

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

CASE NO. 23-cv-23723-RNS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.

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

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

I. Relevant Procedural History

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

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

II. Injunctive Relief

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

As to Prager Metis LLC, the proposed Final Judgment permanently restrains and enjoins Prager Metis LLC from violating Rule 2-02(b) of Regulation S-X [17 C.F.R. § 210.2-02(b)] and Rule 17a-5(i) of the Securities Exchange Act of 1934 (“Exchange Act”) [17 C.F.R. § 240.17a-5(i)]; from aiding and abetting violations of Sections 13(a), 15(d), and 17(a) of the Exchange Act [15 U.S.C. §§ 78m(a), 78o(d), and 78q(a)] and Exchange Act Rules 13a-1, 13a-11, 13a-13, 15d-1, 15d-13, and 17a-5 [17 C.F.R. §§ 240.13a-1, 240.13a-11, 240.13a-13, 240.15d-1, 240.15d-13, and 240.17a-5]; and from aiding and abetting violations of Section 206(4) of the Investment Advisers

Act of 1940 (“Advisers Act”) [15 U.S.C. § 80b-6(4)] and Advisers Act Rule 206(4)-2 [17 C.F.R. § 275.206(4)-2]. *See* Ex. 3.

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

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

III. Additional Relief

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

IV. Conclusion

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

RULE 7.1.A.3 CERTIFICATE OF CONFERRAL

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

Dated: September 17, 2024

Respectfully submitted,

By: s/ Christine Nestor

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CERTIFICATE OF SERVICE

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

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