

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 1238 / February 12, 2014

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

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| In the Matter of | : | |
| | : | |
| BDO CHINA DAHUA CPA CO., LTD., | : | |
| ERNST & YOUNG HUA MING LLP, | : | |
| KPMG HUAZHEN (SPECIAL GENERAL | : | ORDER GRANTING MOTION |
| PARTNERSHIP), | : | FOR ORDER PERMITTING |
| DELOITTE TOUCHE TOHMATSU CERTIFIED | : | REVIEW OF INITIAL DECISION |
| PUBLIC ACCOUNTANTS LTD., and | : | WITH JOINDER |
| PRICEWATERHOUSECOOPERS ZHONG | : | |
| TIAN CPAs LIMITED | : | |

The Securities and Exchange Commission (Commission) instituted these proceedings on May 9, 2012, and December 3, 2012, pursuant to Rule 102(e)(1)(iii) of the Commission’s Rules of Practice. The two proceedings were consolidated on December 20, 2012, pursuant to Rule 201(a) of the Commission’s Rules of Practice. The hearing took place between July 8 and July 31, 2013, in Washington, D.C.

On January 22, 2014, I issued an Initial Decision (Public) and an Initial Decision (Sealed). BDO China Dahua CPA Co., Ltd., Initial Decision Release No. 553, 2014 SEC LEXIS 234 (Public). These decisions were identical except that the Initial Decision (Public) contained redactions of sections I determined should not be publicly disclosed and the Initial Decision (Sealed) had a “SUBJECT TO PROTECTIVE ORDER – OUTSIDE COUNSEL’S EYES ONLY” designation at the top of each page. Id. at *7. The Initial Decision (Sealed) was subject to the Stipulated Protective Order entered May 9, 2013 (Protective Order), as modified by the Joint Stipulation and Amendment to Stipulated Protective Order entered July 29, 2013 (collectively, Protective Orders). Id. at *8-9. Additionally, because the Initial Decision (Sealed) contained or disclosed commercially sensitive or proprietary information as to Respondents, no partner, principal, employee, in-house counsel, or witness of Respondents or Respondents’ global network was allowed access to it. Id. at *9.

On February 7, 2014, Respondents Ernst & Young Hua Ming LLP, KPMG Huazhen (Special General Partnership), Deloitte Touche Tohmatsu CPA Ltd., and PricewaterhouseCoopers Zhong Tian CPAs Limited Company (collectively, Moving

Respondents) filed a Motion for Order Permitting Review of Initial Decision (Motion), requesting that Moving Respondents and their relevant personnel be permitted to review the Initial Decision (Sealed). Motion at 1. Moving Respondents request that the individuals described in paragraphs 2(b)(ii)-(iii) of the Protective Order be allowed to review the Initial Decision (Sealed), and Moving Respondents argue that giving access to those individuals is critical to their ability to participate fully in their defense and understand my ruling. Id. at 1, 3.

Moving Respondents further represent that each Moving Respondent is willing to permit the other Moving Respondents to review those sections of the Initial Decision (Sealed) that include proprietary information regarding their own financial and competitive status. Id. at 3-4. They contend that, aside from the proprietary information, the remainder of the information redacted from the Initial Decision relates to testimony that was given publicly and therefore Moving Respondents should be given access to the entirety of the Initial Decision (Sealed). Id. at 4.

Finally, Moving Respondents represent that the Division of Enforcement (Division) does not object to allowing the individuals identified in paragraphs 2(b)(ii)-(iii) of the Protective Order to access the Initial Decision (Sealed), with the understanding that they will treat it as 'CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER-FILE UNDER SEAL' under the Protective Orders and will not disseminate it or disclose its contents to any person or entity not listed on page 111 of the Initial Decision (Public & Sealed). Id. at 5.

Dahua CPA Co., Ltd. (Dahua),¹ filed a Joinder in Respondents' Motion (Joinder) on February 7, 2014, stating that it joins in Moving Respondents' Motion seeking authorization for Respondents and their relevant personnel to review the Initial Decision (Sealed). Dahua represents that the Division does not object to allowing the individuals identified in Dahua's Joinder to have access to the Initial Decision (Sealed), with the understanding that they will treat it as confidential under the Protective Orders. The Joinder does not state that Dahua gives Moving Respondents permission to review those sections of the Initial Decision that include Dahua's proprietary information, if any; however, I construe Dahua's Joinder as granting such permission to Moving Respondents, in the absence of any indication to the contrary.

On February 12, 2014, this Office received a submission from Moving Respondents stating that they are in agreement that the Initial Decision (Sealed) may be shared with representatives of Dahua, as described in Dahua's Joinder.

In light of the agreement among Moving Respondents, Dahua, and the Division, and Moving Respondents' and Dahua's (collectively, Respondents) agreement to share the proprietary information contained in the Initial Decision (Sealed) with each other Respondent, it is ORDERED that the Motion with Joinder is GRANTED.

It is FURTHER ORDERED that the Initial Decision (Sealed) may only be reviewed by the following persons:

¹ As of April 30, 2013, BDO China Dahua CPA Co., Ltd., is no longer affiliated with BDO International Limited, and its name is now Dahua CPA Co., Ltd.

- a. The Commission and its personnel, including contractors;
- b. Outside consultants, investigators, and/or experts retained by the parties in connection with these proceedings, including any appeals from such proceedings;
- c. Any Division witness in these proceedings;
- d. Respondents' counsel of record in these proceedings and their partners, employees, and/or agents assisting such counsel in connection with these proceedings, including any appeals from such proceedings;
- e. Other counsel for Respondents in these proceedings and counsel for Ernst & Young Global Limited, KPMG International Cooperative, Deloitte Touche Tohmatsu Limited, or PricewaterhouseCoopers International Limited (collectively, the Global Networks) and their partners, principals, employees and/or agents assisting such counsel in connection with these proceedings, including any appeals from such proceedings;
- f. Partners, principals and/or employees of Respondents, the Global Networks, or other Global Network member firms: (1) who perform management functions for any Respondent and/or Global Network; or (2) with whom any Respondents' counsel consult in connection with these proceedings, including any appeals from such proceedings; and
- g. Other persons upon order of the hearing officer or a court, and on such conditions as may be agreed or ordered.

It is FURTHER ORDERED that the Initial Decision (Sealed) shall be treated as 'CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER-FILE UNDER SEAL,' and it shall not be further disseminated, and its contents shall not be disclosed, to any person or entity other than those persons authorized in this Order.

Cameron Elliot
Administrative Law Judge