

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89475 / August 4, 2020

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4156 / August 4, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-18292

	ORDER GRANTING APPLICATION FOR
	REINSTATEMENT TO APPEAR AND PRACTICE
In the Matter of	BEFORE THE COMMISSION AS AN ACCOUNTANT
	RESPONSIBLE FOR THE PREPARATION OR
Tommy Shek, CPA	REVIEW OF FINANCIAL STATEMENTS REQUIRED
	TO BE FILED WITH THE COMMISSION OTHER
	THAN AS A MEMBER OF AN AUDIT COMMITTEE

On July 12, 2018, Tommy Shek, CPA (“Shek”) was denied the privilege of appearing or practicing before the Commission as an accountant as a result of settled public administrative proceedings instituted by the Commission against him pursuant to Rule 102(e)(1)(ii) of the Commission’s Rules of Practice.¹ This order is issued in response to Shek’s application for reinstatement to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission other than as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Securities and Exchange Act of 1934.

The Commission found that Shek, an audit manager at Anton & Chia LLP, engaged in improper professional conduct with respect to his work on the interim reviews of the financial statements of CannaVEST Corp. (“CannaVEST”) for the first through third quarters of 2013. In performing the interim reviews of CannaVEST’s financial statements, Shek engaged in improper professional conduct by failing to adhere to standards of the Public Company Accounting Oversight Board and ignoring a number of red flags that indicated that CannaVEST’s financial information contained material misstatements.

In his capacity as a preparer or reviewer, or as a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, other than as a member of the audit committee, Shek attests that he will undertake to have his work

¹ See Accounting and Auditing Enforcement Release No. 3951 dated July 12, 2018. Shek was permitted, pursuant to the order, to apply for reinstatement after one year upon making certain showings.

reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, while practicing before the Commission in this capacity. Shek is not, at this time, seeking to appear or practice before the Commission as an independent accountant or as 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 as a member of an audit committee. If he should wish to resume appearing and practicing before the Commission as an independent accountant or as 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 as a member of an audit committee he will be required to submit an application to the Commission showing that he has complied and will comply with the terms of the original suspension order. Therefore, Shek's suspension from practice before the Commission as an independent accountant and as 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 as a member of an audit committee continues in effect until the Commission determines that sufficient showings have been made in accordance with the terms of the original suspension order.

Shek is currently subject to probation under the California State Board of Accountancy. Failure to abide by the terms of his probation could result in the suspension of Shek's CPA license. Shek has attested that he will notify the Commission if he is found to have violated the terms of the probation. He also has attested that he understands that the suspension of his CPA license could result in the revocation of the reinstatement of his privilege to appear or practice before the Commission as an accountant.

Rule 102(e)(5) of the Commission's Rules of Practice governs applications for reinstatement, and provides that the Commission may reinstate the privilege to appear and practice before the Commission "for good cause shown."² This "good cause" determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Shek, it appears that he has complied with the terms of the July 12, 2018 order denying him the privilege of appearing or practicing before the Commission as an accountant, that no information has come to the attention of the Commission relating to his character, integrity, professional conduct or qualifications to practice before the Commission that would be a basis for adverse action against him pursuant to Rule 102(e) of the Commission's Rules of Practice, and that Shek, by undertaking to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, in his practice before the Commission as a preparer or reviewer of financial statements required to be filed with the Commission, has shown good cause for reinstatement. Therefore, it is accordingly,

² Rule 102(e)(5)(i) provides:

"An application for reinstatement of a person permanently suspended or disqualified under paragraph (e)(1) or (e)(3) of this rule may be made at any time, and the applicant may, in the Commission's discretion, be afforded a hearing; however, the suspension or disqualification shall continue unless and until the applicant has been reinstated by the Commission for good cause shown." 17 C.F.R. § 201.102(e)(5)(i).

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Tommy Shek, CPA is hereby reinstated to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission, other than as a member of an audit committee as that term is defined in Section 3(a)(58) of the Securities and Exchange Act of 1934.

By the Commission.

Vanessa A. Countryman
Secretary