

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89333/ July 16, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-17582

In the Matter of

Weatherford International PLC, f/k/a
Weatherford International LTD., James
Hudgins, CPA, and Darryl Kitay, CPA

Respondents.

ORDER APPOINTING
FUND ADMINISTRATOR
AND SETTING BOND
AMOUNT

ADMINISTRATIVE PROCEEDING
File No. 3-17628

In the Matter of

Ernst & Young LLP, Craig R.
Fronckiewicz, CPA, and Sarah E.
Adams, CPA

Respondents.

On September 27, 2016, the Commission issued an Order Instituting Public 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, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order") ("Order")¹ against Weatherford International, PLC, f/k/a/ Weatherford International LTD ("Weatherford"), James Hudgins, CPA, and Darryl Kitay, CPA,

¹ Securities Act Rel.No 10221 (Sep 27, 2016).

(collectively, the “Respondents”). In the Order, the Commission found that, between 2007 and 2012, Weatherford, a large multinational provider of oil and natural gas equipment and services, issued false financial statements that inflated its earnings by over \$900 million in violation of Generally Accepted Accounting Principles (“GAAP”). As a result, Weatherford was forced to restate its financial statements on March 8, 2011, and again in February and July 2012.

As a result of the conduct described in the Order, the Commission ordered the Respondents to pay a total of \$140,364,067 in disgorgement, prejudgment interest, and civil money penalties. All the amounts ordered have been paid. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”), as amended, the Order created a Fair Fund (the “Fair Fund”) for distribution of the amounts ordered to harmed investors.

On October 18, 2016, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”) against Ernst & Young LLP, Craig R. Fronckiewicz, CPA, and Sarah E. Adams, CPA (collectively, the “Respondents”). According to the Order, the Respondents violated the federal securities laws and engaged in improper professional conduct while serving as the external auditor, coordinating (i.e., signing) partner, and tax partner, respectively for Weatherford in connection with its 2007-2010 financial statements. As a result of this conduct, the Commission ordered the Respondents to pay a total of \$11,840,107 in disgorgement, prejudgment interest, and civil money penalties to the Commission, and created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley.

On November 30, 2017, the Commission issued an Order consolidating the Weatherford and Ernst & Young Fair Funds into a single Fair Fund for distribution to harmed investors, for a total Fair Fund in the amount of \$152,204,174.

The Division of Enforcement now seeks the appointment of Epiq Systems, Inc. (“Epiq”) as the fund administrator and requests that the administrator’s bond be set at \$152,204,174. Epiq is included in the Commission’s approved pool of administrators.

Accordingly, IT IS HEREBY ORDERED that Epiq is appointed as the fund administrator, pursuant to Rule 1105(a) of the Commission’s Rules of Fair Fund and Disgorgement Plans (“Commission’s Rules”),² and shall obtain a bond in accordance with Rule 1105(c) of the Commission’s Rules³ in the amount of \$152,204,174.00.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁴

Vanessa A. Countryman
Secretary

² 17 C.F.R. § 201.1105(a).

³ 17 C.F.R. § 201.1105(c).

⁴ 17 C.F.R. § 200.30-4(a)(17).