

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 56418 / September 13, 2007

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2698 / September 13, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12779

In the Matter of

Michael C. Lingerman, CPA,

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS, MAKING
FINDINGS, AND IMPOSING A CEASE-
AND-DESIST ORDER PURSUANT TO
SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Michael C. Lingerman, CPA (“Respondent” or “Lingerman”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-And-Desist Proceedings, Making Findings, and Imposing a Cease-And-Desist Order Pursuant to Section 21C of the Securities Exchange Act Of 1934 (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

A. RESPONDENT

Michael C. Lingerman, CPA, 40, of Philadelphia, Pennsylvania, is a certified public accountant licensed in the state of Pennsylvania since 1994 and since the dissolution of his previous accounting firm, Gross, Kreger & Passio, L.L.C. (the "Firm"), is doing business as Lingerman and Associates, CPA, a sole proprietorship. The Firm audited the financial statements of Diversified Historic Investments, VI ("Diversified") for the 2002 fiscal year ended December 31, 2002. Lingerman was the engagement partner for the Firm's audit of Diversified.

B. FACTS

1. Diversified is a Pennsylvania limited partnership with its headquarters in Philadelphia, Pennsylvania. Diversified's partnership units are registered with the Commission pursuant to Section 12(g) of the Exchange Act but are not listed on any exchange. For its fiscal year ended December 31, 2002, Diversified reported revenues of \$2.4 million and total assets of \$13 million.

2. Diversified has at all relevant times been an issuer as defined by the Sarbanes-Oxley Act of 2002 (the "Act").

3. The Firm audited Diversified's 2002 financial statements included in Diversified's annual report for fiscal year 2002 on Form 10-K, filed with the Commission on September 8, 2004. As part of that audit, the Firm prepared and issued an audit report dated June 10, 2004 (the "Diversified audit report"), which the company included in its 2002 Form 10-K. Diversified never paid the Firm or Lingerman any fee for the audit work.

4. At the time the Firm prepared and issued the Diversified audit report, the Firm was not registered with the Public Company Accounting Oversight Board (the "Board"), as required by Section 102(a) of the Act.

5. Lingerman was the engagement partner on the Firm's audit of Diversified's 2002 financial statements. Lingerman participated in the preparation and issuance of the Diversified audit report

C. VIOLATIONS

1. Section 102(a) of the Act provides that "it shall be unlawful for any person that is not a registered public accounting firm to prepare or issue, or to participate in the preparation or

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

issuance of, any audit report with respect to any issuer.”²

2. The provisions of Section 102(a) of the Act became effective on October 22, 2003.³

3. Based on the conduct described above, Lingerman caused the Firm’s violation of Section 102(a) the Act.

D. FINDINGS

Based on the foregoing, the Commission finds that Lingerman caused the Firm’s violation of Section 102(a) of the Sarbanes-Oxley Act of 2002.

E. UNDERTAKING

Respondent has undertaken not to request, demand, or accept, directly or indirectly, any compensation from Diversified in connection with the audit work associated with the Diversified audit report. In determining whether to accept the Offer, the Commission has considered this undertaking.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent’s Offer.

Accordingly, it is hereby ORDERED that:

A. Lingerman shall cease and desist from committing or causing any violations and any future violations of Section 102(a) of the Act.

B. Lingerman may practice before the Commission as an independent accountant provided that:

1. The public accounting firm with which he is associated is registered with the Board in accordance with the Act, and such registration continues to be effective; and

² A violation of the Act or any rule that the Board issues under the Act is treated for all purposes in the same manner as a violation of the Exchange Act, including with respect to penalties. Sarbanes-Oxley Act of 2002, 15 U.S.C.A. § 7202(b)(1) (West 2002).

³ Section 102(a) became effective “[b]eginning 180 days after the date of the determination of the Commission under Section 101(d)” of the Act that the Board was prepared to undertake its statutory responsibilities. The Commission made the required determination on April 25, 2003. See Order Regarding Section 101(d) of the Sarbanes-Oxley Act of 2002, Securities Act Release No. 8223, Exchange Act Release No. 47746, 2003 WL 1956164 (Apr. 25, 2003).

2. He has submitted to the Commission staff (attention: Office of the Chief Accountant) the Board's letter notifying the public accounting firm with which he is associated that its registration application has been approved.

By the Commission.

Nancy M. Morris
Secretary