UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96852 / February 8, 2023

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4374 / February 8, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21298

In the Matter of

Jia Roger Qian Wang, CPA and Wang Certified Public Accountant, P.C.,

Respondents.

ORDER INSTITUTING PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 4C AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 102(e) OF THE COMMISSION'S RULES OF PRACTICE AND NOTICE OF HEARING

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 102(e)(1)(ii) of the Commission's Rules of Practice against Jia Roger Qian Wang ("R. Wang") and Wang Certified Public Accountant, P.C., ("Wang CPA") (collectively, "Respondents").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Respondent R. Wang, age 47, resides in Queens, New York, and is a licensed Certified Public Accountant ("CPA") in New York State. R. Wang has no disciplinary history and is the sole owner and proprietor of Wang CPA.

2. Respondent Wang CPA, a New York professional corporation, is an accounting firm based in Queens, New York. Wang CPA registered with the Public Company Accounting Oversight Board ("PCAOB") on June 17, 2016. Wang CPA performed audits and interim reviews of the financial statements for Future FinTech Group Inc. ("FTFT" or the "company"), which filed periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act. R. Wang voluntarily withdrew Wang CPA's registration with the PCAOB. On September 1, 2020, the PCAOB accepted Wang CPA's application to withdraw its registration.

B. OTHER RELEVANT ENTITIES

1. Future FinTech Group Inc., is a Florida corporation (formerly doing business as SkyPeople Fruit Juice, Inc.) that engaged in the production and sale of fruit juice, purees, and concentrates, with operations in the People's Republic of China and headquartered in China from 2016 through 2018. In 2018 FTFT changed its business model to include cryptocurrency and an e-commerce platform. FTFT is a public issuer whose ordinary shares are registered with the Commission pursuant to Exchange Act Section 12(b). FTFT's shares are traded on the NASDAQ under the symbol FTFT. Presently their principal executive offices are in New York.

C. SUMMARY OF WANG CPA AND R. WANG'S INSUFFICIENT AUDITS

1. At the time of its application for registration with the PCAOB in 2016, neither R. Wang nor Wang CPA had conducted or played a substantial role in an audit of an issuer. Despite having inadequate experience auditing the financial statements of public companies, Respondents accepted the engagement to audit the financial statements of FTFT for its fiscal year ended December 31, 2015, for which it issued an audit report containing and unqualified opinion dated November 5, 2016. During its years auditing FTFT, R. Wang relied heavily on contract auditors that he retained in China to assist him.

2. From fiscal year 2016 through 2018 (the "relevant period"), FTFT experienced a series of setbacks that resulted in a continuous decline in its core business. As a result, certain assets experienced various triggering events throughout the relevant period that required FTFT to test those assets for recoverability and record impairment

losses in the event an asset's carrying value exceeded its fair value in accordance with ASC Topic 360.

3. Respondents' audits were deficient in multiple ways. First, there is no evidence that assets subject to the impairment were meaningfully considered in the planning or risk assessment stages of any of the audits despite multiple disclosures elsewhere in the filings alerting Respondents to the existence of various triggering events. There is insufficient evidence that Respondents evaluated the economic conditions that gave rise to potential triggering events related to certain assets. There is no evidence Respondents performed procedures related to the measurement of the recoverability of certain assets. As a result, Respondents failed to obtain sufficient appropriate audit evidence to support the carrying value of numerous FTFT assets.

4. During the relevant period, Respondents failed to prepare audit documentation in sufficient detail to provide a clear understanding of the work performed and the conclusions reached. Finally, Respondents failed to evaluate the results of the audit procedures performed as evidenced by clear inconsistencies and facial errors present in financial statements and accompanying footnotes in multiple periods. Respondents' numerous audit failures and lack of professional skepticism demonstrate a lack of due professional care that resulted in the violation of PCAOB Standards and Regulation S-X and caused violations of Exchange Act Section 13(a), and Exchange Act Rule 13a-1 thereunder.

D. FACTS

1. For each FTFT audit for fiscal years 2016, 2017 and 2018, Wang CPA issued a report representing that the audit was conducted in accordance with PCAOB standards, and each report was filed by FTFT with its 10-K for each year.

Lack of Training and Proficiency

2. PCAOB Standards require that the audit be performed by "a person or persons having adequate technical training and proficiency as an auditor." AS 1010.01. Respondents had inadequate experience in auditing issuers and took no steps to obtain the knowledge or expertise to attain the necessary proficiency. Respondents had a professional obligation to acquire the necessary knowledge and skills, suggest someone else qualified to perform the work, or decline the engagement.

Lack of Planning and Risk Assessment Procedures

3. PCAOB Standards require that the auditor properly plan the audit. AS 2101.04. Planning requires the establishment of an overall audit strategy that includes an audit plan, which includes risk assessment procedures and planned responses to the risks of material misstatement. AS 2101.05. Respondents' planning activities failed to develop an appropriate strategy to plan for or otherwise assess the risk of misstatement related to multiple assets subject to impairment that represented between 47% of FTFT's total assets

for fiscal year 2017 and 283% of FTFT's total assets for fiscal year 2018. Due to Respondents' failures to adequately plan audit procedures over the relevant period, Respondents similarly failed to identify and appropriately assess the risks of material misstatement. AS 2110.03.

Failure to Obtain Sufficient Appropriate Audit Evidence

4. PCAOB Standards require an auditor to plan and perform audit procedures to obtain sufficient appropriate audit evidence to support the opinion expressed in the auditor's report. AS 1105.03. If audit evidence obtained from one source is inconsistent with that obtained from another, or if the auditor has doubts about the reliability of information to be used as audit evidence, the auditor should perform the audit procedures necessary to resolve the matter and should determine the effect, if any, on other aspects of the audit. AS 1105.29.

5. Per FASB ASC 360-10, Accounting for the Impairment or Disposal of Long-Lived Assets, long-lived assets such as property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. It is reasonably possible that these assets could become impaired as a result of technological or other industrial changes. Under GAAP, FTFT was required to perform such a "recoverability test" on each asset when there was an indicator of impairment. If the carrying value is not recoverable, GAAP requires that an impairment loss be recorded measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

6. Throughout the relevant period, FTFT experienced various events or changes in circumstances that indicated the carrying amounts of its property, plant, and equipment may not have been recoverable. In addition to observable evidence available to R. Wang and his firm during the course of the audits, FTFT itself disclosed in its periodic filings that various of its fruit juice related businesses were experiencing significant adverse changes in the business climate, including limited or no production and sustained operating losses that would affect certain property, plant and equipment. Moreover, over the course of the relevant period, FTFT disclosed the impairment of certain assets that resulted in the partial write down of assets to purported recoverable values. However, R. Wang and his firm repeatedly failed to perform even basic procedures related to management's assertion of the appropriate carrying value of its assets. Their audit documentation lacked documentation of sufficient procedures or analysis related to FTFT's impairment testing and R. Wang offered no persuasive evidence of meaningful procedures performed to test management's assertions about the carrying value of the assets presented in FTFT's financial statements.

7. The following examples of this are seen in the following operating subsidiaries of FTFT:

a. Huludao Wonder

i. In FTFT's Form 10-K for fiscal year ended December 31, 2016, the company disclosed that its subsidiary, Huludao Wonder ("Huludao"), which produced concentrated apple juice, was being wound down after years of operating losses. The disclosure suggested that equipment would be transferred to another subsidiary, that land and facilities would be sold upon favorable circumstances, and that the book value of the subsidiary's land usage rights and building was "lower than its fair market value, less the cost to sell." Similar disclosures were made in fiscal years 2017 and 2018, and the company reported fixed asset impairment losses of $2.4 million in 2016, and $11.3 million in 2017. However, Respondents failed to perform procedures to test the measurement of the impairment or corroborate FTFT's assertions related to the carrying value subsequent to the recognition of the impairment loss.

ii. For example, while Respondent's audit documentation contain no reference or analysis related to the recognized impairment loss, FTFT's board of director minutes for the fiscal year 2016 document a decision to fully impair all Huludao equipment, in conflict with the disclosure in its form 10-K filing. Meanwhile, Respondents performed no meaningful procedures with respect to the carrying value of the company's land and real property. There is no credible audit documentation related to the carrying value of the land and real property. More significantly, the land and real property were used by Huladao as collateral for a loan on which Huladao had defaulted. Despite disclosure of the litigation involving the default in September 2016, Respondents failed to assess the impact of that litigation on the rights and obligations related to the assets.

b. <u>Suizhong Project</u>

i. This project involved construction of facilities to support FTFT's fruit juice business. Under the ASC 360-10-35, an impairment model requires that reporting entities monitor for events or changes in circumstances indicating that the carrying value of an asset, or an asset grouping, may not be recoverable. Examples include a significant decrease in the market price of the asset, a significant adverse change to the extent or manner in which as asset is being used.

ii. Respondents were required to test and audit FTFT's recoverability analysis which would have included a comparison of the carrying value of the asset or asset group to the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. The asset or asset group is considered to not be recoverable if its carrying value exceeds the sum of its undiscounted cash flows. While FTFT reported assets including an office building, dormitory, refrigeration storage facility, and warehouse, the company disclosed in their 10-K for the fiscal year 2015 that work on the project had been suspended because of heavy competition in the fruit juice business. In the 10-K for fiscal year 2016, the company's disclosures indicate that the situation had not changed. Nonetheless, despite these significant adverse changes to the business climate and a lack of any operating cash flow over multiple years, FTFT failed to perform a recoverability analysis and failed to record the appropriate impairment losses in 2016.

iii. In fiscal year 2017, FTFT recorded impairment losses of $25.06 million, equaling their construction costs and nearly their entire investment.

iv. However, Respondents' audit documentation for the fiscal year 2016 audit do not contain any analysis with respect to potential impairment of the related assets.

c. Guo Wei Mei

i. Shaanxi Guo Wei Mei Kiwi Deep Processing Co., Ltd. ("Guo Wei Mei"), a subsidiary of another subsidiary of the company called Hede Jiachaan Xian was supposed to produce kiwi fruit juice, puree, and cider beverages. Since its establishment in 2013, it had not become operable and FTFT disclosed in its fiscal years 2015 and 2016 10-Ks that it projected completing construction in the second quarter of 2017. However, the fiscal year 2017 10-K disclosed that the Chinese government had recently tightened environmental regulations, that the company was in the process of adapting to the new standards, that the project had been delayed and construction stopped in early 2017, and most importantly: "Since the [c]ompany's current cash cannot support the future input of this project and there is no forecasted cash flow from this project, the [c]ompany recorded an impairment cost of $30.26 million with respect to construction in progress and fixed assets of this project."

ii. For fiscal year 2018, FTFT inconsistently disclosed that it recorded an impairment loss of $25.19 million in the financial footnotes and $45 million in the MD&A of the 2018 10-K. In addition to the inconsistency of the disclosure, the disclosures contained no additional relevant facts as to why the impairment was not recorded earlier in fiscal 2017 nor justification for taking the impairment loss in fiscal 2018. Respondents' audit documentation contains no explanation or analysis of the recorded impairment loss or the appropriate timing of the recognition of the loss.

d. Yingkou

i. In the fiscal year 2015 10-K that FTFT filed in November 2016, FTFT disclosed that a concentrated apple juice business operating in a subsidiary called Yingkou had no production activity, had not operated in the past two years, and was recognizing a $2.38 million impairment loss with respect to its production equipment. Notably the MD&A sections of the respective filings contained inconsistencies. In its 10-K for fiscal year 2016, the company disclosed that it had recognized a $2.1 million impairment loss in 2016 with respect to the concentrated fruit juice equipment. However, in its 10-K for the fiscal year 2017, FTFT's filing disclosed that it recognized an impairment loss of $2.1 million in 2017 and $0 in 2016. And finally, in its 10-K for fiscal year 2018, it disclosed that it had recorded an impairment loss of $4.36 million for 2018.

ii. Contrary to these inconsistent disclosures, FTFT actually did not record any impairment losses in 2016 and 2017, but did recognize impairment of the remaining value of the asset in 2018. Again, Respondents' audit documentation for fiscal years 2016 and 2017 does not contain any impairment analysis related to the recoverability of Yingkou's real property, which had been idle for years. And once again, Respondents failed to recognize the inconsistencies and errors in FTFT's explanations across its 10-Ks.

In sum, Wang CPA and R. Wang failed to perform sufficient audit procedures related to the recognition and measurement of impairment of multiple assets. Respondents' failure to obtain sufficient appropriate audit evidence in these areas resulted in a lack of support for the audit opinions contained in FTFT's 2016, 2017, and 2018 Forms 10-K.

Failure to Prepare Audit Documentation in Sufficient Detail

8. PCAOB Auditing Standard No. 1215, Audit Documentation, requires that the auditor must document the procedures performed, evidence obtained, and conclusions reached with respect to relevant financial statement assertions. AS 1215.6 also requires that audit documentation must contain sufficient information to enable an experienced auditor, having no previous connection with the engagement: (a) to understand the nature, timing, extent, and results of the procedures performed, evidence obtained, and conclusions reached, and (b) to determine who performed the work and the date such work was completed as well as the person who reviewed the work and the date of such review.

9. As described above, Respondents' audit documentation does not contain sufficiently detailed information about the procedures performed, evidence obtained, or conclusions reached with respect to the carrying values of FTFT's various fruit-related businesses.

Failure to Reconcile Financial Statements with Underlying Accounting Records and with Other Information in Documents Containing Audited Financial Statements

10. PCAOB Auditing Standard No. 2810, Evaluating Audit Results, establishes requirements regarding evaluating the presentation of the financial statements, including the disclosures. AS 2810.02 states that the objective of the auditor is to evaluate the results of the audit to determine whether the audit evidence obtained is sufficient and appropriate to support the opinion to be expressed in the auditor's report. AS 2810.31 also requires that the auditor evaluate the presentation of financial statements, and evaluate whether the financial statements contain information essential for a fair presentation of the financial statements in conformity with the applicable financial reporting framework. Evaluation of the information disclosed in financial statements includes consideration of the form, arrangement, and content of the financial statements (including accompanying notes), encompassing matters such as terminology used, amount of detail given, classification of items in the statements, and bases of amounts set forth.

11. PCAOB Audit Standard 2710, Other Information in Documents Containing Audited Financial Statements, guides an auditor's conduct in reviewing information in documents such as annual reports filed with the Securities and Exchange Commission. AS 2710.04 provides that an auditor should read other information in such

filings that may be relevant to the audit; consider whether such information or the manner of its presentation is materially inconsistent with information, or the manner of its presentation, in the financial statements; and resolve any material inconsistency.

12. For the audits of FTFT's fiscal years 2016 through 2018, Respondents did not reconcile the underlying accounting records to the issuer's financial statements or footnotes concerning impairment. Moreover, Respondents did not reconcile the financial statement footnotes to supporting documentation. Respondents failed to address several significant inconsistencies contained in FTFT's filings. The fiscal year 2017 10-K describes the impairment for Huludao as either $11.76 million (p.40), $11.34 million (p.50) or $11.33 million (F-7). Similarly the fiscal year 2018 10-K describes the impairment for Huludao as $1.07 million (p.59) or $10.78 million in fixed assets and $2.2 million in inventory (p.62). The fiscal year 2018 10-K also discloses that impairments in both 2017 and 2018 were taken for "concentrated fruit juice production equipment" (p.59), while FTFT did not actually record any impairment losses in 2018. Respondents simply did not review the relevant Forms10-Ks with the requisite professional skepticism to catch and correct these mistakes and inconsistencies. These are some of the inconsistencies throughout FTFT's filings.

Failure to Exercise Due Professional Care

13. PCAOB AS No. 1015 requires an auditor to exercise due professional care in the planning and performance of the audit. AS 1015.7 requires the auditor to exercise professional skepticism, an attitude that includes a questioning mind and a critical assessment of audit evidence.

14. Wang CPA and R. Wang did not possess the degree of skill commonly possessed by other auditors to complete procedures to test the carrying value of FTFT's fruit-related assets and the procedures Respondents did perform were not done with the reasonable care and diligence necessary to meet the standard of due care required by AS 1015.

E. VIOLATIONS

1. Rule 2-02(b)(1) of Regulation S-X requires an accountant's report to state "the applicable professional standards under which the audit was conducted." 17 CFR 210.2-02(b)(1). For audits of fiscal years 2016 and 2017, Rule 2-02(b)(1) similarly mandated that an accountant's report "state whether the audit was made in accordance with accepted auditing standards…." An auditor violates Regulation S-X Rule 2-02(b)(1) if it issues a report stating it has conducted its audit in accordance with the PCAOB standards when it has not. Wang CPA violated Rule 2-02(b)(1) of Regulation S-X by issuing audit reports for FTFT fiscal years 2016, 2017 and 2018 audits and stating that it had conducted the audits in accordance with PCAOB standards when it had not. R. Wang was the sole proprietor of Wang CPA and approved the signing of the firm's name to the audit report and their issuance for inclusion in the filings with the Commission therefore R. Wang caused Wang CPA's violations of Rule 2-02(b)(1) of Regulation S-X.

2. Section 13(a) of the Exchange Act and Rule 13a-1 thereunder requires issuers with equity securities registered under Section 12 of the Exchange Act to file annual reports with the Commission that do not contain materially inaccurate or misleading information. FTFT filed annual reports on Form 10-K for fiscal years 2016, 2017 and 2018, all of which contained Wang CPA's materially inaccurate statements that FTFT's financial statements had been audited in accordance with PCAOB standards. As a result, R. Wang and Wang CPA caused FTFT's violations of Section 13(a) of the Exchange Act and Rule 13a-1 thereunder.

3. Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice provide, in part, that the Commission may censure a person or deny, temporarily or permanently, the privilege of appearing or practicing before the Commission to any person who is found by the Commission to have engaged in improper professional conduct. With respect to persons licensed to practice as accountants, "improper professional conduct" includes "[r]epeated instances of unreasonable conduct, each resulting in violations of applicable professional standards, that indicate a lack of competence to practice before the Commission." *See* Rule 102(e)(1)(iv)(B)(2). By failing to comply with PCAOB standards in the audits of FTFT, as described above, R. Wang and Wang CPA engaged in improper professional conduct as defined in Rule 102(e)(1)(iv).

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford R. Wang and Wang CPA an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 4C(a) of the Exchange Act and Rule 102(e) of the Commission's Rules of Practice;

C. Whether, pursuant to Section 21C of the Exchange Act, Respondents should be ordered to cease and desist from committing or causing violations of and any future violations of Regulation S-X Rule 2-02(b)(1); Section 13(a) of the Exchange Act, and Exchange Act Rule 13a-1 thereunder; whether Respondents should be ordered to pay a civil penalty pursuant to Section 21B(a) of the Exchange Act, and whether Respondents should be ordered to pay disgorgement pursuant to Sections 21B(e) and 21C(e) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing before the Commission for the purposes of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondents shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If any Respondent fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against the Respondent upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

This Order shall be served forthwith upon Respondents by any means permitted by the Commission's Rules of Practice.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to service of paper copies, service to the Division of Enforcement of all opinions, orders, and decisions described in Rule 141, 17 C.F.R. § 201.141, and all papers described in Rule 150(a), 17 C.F.R. § 201.150(a), in these proceedings shall be by email to the attorneys who enter an appearance on behalf of the Division, and not by paper service.

Attention is called to Rule 151(a), (b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(a), (b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed electronically in administrative proceedings using the Commission's Electronic Filings in Administrative Proceedings (eFAP) system access through the Commission's website, www.sec.gov, at http://www.sec.gov/eFAP. Respondents also must serve and accept service of documents electronically. All motions, objections, or applications will be decided by the Commission.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 120-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Vanessa A. Countryman
Secretary