

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 98779 / October 23, 2023

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4471 / October 23, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21784

In the Matter of

**LUTHER C. SPEIGHT, III, CPA, AND
LUTHER SPEIGHT & COMPANY,
LLC,**

Respondents.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION'S RULES OF 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 Luther C. Speight, CPA ("Speight" or "Respondent") and Luther Speight & Company ("LSC" or "Respondent") (collectively, "Respondents") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondents have 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

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

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 them and the subject matter of these proceedings, and the findings contained in Section III.3 below, which are admitted, Respondents consent to the entry of this Order Instituting Public 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 Respondents' Offer, the Commission finds that:

1. **Luther C. Speight, III ("Speight")**, age 67, is a resident of New Orleans, Louisiana. Speight is a certified public accountant licensed in Louisiana, Tennessee and Georgia. He is the founder, 95% owner, and partner-in-charge of LSC, and managing partner on its audit engagements.

2. **Luther Speight & Company, LLC ("LSC")** is a Louisiana limited liability company based in New Orleans, LA. LSC is a certified public accounting and consulting firm that provides consulting, auditing and accounting services.

3. On September 27, 2023, the Commission filed a complaint against Respondents in SEC v. Luther C. Speight, III and Luther Speight & Company, LLC (Civil Action No. 1:23-cv-4384-AT). On October 4, 2023, the court entered an order permanently enjoining Respondents, by consent, from future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933. Speight was also enjoined from serving as the engagement manager, engagement partner, or engagement quality reviewer in connection with any audit of financial statements or audit report, which Speight should reasonably expect to be submitted to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") website, and LSC was enjoined from participating in the audit of financial statements which LSC should reasonably expect to be submitted to EMMA. Respondents were also ordered to pay, jointly and severally, disgorgement and prejudgment interest \$14,961 and a civil penalty of \$30,000.

4. The Commission's complaint alleged, among other things, that in connection with their audit of a school board's financial statements, Respondents failed to perform their audit in accordance with Generally Accepted Auditing Standards ("GAAS"). The complaint alleged that, on January 2, 2020, LSC, through Speight, issued an auditor's report stating that it had conducted the audit of the school board's fiscal year 2019 financial statements in accordance with GAAS. The complaint alleged that that statement was false because Speight and LSC did not comply with GAAS in many important and material respects, and the financial statements also contained various errors that had to be corrected. The complaint alleged that Speight and LSC knew, or should have known, that their statement that they had performed their audit in accordance with GAAS was false and that the school board would use the auditor's report to sell municipal bonds to investors. The complaint alleged that the school board unknowingly used the auditor's report to sell \$120 million of bonds to an investor in March 2020.

IV.

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

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

- A. Speight is suspended from appearing or practicing before the Commission as an accountant.
- B. LSC is suspended from appearing or practicing before the Commission as an accountant.
- C. After 3 years from the date of the Order, Speight may request that the Commission consider Speight's reinstatement by submitting an application to the attention of the Office of the Chief Accountant.
- D. In support of any application for reinstatement to appear and practice before the Commission as a preparer or reviewer, or 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, as that term is defined in Section 3(a)(58) of the Exchange Act, Speight shall submit a written statement attesting to an undertaking to have Speight's work reviewed by the independent audit committee of any public company for which Speight works or in some other manner acceptable to the Commission, as long as Speight practices before the Commission in this capacity and will comply with any Commission or other requirements related to the appearance and practice before the Commission as an accountant.
- E. In support of any application for reinstatement to appear and practice before the Commission 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"), as a preparer or reviewer, or as a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission, Speight shall submit a statement prepared by the audit committee(s) with which Speight will be associated, including the following information:
 - 1. A summary of the responsibilities and duties of the specific audit committee(s) with which Speight will be associated;
 - 2. A description of Speight's role on the specific audit committee(s) with which Speight will be associated;
 - 3. A description of any policies, procedures, or controls designed to mitigate any potential risk to the Commission by such service;
 - 4. A description relating to the necessity of Speight's service on the specific audit committee; and

5. A statement noting whether Speight will be able to act unilaterally on behalf of the Audit Committee as a whole.

F. In support of any application for reinstatement to appear and practice before the Commission as an independent accountant (auditor) before the Commission, Speight must be associated with a public accounting firm registered with the Public Company Accounting Oversight Board (the “PCAOB”) and Speight shall submit the following additional information:

1. A statement from the public accounting firm (the “Firm”) with which Speight is associated, stating that the firm is registered with the PCAOB in accordance with the Sarbanes-Oxley Act of 2002;
2. A statement from the Firm with which Speight is associated that the Firm has been inspected by the PCAOB and that the PCAOB did not identify any criticisms of or potential defects in the Firm’s quality control system that would indicate that Speight will not receive appropriate supervision; and
3. A statement from Speight indicating that the PCAOB has taken no disciplinary actions against Speight since seven (7) years prior to the date of the Order other than for the conduct that was the basis for the Order.

G. In support of any application for reinstatement, Speight shall provide documentation showing that Speight is currently licensed as a certified public accountant (“CPA”) and that Speight has resolved all other disciplinary issues with any applicable state boards of accountancy. If Speight is not currently licensed as a CPA, Speight shall provide documentation showing that Speight’s licensure is dependent upon reinstatement by the Commission.

H. In support of any application for reinstatement, Speight shall also submit a signed affidavit truthfully stating, under penalty of perjury:

1. That Speight has complied with the Commission suspension Order, and with any related orders and undertakings, including any orders in SEC v. Luther C. Speight, III and Luther Speight & Company, LLC, or any related Commission proceedings, including any orders requiring payment of disgorgement or penalties;
2. That Speight undertakes to notify the Commission immediately in writing if any information submitted in support of the application for reinstatement becomes materially false or misleading or otherwise changes in any material way while the application is pending;
3. That Speight, since the entry of the Order, has not been convicted of a felony or a misdemeanor involving moral turpitude that would constitute a

basis for a forthwith suspension from appearing or practicing before the Commission pursuant to Rule 102(e)(2);

4. That Speight, since the entry of the Order:
 - a. has not been charged with a felony or a misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice, except for any charge concerning the conduct that was the basis for the Order;
 - b. has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, and has not been enjoined from violating the federal securities laws, except for any finding or injunction concerning the conduct that was the basis for the Order;
 - c. has not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order;
 - d. has not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof to have committed an offense (civil or criminal) involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order; and
 - e. has not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, civilly or criminally, with having committed an act of moral turpitude, except for any charge concerning the conduct that was the basis for the Order.
5. That Speight's conduct is not at issue in any pending investigation of the Commission's Division of Enforcement, the PCAOB's Division of Enforcement and Investigations, any criminal law enforcement investigation, or any pending proceeding of a State Board of Accountancy, except to the extent that such conduct concerns that which was the basis for the Order.
6. That Speight has complied with any and all orders, undertakings, or other remedial, disciplinary, or punitive sanctions resulting from any action taken by any State Board of Accountancy, or other regulatory body.

- I. Speight shall also provide a detailed description of:

1. Speight's professional history since the imposition of the Order, including
 - (a) all job titles, responsibilities and role at any employer;
 - (b) the identification and description of any work performed for entities regulated by the Commission, and the persons to whom Speight reported for such work; and
2. Speight's plans for any future appearance or practice before the Commission.

J. The Commission may conduct its own investigation to determine if the foregoing attestations are accurate.

K. If Speight provides the documentation and attestations required in this Order and the Commission (1) discovers no contrary information therein, and (2) determines that Speight truthfully and accurately attested to each of the items required in Speight's affidavit, and the Commission discovers no information, including under Paragraph J, indicating that Speight has violated a federal securities law, rule or regulation or rule of professional conduct applicable to Speight since entry of the Order (other than by conduct underlying Speight's original Rule 102(e) suspension), then, unless the Commission determines that reinstatement would not be in the public interest, the Commission shall reinstate the respondent for cause shown.

L. If Speight is not able to provide the documentation and truthful and accurate attestations required in this Order or if the Commission has discovered contrary information, including under Paragraph J, the burden shall be on Speight to provide an explanation as to the facts and circumstances pertaining to the matter setting forth why Speight believes cause for reinstatement nonetheless exists and reinstatement would not be contrary to the public interest. The Commission may then, in its discretion, reinstate Speight for cause shown.

M. If the Commission declines to reinstate Speight pursuant to Paragraphs K and L, it may, at Speight's request, hold a hearing to determine whether cause has been shown to permit Speight to resume appearing and practicing before the Commission as an accountant.

N. After 3 years from the date of the Order, LSC may request that the Commission consider LSC's reinstatement by submitting an application to the attention of the Office of the Chief Accountant.

O. In support of any application for reinstatement to appear and practice before the Commission as a preparer or reviewer, or 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, as that term is defined in Section 3(a)(58) of the Exchange Act, LSC shall submit a written statement attesting to an undertaking to have LSC's work reviewed by the independent audit committee of any public company for which LSC works or in some other manner acceptable to the Commission, as long as LSC practices before the Commission in this

capacity and will comply with any Commission or other requirements related to the appearance and practice before the Commission as an accountant.

P. In support of any application for reinstatement to appear and practice before the Commission as a member of an audit committee, as that term is defined in Section 3(a)(58) of Exchange Act, as a preparer or reviewer, or as a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission, LSC shall submit a statement prepared by the audit committee(s) with which LSC will be associated, including the following information:

1. A summary of the responsibilities and duties of the specific audit committee(s) with which LSC will be associated;
2. A description of LSC's role on the specific audit committee(s) with which LSC will be associated;
3. A description of any policies, procedures, or controls designed to mitigate any potential risk to the Commission by such service;
4. A description relating to the necessity of LSC's service on the specific audit committee; and
5. A statement noting whether LSC will be able to act unilaterally on behalf of the Audit Committee as a whole.

Q. In support of any application for reinstatement to appear and practice before the Commission as an independent accountant (auditor) before the Commission, LSC must be registered with the PCAOB and LSC shall submit the following additional information:

1. A statement regarding LSC's legal status and whether it has merged or become affiliated with any other legal entity;
2. A statement that LSC registered with the PCAOB in accordance with the Sarbanes-Oxley Act of 2002;
3. A statement that LSC has, within the prior one (1) year period hired an independent CPA consultant (the "Consultant") who is not unacceptable to the staff of the Division of Enforcement of the Commission (the "Staff") and is affiliated with a public accounting firm registered with the PCAOB, that has conducted a review of LSC's quality control system, including the inspection and review of selected audit and review engagements of the firm over the past two annual periods preceding the commencement of the review, and other testing of the audit, supervisory, and quality control procedures of the firm as are necessary. The statement should further provide that the review did not identify any criticisms of or potential defects in LSC's quality control system

that would indicate that any of LSC's associated persons will not receive appropriate supervision. LSC agrees to require the Consultant, if and when retained, to enter into an agreement that provides that for the period of review and for a period of two (2) years from completion of the review, the Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with LSC, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the Consultant will require that any firm with which they are affiliated or of which they are a member, and any person engaged to assist the Consultant in performance of their duties under this Order shall not, without prior consent of the Staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with LSC, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the review and for a period of two (2) years after the review; and

4. A statement from LSC indicating that the PCAOB has taken no disciplinary actions against LSC since seven (7) years prior to the date of the Order other than for the conduct that was the basis for the Order.

R. In support of any application for reinstatement, LSC shall provide documentation showing that LSC is currently licensed as a CPA and that LSC has resolved all other disciplinary issues with any applicable state boards of accountancy. If LSC is not currently licensed as a CPA, LSC shall provide documentation showing that LSC's licensure is dependent upon reinstatement by the Commission.

S. In support of any application for reinstatement, LSC shall also submit a signed affidavit truthfully stating, under penalty of perjury:

1. That LSC has complied with the Commission suspension Order, and with any related orders and undertakings, including any orders in SEC v. Luther C. Speight, III and Luther Speight & Company, LLC, or any related Commission proceedings, including any orders requiring payment of disgorgement or penalties;
2. That LSC undertakes to notify the Commission immediately in writing if any information submitted in support of the application for reinstatement becomes materially false or misleading or otherwise changes in any material way while the application is pending;
3. That LSC, since the entry of the Order, has not been convicted of a felony or a misdemeanor involving moral turpitude that would constitute a basis for a forthwith suspension from appearing or practicing before the Commission pursuant to Rule 102(e)(2);

4. That LSC, since the entry of the Order:
 - a. has not been charged with a felony or a misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice, except for any charge concerning the conduct that was the basis for the Order;
 - b. has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, and has not been enjoined from violating the federal securities laws, except for any finding or injunction concerning the conduct that was the basis for the Order;
 - c. has not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order;
 - d. has not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof to have committed an offense (civil or criminal) involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order; and
 - e. has not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, civilly or criminally, with having committed an act of moral turpitude, except for any charge concerning the conduct that was the basis for the Order.
5. That LSC's conduct is not at issue in any pending investigation of the Commission's Division of Enforcement, the PCAOB's Division of Enforcement and Investigations, any criminal law enforcement investigation, or any pending proceeding of a State Board of Accountancy, except to the extent that such conduct concerns that which was the basis for the Order.
6. That none of LSC's employees, partners, or professional staff's conduct is at issue in any pending investigation of the Commission's Division of Enforcement, the PCAOB's Division of Enforcement and Investigations, any criminal law enforcement investigation, or any pending proceeding of a State Board of Accountancy, except to the extent that such conduct concerns that which was the basis for the Order.
7. That LSC has complied with any and all orders, undertakings, or other remedial, disciplinary, or punitive sanctions resulting from any action taken by any State Board of Accountancy, or other regulatory body.

T. LSC shall also provide a detailed description of:

1. LSC's professional history since the imposition of the Order, including
 - (a) all engagements including audit and attestation work;
 - (b) the identification and description of any work performed for entities regulated by the Commission, and the primary contact person at such regulated entity; and
2. LSC's plans for any future appearance or practice before the Commission.

U. The Commission may conduct its own investigation to determine if the foregoing attestations are accurate.

V. If LSC provides the documentation and attestations required in this Order and the Commission (1) discovers no contrary information therein, and (2) determines that LSC truthfully and accurately attested to each of the items required in LSC's affidavit, and the Commission discovers no information, including under Paragraph U, indicating that LSC has violated a federal securities law, rule or regulation or rule of professional conduct applicable to LSC since entry of the Order (other than by conduct underlying LSC's original Rule 102(e) suspension), then, unless the Commission determines that reinstatement would not be in the public interest, the Commission shall reinstate the respondent for cause shown.

W. If LSC is not able to provide the documentation and truthful and accurate attestations required in this Order or if the Commission has discovered contrary information, including under Paragraph U, the burden shall be on LSC to provide an explanation as to the facts and circumstances pertaining to the matter setting forth why LSC believes cause for reinstatement nonetheless exists and reinstatement would not be contrary to the public interest. The Commission may then, in its discretion, reinstate LSC for cause shown.

X. If the Commission declines to reinstate LSC pursuant to Paragraphs V and W, it may, at LSC's request, hold a hearing to determine whether cause has been shown to permit LSC to resume appearing and practicing before the Commission as an accountant.

By the Commission.

Vanessa A. Countryman
Secretary