

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 74552 / March 20, 2015

ACCOUNTING AND AUDITING ENFORCEMENT  
Release No. 3643 / March 20, 2015

ADMINISTRATIVE PROCEEDING  
File Nos. 3-14872, 3-15116

In the Matter of

BDO CHINA DAHUA CPA CO., LTD.,  
ERNST & YOUNG HUA MING LLP, KPMG  
HUAZHEN (SPECIAL GENERAL  
PARTNERSHIP), DELOITTE TOUCHE  
TOHMATSU CERTIFIED PUBLIC  
ACCOUNTANTS LTD., and  
PRICEWATERHOUSECOOPERS ZHONG  
TIAN CPAS LIMITED

ORDER GRANTING THE  
DIVISION OF ENFORCEMENT'S  
UNOPPOSED MOTION TO  
WITHDRAW ITS PETITION FOR  
REVIEW AS TO DAHUA CPA,  
LTD. AND NOTICE THAT INITIAL  
DECISION HAS BECOME FINAL  
AS TO DAHUA CPA, LTD.

These administrative proceedings were instituted pursuant to Rule of Practice 102(e)(1)(iii).<sup>1</sup> The law judge's initial decision denied the privilege of appearing or practicing before the Commission to four of the five respondents for a period of six months and it censured the remaining respondent, Dahua CPA, Ltd. (Dahua).<sup>2</sup> The Division of Enforcement ("Division") sought review of, among other things, "that portion of the Initial Decision" regarding the remedies imposed on Dahua. Dahua did not file a petition for review. We granted the Division's petition for review and also determined, on our own initiative, to review what sanctions, if any, were appropriate.<sup>3</sup>

The Division has filed an unopposed motion to withdraw its petition for review as to Dahua, which is accompanied by a Joint Stipulation of Dismissal of Appeal as to Dahua entered into by the Division and by a representative partner of Dahua. The motion seeks "dismissal of all issues relating specifically to Dahua that have been raised on appeal from the Initial Decision by the Division and/or the Commission ('Dahua-Related Appeal Issues')." The Division states

<sup>1</sup> 17 C.F.R. § 201.102(e)(1)(iii).

<sup>2</sup> *BDO China Dahua CPA Co.*, Initial Decision Release No. 553, 2014 WL 242879, at \*84 (Jan. 22, 2014). Dahua was formerly affiliated with BDO International Limited and did business as BDO China Dahua CPA Co., Ltd., the entity that appears in the caption.

<sup>3</sup> *BDO China Dahua CPA Co.*, Exchange Act Release No. 72134, 2014 WL 1871077 (May 9, 2014).

that it does *not* seek dismissal of any other aspect of the Division's petition for review, including, in particular, issues relating to remedies imposed on the other respondents.

The Division argues that the Dahua-Related Appeal Issues should be dismissed because subsequent events, including the Commission's February 6, 2015 settlement with the other four respondents,<sup>4</sup> have substantially mitigated the concerns underlying its petition for review as it relates to Dahua. It further states that, because of the Commission's recent settlement with the other respondents, it is not currently the case that the initial decision's absence of a practice bar against Dahua would risk undermining the remedies imposed on the other respondents. The Division also asserts that Dahua, at present, is performing little or no audit work for U.S. issuers, thereby minimizing the risk of future harm to the Commission's processes. Finally, the Division believes that, if future cooperation regarding Dahua's audit work papers becomes necessary, it can seek such cooperation from Dahua and the China Securities Regulatory Commission following the procedures set forth in the settlement order. For all of these reasons, the Division contends that the changed circumstances weigh against imposition of any additional remedy against Dahua at the current time.

The relief sought by the Division appears to be appropriate.

Accordingly, it is ORDERED that the Division's unopposed motion is GRANTED. The Commission has determined to dismiss the Division's petition for review as it relates to Dahua and dismiss its own review of remedies as it relates to Dahua. It is further ORDERED that notice is hereby given that the initial decision of the administrative law judge is reinstated and has become the final decision of the Commission as to Dahua. The order contained in that decision is hereby declared effective as to Dahua. The initial decision censured Dahua pursuant to Rule 102(e)(1)(iii) of the Commission's Rules of Practice.

It is further ORDERED that the remainder of the Division's petition for review and the Commission's review of sanctions remain stayed in accordance with the Commission's February 6 settlement order.

By the Commission.

Brent M. Fields  
Secretary

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<sup>4</sup> *BDO China Dahua CPA Co.*, Exchange Act Release No. 74217, 2014 WL 7777230 (Feb. 6, 2015).