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ORDER INSTITUTING DISCIPLINARY  
PROCEEDINGS, MAKING FINDINGS AND  
IMPOSING SANCTIONS

*In the Matter of Breard & Associates, Inc.  
Certified Public Accountants and Kevin G.  
Breard, CPA,*

*Respondents.*

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) PCAOB Release No. 105-2018-018  
)  
) August 9, 2018  
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By this Order, the Public Company Accounting Oversight Board (the "Board" or "PCAOB") is censuring Breard & Associates, Inc. Certified Public Accountants ("Firm"), a registered public accounting firm, revoking the Firm's registration,<sup>1</sup> and imposing a civil money penalty in the amount of \$75,000 upon the Firm; and censuring Kevin G. Breard, CPA ("Breard") and barring him from being an associated person of a registered public accounting firm.<sup>2</sup> The Board is imposing these sanctions on the basis of its findings that the Firm and Breard (collectively "Respondents") repeatedly violated PCAOB rules and standards in connection with 135 audit and attestation engagements by the Firm of its broker-dealer clients for fiscal years 2014, 2015 and 2016.

I.

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

II.

In anticipation of institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondents have each submitted an Offer of Settlement ("Offers") that the Board has determined to accept. Solely for purposes of these proceedings and any

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<sup>1</sup> The Firm may reapply for registration after five (5) years from the date of this Order.

<sup>2</sup> Breard may file a petition for Board consent to associate with a registered public accounting firm after five (5) years from the date of this Order.

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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 are admitted, Respondents consent to entry of this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions ("Order") as set forth below.<sup>3</sup>

**III.**

On the basis of Respondents' Offers, the Board finds that:<sup>4</sup>

**A. Respondents**

1. Breard & Associates, Inc. Certified Public Accountants is, and at all relevant times was, a corporation organized under the laws of the state of California, and headquartered in Northridge, California. The Firm is registered with the Board pursuant to Section 102 of the Act and PCAOB rules. The Firm is licensed to practice by the California Board of Accountancy (License no. 3059) and holds licenses in several additional states.<sup>5</sup> At all relevant times, the Firm was the external auditor for each of the broker-dealers identified below.

2. Kevin G. Breard, CPA, age 59, is a certified public accountant licensed by the California Board of Accountancy (License no. 41061). Breard also holds licenses in several additional states.<sup>6</sup> Breard is the founder, managing partner, and principal

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<sup>3</sup> The findings herein are made pursuant to Respondents' Offers and are not binding on any other person or entity in this or any other proceeding.

<sup>4</sup> The Board finds that Respondents' conduct described in this Order meets the conditions set out in Section 105(c)(5) of the Act, 15 U.S.C. § 7215(c)(5), which provides that certain sanctions may be imposed in the event of (1) intentional or knowing conduct, including reckless conduct, that results in a violation of the applicable statutory, regulatory, or professional standard; or (2) repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

<sup>5</sup> The Firm is licensed in the following additional states: Oregon (License no. 2570); Washington (License no. 4971); Florida (License no. AD66919); Nevada (License no. Corp-0526); and New York (License no. 092356).

<sup>6</sup> Breard is licensed in the following additional states: Wisconsin (License no. 24338-001); Arizona (License no. 16482); Connecticut (License no. CPAL.0014708); Florida (License no. AC41844); Idaho (License no. CP-5463); Massachusetts (License no. 32160); Maryland (License no. 0041469); New Jersey (License no. 20CC03915900); Nevada (License no. CPA-4411R); New York (License no. 096658); Tennessee (License no. 21081); Texas (License no. 093988); Washington (License no. 25691); and Oregon (License no. 12260).

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shareholder of the Firm and was the engagement partner for each of the audits identified below. Breard is, and at all relevant times was, 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).

**B. Summary**

3. This matter concerns the Firm's repeated failure to comply with AS 1220, (formerly, Auditing Standard No. 7)<sup>7</sup>, *Engagement Quality Review*, with respect to 135 audit and attestation engagements for fiscal years 2014, 2015, and 2016. With respect to each of those broker-dealer audit and attestation engagements, the Firm failed to obtain an engagement quality review and concurring approval of issuance even though PCAOB standards required an engagement quality review be performed.

4. This matter also concerns Breard's direct and substantial contribution to the Firm's violations of PCAOB rules and standards concerning the requirements for engagement quality reviews. With respect to each of the audit and attestation engagements, Breard took or omitted to take actions knowing, or recklessly not knowing, that his actions and omissions would directly and substantially contribute to the Firm's violations of PCAOB rules and standards.

**C. The Firm Violated PCAOB Rules and Standards Relating to Engagement Quality Reviews**

5. In connection with the preparation or issuance of an audit report,<sup>8</sup> PCAOB rules require that a registered public accounting firm and its associated persons comply with all applicable auditing and related professional practice standards.<sup>9</sup>

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<sup>7</sup> All references to PCAOB rules and standards are to the versions of those rules and standards in effect at the time of the relevant audit and attestation engagements. As of December 31, 2016, the PCAOB reorganized its auditing standards using a topical structure and a single, integrated numbering system. See *Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Standards and Rules*, PCAOB Release No. 2015-002 (Mar. 31, 2015); see also *PCAOB Auditing Standards Reorganized and Pre-Reorganized Numbering* (January 2017).

<sup>8</sup> Rule 17a-5(d) of the Securities Exchange Act of 1934 ("Exchange Act"), 17 CFR § 240.17a-5(d), *Annual Filing of Audited Financial Statements*, requires every broker or dealer registered pursuant to Section 15 of the Exchange Act to file annually, a report audited by an independent public accountant. Each broker-dealer identified below is a "broker" or "dealer" as defined in Sections 110(3) and 110(4) of the Act and PCAOB Rules 1001(b)(iii) and 1001(d)(iii).

<sup>9</sup> PCAOB Rule 3100, *Compliance with Auditing and Related Professional Standards*.

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6. For audit engagements, reviews of interim financial information, and attestation engagements of broker-dealers for fiscal years ending on or after June 1, 2014, AS 1220 requires that an EQR be performed pursuant to PCAOB standards.<sup>10</sup> In addition, a firm may grant permission to a client to use an engagement report only after an engagement quality reviewer provides concurring approval of issuance.<sup>11</sup>

7. The Firm failed to obtain an engagement quality review for each of the 135 audit and attestation engagements set forth in the attached Appendix, even though PCAOB standards required an engagement quality review be performed. In each instance, the audit was of a "broker" and "dealer," as defined in Sections 110(3) and 110(4) of the Act and PCAOB Rules 1001(b)(iii) and 1001(d)(iii). And in each instance, the Firm improperly permitted the issuance of its unqualified audit report and examination or review report without obtaining an engagement quality review and concurring approval of issuance. As a result, the Firm repeatedly violated AS 1220.

**D. Breard Contributed to the Firm's Violations of PCAOB Rules and Standards**

8. PCAOB Rule 3502 prohibits an associated person of a registered public accounting firm from taking or omitting to take an action knowing or recklessly not knowing, that the act or omission would directly and substantially contribute to a violation by that firm of the Act, the rules of the Board, the provisions of the securities laws relating to the preparation and issuance of audit reports and the obligations and liabilities of accountants with respect thereto, including the rules of the Commission issued under the Act, or professional standards.

9. Breard was the principal owner of the Firm and the engagement partner for all of the audits identified below. For each audit engagement, Breard was responsible for ensuring that the Firm complied with PCAOB rules and standards. Breard knew that he was directly and substantially contributing to the Firm's violations of AS 1220, as described above. As a result, Breard violated PCAOB Rule 3502.

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<sup>10</sup> AS 1220.01.

<sup>11</sup> AS 1220.13, .18C.

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## IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, accurate, 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)(E) of the Act and PCAOB Rule 5300(a)(5), Breard and Associates, Inc. Certified Public Accountants, and Kevin G. Breard, CPA, are hereby censured;
- B. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Kevin G. Breard, CPA 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);<sup>12</sup>
- C. After five (5) years from the date of this Order, Kevin G. Breard, CPA may file a petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm;
- D. Pursuant to Section 105(c)(4)(A) of the Act and PCAOB Rule 5300(a)(1), the registration of Breard and Associates, Inc. Certified Public Accountants is revoked;
- E. After five (5) years from the date of this Order, Breard and Associates, Inc. Certified Public Accountants may reapply for registration by filing an application pursuant to PCAOB Rule 2101; and
- F. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of \$75,000 is imposed upon Breard and Associates, Inc. Certified Public Accountants. All funds collected by the Board as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act. Breard and Associates, Inc. Certified Public Accountants shall pay the civil money penalty within 10 days of the issuance of this Order by (1) wire transfer in

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<sup>12</sup> As a consequence of the bar, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Breard. Section 105(c)(7)(B) of the Act provides that "[i]t shall be unlawful for any person that is suspended or barred from being associated with a registered public accounting firm under this subsection willfully to become or remain associated with any issuer, broker, or dealer in an accountancy or a financial management capacity, and for any issuer, broker, or dealer that knew, or in the exercise of reasonable care should have known, of such suspension or bar, to permit such an association, without the consent of the Board or the Commission."

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accordance with instructions furnished by Board staff; or (2) United States Postal Service money order, bank money order, certified check, or bank cashier's check (a) made payable to the Public Company Accounting Oversight Board, (b) delivered to the Controller, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (c) submitted under a cover letter, which identifies the payor as a respondent in these proceedings, sets forth the title and PCAOB release number of these proceedings, and states that payment is made pursuant to this Order, a copy of which cover letter and money order or check shall be sent to Office of the Secretary, Attention: Phoebe W. Brown, Secretary, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

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Phoebe W. Brown  
Secretary

August 9, 2018

## Appendix

### Breard & Associates, Inc. Broker-Dealer Audits & Attestations Not Performed in Accordance with AS 1220 (formerly AS 7)

#	Broker-Dealer	Fiscal Year Ended	Reports Issued Without EQR	Engagement Partner <sup>1</sup>
1	Euro Pacific Capital, Inc.	June 30, 2014	Audit	K. Breard
2	Western Growers Financial Services, Inc.	June 30, 2014	Audit & Attestation	K. Breard
3	Conover Securities Corporation	August 31, 2014	Audit & Attestation	K. Breard
4	Lawson Financial Corporation	September 30, 2014	Audit & Attestation	K. Breard
5	Montrose Securities International	October 31, 2014	Audit	K. Breard
6	Investment Security Corporation	November 30, 2014	Audit	K. Breard
7	Ansley Securities, LLC	December 31, 2014	Audit	K. Breard
8	Aurora Capital LLC	December 31, 2014	Audit	K. Breard
9	Backstrom McCarley Berry & Co., LLC	December 31, 2014	Audit & Attestation	K. Breard
10	Blakeslee & Blakeslee Inc.	December 31, 2014	Audit & Attestation	K. Breard
11	C.A. Botzum & Co.	December 31, 2014	Audit & Attestation	K. Breard
12	CA Funds Group, Inc.	December 31, 2014	Audit & Attestation	K. Breard
13	Corporate Investments Group, Inc.	December 31, 2014	Audit & Attestation	K. Breard
14	Geneve International Corporation	December 31, 2014	Audit & Attestation	K. Breard
15	Glacier Point Capital LLC	December 31, 2014	Audit & Attestation	K. Breard
16	Greenbrier Diversified, Inc.	December 31, 2014	Audit & Attestation	K. Breard
17	Hollencrest Securities, LLC	December 31, 2014	Audit & Attestation	K. Breard
18	Hunter Wise Securities LLC	December 31, 2014	Audit & Attestation	K. Breard
19	KEMA Partners LLC	December 31, 2014	Audit & Attestation	K. Breard
20	Lakeshore Securities, LP	December 31, 2014	Audit	K. Breard
21	Mallory Capital Group, LLC	December 31, 2014	Audit & Attestation	K. Breard
22	MD Global Partners, LLC	December 31, 2014	Audit	K. Breard
23	Medalist Securities, Inc.	December 31, 2014	Audit & Attestation	K. Breard
24	Red Cedar Trading, LLC	December 31, 2014	Audit & Attestation	K. Breard
25	Securities Equity Group	December 31, 2014	Audit	K. Breard
26	Shareholders Service Group, Inc.	December 31, 2014	Audit	K. Breard
27	StockShield, LLC	December 31, 2014	Audit & Attestation	K. Breard
28	Vaquero Capital, LLC	December 31, 2014	Audit	K. Breard
29	Woodbridge Financial Group, LLC	December 31, 2014	Audit & Attestation	K. Breard
30	G. W. Sherwold Associates, Inc.	January 31, 2015	Audit & Attestation	K. Breard
31	Pflueger & Baerwald, Inc.	March 31, 2015	Audit & Attestation	K. Breard
32	Robert Blum Municipals, Inc.	March 31, 2015	Audit & Attestation	K. Breard
33	Thomas Capital Group, Inc.	March 31, 2015	Audit & Attestation	K. Breard
34	KCPAG Brokerage LLC	April 30, 2015	Audit & Attestation	K. Breard
35	Alliance Advisory & Securities, Inc.	June 30, 2015	Audit	K. Breard
36	James Fox Securities, Inc.	June 30, 2015	Audit & Attestation	K. Breard

<sup>1</sup> Mr. Breard also listed himself as the EQR for all of the audit and attestation engagements of the Firm identified in the Appendix.

#	Broker-Dealer	Fiscal Year Ended	Reports Issued Without EQR	Engagement Partner <sup>1</sup>
37	JCP Securities, Inc.	June 30, 2015	Audit & Attestation	K. Breard
38	Mutual Securities, Inc.	June 30, 2015	Audit & Attestation	K. Breard
39	Western Growers Financial Services, Inc.	June 30, 2015	Audit & Attestation	K. Breard
40	Conover Securities Corporation	August 31, 2015	Audit & Attestation	K. Breard
41	Infinity Securities, Inc.	September 30, 2015	Audit & Attestation	K. Breard
42	Lawson Financial Corporation	September 30, 2015	Audit & Attestation	K. Breard
43	McClurg Capital Corporation	September 30, 2015	Audit & Attestation	K. Breard
44	Pension Dynamics Securities Corporation	September 30, 2015	Audit & Attestation	K. Breard
45	Searle & Co.	September 30, 2015	Audit	K. Breard
46	Montrose Securities International	October 31, 2015	Audit	K. Breard
47	Rothschild Lieberman, LLC	October 31, 2015	Audit	K. Breard
48	Agency Desk, LLC	November 30, 2015	Audit	K. Breard
49	John W. Loofbourrow Associates, Inc.	November 30, 2015	Audit & Attestation	K. Breard
50	Aaron Capital Incorporated	December 31, 2015	Audit & Attestation	K. Breard
51	Ackrell Capital, LLC	December 31, 2015	Audit	K. Breard
52	Advisors Clearing Network	December 31, 2015	Audit	K. Breard
53	AFS Securities, LLC	December 31, 2015	Audit	K. Breard
54	American Medtech Equity Advisors, LLC	December 31, 2015	Audit	K. Breard
55	Argenthal & Co., Inc	December 31, 2015	Audit & Attestation	K. Breard
56	Atlantic State Partners, LLC	December 31, 2015	Audit	K. Breard
57	Aurora Capital LLC	December 31, 2015	Audit	K. Breard
58	Backstrom McCarley Berry & Co., LLC	December 31, 2015	Audit & Attestation	K. Breard
59	BIA Capital Strategies, LLC	December 31, 2015	Audit & Attestation	K. Breard
60	Blakeslee & Blakeslee Inc.	December 31, 2015	Audit & Attestation	K. Breard
61	Broker/Dealer, Inc.	December 31, 2015	Audit & Attestation	K. Breard
62	BMA Securities, LLC	December 31, 2015	Audit & Attestation	K. Breard
63	Brandis Tallman	December 31, 2015	Audit & Attestation	K. Breard
64	Butler Muni, LLC	December 31, 2015	Audit & Attestation	K. Breard
65	CA Funds Group, Inc.	December 31, 2015	Audit & Attestation	K. Breard
66	Capital Research Brokerage Services, LLC	December 31, 2015	Audit & Attestation	K. Breard
67	Champlain Advisors, LLC	December 31, 2015	Audit	K. Breard
68	Clarkeson Research Inc.	December 31, 2015	Audit & Attestation	K. Breard
69	Con Am Securities, Inc.	December 31, 2015	Audit & Attestation	K. Breard
70	Coombe Financial Services, Inc.	December 31, 2015	Audit & Attestation	K. Breard
71	Crest Capital LLC	December 31, 2015	Audit & Attestation	K. Breard
72	Dorn & Co., Inc.	December 31, 2015	Audit & Attestation	K. Breard
73	E A Markets Securities LLC	December 31, 2015	Audit	K. Breard
74	E1 Asset Management, Inc.	December 31, 2015	Audit	K. Breard
75	Equilibrium Capital Services, LLC	December 31, 2015	Audit & Attestation	K. Breard
76	Financial Goal Securities, Inc.	December 31, 2015	Audit & Attestation	K. Breard
77	First Liberties Securities, Inc.	December 31, 2015	Audit	K. Breard
78	FMV Capital Markets, LLC	December 31, 2015	Audit & Attestation	K. Breard
79	FundMe Securities, LLC	December 31, 2015	Audit	K. Breard
80	Fusion Analytics Securities LLC	December 31, 2015	Audit	K. Breard

#	Broker-Dealer	Fiscal Year Ended	Reports Issued Without EQR	Engagement Partner <sup>1</sup>
81	Geneve International Corporation	December 31, 2015	Audit & Attestation	K. Breard
82	Global Wine Partners (U.S.) LLC	December 31, 2015	Audit & Attestation	K. Breard
83	Greenbrier Diversified, Inc.	December 31, 2015	Audit & Attestation	K. Breard
84	Griffinst Asia Securities, LLC	December 31, 2015	Audit	K. Breard
85	Hankerson Financial, Inc.	December 31, 2015	Audit & Attestation	K. Breard
86	Hodin Associates, Inc.	December 31, 2015	Audit & Attestation	K. Breard
87	Hollencrest Securities, LLC	December 31, 2015	Audit	K. Breard
88	Innovation Capital, LLC	December 31, 2015	Audit & Attestation	K. Breard
89	Investment Visa Consultants, LLC	December 31, 2015	Audit & Attestation	K. Breard
90	KEMA Partners LLC	December 31, 2015	Audit & Attestation	K. Breard
91	Lakeshore Securities, LP	December 31, 2015	Audit	K. Breard
92	Lam Securities Investments, Inc.	December 31, 2015	Audit & Attestation	K. Breard
93	MAA - Mentor Alternative Advisors LLC	December 31, 2015	Audit & Attestation	K. Breard
94	Mallory Capital Group, LLC	December 31, 2015	Audit & Attestation	K. Breard
95	McCafferty & Company, LLC	December 31, 2015	Audit & Attestation	K. Breard
96	MD Global Partners, LLC	December 31, 2015	Audit	K. Breard
97	Meyers Associates, LP	December 31, 2015	Audit	K. Breard
98	NHCohen Capital LLC	December 31, 2015	Audit & Attestation	K. Breard
99	Opening Night Capital, LLC	December 31, 2015	Audit & Attestation	K. Breard
100	Private Placement Insurance Products, LLC	December 31, 2015	Audit & Attestation	K. Breard
101	Pursuit Partners LLC	December 31, 2015	Audit	K. Breard
102	R H Investment Corporation	December 31, 2015	Audit & Attestation	K. Breard
103	RMK Maritime Capital, LLC	December 31, 2015	Audit & Attestation	K. Breard
104	Robinhood Financial, LLC	December 31, 2015	Audit	K. Breard
105	RP Capital LLC	December 31, 2015	Audit & Attestation	K. Breard
106	Sanderlin Securities, LLC	December 31, 2015	Audit & Attestation	K. Breard
107	Schlitt Investor Services, Inc.	December 31, 2015	Audit	K. Breard
108	Securities Equity Group	December 31, 2015	Audit & Attestation	K. Breard
109	Silver Portal Capital LLC	December 31, 2015	Audit & Attestation	K. Breard
110	SpiderRock EXS, LLC	December 31, 2015	Audit	K. Breard
111	Stacey Braun Financial Services, Inc.	December 31, 2015	Audit & Attestation	K. Breard
112	Sterling Monroe Securities, LLC	December 31, 2015	Audit & Attestation	K. Breard
113	StockShield, LLC	December 31, 2015	Audit & Attestation	K. Breard
114	Synergy Advisors Group, LLC	December 31, 2015	Audit	K. Breard
115	Time Equities Securities, LLC	December 31, 2015	Audit & Attestation	K. Breard
116	TKG Financial, LLC	December 31, 2015	Audit & Attestation	K. Breard
117	Transactiondrivers, LLC	December 31, 2015	Audit	K. Breard
118	Vaquero Capital, LLC	December 31, 2015	Audit	K. Breard
119	Veber Partners LLC	December 31, 2015	Audit & Attestation	K. Breard
120	Vista Point Advisors, LLC	December 31, 2015	Attestation	K. Breard
121	Waveland Capital	December 31, 2015	Audit & Attestation	K. Breard
122	Waypoint Direct Investments, LLC	December 31, 2015	Audit & Attestation	K. Breard
123	Westfield Investment Group, Inc.	December 31, 2015	Audit & Attestation	K. Breard
124	Woodbridge Financial	December 31, 2015	Audit & Attestation	K. Breard
125	Wulff, Hansen & Co.	December 31, 2015	Audit	K. Breard
126	Wyche Securities, Inc.	December 31, 2015	Audit	K. Breard
127	Zimbalist Smith Investments, LLC	December 31, 2015	Audit & Attestation	K. Breard

#	Broker-Dealer	Fiscal Year Ended	Reports Issued Without EQR	Engagement Partner <sup>1</sup>
128	G. W. Sherwold Associates, Inc.	January 31, 2016	Audit & Attestation	K. Breard
129	Pflueger & Baerwald, Inc.	March 31, 2016	Audit	K. Breard
130	Thomas Capital Group, Inc.	March 31, 2016	Audit & Attestation	K. Breard
131	KCPAG Brokerage LLC	April 30, 2016	Audit & Attestation	K. Breard
132	Edgemont Capital Partners, LP	June 30, 2016	Audit	K. Breard
133	Modern Equity Services, LLC	June 30, 2016	Audit & Attestation	K. Breard
134	Sanderlin Securities, LLC	December 31, 2016	Audit & Attestation	K. Breard
135	Union Gaming Securities, LLC	December 31, 2016	Audit	K. Breard