

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11267 / January 18, 2024

SECURITIES EXCHANGE ACT OF 1934
Release No. 99384 / January 18, 2024

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4483 / January 18, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21831

In the Matter of

Edward F. Hackert, CPA,

Respondent.

**CORRECTED ORDER INSTITUTING
ADMINISTRATIVE AND CEASE- AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933, SECTIONS 4C AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934,
AND RULE 102(e) OF THE COMMISSION’S
RULES OF PRACTICE, AND NOTICE OF
HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant Section 8A of the Securities Act of 1933 (“Securities Act”), Sections 4C¹ and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice² against Edward F. Hackert (“Respondent” or “Hackert”).

¹ Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (1) not to possess the requisite qualifications to represent others; (2) to be lacking in character or integrity, or to have engaged in unethical or improper professional conduct; or (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations issued thereunder.

² Rule 102(e)(1)(ii) provides, in relevant part, that “the Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found . . . to have engaged in unethical or improper professional conduct.”

II.

After an investigation, the Division of Enforcement alleges the following:

SUMMARY

1. Edward F. Hackert, a certified public accountant (“CPA”), engaged in improper professional conduct, within the meaning of Section 4C of the Exchange Act and Rule 102(e) of the Commission’s Rules of Practice, due to his numerous violations of the Public Company Accounting Oversight Board’s (“PCAOB”) auditing standards relating to, among other things, audit supervision and audit documentation.

2. From approximately July 2006 to the present, Hackert worked as an engagement partner at the public accounting firm Marcum LLP (“Marcum”). As an engagement partner, Hackert was responsible for the Marcum audit engagements to which he was assigned, including proper supervision of the engagement team and compliance with PCAOB auditing standards. During his time as an engagement partner, Hackert was responsible for hundreds of audits.

3. Under PCAOB auditing standards, the date on which an audit firm grants permission to use its audit report in connection with the issuance of its client’s financial statements is called the “report release date.” Before releasing the audit report (on the report release date), the auditor must perform necessary audit procedures and conclude that sufficient evidence has been obtained to support the representations in the audit report. Then, once the audit report is released, the auditor’s client includes the audit report in its filing(s) with the Commission and those filings become public and available to investors.

4. From 2012 through 2022 (the “relevant period”), Hackert failed to properly supervise numerous audit engagements and to ensure that the engagements were performed in compliance with PCAOB auditing standards. Among other things, Hackert repeatedly failed to review the work of the engagement team members and to document that review prior to the report release date.

5. During the relevant period, Hackert served as the engagement partner for at least 240 audits of public companies, and he approved the release of Marcum’s audit reports for those audits. Those audits included 88 audits of operating public companies and 152 audits of special purpose acquisition companies (“SPACs”). For 204 of those audit engagements (or approximately 85%), Hackert failed to supervise the work of the engagement team as shown by, among other things, Hackert’s failure to review the work of the engagement team and to document his review by the report release date.

6. Under PCAOB auditing standards, the auditor should assemble a complete and final set of audit documentation for retention by 45 days after the report release date, which is called the “documentation completion date.”

7. During the relevant period, Hackert repeatedly failed to assemble complete and final audit documentation by the documentation completion date. For 126 of the audit engagements during the relevant period (or approximately 53%), Hackert failed to ensure that a complete and final set of audit documentation was assembled by the documentation completion date.

8. Proper audit documentation in accordance with the PCAOB auditing standards is not merely a technical requirement. It is essential to demonstrate that the required audit work was performed and reviewed by the report release date, and to support the conclusions reached by the auditor and the representations contained in the audit report. As Marcum’s internal training slides instructed its auditors in August 2021: “If you didn’t document it, you didn’t do it!”³

9. Hackert’s failure to properly supervise audit engagements and to review the work of his engagement team members resulted in multiple deficient audits. As explained below, those failures independently violated PCAOB auditing standards.

10. Through his conduct described herein, Hackert engaged in improper professional conduct within the meaning of Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission’s Rules of Practice by engaging in repeated instances of unreasonable conduct, each resulting in violation of applicable professional standards. In connection with each of the audit engagements described herein on which Hackert failed to comply with applicable PCAOB auditing standards, he acted negligently, unreasonably, and without due professional care.

11. In October 2021, in a video presentation for Marcum personnel, Hackert admitted that Marcum’s audit work fell short of the PCAOB auditing standards, stating: “the standard of how we carry out our work, and document it, according to the auditing standards, . . . *we’re still coming up short.*” (Emphasis added.)

12. Hackert’s conduct also caused Marcum to repeatedly violate Rule 2-02(b)(1) of Regulation S-X.⁴ In connection with each of the audits described herein, Marcum issued an audit report stating that the audit was performed in accordance with PCAOB auditing standards. In fact, due to Hackert’s actions, those audits were *not* performed in accordance with PCAOB standards. Marcum therefore violated Rule 2-02(b)(1) of Regulation S-X. Hackert caused Marcum’s violations of Rule 2-02(b)(1) because his actions as the engagement partner contributed to Marcum’s violations and Hackert knew or should have known that his conduct would contribute to a violation.

³ Similarly, the PCAOB has stated that “if audit documentation does not exist for a particular procedure or conclusion related to a significant matter, its absence casts doubt as to whether the necessary work was done.” *Audit Documentation and Amendment to Interim Auditing Standards*, PCAOB Release No. 2004-006 at 3 (June 9, 2004).

⁴ Marcum is not a respondent in this proceeding. The Commission brought a separate proceeding against Marcum. *See infra* ¶ 14.

RESPONDENT

13. Hackert, age 62, resides in East Meadow, New York. From approximately July 2006 to the present, Hackert has been an engagement partner at Marcum. From June 2004 through July 2006, Hackert was a senior manager at Marcum. Hackert is licensed as a CPA in the State of New York.

OTHER RELEVANT ENTITIES

14. Marcum, a New York limited liability partnership headquartered in New York, New York, is a public accounting firm in the United States. Marcum has more than 40 offices in cities across the United States and additional offices in other countries. Marcum has been registered with the PCAOB since October 2003. In June 2023, the Commission charged Marcum with systemic quality control failures and violations of audit standards in connection with audit work for hundreds of SPAC clients. *See In the Matter of Marcum LLP*, Exchange Act Rel. No. 97773 (June 21, 2023).

15. Ault Alliance, Inc. (“AAI”) is a Delaware corporation with its principal place of business in Las Vegas, Nevada.⁵ AAI is a holding company that, since 2016, has engaged in operating businesses that include, among others, power products and systems, digital asset mining of Bitcoin, the manufacture and sale of textile technology machinery, and commercial lending. AAI’s stock is registered under Section 12(b) of the Exchange Act, and its common stock trades on NYSE American. Marcum issued audit reports for AAI from 2016 to the present. Hackert served as the engagement partner on audits of AAI from 2016 through 2020. In August 2023, the Commission charged AAI for financial disclosure failures, improper accounting, and reporting, internal controls, and books and records violations from 2017 through 2023. *See In the Matter of Ault Alliance, Inc., et al.*, Exchange Act Rel. No. 98131 (August 15, 2023).

16. Avalanche International Corp. (“Avalanche”), a holding company, is a Nevada corporation with its principal place of business in Las Vegas, Nevada. AAI has disclosed Avalanche as a related party since 2017. AAI invested over \$17 million in Avalanche from 2016 to 2021. In June 2022, AAI acquired over 90% of Avalanche’s stock and began consolidating Avalanche’s financial results with AAI’s results. Avalanche’s common stock was publicly traded until September 2021.

⁵ AAI has had several different names: AAI (from January 3, 2023, to present); BitNile Holdings, Inc. (from December 13, 2021, to January 2, 2023); Ault Global Holdings, Inc. (January 19, 2021, to December 12, 2021); DPW Holdings, Inc. (September 19, 2017, to January 18, 2021); and Digital Power Corporation (prior to September 19, 2017).

FACTS

Relevant PCAOB Auditing Standards

17. The PCAOB was created as part of the Sarbanes-Oxley Act of 2002. The PCAOB oversees audits of public companies that are subject to the securities laws in order to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports. The PCAOB established Auditing Standards (“AS”) for registered public accounting firms to follow in the preparation of audit reports for public companies, other issuers, and broker-dealers. Certain of the standards relevant to this proceeding are summarized below.⁶

Due Professional Care

18. Due professional care is to be exercised in the planning and performance of an audit and preparation of the audit report. AS 1015.01. Due professional care requires an auditor to exercise “professional skepticism,” which includes “a questioning mind and a critical assessment of audit evidence.” AS 1015.07. Negligent conduct by an auditor violates the duty of due care. *See* AS 1015.03.

19. The engagement partner should know, at a minimum, the relevant professional accounting and auditing standards and should be knowledgeable about the client. The engagement partner is responsible for the assignment of tasks to, and supervision of, members of the engagement team. AS 1015.06.

Supervision of the Audit

20. The audit engagement partner is responsible for the audit engagement and its performance. The engagement partner is thus responsible for, among other things, proper supervision of the work of the engagement team and compliance with PCAOB standards, including standards regarding using the work of specialists. AS 1201.03.

21. In supervising an audit, the engagement partner should, among other things, (a) inform engagement team members of their responsibilities; (b) direct engagement team members to bring significant accounting and auditing issues to the attention of the engagement partner or other supervisors; and (c) review the work of the engagement team members. AS 1201.05. The engagement partner should review the work of the engagement team to evaluate whether (1) the work was performed and documented; (2) the objectives of the procedures were achieved; and (3) the results of the work support the conclusions reached. AS 1201.05.c.

⁶ PCAOB Rule 3101 discusses the meaning of certain terms used in the PCAOB auditing standards. The rule provides that the words “must,” “shall,” and “is required” indicate unconditional responsibilities. The word “should” indicates responsibilities that are presumptively mandatory. Additionally, under Rule 3101(a)(2) the “[f]ailure to discharge a presumptively mandatory responsibility is a violation of the relevant standard . . . unless the auditor demonstrates that, in the circumstances, compliance with the specified responsibility was not necessary to achieve the objectives of the standard.”

22. While the engagement partner may seek assistance from appropriate engagement team members, the engagement partner's supervision of the audit work cannot be eliminated and "higher risk areas of the audit require more supervisory attention from the engagement partner." *Auditing Standards Related to the Auditor's Assessment of and Response to Risk and Related Amendments to PCAOB Standards*, PCAOB Release No. 2010-004 at A10-17 to A10-18 (Aug. 5, 2010).

Audit Documentation

23. Audit documentation (the "work papers") provides the written record of the basis for the auditor's conclusions. Audit documentation also facilitates the planning, performance, and supervision of the audit engagement. AS 1215.02.

24. An auditor must prepare audit documentation in connection with each audit engagement conducted pursuant to PCAOB auditing standards. AS 1215.04. The audit documentation should demonstrate, among other things, that the engagement complied with the standards of the PCAOB. AS 1215.05.a.

25. "Audit documentation must clearly demonstrate that the work was in fact performed." AS 1215.06. Further, "[a]udit documentation must contain sufficient information to enable an experienced auditor, having no previous connection with the engagement" to determine (1) who performed the work, (2) the date such work was completed, (3) who reviewed the work, and (4) the date of such review. AS 1215.06.b.

26. "Oral explanation alone does not constitute persuasive other evidence, but it may be used to clarify other written evidence." AS 1215.09.

27. Before the report release date, the auditor must complete all necessary audit procedures and obtain sufficient evidence to support the representations in the auditor's report. AS 1215.15. Additionally, a "complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the report release date" – *i.e.*, by the documentation completion date. *Id.*

28. Audit documentation must not be deleted or discarded after the documentation completion date. AS 1215.16. Any documentation added after the documentation completion date must indicate (1) the date the information was added, (2) the name of the person who prepared the additional documentation, and (3) the reason for adding it. *Id.*

29. "Documentation added to the working papers well after completion of the audit or other engagement is likely to be of a lesser quality than that produced contemporaneously when the procedures were performed. It is very difficult to reconstruct and recall specific activities related to gathering audit evidence months, and perhaps years, after the work was actually performed." PCAOB Release No. 2004-006 at 7.

Training and Proficiency

30. An auditor must study, understand, and apply new pronouncements on accounting principles and auditing procedures as they are developed by authoritative bodies within the accounting profession. AS 1010.04.

Audit Evidence

31. An auditor must plan and perform audit procedures to obtain sufficient appropriate audit evidence to provide a reasonable basis for the auditor's opinion. AS 1105.04. And appropriate audit evidence "must be both relevant and reliable in providing support for the conclusions on which the auditor's opinion is based." AS 1105.06.

32. When using information produced by an audited company as audit evidence, an auditor should evaluate whether the information is sufficient and appropriate for purposes of the audit by performing procedures to: "[t]est the accuracy and completeness of the information, or test the controls over the accuracy and completeness of that information; and [e]valuate whether the information is sufficiently precise and detailed for purposes of the audit." AS 1105.10.

Evaluating Audit Results

33. When evaluating the results of the audit, the auditor should evaluate whether the accumulated results of auditing procedures and other observations affect the assessment of the fraud risks made throughout the audit and whether the audit procedures need to be modified to respond to those risks. AS 2810.28.

Audit Sampling

34. When an auditor is unable to examine samples that have been chosen for testing, the auditor "should evaluate whether the reasons for his or her inability to examine the items have (a) implications in relation to his or her risk assessments (including the assessment of fraud risk), (b) implications regarding the integrity of management or employees, and (c) possible effects on other aspects of the audit." AS 2315.25.

Consideration of Fraud

35. An auditor must exercise professional skepticism when considering fraud risks and "conduct the engagement with a mindset that recognizes the possibility that a material misstatement due to fraud could be present, regardless of any past experience with the entity and regardless of the auditor's belief about management's honesty and integrity In exercising professional skepticism in gathering and evaluating evidence, the auditor should not be satisfied with less-than-persuasive evidence because of a belief that management is honest." AS 2401.13.

36. Further, “[w]henver the auditor has determined that there is evidence that fraud may exist, that matter should be brought to the attention of an appropriate level of management. This is appropriate even if the matter might be considered inconsequential.” AS 2401.79. Fraud involving senior management should be reported directly to the audit committee in a timely manner and prior to issuance of the auditor’s report. *Id.*

Use of Specialists

37. If using a specialist engaged by the auditor’s firm, the auditor should (a) obtain an understanding of the methods and assumptions used by the specialist, (b) make appropriate tests of data provided to the specialist, taking into account the auditor’s assessment of control risk, and (c) evaluate whether the specialist’s findings support the related assertions in the financial statements. AS 1210.12.

Auditing Estimates

38. In evaluating reasonableness, the auditor should obtain an understanding of how management developed an estimate. Based on that understanding, the auditor should use one or a combination of the following approaches: (a) review and test the process used by management to develop the estimate; (b) develop an independent expectation of the estimate to corroborate the reasonableness of management’s estimate; and/or (c) review subsequent events or transactions occurring prior to the date of the auditor’s report. AS 2501.10.

Hackert Failed to Properly Supervise and Document Audits

39. In the accounting industry, the generally accepted method for engagement partners to document their supervision of an audit in compliance with the PCAOB auditing standards, and their review of the work performed by engagement team members, is by signing and dating (or “signing off”) on work papers when they perform or review work. Historically, sign offs occurred on hard copies of work papers but, in recent years, many audit firms, including Marcum, moved to electronic sign offs. Whether a sign off occurs in hard copy or electronic form, it provides evidence of who performed or reviewed audit work and the date on which such work or review occurred. By signing off on work papers, an engagement partner documents his or her supervision of the audit.

40. During the relevant period, Hackert failed to appropriately supervise audits for which he was the engagement partner by (a) failing to review the work of the engagement team members and to document that review prior to the report release date, and/or (b) failing to ensure that audit documentation was assembled for retention by the documentation completion date. Hackert’s conduct demonstrated a lack of due professional care and resulted in deficiencies in some of the audit work performed.

41. As noted above, during the relevant period, Hackert served as the engagement partner for at least 240 audits, which included 88 audits of operating public companies and 152 audits of SPACs.

42. As the engagement partner, Hackert was responsible for sending (or authorizing a member of the engagement team to send) an email authorizing Marcum's audit report to be filed with the Commission by the relevant issuer. The email authorizations contained a representation that the audits were conducted in accordance with PCAOB standards. But because of his actions on the audits, Hackert knew or should have known that those representations were not accurate.

43. Marcum issued audit reports in connection with each of the audits referenced herein, and each of the audit reports stated that the audits were performed in accordance with PCAOB auditing standards. In fact, because of Hackert's actions, the audits were not performed in accordance with PCAOB standards. Nevertheless, Marcum's clients included Marcum's audit reports in their filings with the Commission, including, among others, Forms 10-K and S-1.

44. Hackert repeatedly failed to review the work of the engagement team members and to document that review prior to the report release date. In 204 of the 240 audits on which Hackert was the engagement partner during the relevant period (or about 85%), Hackert did not review significant portions of the audit work performed or conclusions reached prior to the report release date.

45. For two audit engagements, the audit of Operating Company 14 for 2015 and the audit of Operating Company 18 for 2016, Hackert did not review and sign off on any work papers containing substantive audit work by the engagement team.⁷

46. In 2017, in response to findings made by the PCAOB after an inspection, Marcum changed its policy to require engagement partners and engagement quality review ("EQR") partners to sign off on certain specific work papers in every audit binder, as well as work papers related to other significant risk areas. This policy became effective for audits with fiscal years ended December 31, 2016, or later.

47. But even after Marcum's policy changed, Hackert's review and sign off practices did not improve. In at least 14 audit engagements to which this policy applied, Hackert failed to review the work of the engagement team on significant audit areas and key work papers and to evidence his review before the report release date.

48. For example, in the audit of Operating Company 12 for 2017, the engagement team identified related party transactions as an area of the audit that had significant and fraud risks. Nevertheless, for the related party section of the audit, Hackert did not review the work of the engagement team and evidence his review prior to the report release date.

49. Likewise, in the audit of Operating Company 22 for 2017, Hackert did not review the work of the engagement team and evidence his review prior to the report release date on the Risk Assessment Summary Form, a key document requiring an engagement

⁷ Except for AAI, the relevant issuers that Hackert and Marcum audited – both operating companies and SPACs – have been anonymized herein and in the attached Appendices A and B.

partner signature under Marcum policy. Hackert also failed to review the work of the engagement team and evidence his review prior to the report release date on significant risk areas in the audit identified by the engagement team, including accounts receivable and sales and inventory and cost of sales. In the same engagement, Hackert did not review the work of the engagement team and evidence his review on the Summary of Unadjusted Misstatements (“SUAM”), a key audit document that requires an engagement partner sign off under Marcum policy and that should be included as part of the auditor’s evaluation of audit results in accordance with PCAOB auditing standards.

50. In the AAI 2018 audit engagement, Hackert failed to review the work of the engagement team and evidence his review of work papers in significant areas of the audit, as identified by the engagement team, including areas involving crypto asset miners and goodwill or intangibles valuation. He also failed to review the work of the engagement team and evidence his review of certain key documents before the report release date, including the summary memorandum, work papers related to communications with the audit committee, and the SUAM.

51. In the AAI 2019 audit engagement, Hackert never reviewed the work of the engagement team and evidenced his review on certain key documents that required an engagement partner to sign off under Marcum policy, including the work papers related to planning the audit, engagement team discussion and risk identification, and the auditor’s report. Hackert also did not review the work of the engagement team and evidence his review before the report release date on work papers related to communications to the audit committee and the summary memorandum, which were key documents for the audit under Marcum policy and PCAOB auditing standards.

52. In 2020, Hackert’s practice shifted mostly to auditing SPACs, and his supervision and review failures became even more prevalent. Between 2020 and 2022, Hackert served as the engagement partner for at least 152 audits of SPACs. In 52 of those audits, Hackert did not review the work of the engagement team members and document that review on *any* audit documentation prior to the report release date. In 140 of those audits, Hackert did not review the work of the engagement team and document his review of at least some of the audit documentation prior to the report release date. In one of the SPAC audits, Hackert did not review the substantive work of the engagement team and document his review of any work papers before or after the report release date.

53. Beginning with audits for the fiscal year that ended on December 31, 2016, and continuing to the present, Marcum policy required Hackert to sign a “routing slip” work paper before the report release date for every audit on which he was the engagement partner. At Marcum, a routing slip is the work paper that engagement partners, engagement managers, and EQR partners sign to attest and document that their procedures and review are complete, and that they authorize release of the audit report.

54. Hackert sometimes failed to sign the required routing slips prior to the report release date and then backdated his signature to make it appear that the routing slip had been timely signed. For example, on the audit of Operating Company 14 for 2015, the

2016 and 2017 audits of AAI, and the audit of Operating Company 22 for 2017, Hackert dated his signature as of the report release date, but the electronic metadata in the routing slip indicates that the document was not created until weeks after the purported date of Hackert's signature. Hackert knew or should have known that backdating documentation violates, at a minimum, his duties under AS 1015, 1201, and 1215.

55. On at least 37 of the SPAC audits, Hackert failed to sign the routing slips, which were important audit documentation, prior to the report release date.

56. Hackert's supervision failures extended to the PCAOB requirement to assemble a "complete and final set of audit documentation" within 45 days after the report release date (*i.e.*, by the documentation completion date), as required by AS 1215.15. Marcum's policies referred to this requirement as "Finalizing and Locking Engagement Binders." During the relevant period, on 126 of the audit engagements for which Hackert was the engagement partner, he failed to ensure that a complete and final set of audit documentation was assembled for retention by the documentation completion date.

57. Marcum required engagement teams to prepare a so-called "AS 3 memo" for any engagement where documentation was added to the work papers after the documentation completion date. The AS 3 memo was a quality control document ostensibly intended to meet the requirements of AS 1215.16 that any audit documentation added after the report release date "must indicate the date the information was added, the name of the person who prepared the additional documentation, and the reason for adding it." But for 23 audits on which Hackert was the engagement partner, he added sign offs to the work papers after the documentation completion date and the required documentation under AS 1215.16 was not added, whether through an AS 3 memo or otherwise.

58. Accordingly, Hackert violated AS 1015, 1201, and 1215 in connection with at least 210 audits. Attached hereto and incorporated herein are **Appendix A**, which summarizes Hackert's failures to evidence his supervision by the report release date, and **Appendix B**, which summarizes Hackert's failures to assemble a complete and final set of audit documentation by the documentation completion date.⁸ Additionally, in connection with the audits listed on Appendices A and B, Hackert caused Marcum to violate Rule 2-02(b)(1) of Regulation S-X.

Additional Deficiencies in Hackert's Audits of AAI

59. Hackert's conduct also demonstrated a lack of due professional care and violated PCAOB auditing standards in connection with multiple audits of AAI, from 2018 through 2020, on which Hackert was the engagement partner.

⁸ Appendix A shows 204 audits on which Hackert failed to evidence his supervision by the report release date. Additionally, for 6 of the audits shown on Appendix B (and not on Appendix A), Hackert signed off by the report release date, but he failed to ensure that complete documentation was assembled by the documentation completion date.

Crypto Asset Miners

60. In 2018, AAI purchased approximately \$9 million worth of computer equipment known as crypto asset miners. During Marcum's audit of AAI for 2018, Hackert's engagement team identified the existence and valuation of the crypto asset mining equipment as a significant risk area. Because the value of the miners was material to AAI's balance sheet (approximately 15% of total assets), the engagement team identified this as a significant audit area along with risks that the equipment (a) did not exist due to accounting error or misappropriation, (b) did not belong to the company, (c) was recorded at "incorrect values," and/or (d) was impaired and not adjusted to net realizable value.

61. Despite identifying the foregoing risks related to the existence and valuation of the miners, the only work paper that contained evidence of Hackert's review in this section of the audit binder was the "Audit Program for Property," which listed audit procedures performed and referenced the work papers documenting those procedures. The audit program indicated that all the procedures were performed by, and the underlying work papers were prepared by, a junior member of Hackert's team. Hackert, however, did not review and document his review of any underlying work papers to determine whether the audit work in this significant area was appropriate and complete.

62. The only supporting documents reviewed by the engagement team to evidence the existence of the miners were several invoices purporting to show purchased miners. Those invoices, however, did not provide sufficient and appropriate audit evidence to demonstrate that the miners existed, that the miners were delivered to AAI, and that title to the miners passed to AAI.

63. Further, the engagement team did not perform and document any audit procedures to assess the valuation and impairment of the miners.

64. Accordingly, Hackert's conduct with respect to the crypto asset miners violated AS 1015, 1105, 1201, and 2501.

Goodwill Valuation

65. AAI's balance sheet for 2018 included Goodwill of \$8.5 million related to four acquisitions. Goodwill arises when the purchase price of an acquired entity exceeds the combined fair value of the identifiable assets and liabilities. Goodwill represents intangible assets such as the value of brand reputation, among other things.

66. In its audit of AAI's 2018 financial results, Hackert's engagement team identified AAI's goodwill valuation as a significant risk area. The engagement team wrote in a work paper that in response to this risk, it "obtained third party valuation reports and utilized [a] Marcum Valuation team to perform analysis on the company's conclusions." But the work papers related to goodwill valuation show that Hackert's team did not conduct sufficient audit work in this significant area.

67. The only goodwill analysis in the work papers was for one (of the four) AAI acquisitions, and its goodwill was valued at \$265,000 (or 3% of total goodwill). There was no goodwill analysis in the work papers for the other three acquisitions, which accounted for about 97% of the goodwill value.

68. Additionally, while conducting the 2018 audit, Hackert received a third-party valuation report via email related to another AAI acquisition (not the acquisition with goodwill valued at \$265,000). The report indicated that AAI should record a \$2.5 million impairment of goodwill, meaning that the value of goodwill related to the acquisition had fallen by \$2.5 million. However, the analysis in the third-party valuation report was not included in the AAI work papers for 2018, and no goodwill impairment was recorded in AAI's financial statements for 2018. Hackert claimed that he reviewed with Marcum's valuation expert the report indicating that a \$2.5 million impairment should be recorded, but the work papers do not reflect Hackert's analysis of the report or why he believed the \$2.5 million impairment was not warranted.

69. The next year, when auditing AAI's 2019 results, Hackert's engagement team did not identify goodwill valuation as a significant risk area, as it had in 2018. Although goodwill still comprised a material amount of AAI's total assets (about 26%), the engagement team provided no explanation in the work papers for why the assessed risk level was downgraded.

70. In the 2019 AAI audit, Hackert signed off on multiple work papers citing as audit evidence certain valuation reports prepared by third parties about AAI's goodwill valuations. Despite these citations, however, the work papers did not include the referenced valuation reports.

71. Although the valuation reports were not included in the work papers, they purportedly were reviewed by Marcum's valuation expert, who identified multiple issues with these reports and their valuations of goodwill. But there is no documentation in the work papers of whether or how these issues were addressed or resolved. For example, the expert advised the team that they should perform a market cap reconciliation by comparing the sum of the fair values in the reports with certain other data, and that his "back of the envelope" calculations did "not line up." However, there is no evidence in the work papers that any market cap reconciliation was performed. In addition, the expert wrote in an email on which Hackert was copied that he would rely on the audit team "to test all projected financial information" included in the goodwill third party valuation reports. Yet there is no evidence in the work papers that the team tested any of the projected financial information.

72. Accordingly, Hackert's conduct with respect to goodwill valuation violated AS 1015, 1105, 1201, 1210, and 2501.

Investments in Related Party

73. In 2018, the Marcum audit team identified AAI's transactions with related parties as a significant and fraud risk area. AAI's relevant related party transactions

included its investment in the warrants of Avalanche, which AAI identified in its filings with the Commission as a related party to AAI. As background, Avalanche had issued AAI warrants to purchase 35.6 million shares of Avalanche common stock between 2017 and 2020.⁹ From 2018 through 2020, AAI's investments in Avalanche (including the warrants, common stock, and loans) ranged from 18-22% of AAI's total assets, representing a material amount of AAI's assets.

74. GAAP that became effective for fiscal years beginning after December 15, 2017 – specifically, Accounting Standards Codification Topic 321, *Investments – Equity Securities* (“ASC 321”) – eliminated an issuer's ability to record changes in the fair value of certain investments in equity securities (including warrants) in other comprehensive income on the issuer's financial statements. Instead, under the new ASC 321, such changes had to be recorded in net income/loss on the financial statements.

75. Although ASC 321 was effective for AAI's fiscal year 2018, and AAI applied that provision to certain equity investments in a private company on its Form 10-K for 2018, AAI did not apply ASC 321 to its Avalanche warrants. The failure to apply ASC 321 to the Avalanche warrants was a material accounting error.

76. During his audits of AAI for the fiscal years 2018 through 2020, however, Hackert concurred with AAI's incorrect accounting treatment of the Avalanche warrants. Hackert knew or should have known that AAI's accounting treatment was incorrect because it did not apply ASC 321.

77. Hackert's failure to recognize or correct AAI's improper accounting resulted in AAI materially understating its net loss by 24.34% in 2018 and 6% in 2019, and overstating its net loss by 10% in 2020. Because of that materially improper accounting, AAI restated its financial results in 2023.

78. Accordingly, Hackert's conduct with respect to related party investments violated AS 1010, 1015, and 1201.

Expense Testing

79. During the audit of AAI for 2019, as in other audits, Hackert's engagement team was required to sample and test expenses (to confirm that the expenses were substantiated and accounted for correctly). The engagement team used an electronic sampling program to select certain AAI expenses for testing. One of the expenses selected was for \$65,000, which purportedly was a payment to a third-party for consulting services.

80. Email communications between a junior member of Hackert's audit team and AAI's then-CFO, in or around May 2020, indicated that AAI could not locate supporting documents for the expense, such as an executed consulting agreement, an invoice from the consultant, or other documentation. But instead of insisting that AAI

⁹ A stock warrant gives the holder the right to purchase a company's stock at a specific price and within a specific time frame.

provide supporting documentation for the \$65,000 expense, the engagement team simply stopped seeking support for this sample item and chose another item to test.

81. In fact, the third party provided little or no consulting services to AAI, and certainly not services worth \$65,000. Additionally, contemporaneous correspondence between AAI's then-CEO and the third-party indicated that AAI's payment of \$65,000 was to satisfy a personal debt from the then-CEO to the third party. But so far as the work papers show, neither Hackert nor anyone on the engagement team reviewed or analyzed any documentation related to the \$65,000 payment to ensure that it was evaluated properly.

82. As a result, during the 2019 audit of AAI, Hackert failed to exercise due professional care. Because of Hackert's insufficient supervision, the engagement team failed to perform appropriate procedures when they were unable to examine a sample chosen for testing; they failed to consider the impact of the client being unable to provide sufficient evidentiary support; and they failed to appropriately evaluate potential fraud on the part of senior management. Additionally, so far as the work papers show, the team did not consider whether the inability to obtain sufficient appropriate evidential matter for the potentially fraudulent expense item constituted a scope limitation or whether the auditor's opinion should have been qualified or disclaimed.

83. Accordingly, Hackert's conduct with respect to expense testing violated AS 1015, 1201, 2315, 2401, and 2810.

VIOLATIONS

84. As a result of the conduct described above, Hackert engaged in improper professional conduct within the meaning of Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice. Section 4C(a)(2) and Rule 102(e)(1)(ii) provide, in pertinent part, that the Commission may censure or deny, temporarily or permanently, the privilege of appearing or practicing before the Commission to any person who is found by the Commission to have engaged in improper professional conduct. With respect to persons licensed to practice as accountants, "improper professional conduct" includes "[r]epeated instances of unreasonable conduct, each resulting in a violation of applicable professional standards, that indicate a lack of competence to practice before the Commission." Exchange Act Section 4C(b)(2)(B) and Rule 102(e)(1)(iv)(B)(2). As discussed above, Hackert engaged in repeated instances of unreasonable conduct, each resulting in a violation of applicable professional standards.

85. Rule 2-02(b)(1) of Regulation S-X requires an accountant's report to state "the applicable professional standards under which the audit was conducted." 17 C.F.R. § 210.2-02(b)(1). For audits of fiscal years 2016 and 2017, Rule 2-02(b)(1) similarly mandated that an accountant's report "state whether the audit was made in accordance with accepted auditing standards...." An auditor violates Rule 2-02(b)(1) if it issues a report stating it has conducted its audit in accordance with the PCAOB standards when it has not. As a result of the conduct described above, Marcum violated Rule 2-02(b)(1) of Regulation S-X and Hackert caused those violations.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 8A of the Securities Act, Section 4C(a) of the Exchange Act, and Rule 102(e) of the Commission's Rules of Practice; and

C. Whether, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of Rule 2-02(b)(1) of Regulation S-X.

IV.

IT IS ORDERED that a public hearing before the Commission for the purposes of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If any Respondent fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

This Order shall be served forthwith upon Respondent by any means permitted by the Commission's Rules of Practice.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to service of paper copies, service to the Division of Enforcement of all opinions, orders, and decisions described in Rule 141, 17 C.F.R. § 201.141, and all papers described in Rule 150(a), 17 C.F.R. § 201.150(a), in these proceedings shall be by email to the attorneys who enter an appearance on behalf of the Division, and not by paper service.

Attention is called to Rule 151(a), (b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(a), (b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed electronically in administrative proceedings using the Commission's Electronic Filings in Administrative Proceedings (eFAP) system access through the Commission's website, www.sec.gov, at <http://www.sec.gov/eFAP>. Respondent also must serve and accept service of documents electronically. All motions, objections, or applications will be decided by the Commission.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 120-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's

Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Vanessa A. Countryman
Secretary

Appendix A

	<i>Client Name</i>	<i>Balance Sheet Date</i>	<i>Report Release Date ("RRD")</i>	<i>SEC Filing</i>	<i>Hackert Sign-offs within 45 Days after RRD</i>	<i>Hackert Sign-offs more than 45 Days after RRD</i>	<i>Total Hackert Sign-offs after RRD</i>	<i>Total Hackert Sign-offs in Audit</i>	<i>Percent of Hackert Sign-offs after RRD</i>
1	Operating Co. 1	Dec-31-11	Apr-16-12	S-1	45	0	45	104	43%
2	Operating Co. 2	Jun-30-12	Sep-28-12	10-K	22	14	36	173	21%
3	Operating Co. 3	Dec-31-12	Apr-05-13	10-K	0	22	22	69	32%
4	Operating Co. 4	Dec-31-12	Aug-02-13	8-K/A	9	0	9	36	25%
5	Operating Co. 5	Dec-31-13	Apr-01-14	10-K	39	6	45	85	53%
6	Operating Co. 6	Dec-31-13	May-01-14	S-1	0	34	34	139	24%
7	Operating Co. 7	Dec-31-13	Mar-27-14	10-K	0	31	31	112	28%
8	Operating Co. 8	Dec-31-13	Mar-28-14	10-K	13	0	13	54	24%
9	Operating Co. 9	Dec-31-13	Mar-31-14	10-K	10	0	10	46	22%
10	Operating Co. 3	Dec-31-13	Apr-15-14	10-K	4	0	4	46	9%
11	Operating Co. 10	Dec-31-13	Apr-15-14	10-K	3	0	3	6	50%
12	Operating Co. 5	Dec-31-14	Mar-17-15	10-K	80	0	80	318	25%
13	Operating Co. 11	Dec-31-14	Mar-31-15	10-K	76	0	76	119	64%
14	Operating Co. 12	Dec-31-14	Dec-07-15	10-K	0	43	43	72	60%
15	Operating Co. 13	Dec-31-14	Mar-11-15	10-K	41	0	41	41	100%
16	Operating Co. 1	Dec-31-14	Mar-31-15	10-K	29	4	33	78	42%
17	Operating Co. 8	Dec-31-14	Apr-15-15	10-K	28	0	28	76	37%
18	Operating Co. 9	Dec-31-14	Mar-30-15	10-K	7	0	7	38	18%
19	Operating Co. 14	Dec-31-14	Apr-14-15	S-4	3	0	3	55	5%
20	Operating Co. 15	Dec-31-14	Mar-12-15	10-K	0	3	3	54	6%
21	Operating Co. 7	Jan-03-15	Mar-19-15	10-K	0	7	7	57	12%
22	Operating Co. 11	Dec-31-15	Mar-30-16	10-K	0	83	83	129	64%
23	Operating Co. 12	Dec-31-15	Jul-09-16	10-K	36	23	59	61	97%
24	Operating Co. 1	Dec-31-15	Mar-30-16	10-K	0	32	32	60	53%
25	Operating Co. 16	Dec-31-15	Feb-18-16	10-K	24	0	24	69	35%
26	Operating Co. 17	Dec-31-15	Dec-04-16	8-K	16	0	16	76	21%
27	Operating Co. 5	Dec-31-15	Mar-15-16	10-K	0	5	5	89	6%
28	Operating Co. 14	Dec-31-15	Mar-10-16	10-K	0	0	0	0	n/a
29	Operating Co. 7	Jan-02-16	Mar-17-16	10-K	0	1	1	56	2%
30	Operating Co. 18	Mar-31-16	Jun-21-16	10-K	0	0	0	0	n/a

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31	Operating Co. 11	Dec-31-16	Mar-23-17	10-K	78	3	81	149	54%
32	Operating Co. 19	Dec-31-16	Mar-24-17	10-K	62	11	73	191	38%
33	Operating Co. 20	Dec-31-16	Mar-28-17	10-K	34	0	34	136	25%
34	Operating Co. 21	Dec-31-16	Feb-07-17	10-K	30	0	30	78	38%
35	Operating Co. 12	Dec-31-16	Apr-14-17	10-K	13	11	24	107	22%
36	Ault Alliance, Inc.	Dec-31-16	Apr-10-17	10-K	4	4	8	108	7%
37	Operating Co. 9	Dec-31-16	Mar-31-17	10-K	5	0	5	59	8%
38	Operating Co. 14	Dec-31-16	Mar-10-17	10-K	4	0	4	65	6%
39	Operating Co. 38	Dec-31-16	Mar-15-17	10-K	3	0	3	150	2%
40	Operating Co. 22	Dec-31-17	Apr-02-18	10-K	102	4	106	274	39%
41	Ault Alliance, Inc.	Dec-31-17	Apr-18-18	10-K	0	101	101	149	68%
42	Operating Co. 12	Dec-31-17	Apr-17-18	10-K	0	73	73	143	51%
43	Operating Co. 23	Dec-31-17	Apr-10-18	S-4	0	71	71	127	56%
44	Operating Co. 11	Dec-31-17	Mar-15-18	10-K	0	47	47	92	51%
45	Operating Co. 20	Dec-31-17	Mar-22-18	10-K	7	0	7	107	7%
46	Operating Co. 24	Dec-31-18	Sep-27-19	S-1	0	153	153	153	100%
47	Operating Co. 25	Dec-31-18	Sep-27-19	S-1	0	80	80	299	27%
48	Operating Co. 26	Dec-31-18	Sep-27-19	S-1	24	54	78	367	21%
49	Ault Alliance, Inc.	Dec-31-18	Apr-16-19	10-K	0	67	67	368	18%
50	Operating Co. 27	Dec-31-18	Sep-27-19	S-1	0	64	64	245	26%
51	Operating Co. 20	Dec-31-18	Mar-22-19	10-K	58	0	58	104	56%
52	Operating Co. 28	Dec-31-18	Sep-27-19	S-1	0	58	58	254	23%
53	Operating Co. 23	Dec-31-18	Mar-19-19	10-K	52	0	52	169	31%
54	Operating Co. 12	Dec-31-18	Apr-01-19	10-K	0	37	37	137	27%
55	Operating Co. 29	Dec-31-18	Sep-27-19	S-1	27	3	30	180	17%
56	Operating Co. 30	Dec-31-18	Nov-12-19	S-4	0	24	24	87	28%
57	Operating Co. 31	Dec-31-18	Nov-12-19	S-4	0	22	22	79	28%
58	Operating Co. 32	Dec-31-18	Nov-12-19	S-4	0	20	20	79	25%
59	Operating Co. 33	Dec-31-18	Sep-27-19	S-1	2	10	12	181	7%
60	Operating Co. 34	Mar-31-19	Dec-27-19	20-F	37	9	46	384	12%
61	Operating Co. 35	Oct-31-19	Jan-29-20	10-K	26	0	26	161	16%

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62	Operating Co. 36	Dec-19-19	Mar-23-20	10-K	5	0	5	238	2%
63	Ault Alliance, Inc.	Dec-31-19	May-29-20	10-K	1	27	28	231	12%
64	SPAC 1	Dec-31-19	Jan-31-20	S-1	30	0	30	39	77%
65	SPAC 2	Dec-31-19	Mar-06-20	S-1	35	0	35	35	100%
66	SPAC 3	Dec-31-19	Mar-10-20	S-1	19	0	19	38	50%
67	SPAC 4	Dec-31-19	Mar-13-20	S-1	0	46	46	46	100%
68	SPAC 5	Dec-31-19	Mar-26-20	S-1	8	0	8	45	18%
69	SPAC 6	Dec-31-19	Apr-08-20	S-1	17	0	17	40	43%
70	SPAC 7	Dec-31-19	Aug-06-20	S-1	47	0	47	47	100%
71	SPAC 8	Dec-31-19	Sep-25-20	S-1	61	0	61	86	71%
72	SPAC 9	Jan-30-20	Dec-11-20	S-1	35	14	49	49	100%
73	SPAC 10	Feb-04-20	Feb-12-20	S-1	10	0	10	31	32%
74	SPAC 11	Feb-04-20	Mar-02-20	S-1	13	0	13	31	42%
75	SPAC 12	Mar-03-20	Mar-10-20	S-1	31	0	31	31	100%
76	SPAC 13	Mar-05-20	Mar-18-20	S-1	38	0	38	38	100%
77	SPAC 14	May-01-20	May-08-20	S-1	7	5	12	34	35%
78	SPAC 15	Jun-08-20	Jun-12-20	S-1	26	0	26	26	100%
79	SPAC 16	Jun-20-20	Jun-28-21	S-1	0	7	7	28	25%
80	SPAC 17	Jun-30-20	Jul-08-20	S-1	32	1	33	33	100%
81	SPAC 18	Jun-30-20	Jul-17-20	S-1	0	47	47	47	100%
82	SPAC 19	Jul-07-20	Jul-24-20	S-1	0	11	11	43	26%
83	SPAC 20	Jul-15-20	Jul-20-20	S-1	4	80	84	84	100%
84	SPAC 21	Jul-20-20	Jul-27-20	S-1	7	0	7	29	24%
85	SPAC 22	Jul-20-20	Jul-28-20	S-1	8	0	8	31	26%
86	SPAC 23	Jul-20-20	Aug-04-20	S-1	19	39	58	58	100%
87	SPAC 24	Aug-03-20	Aug-10-20	S-1	14	0	14	34	41%
88	SPAC 25	Aug-07-20	Aug-31-20	S-1	6	0	6	30	20%
89	SPAC 26	Aug-17-20	Sep-04-20	S-1	0	12	12	38	32%
90	SPAC 27	Aug-19-20	Sep-18-20	S-1	41	0	41	41	100%
91	SPAC 28	Aug-20-20	Oct-27-20	S-1	21	0	21	44	48%
92	SPAC 29	Aug-21-20	Sep-01-20	S-1	7	0	7	32	22%

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93	SPAC 30	Aug-24-20	Aug-31-20	S-1	26	16	42	42	100%
94	SPAC 31	Aug-24-20	Sep-02-20	S-1	3	0	3	27	11%
95	SPAC 32	Aug-28-20	Oct-02-20	S-1	0	10	10	43	23%
96	SPAC 33	Aug-31-20	Sep-04-20	S-1	0	12	12	38	32%
97	SPAC 34	Sep-03-20	Sep-15-20	S-1	8	0	8	40	20%
98	SPAC 35	Sep-04-20	Sep-11-20	S-1	19	42	61	61	100%
99	SPAC 36	Sep-04-20	Sep-18-20	S-1	6	0	6	33	18%
100	SPAC 37	Sep-04-20	Sep-21-20	S-1	19	0	19	44	43%
101	SPAC 38	Sep-08-20	Sep-15-20	S-1	25	0	25	25	100%
102	SPAC 39	Sep-11-20	Oct-09-20	S-1	8	0	8	47	17%
103	SPAC 40	Sep-15-20	Sep-21-20	S-1	9	15	24	55	44%
104	SPAC 41	Sep-15-20	Sep-28-20	S-1	15	0	15	44	34%
105	SPAC 42	Sep-17-20	Sep-09-20	S-1	0	27	27	50	54%
106	SPAC 43	Sep-30-20	Oct-12-20	S-1	30	18	48	48	100%
107	SPAC 44	Sep-30-20	Oct-13-20	S-1	0	46	46	46	100%
108	SPAC 45	Sep-30-20	Dec-23-20	S-1	22	12	34	34	100%
109	SPAC 46	Oct-02-20	Oct-13-20	S-1	0	12	12	46	26%
110	SPAC 47	Oct-02-20	Oct-16-20	S-1	30	24	54	54	100%
111	SPAC 48	Oct-09-20	Oct-22-20	S-1	42	0	42	42	100%
112	SPAC 49	Oct-13-20	Oct-21-20	S-1	39	0	39	39	100%
113	SPAC 50	Oct-13-20	Oct-22-20	S-1	43	0	43	43	100%
114	SPAC 51	Oct-13-20	Nov-19-20	S-1	16	0	16	47	34%
115	SPAC 52	Oct-23-20	Nov-19-20	S-1	0	36	36	36	100%
116	SPAC 53	Oct-28-20	Nov-17-20	S-1	13	0	13	46	28%
117	SPAC 54	Oct-30-20	Sep-16-20	S-1	41	0	41	41	100%
118	SPAC 55	Oct-30-20	Nov-10-20	S-1	23	0	23	23	100%
119	Operating Co. 35	Oct-31-20	Feb-16-21	10-K	1	31	32	219	15%
120	SPAC 56	Nov-04-20	Nov-20-20	S-1	39	0	39	39	100%
121	SPAC 57	Nov-18-20	Nov-30-20	S-1	0	13	13	48	27%
122	SPAC 58	Nov-20-20	Dec-28-20	S-1	0	15	15	58	26%
123	SPAC 59	Nov-21-20	Dec-09-20	S-1	0	8	8	52	15%

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124	SPAC 60	Nov-24-20	Dec-09-20	S-1	0	15	15	48	31%
125	SPAC 61	Nov-30-20	Dec-07-20	S-1	0	11	11	42	26%
126	SPAC 62	Dec-04-20	Dec-24-20	S-1	0	11	11	46	24%
127	SPAC 63	Dec-11-20	Dec-24-20	S-1	32	0	32	32	100%
128	SPAC 64	Dec-11-20	Jan-20-21	S-1	0	2	2	29	7%
129	SPAC 65	Dec-17-20	Dec-23-20	S-1	0	1	1	30	3%
130	SPAC 66	Dec-17-20	Jan-05-21	S-1	20	0	20	51	39%
131	SPAC 67	Dec-18-20	Dec-23-20	S-1	0	9	9	37	24%
132	SPAC 68	Dec-18-20	Dec-30-20	S-1	2	0	2	24	8%
133	SPAC 69	Dec-19-20	Jan-31-20	S-1	9	0	9	37	24%
134	SPAC 70	Dec-22-20	Dec-31-20	S-1	40	11	51	51	100%
135	SPAC 71	Dec-28-20	Jan-08-21	S-1	7	10	17	44	39%
136	SPAC 18	Dec-31-20	Jan-07-20	S-1	13	0	13	47	28%
137	SPAC 72	Dec-31-20	Feb-18-20	S-1	0	0	0	0	n/a
138	SPAC 73	Dec-31-20	Jan-07-21	S-1	39	7	46	46	100%
139	SPAC 74	Dec-31-20	Jan-07-21	S-1	0	13	13	45	29%
140	SPAC 53	Dec-31-20	Jan-08-21	S-1	30	0	30	30	100%
141	SPAC 75	Dec-31-20	Jan-08-21	S-1	42	5	47	47	100%
142	SPAC 76	Dec-31-20	Jan-08-21	S-1	36	10	46	46	100%
143	SPAC 27	Dec-31-20	Jan-11-21	S-1	22	16	38	52	73%
144	SPAC 77	Dec-31-20	Jan-11-21	S-1	37	0	37	37	100%
145	SPAC 32	Dec-31-20	Jan-11-21	S-1	0	16	16	52	31%
146	SPAC 78	Dec-31-20	Jan-14-21	S-1	33	12	45	45	100%
147	SPAC 79	Dec-31-20	Jan-14-21	S-1	0	6	6	36	17%
148	SPAC 50	Dec-31-20	Jan-15-21	S-1	0	14	14	45	31%
149	SPAC 80	Dec-31-20	Jan-19-21	S-1	0	43	43	43	100%
150	SPAC 81	Dec-31-20	Jan-21-21	S-1	53	15	68	68	100%
151	SPAC 82	Dec-31-20	Jan-25-21	S-1	9	10	19	44	43%
152	SPAC 83	Dec-31-20	Jan-25-21	S-1	4	9	13	53	25%
153	SPAC 63	Dec-31-20	Jan-25-21	S-1	32	0	32	32	100%
154	SPAC 45	Dec-31-20	Jan-26-21	S-1	11	8	19	44	43%

	Client Name	Balance Sheet Date	Report Release Date ("RRD")	SEC Filing	Hackert Sign-offs within 45 Days after RRD	Hackert Sign-offs more than 45 Days after RRD	Total Hackert Sign-offs after RRD	Total Hackert Sign-offs in Audit	Percent of Hackert Sign-offs after RRD
155	SPAC 68	Dec-31-20	Jan-27-21	S-1	8	0	8	30	27%
156	SPAC 57	Dec-31-20	Feb-05-21	S-1	33	15	48	48	100%
157	SPAC 84	Dec-31-20	Feb-05-21	S-1	24	3	27	51	53%
158	SPAC 70	Dec-31-20	Feb-10-21	S-1	13	11	24	51	47%
159	SPAC 33	Dec-31-20	Feb-18-21	S-1	20	6	26	55	47%
160	SPAC 85	Dec-31-20	Feb-24-21	S-1	3	0	3	35	9%
161	SPAC 3	Dec-31-20	Feb-24-21	S-1	38	0	38	38	100%
162	SPAC 62	Dec-31-20	Feb-26-21	S-1	0	5	5	36	14%
163	SPAC 7	Dec-31-20	Mar-09-21	S-1	47	0	47	47	100%
164	SPAC 54	Dec-31-20	Mar-25-21	10-K	1	0	1	57	2%
165	SPAC 86	Jan-08-21	Jan-24-21	S-1	22	0	22	55	40%
166	SPAC 87	Jan-15-21	Feb-03-21	S-1	0	20	20	56	36%
167	SPAC 88	Jan-21-21	Jan-29-21	S-1	37	8	45	45	100%
168	SPAC 89	Jan-21-21	Jan-29-21	S-1	23	21	44	44	100%
169	SPAC 90	Jan-21-21	Feb-02-21	S-1	0	9	9	43	21%
170	SPAC 91	Jan-25-21	Feb-01-21	S-1	43	12	55	55	100%
171	SPAC 92	Feb-08-21	Feb-22-21	S-1	0	4	4	32	13%
172	SPAC 93	Feb-15-21	Feb-16-21	S-1	25	21	46	46	100%
173	SPAC 94	Feb-23-21	Mar-15-21	S-1	15	8	23	52	44%
174	SPAC 95	Feb-23-21	Mar-23-21	S-1	30	19	49	49	100%
175	SPAC 96	Feb-25-21	Mar-12-21	S-1	38	0	38	38	100%
176	SPAC 97	Mar-02-21	Mar-29-21	S-1	0	5	5	47	11%
177	SPAC 98	Mar-04-21	Mar-12-21	S-1	13	0	13	43	30%
178	SPAC 99	Mar-04-21	Mar-24-21	S-1	36	0	36	36	100%
179	SPAC 100	Mar-05-21	Mar-25-21	S-1	28	15	43	43	100%
180	SPAC 101	Mar-08-21	Mar-18-21	S-1	35	11	46	46	100%
181	SPAC 84	Mar-15-21	Mar-19-21	S-1	3	0	3	51	6%
182	SPAC 103	Mar-15-21	May-25-21	S-1	11	0	11	36	31%
183	SPAC 104	Mar-22-21	Aug-03-21	S-1	61	0	61	61	100%
184	SPAC 105	Mar-31-21	Jun-10-21	S-1	7	18	25	43	58%
185	SPAC 102	Mar-31-21	Jun-22-21	S-1	0	22	22	43	51%

	Client Name	Balance Sheet Date	Report Release Date ("RRD")	SEC Filing	Hackert Sign-offs within 45 Days after RRD	Hackert Sign-offs more than 45 Days after RRD	Total Hackert Sign-offs after RRD	Total Hackert Sign-offs in Audit	Percent of Hackert Sign-offs after RRD
186	SPAC 106	Mar-31-21	Jun-24-21	S-1	15	2	17	48	35%
187	SPAC 107	Mar-31-21	Jul-13-21	S-1	21	0	21	75	28%
188	SPAC 108	Apr-08-21	Jul-13-21	S-1	14	1	15	45	33%
189	SPAC 109	Apr-09-21	Jul-16-21	S-1	27	0	27	82	33%
190	SPAC 110	Apr-19-21	Jul-02-21	S-1	0	19	19	50	38%
191	SPAC 111	Apr-28-21	Jul-03-21	S-1	22	14	36	61	59%
192	SPAC 112	May-17-21	Jul-14-21	S-1	10	4	14	45	31%
193	SPAC 113	May-24-21	Jul-08-21	S-1	9	0	9	41	22%
194	SPAC 114	Jun-10-21	Jul-30-21	S-1	12	12	24	50	48%
195	SPAC 115	Jun-20-21	Jul-09-21	S-1	13	0	13	55	24%
196	SPAC 116	Jun-30-21	Sep-09-21	S-1	8	0	8	36	22%
197	SPAC 117	Jun-30-21	Nov-12-21	S-1	16	0	16	55	29%
198	SPAC 17	Jun-30-21	Dec-17-21	S-1	16	0	16	47	34%
199	SPAC 118	Jul-13-21	Oct-13-21	S-1	18	13	31	66	47%
200	SPAC 119	Jul-18-21	Oct-04-21	S-1	2	9	11	41	27%
201	SPAC 120	Aug-18-21	Oct-11-21	S-1	0	12	12	55	22%
202	SPAC 121	Oct-21-21	Oct-27-21	S-1	32	0	32	40	80%
203	SPAC 19	Dec-31-21	Feb-19-21	S-1	37	11	48	48	100%
204	SPAC 3	Dec-31-21	Mar-31-22	10-K	40	0	40	85	47%

Appendix B

	<i>Client Name</i>	<i>Balance Sheet Date</i>	<i>Report Release Date ("RRD")</i>	<i>SEC Filing</i>	<i>Hackert Sign-offs more than 45 Days after RRD</i>	<i>AS 3 Memo</i>
1	Operating Co. 2	Jun-30-12	Sep-28-12	10-K	14	
2	Operating Co. 3	Dec-31-12	Apr-05-13	10-K	22	
3	Operating Co. 5	Dec-31-13	Apr-01-14	10-K	6	
4	Operating Co. 6	Dec-31-13	May-01-14	S-1	34	X
5	Operating Co. 7	Dec-31-13	Mar-27-14	10-K	31	
6	Operating Co. 12	Dec-31-14	Dec-07-15	10-K	43	X
7	Operating Co. 1	Dec-31-14	Mar-31-15	10-K	4	X
8	Operating Co. 15	Dec-31-14	Mar-12-15	10-K	3	
9	Operating Co. 7	Jan-03-15	Mar-19-15	10-K	7	
10	Operating Co. 11	Dec-31-15	Mar-30-16	10-K	83	X
11	Operating Co. 12	Dec-31-15	Jul-09-16	10-K	23	X
12	Operating Co. 1	Dec-31-15	Mar-30-16	10-K	32	X
13	Operating Co. 5	Dec-31-15	Mar-15-16	10-K	5	X
14	Operating Co. 9	Dec-31-15	Mar-29-16	10-K	0	X
15	Operating Co. 7	Jan-02-16	Mar-17-16	10-K	1	X
16	Operating Co. 11	Dec-31-16	Mar-23-17	10-K	3	
17	Operating Co. 19	Dec-31-16	Mar-24-17	10-K	11	X
18	Operating Co. 12	Dec-31-16	Apr-14-17	10-K	11	
19	Ault Alliance, Inc.	Dec-31-16	Apr-10-17	10-K	4	X
20	Operating Co. 22	Dec-31-17	Apr-02-18	10-K	4	X
21	Ault Alliance, Inc.	Dec-31-17	Apr-18-18	10-K	101	X
22	Operating Co. 12	Dec-31-17	Apr-17-18	10-K	73	X
23	Operating Co. 23	Dec-31-17	Apr-10-18	S-4	71	X
24	Operating Co. 11	Dec-31-17	Mar-15-18	10-K	47	
25	Operating Co. 35	Oct-31-18	Jan-29-19	10-K	0	X
26	Operating Co. 24	Dec-31-18	Sep-27-19	S-1	153	X
27	Operating Co. 25	Dec-31-18	Sep-27-19	S-1	80	X
28	Operating Co. 26	Dec-31-18	Sep-27-19	S-1	54	X
29	Ault Alliance, Inc.	Dec-31-18	Apr-16-19	10-K	67	X
30	Operating Co. 27	Dec-31-18	Sep-27-19	S-1	64	X

	Client Name	Balance Sheet Date	Report Release Date ("RRD")	SEC Filing	Hackert Sign-offs more than 45 Days after RRD	AS 3 Memo
31	Operating Co. 28	Dec-31-18	Sep-27-19	S-1	58	X
32	Operating Co. 12	Dec-31-18	Apr-01-19	10-K	37	X
33	Operating Co. 29	Dec-31-18	Sep-27-19	S-1	3	X
34	Operating Co. 30	Dec-31-18	Nov-12-19	S-4	24	X
35	Operating Co. 31	Dec-31-18	Nov-12-19	S-4	22	X
36	Operating Co. 32	Dec-31-18	Nov-12-19	S-4	20	X
37	Operating Co. 33	Dec-31-18	Sep-27-19	S-1	10	X
38	Operating Co. 37	Dec-31-18	Feb-05-19	F-4	0	X
39	Operating Co. 34	Mar-31-19	Dec-27-19	20-F	9	X
40	Operating Co. 18	Mar-31-19	Jul-01-19	10-K	0	X
41	Operating Co. 35	Oct-31-19	Jan-29-20	10-K	0	X
42	Ault Alliance, Inc.	Dec-31-19	May-29-20	10-K	27	X
43	SPAC 4	Dec-31-19	Mar-13-20	S-1	46	
44	SPAC 9	Jan-30-20	Dec-11-20	S-1	14	X
45	SPAC 14	May-01-20	May-08-20	S-1	5	
46	SPAC 15	Jun-08-20	Jun-12-20	S-1	0	X
47	SPAC 16	Jun-20-20	Jun-28-21	S-1	7	X
48	SPAC 17	Jun-30-20	Jul-08-20	S-1	1	X
49	SPAC 18	Jun-30-20	Jul-17-20	S-1	47	
50	SPAC 19	Jul-07-20	Jul-24-20	S-1	11	X
51	SPAC 20	Jul-15-20	Jul-20-20	S-1	80	X
52	SPAC 23	Jul-20-20	Aug-04-20	S-1	39	
53	SPAC 26	Aug-17-20	Sep-04-20	S-1	12	
54	SPAC 30	Aug-24-20	Aug-31-20	S-1	16	X
55	SPAC 32	Aug-28-20	Oct-02-20	S-1	10	X
56	SPAC 33	Aug-31-20	Sep-04-20	S-1	12	
57	SPAC 35	Sep-04-20	Sep-11-20	S-1	42	
58	SPAC 40	Sep-15-20	Sep-21-20	S-1	15	X
59	SPAC 42	Sep-17-20	Sep-09-20	S-1	27	X
60	SPAC 43	Sep-30-20	Oct-12-20	S-1	18	X
61	SPAC 44	Sep-30-20	Oct-13-20	S-1	46	X

	<i>Client Name</i>	<i>Balance Sheet Date</i>	<i>Report Release Date ("RRD")</i>	<i>SEC Filing</i>	<i>Hackert Sign-offs more than 45 Days after RRD</i>	<i>AS 3 Memo</i>
62	SPAC 45	Sep-30-20	Dec-23-20	S-1	12	X
63	SPAC 46	Oct-02-20	Oct-13-20	S-1	12	X
64	SPAC 47	Oct-02-20	Oct-16-20	S-1	24	X
65	SPAC 52	Oct-23-20	Nov-19-20	S-1	36	X
66	Operating Co. 35	Oct-31-20	Feb-16-21	10-K	31	X
67	SPAC 57	Nov-18-20	Nov-30-20	S-1	13	X
68	SPAC 58	Nov-20-20	Dec-28-20	S-1	15	X
69	SPAC 59	Nov-21-20	Dec-09-20	S-1	8	X
70	SPAC 60	Nov-24-20	Dec-09-20	S-1	15	X
71	SPAC 61	Nov-30-20	Dec-07-20	S-1	11	
72	SPAC 62	Dec-04-20	Dec-24-20	S-1	11	X
73	SPAC 64	Dec-11-20	Jan-20-21	S-1	2	X
74	SPAC 63	Dec-11-20	Dec-24-20	S-1	0	X
75	SPAC 65	Dec-17-20	Dec-23-20	S-1	1	X
76	SPAC 67	Dec-18-20	Dec-23-20	S-1	9	X
77	SPAC 70	Dec-22-20	Dec-31-20	S-1	11	X
78	SPAC 71	Dec-28-20	Jan-08-21	S-1	10	X
79	Ault Alliance, Inc.	Dec-31-20	Apr-15-21	10-K	0	X
80	SPAC 73	Dec-31-20	Jan-07-21	S-1	7	X
81	SPAC 74	Dec-31-20	Jan-07-21	S-1	13	X
82	SPAC 75	Dec-31-20	Jan-08-21	S-1	5	
83	SPAC 76	Dec-31-20	Jan-08-21	S-1	10	X
84	SPAC 27	Dec-31-20	Jan-11-21	S-1	16	
85	SPAC 32	Dec-31-20	Jan-11-21	S-1	16	X
86	SPAC 78	Dec-31-20	Jan-14-21	S-1	12	X
87	SPAC 79	Dec-31-20	Jan-14-21	S-1	6	X
88	SPAC 50	Dec-31-20	Jan-15-21	S-1	14	X
89	SPAC 80	Dec-31-20	Jan-19-21	S-1	43	X
90	SPAC 81	Dec-31-20	Jan-21-21	S-1	15	X
91	SPAC 82	Dec-31-20	Jan-25-21	S-1	10	X
92	SPAC 83	Dec-31-20	Jan-25-21	S-1	9	X

	<i>Client Name</i>	<i>Balance Sheet Date</i>	<i>Report Release Date ("RRD")</i>	<i>SEC Filing</i>	<i>Hackert Sign-offs more than 45 Days after RRD</i>	<i>AS 3 Memo</i>
93	SPAC 45	Dec-31-20	Jan-26-21	S-1	8	X
94	SPAC 57	Dec-31-20	Feb-05-21	S-1	15	X
95	SPAC 84	Dec-31-20	Feb-05-21	S-1	3	X
96	SPAC 70	Dec-31-20	Feb-10-21	S-1	11	X
97	SPAC 33	Dec-31-20	Feb-18-21	S-1	6	X
98	SPAC 62	Dec-31-20	Feb-26-21	S-1	5	X
99	SPAC 63	Dec-31-20	Jan-25-21	S-1	0	X
100	SPAC 3	Dec-31-20	Feb-24-21	S-1	0	X
101	SPAC 64	Dec-31-20	Feb-26-21	S-1	0	X
102	SPAC 87	Jan-15-21	Feb-03-21	S-1	20	X
103	SPAC 88	Jan-21-21	Jan-29-21	S-1	8	X
104	SPAC 89	Jan-21-21	Jan-29-21	S-1	21	X
105	SPAC 90	Jan-21-21	Feb-02-21	S-1	9	X
106	SPAC 91	Jan-25-21	Feb-01-21	S-1	12	
107	SPAC 92	Feb-08-21	Feb-22-21	S-1	4	
108	SPAC 93	Feb-15-21	Feb-16-21	S-1	21	X
109	SPAC 94	Feb-23-21	Mar-15-21	S-1	8	X
110	SPAC 95	Feb-23-21	Mar-23-21	S-1	19	X
111	SPAC 97	Mar-02-21	Mar-29-21	S-1	5	X
112	SPAC 100	Mar-05-21	Mar-25-21	S-1	15	X
113	SPAC 101	Mar-08-21	Mar-18-21	S-1	11	X
114	SPAC 84	Mar-15-21	Mar-19-21	S-1	0	X
115	SPAC 105	Mar-31-21	Jun-10-21	S-1	18	X
116	SPAC 102	Mar-31-21	Jun-22-21	S-1	22	X
117	SPAC 106	Mar-31-21	Jun-24-21	S-1	2	X
118	SPAC 108	Apr-08-21	Jul-13-21	S-1	1	X
119	SPAC 110	Apr-19-21	Jul-02-21	S-1	19	X
120	SPAC 111	Apr-28-21	Jul-03-21	S-1	14	X
121	SPAC 112	May-17-21	Jul-14-21	S-1	4	X
122	SPAC 114	Jun-10-21	Jul-30-21	S-1	12	X
123	SPAC 118	Jul-13-21	Oct-13-21	S-1	13	X

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124	SPAC 119	Jul-18-21	Oct-04-21	S-1	9	
125	SPAC 120	Aug-18-21	Oct-11-21	S-1	12	
126	SPAC 19	Dec-31-20	Feb-19-21	S-1	11	X