

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 103956 / September 12, 2025

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4576 / September 12, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-20468

In the Matter of	ORDER GRANTING APPLICATION FOR
JOHN C. SHEA, CPA	: 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

On August 24, 2021, the Commission issued a settled Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), Sections 4C and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Rule 102(e) of the Commission’s Rules of Practice, Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Suspension Order”) against Respondent John C. Shea, CPA.¹ The Suspension Order denied Shea the privilege of appearing or practicing before the Commission as an accountant but permitted him, after two years from the date of the Suspension Order and if certain conditions were met, to request that the Commission consider his reinstatement to resume appearing or practicing before the Commission as (1) a preparer or reviewer, or a person responsible for the preparation or review, of financial statements that are 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 Exchange Act; (2) a preparer or reviewer, or a person responsible for the preparation or review, of financial statements that are required to be 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; or (3) an independent accountant.

This order is issued in response to Shea’s application for reinstatement to appear and practice before the Commission as an accountant responsible for the preparation or review of

¹ See Accounting and Auditing Enforcement Release No. 4244, dated August 24, 2021.

financial statements required to be filed with the Commission, other than as a member of an audit committee.

In the Suspension Order, the Commission found that Healthcare Services Group, Inc. (“HCSG”) failed to properly accrue for or disclose certain loss contingencies relating to pending civil litigation. As a result, HCSG reported materially inflated net income and earnings per share in certain periods during its fiscal years 2014 and 2015. Shea, HCSG’s then Chief Financial Officer, failed to direct the accrual for and disclosure of the loss contingencies related to potential settlements of the litigation. As a result of his conduct, Shea willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act and Rule 13b2-1 under the Exchange Act. Shea also caused HCSG’s violations of Sections 17(a)(2) and (3) of the Securities Act, Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act, and Rules 12b-20, 13a-1, 13a-11, 13a-13, and 13a-15(a) thereunder.

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 which determination is necessarily highly fact specific.

Shea has shown good cause for reinstatement and has met the conditions set forth in the Suspension Order to be reinstated to appear and practice before the Commission as a person 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. In his capacity as a person 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, Shea 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.

Shea is not, at this time, seeking to appear or practice before the Commission as a person responsible for the preparation or review of financial statements required to be filed with the Commission *as a member of an audit committee* or as an independent accountant. If, in the future, Shea should wish to resume appearing and practicing before the Commission in such a capacity, he will be required to submit an application to the Commission showing, among other things, that he has complied and will comply with the terms of the Suspension Order.

On the basis of information supplied, representations made, and undertakings agreed to by Shea, and for the reasons stated immediately above, it appears that he has complied with the terms of the Suspension 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

² Rule 102(e)(5)(i) provides:

“[a]n 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).

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. As a result, Shea 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 John C. Shea, 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.

By the Commission.

Vanessa A. Countryman
Secretary