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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

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OFFICE OF THE SECRETARY

Administrative Proceeding
File No. 3-15012

In the Matter of :
:
:
:
Scott W. Hatfield, CPA, and :
S. W. Hatfield, CPA :
:
:
Respondents. :
_____ :

DIVISION OF
ENFORCEMENT'S BRIEF IN
SUPPORT OF PETITION
FOR REVIEW

DIVISION OF ENFORCEMENT'S REPLY BRIEF
IN SUPPORT OF PETITION FOR REVIEW OF INITIAL DECISION



David B. Reece
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Division of Enforcement
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COUNSEL FOR PETITIONER
DIVISION OF ENFORCEMENT

I. **ARGUMENT**

Pursuant to Rule 450 of The Securities and Exchange Commission's ("Commission") Rules of Practice, the Division of Enforcement ("Division") respectfully submits this Reply Brief in Support of Petition for Review of Initial Decision.

On November 21, 2013, the Division filed its Brief In Support of Petition for Review of Initial Decision (the "Brief"). The Division timely served its Brief on Respondents, through their counsel of record who later, on December 26, 2013, notified the Commission and Respondents of its withdrawal under Rule 102(d)(4), based on an inability to make contact with Respondents. *See* Emails of November 21, 2013, attached hereto as Exhibit A; Transmittal Documentation for Notice of Withdrawal, attached hereto as Exhibit B.

Because the record reflects that Respondents received the Division's Brief as well as their counsel's Notice of Withdrawal, and because Respondents¹ have not responded to the Division's Brief or opposed the Division's Petition for Review of Initial Decision, the Division reasserts and incorporates herein the arguments and evidence advanced in its (1) underlying Brief; (2) January 30, 2013 Motion for Summary Disposition and Brief in Support; and (3) March 11, 2013 Reply Brief in Support of Motion for Summary Disposition and all evidence submitted in support thereof.

II. **CONCLUSION**

For the foregoing reasons, the Division respectfully requests that the Commission reverse the Initial Decision in this matter and:

¹ It is undisputed that Respondent Scott W. Hatfield is, and at all relevant times was, S.W. Hatfield CPA's sole officer, director and accountant and that he was authorized to act for and on behalf of Respondent S.W. Hatfield, CPA. *See, e.g.,* Division's Motion for Summary Disposition at p. 4, §IV; Respondents' Answer to OIP at ¶¶1-2. *In the Matter of Scott W. Hatfield, CPA, et al.*
Division of Enforcement's Reply Brief in Support of Petition for Review of Initial Decision – Page 2

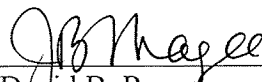
- (1) find that Respondents violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder;
- (2) order Respondents to cease and desist from future violations;
- (3) order Respondents to pay disgorgement, on a joint and several liability basis, of \$187,222, plus prejudgment interest pursuant to Rule 600 of the Commission's Rules of Practice;
- (4) order each Respondent to pay an appropriate second-tier civil penalty; and
- (5) permanently bar Respondents from appearing or practicing before the Commission pursuant to either, or both of, Rule of Practice 102(e)(1)(i) and 102(e)(1)(iii).²

Alternatively, should the Commission determine that the Division is not entitled to summary disposition, the Division respectfully requests that the Commission enter an order reversing the Initial Decision's dismissal of the claims asserted in the Order Instituting Proceedings and remanding this matter for a final merits hearing.

² As noted in the Division's underlying Brief, Respondents should be sanctioned under Section 4C of the Securities Exchange Act of 1934 for the same reasons.

In the Matter of Scott W. Hatfield, CPA, et al.

Dated: January 6, 2014



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COUNSEL FOR PETITIONER
DIVISION OF ENFORCEMENT

Minnick, Deborah

From: Minnick, Deborah
Sent: Thursday, November 21, 2013 2:52 PM
To: ALJ; Shields, Kathy Moore
Cc: Magee, Jessica B.; Jeff Ansley [REDACTED]
Subject: In the Matter of Scott W. Hatfield, CPA and S. W. Hatfield, CPA, AP 3-15012
Attachments: Cover Ltr to Secretary's Office.11.21.13.pdf; Division of Enforcement's Brief IS of Petition for Review.FINAL.11.21.13.pdf; Appendix Cover for Brief IS of Petition for Review.pdf

Attached please find a copy of the *Division of Enforcement's Brief In Support of Petition for Review of Initial Decision and Appendix In Support of Its Brief* in the above matter. The Appendix In Support is voluminous and will need to be sent in separate emails. Hard copies have been forwarded via UPS as specified in the attached cover letter to the Secretary's office.

Respectfully,

Deborah A. Minnick

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Minnick, Deborah

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To: ALJ; Shields, Kathy Moore
Cc: Magee, Jessica B.; [REDACTED]
Subject: In the Matter of Scott W. Hatfield, CPA and S. W. Hatfield, CPA, AP 3-15012
Attachments: Appendix Brief IS Petition for Review.SEC APP 1 - 798 - Copy_Part1.pdf

Attached is Part 1 of 7 of the *Appendix In Support of Division of Enforcement's Brief In Support of Petition for Review* in the above matter.

Respectfully,

Deborah A. Minnick

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Minnick, Deborah

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To: ALJ; Shields, Kathy Moore
Cc: Magee, Jessica B. [REDACTED]
Subject: In the Matter of Scott W. Hatfield, CPA and S. W. Hatfield, CPA, AP 3-15012
Attachments: Appendix Brief IS Petition for Review.SEC APP 1 - 798 - Copy_Part2.pdf

Attached is Part 2 of 7 of the *Appendix In Support of Division of Enforcement's Brief In Support of Petition for Review* in the above matter.

Respectfully,

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Minnick, Deborah

From: Minnick, Deborah
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To: ALJ; Shields, Kathy Moore
Cc: Magee, Jessica B.; [REDACTED]
Subject: In the Matter of Scott W. Hatfield, CPA and S. W. Hatfield, CPA, AP 3-15012
Attachments: Appendix Brief IS Petition for Review.SEC APP 1 - 798 - Copy_Part3.pdf

Attached is Part 3 of 7 of the *Appendix In Support of Division of Enforcement's Brief In Support of Petition for Review* in the above matter.

Respectfully,

Deborah A. Minnick

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Minnick, Deborah

From: Minnick, Deborah
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To: ALJ; Shields, Kathy Moore
Cc: Magee, Jessica B.; [REDACTED]
Subject: In the Matter of Scott W. Hatfield, CPA and S. W. Hatfield, CPA, AP 3-15012
Attachments: Appendix Brief IS Petition for Review.SEC APP 1 - 798 - Copy_Part4.pdf

Attached is Part 4 of 7 of the *Appendix In Support of Division of Enforcement's Brief In Support of Petition for Review* in the above matter.

Respectfully,

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Minnick, Deborah

From: Minnick, Deborah
Sent: Thursday, November 21, 2013 3:03 PM
To: ALJ; Shields, Kathy Moore
Cc: Magee, Jessica B. [REDACTED]
Subject: In the Matter of Scott W. Hatfield, CPA and S. W. Hatfield, CPA, AP 3-15012
Attachments: Appendix Brief IS Petition for Review.SEC APP 1 - 798 - Copy_Part5.pdf

Attached is Part 5 of 7 of the *Appendix In Support of Division of Enforcement's Brief In Support of Petition for Review* in the above matter.

Respectfully,

Deborah A. Minnick

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Minnick, Deborah

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Sent: Thursday, November 21, 2013 3:05 PM
To: ALJ; Shields, Kathy Moore
Cc: Magee, Jessica B. [REDACTED]
Subject: In the Matter of Scott W. Hatfield, CPA and S. W. Hatfield, CPA, AP 3-15012
Attachments: Appendix Brief IS Petition for Review.SEC APP 1 - 798 - Copy_Part6.pdf

Attached is Part 6 of 7 of the *Appendix In Support of Division of Enforcement's Brief In Support of Petition for Review* in the above matter.

Respectfully,

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Minnick, Deborah

From: Minnick, Deborah
Sent: Thursday, November 21, 2013 4:03 PM
To: ALJ; Shields, Kathy Moore
Cc: Magee, Jessica B. [REDACTED]
Subject: In the Matter of Scott W. Hatfield, CPA and S. W. Hatfield, CPA, AP 3-15012
Attachments: Appendix Brief IS Petition for Review.SEC APP 1 - 798 - Copy_Part7.pdf

Attached is Part 7 of 7 of the *Appendix In Support of Division of Enforcement's Brief In Support of Petition for Review* in the above matter.

Respectfully,

Deborah A. Minnick

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December 26, 2013

**VIA FEDERAL EXPRESS
AND ELECTRONIC MAIL**

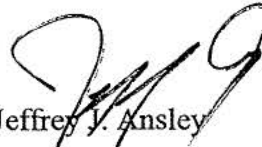
Ms. Elizabeth M. Murphy
Secretary
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

**Re: Administrative Proceeding File No. 3-15012
In the Matter of S.W. Hatfield, CPA and Scott W. Hatfield, CPA**

Dear Ms. Murphy:

I have enclosed an original and three copies of Counsel for Respondents S.W. Hatfield, CPA, and Scott W. Hatfield, CPA's Notice of Withdrawal for filing in the above-referenced proceeding. Additionally, I am forwarding a courtesy copy to Judge Foelak.

Very truly yours,


Jeffrey J. Ansley

JJA/reb
Enclosures
1545312_1.DOCX / 8728.1

[REDACTED]

[REDACTED]

[REDACTED]

