

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 93014 / September 16, 2021

ACCOUNTING AND AUDITING ENFORCEMENT  
Release No. 4253 / September 16, 2021

ADMINISTRATIVE PROCEEDING  
File No. 3-18293

ORDER GRANTING APPLICATION FOR  
REINSTATEMENT TO APPEAR AND PRACTICE  
\_\_\_\_\_ : BEFORE THE COMMISSION AS AN ACCOUNTANT  
In the Matter of : RESPONSIBLE FOR THE PREPARATION OR  
: REVIEW OF FINANCIAL STATEMENTS REQUIRED  
Richard J. Koch, CPA : 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 EXCHANGE ACT OF 1934 AND  
AS AN INDEPENDENT ACCOUNTANT

On December 4, 2017, Richard J. Koch, CPA (“Koch”) 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 Koch pursuant to Rule 102(e)(1) of the Commission’s Rules of Practice.<sup>1</sup> This order is issued in response to Koch’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 Exchange Act of 1934 (“Exchange Act”)) and as an independent accountant.

The Commission’s order found that Koch had engaged in improper professional conduct while serving as the Engagement Quality Reviewer (“EQR”) for Anton & Chia, LLP’s (“A&C”) 2013 year-end audit of Premier Holding Corp. (“Premier”) and the 2013 second and third quarter interim reviews of CannaVEST Corp. (“CannaVEST”). As the EQR, Koch failed to adhere to standards of the Public Company Accounting Oversight Board (“PCAOB”) and ignored a number of red flags that indicated that Premier’s and CannaVEST’s financial statements did not

<sup>1</sup> See Accounting and Auditing Enforcement Release No. 3912 dated December 4, 2017. Koch was permitted, pursuant to the order, to apply for reinstatement after two years from the date of the order upon making certain showings.

conform to Generally Accepted Accounting Principles (“GAAP”) and contained material misstatements. In addition, for Premier’s 2013 audit, Koch provided his concurring approval to issue an audit report for Premier’s year-end financial statements in which the report inaccurately represented that A&C had conducted the audit in accordance with Generally Accepted Auditing Standards and further misleadingly represented that, based on that audit, in A&C’s opinion, Premier’s financial statements presented fairly, in all material respects, the company’s financial position, results of operations, and cash flows in accordance with GAAP. As a result, Koch was a cause of A&C’s violation of Rule 2-02(b) of Regulation S-X.

Koch has met all of the conditions set forth in the original order and, in his capacity as an independent accountant, has stated that he will comply with all requirements of the Commission and the PCAOB, including, but not limited to all requirements relating to registration, inspections, concurring partner reviews and quality control standards. 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 an audit committee, Koch attests that he will 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, while practicing before the Commission in this capacity.

Koch is not, at this time, seeking to appear or practice before the Commission 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, as that term is defined in Section 3(a)(58) of the Exchange Act. If he should wish to resume appearing and practicing before the Commission in this role, 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 in this regard. Therefore, Koch’s suspension from practice before the Commission 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 a sufficient showing has been made in this regard in accordance with the terms of the original suspension order.

Koch 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 revocation of Koch’s CPA license. Koch 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.”<sup>2</sup> This “good cause” determination is necessarily highly fact specific.

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<sup>2</sup> Rule 102(e)(5)(i) provides:

On the basis of the information supplied, representations made, and undertakings agreed to by Koch, it appears that he has complied with the terms of the December 4, 2017 order denying him the privilege of appearing or practicing before the Commission as an accountant. 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. In addition, Koch has undertaken 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, and has undertaken to comply with all requirements of the Commission and the PCAOB, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards, in his practice before the Commission as an independent accountant. As a result, Koch has shown good cause for reinstatement. Therefore, it is accordingly,

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Richard J. Koch, 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, and as an independent accountant.

By the Commission.

Vanessa A. Countryman  
Secretary

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“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).