, 2004, in which it expressed an unqualified audit opinion on CCA's consolidated financial statements for the years ended December 31, 2003 and 2002. The Ibarra Firm reissued its report dual dated June 22, 2004, and that dual-dated report was included in CCA's Form 10-KSB/A filed with the Commission on June 29, 2004. The Ibarra Firm again reissued its report dated July 14, 2004, and that reissued report was included in CCA's Form 10-KSB/A filed with the Commission on July 15, 2004. The Ibarra Firm subsequently issued an audit report dated March 4, 2005, and included in CCA's Form 10-KSB filed with the Commission on April 15, 2005, in which it expressed an unqualified audit opinion on CCA's consolidated financial statements for the years ended December 31, 2004 and 2003. Each of these audit reports stated that the company's financial statements were fairly presented in all material respects in conformity with U.S. GAAP. For the audits related to those audit reports, Ibarra Jr. was the engagement partner, and Ibarra Sr. served as the concurring review partner.

21. In its Form 10-KSB filed April 8, 2004, CCA disclosed that on August 21, 2003 it acquired all of the assets of a business for \$60,000, recording \$40,000 as equipment and \$20,000 as goodwill. As part of its FY 2003 audit, the Respondents performed no procedures to test whether the transaction was an asset purchase or a business combination. The Respondents also did not question CCA's recording of \$20,000, or approximately 20% of CCA's total assets, as goodwill, even though recording of goodwill in an asset purchase transaction is not consistent with GAAP.^{22/}

22. PCAOB standards require an auditor to obtain written representations from management concerning certain assertions.^{23/} Contrary to these standards, during CCA's FY 2003 audit the Respondents failed to obtain written representations from management concerning (i) management's belief that the financial statements are fairly presented in conformity with generally accepted accounting principles, (ii) management's acknowledgement of its responsibility for the design and implementation of programs and

^{22/} See SFAS 141, *Business Combinations*, at ¶¶ 3-8 and Appendix F: Glossary ("Goodwill—The excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed.").

^{23/} See AU § 333, *Management Representations*.

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controls to prevent and detect fraud, and (iii) plans or intentions that may affect the carrying value or classification of assets or liabilities.^{24/} Moreover, although the Respondents were alerted to this issue through the PCAOB inspection in May 2004, they subsequently failed again to obtain these written representations as part of the audit of CCA's FY 2004 financial statements.

FY 2003 and FY 2004 Audit of BoysToys.com, Inc.

23. BoysToys.com, Inc. ("BoysToys") is a Delaware corporation with offices in La Jolla, California. Its common stock is registered with the Commission under Section 12(g) of the Exchange Act and is dually quoted on the OTC Bulletin Board and the Pink Sheets. BoysToys' public filings disclose that before September 12, 2002 it owned and operated a nightclub in San Francisco, California, but currently is in bankruptcy and has no operations. At all relevant times, BoysToys was an issuer, as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

24. The Ibarra Firm was engaged as BoysToys' independent auditor from 2000 through 2006. The Ibarra Firm issued an audit report dated February 3, 2004, and included in BoysToys' Form 10-KSB filed with the Commission on March 30, 2004, in which it expressed an unqualified audit opinion on BoysToys' consolidated financial statements for the years ended December 31, 2003 and 2002. The Ibarra Firm reissued its audit report dual dated as of March 31, 2006, and that dual-dated report was included in BoysToys' FY 2003 Form 10-KSB/A filed with the Commission on April 14, 2006. The Ibarra Firm also issued an audit report dated February 8, 2005, and included in BoysToys' Form 10-KSB filed with the Commission on April 13, 2005, in which it expressed an unqualified audit opinion on BoysToys' consolidated financial statements for the years ended December 31, 2004 and 2003. The Ibarra Firm reissued its audit report dual dated March 31, 2006, and that dual-dated report was included in BoysToys' FY 2004 Form 10-KSB/A filed with the Commission on April 14, 2006. Each of these audit reports stated that the company's financial statements were fairly presented in all material respects in conformity with U.S. GAAP. For the audits related to those audit reports, Ibarra Jr. was the engagement partner, and Ibarra Sr. served as the concurring review partner.

25. BoysToys' public filings disclose that the bankruptcy Court entered an order of liquidation on October 6, 2002. Ibarra Jr. concluded that a going concern explanatory paragraph should be included in the audit report on BoysToys' FY 2003 financial statements. Respondents nevertheless, in violation of PCAOB standards, failed to

^{24/} See AU § 333.06 at ¶¶ b, h and k, *Management Representations*.

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include a going concern paragraph in the February 3, 2004 audit report.^{25/} Furthermore, Respondents also failed to include such disclosure in the February 8, 2005 audit report even though the company remained in bankruptcy.^{26/}

26. Respondents also failed to audit BoysToys' cash balances as of December 31, 2003 and 2004. The company initially reported a cash balance of \$687,971, representing approximately 95% of total assets, as of the end of FY 2003 and the end of FY 2004. Respondents' failed to test the cash balance or to search for unrecorded liabilities. In addition, Respondents expressed an unqualified audit opinion on BoysToys FY 2003 and 2004 financial statements even though those financial statements failed to classify the cash as restricted and Respondents knew that the cash was restricted.^{27/} In 2006, BoysToys restated both its FY 2003 and 2004 financial statements, reducing its cash balance as of both fiscal year ends by approximately 17% and classifying it as restricted.

27. Respondents also failed with respect to auditing BoysToys' statements of cash flows. In 2003, when it returned artwork to the original artist, BoysToys wrote off its investment in fine art as a charge to the income statement. No cash was exchanged as a result of this transaction. In its FY 2003 statement of cash flows, BoysToys reported \$25,320 of positive cash flow from investing activities related to the write off. The return of the fine art represented 100% of BoysToys' cash flows from investing activities and, as a noncash transaction, its classification as an investing activity is inconsistent with GAAP.^{28/} As a result of the PCAOB's May 2004 inspection, Respondents became aware of this departure from GAAP. Nevertheless, BoysToys' FY 2003 statement of cash flows, on which the Ibarra Firm expressed an unqualified opinion in a report dated February 8,

^{25/} See AU § 341.12, *An Entity's Ability to Continue as a Going Concern* ("If, after considering identified conditions and events and management's plans, the auditor concludes that substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time remains, the audit report should include an explanatory paragraph (following the opinion paragraph) to reflect that conclusion.").

^{26/} The Ibarra Firm in 2006 reissued its audit reports on BoysToys' FY 2003 and 2004 financial statements to include a going concern explanatory paragraph.

^{27/} See ARB 43, ch. 3, § A, ¶ 6 (current assets contemplates the exclusion of restricted cash).

^{28/} See SFAS 95, *Statement of Cash Flows*.

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2005, again inappropriately reported this transaction in its cash flows from investing activities.^{29/}

C. Respondents Violated PCAOB Rules

28. PCAOB Rule 3100 requires that a registered public accounting firm and its associated persons comply with all applicable auditing and related professional practice standards. That requirement encompasses a requirement to comply with the PCAOB's interim auditing standards as described in PCAOB Rule 3200T. Respondents' failure to comply with PCAOB auditing standards, as described above, violated PCAOB Rules 3100 and 3200T.

IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, fair, and independent audit reports, the Board determines it appropriate to impose the sanctions agreed to in Respondents' Offers. Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 105(c)(4)(A) of the Act and PCAOB Rule 5300(a)(1), Armando C. Ibarra, P.C.'s registration with the Board is revoked;
- B. After two (2) years from the date of this Order, Armando C. Ibarra, P.C. may reapply for registration by filing an application pursuant to PCAOB Rule 2101;
- C. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Armando C. Ibarra, Sr. is barred from being an associated person of a registered public accounting firm, as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i);
- D. After two (2) years from the date of this Order, Mr. Ibarra, Sr. may file a petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm;^{30/}

^{29/} BoysToys restated its statement of cash flows to correct this error in filings with the Commission in April 2006.

^{30/} In considering any such petition, the Board will assess all of the factors described in PCAOB Rule 5302(b) and, among other things, will give weight to whether Mr. Ibarra, Sr. has, in the period after the date of this Order, completed at least 200 hours

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- E. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Armando C. Ibarra, Jr. is barred from being an associated person of a registered public accounting firm, as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i); and
- F. After two (2) years from the date of this Order, Mr. Ibarra, Jr. may file a petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm.^{31/}

ISSUED BY THE BOARD,



J. Gordon Seymour
Secretary

December 19, 2006

(Cont'd)

of continuing professional education directly related to the audit of financial statements of issuers.

^{31/} In considering any such petition, the Board will assess all of the factors described in PCAOB Rule 5302(b) and, among other things, will give weight to whether Mr. Ibarra, Jr. has, in the period after the date of this Order, completed at least 200 hours of continuing professional education directly related to the audit of financial statements of issuers.