

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 103022 / May 9, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-17582

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In the Matter of	:	
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Weatherford International PLC,	:	ORDER APPROVING APPLICATION OF
f/k/a Weatherford International	:	FUND ADMINISTRATOR FOR
LTD., James Hudgins, CPA, and	:	PAYMENT OF FEES AND EXPENSES
Darryl Kitay, CPA	:	AND AUTHORIZING THE APPROVAL
	:	AND PAYMENT OF THE FEES AND
	:	EXPENSES OF ADMINISTRATION
	:	
Respondents.	:	
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ADMINISTRATIVE PROCEEDING
File No. 3-17628

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In the Matter of	:
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Ernst & Young LLP, Craig R.	:
Fronckiewicz, CPA, and Sarah. E.	:
Adams, CPA	:
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	:
Respondents.	:
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On September 27, 2016, the Commission issued an Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 4C and 21C of the Securities Exchange Act of 1934, and Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Weatherford Order”)¹ against Weatherford International PLC, f/k/a Weatherford International LTD. (“Weatherford”), James Hudgins, CPA, and Darryl Kitay, CPA (collectively, the “Weatherford Respondents”). In the Weatherford Order, the Commission found that, between 2007 and 2012, Weatherford, a large multinational provider of oil and natural gas equipment and services, issued false financial statements that inflated its earnings by over \$900 million in violation of Generally Accepted Accounting Principles (“GAAP”). As a result, Weatherford was forced to restate its financial statements on March 8, 2011, and again in

¹ Securities Act Rel. No. 10221 (Sept. 27, 2016).

February and July 2012. As a result of the conduct described in the Weatherford Order, the Commission ordered the Weatherford Respondents to pay a total of \$140,364,067 in disgorgement, prejudgment interest, and civil money penalties. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”) the Weatherford Order created a Fair Fund for distribution of the amounts ordered to harmed investors.

On October 18, 2016, the Commission issued an 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, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “E&Y Order” and together with the Weatherford Order, the “Orders”)² against Ernst & Young LLP (“Ernst & Young”), Craig R. Fronckiewicz, CPA, and Sarah E. Adams, CPA (collectively, the “E&Y Respondents” and together with the Weatherford Respondents, the “Respondents”). According to the E&Y Order, the E&Y Respondents violated the federal securities laws and engaged in improper professional conduct while serving as the external auditor, coordinating (*i.e.*, signing) partner, and tax partner, respectively for Weatherford in connection with its 2007-2010 financial statements. As a result of this conduct, the Commission ordered the E&Y Respondents to pay a total of \$11,840,107 in disgorgement, prejudgment interest, and civil money penalties to the Commission, and created a Fair Fund, pursuant to Section 308(a) of Sarbanes-Oxley.

On November 30, 2017, the Commission issued an Order consolidating the Weatherford and Ernst & Young Fair Funds into a single Fair Fund for distribution to harmed investors, for a total Fair Fund in the amount of \$152,204,174 (the “Fair Fund”).³

The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

On July 16, 2020, the Division of Enforcement, pursuant to delegated authority, issued an order appointing Epiq Class Action and Claims Solutions, Inc. as the fund administrator of the Fair Fund (the “Fund Administrator”) and set the administrator’s bond amount.⁴

In accordance with Rule 1105(d) of the Commission’s Rules,⁵ the Fund Administrator has submitted to the Commission staff two invoices for services rendered from their appointment, July 16, 2020, through June 30, 2024, totaling \$884,248.79. The Commission staff has reviewed the Fund Administrator’s invoice, confirmed that the services have been provided, and finds the fees and expenses of \$884,248.79 to be reasonable. The Commission staff has requested that the Commission authorize the Office of Financial Management (“OFM”) to pay the Fund Administrator’s fees and expenses of \$884,248.79 from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.⁶

² Exchange Act Rel. No. 79109 (Oct. 18, 2016).

³ Order Consolidating Fair Funds, Exchange Act Rel. No. 82185 (Nov. 30, 2017).

⁴ Order Appointing Fund Administrator and Setting Bond Amount, Exchange Act Rel. No. 89333 (July 16, 2020).

⁵ 17 C.F.R. § 201.1105(d).

⁶ 17 C.F.R. § 201.1105(e).

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of the Assistant Director of the Office of Distributions, to pay the Fund Administrator's fees and expenses from the Fair Fund so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of an approved cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission's Rules,⁷ that OFM pay the Fund Administrator's fees and expenses of \$884,248.79 from the Fair Fund in accordance with Rule 1105(e) of the Commission's Rules.⁸ Further, OFM is authorized to pay, at the direction of the Assistant Director of the Office of Distributions, any fees and expenses of the Fund Administrator from the Fair Fund in accordance with Rule 1105(e) of the Commission's Rules,⁹ so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of an approved cost proposal submitted by the Fund Administrator.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.¹⁰

Vanessa A. Countryman
Secretary

⁷ 17 C.F.R. § 201.1105(d).

⁸ 17 C.F.R. § 201.1105(e).

⁹ 17 C.F.R. § 201.1105(e).

¹⁰ 17 C.F.R. § 200.30-4(a)(21)(vi).