

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74039 / January 13, 2015

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3619 / January 13, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16333

In the Matter of	:	
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	:	
JAMES T. CRANE, CPA,	:	ORDER INSTITUTING PUBLIC
	:	ADMINISTRATIVE PROCEEDINGS
	:	PURSUANT TO RULE 102(e) OF
	:	THE COMMISSION’S RULES OF
Respondent.	:	PRACTICE, MAKING FINDINGS, AND
	:	IMPOSING REMEDIAL SANCTIONS
	:	
	:	
	:	

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against James T. Crane (“Respondent” or “Crane”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “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, and the findings contained in Section III.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Crane, age 38, was a certified public accountant licensed to practice in the Commonwealth of Massachusetts, until his license expired on June 30, 2010. He served as Chief Financial Officer of Subaye, Inc. (“Subaye”) from October 29, 2007 until March 10, 2011.
2. Subaye was, at all relevant times, a Delaware corporation that purported to have its primary operations in the People’s Republic of China. Subaye claimed to be a leading online services provider for small-to-medium sized businesses in China, but presently it is inactive. Subaye’s common stock was registered with the Commission pursuant to Section 12(b) of Securities Exchange Act of 1934 (“Exchange Act”) and was listed on the NASDAQ Stock Market under the ticker “SBAY” from March 15, 2010 until November 21, 2011. The NASDAQ Stock Market filed a Form 25 (Notification of Removal from Listing and/or Registration under Section 12(b) of the Exchange Act) on November 10, 2011, and Subaye no longer has a class of stock registered pursuant to the Exchange Act.
3. On October 20, 2014, a final judgment was entered by consent, against Crane, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rules 10b-5, 13a-14, 13b2-1 and 13b2-2 thereunder, and Section 105(c)(7)(B) of the Sarbanes-Oxley Act of 2002, and from aiding and abetting any violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, thereunder, in the civil action entitled Securities and Exchange Commission v. Subaye, Inc. and James T. Crane, Civil Action Number 1:13-cv-03114-PKC, in the United States District Court for the Southern District of New York. Crane also was ordered to pay a civil penalty of \$150,000 and was barred from serving as an officer or director of a public company for a period of ten years.

the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

4. The Commission's complaint contained allegations, which Crane neither admitted nor denied, that, among other things, Crane engaged in a fraudulent scheme that resulted in Subaye's filing materially false and misleading financial statements in the company's annual report on Form 10-K for the fiscal year ended September 30, 2010, and a report on Form 8-K/A filed on January 26, 2011. The Complaint alleged that Crane, as Subaye's Chief Financial Officer, engaged in a number of improper accounting practices, which included circumventing or failing to implement a system of internal accounting controls, falsifying the books, records and accounts of Subaye, providing false documents to Subaye's independent auditors, signing false management representation letters that were provided to the auditors, making materially false or misleading statements to Subaye's accountants, and signing a false certification of Subaye's Form 10-K for 2010. In addition, the complaint alleged that, after being barred from doing so by the Public Company Accounting Oversight Board (PCAOB) in January 2011, Crane remained associated with Subaye, an issuer of U.S. registered stock, in a financial management or accounting capacity.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Crane's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Crane is suspended from appearing or practicing before the Commission as an accountant.

B. After ten years from the date of this order, Respondent may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in his practice before the Commission will be reviewed either by the independent audit committee of the public company for which he/she works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or

2. an independent accountant. Such an application must satisfy the Commission that:

(a) Respondent, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Respondent, or the registered public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any criticisms

of or potential defects in the respondent's or the firm's quality control system that would indicate that the respondent will not receive appropriate supervision;

(c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Respondent acknowledges his responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Brent J. Fields
Secretary