

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70603 / October 2, 2013

Admin. Proc. File Nos. 3-14872, 3-15116

In the Matter of the Application of

BDO CHINA DAHUA CPA CO., LTD.,
ERNST & YOUNG HUA MING LLP,
KPMG HUAZHEN (SPECIAL GENERAL
PARTNERSHIP),
DELOITTE TOUCHE TOHMATSU CERTIFIED
PUBLIC ACCOUNTANTS LTD., and
PRICEWATERHOUSECOOPERS ZHONG
TIAN CPAs LIMITED

ORDER GRANTING
SECOND EXTENSION

I.

Chief Administrative Law Judge Brenda P. Murray has moved, pursuant to Commission Rule of Practice 360(a)(3),¹ for an extension of one hundred days to issue the initial decision in this consolidated proceeding. For the reasons set forth below, we grant her motion.

On May 9, 2012, we issued an Order Instituting Administrative Proceedings Pursuant to Rule 102(e)(1)(iii) of the Commission's Rules of Practice and Notice of Hearing ("OIP") against Deloitte Touche Tohmatsu Certified Public Accountants Ltd. ("D&T Shanghai"), a public accounting firm registered with the Public Company Accounting Oversight Board.² The OIP alleges that D&T Shanghai willfully failed to provide audit workpapers in response to a Commission request, despite its legal obligations as a registered accounting firm to do so under Section 106 of the Sarbanes-Oxley Act of 2002.³

¹ 17 C.F.R. § 201.360(a)(3).

² *Deloitte Touche Tohmatsu Certified Public Accountants Ltd.*, Exchange Act Release No. 66948, 2012 SEC LEXIS 1457 (May 9, 2012). We subsequently issued a Second Corrected OIP, which corrected typographical errors in certain dates in the original OIP. That OIP is available at <http://www.sec.gov/litigation/admin/2012/34-66948.pdf>.

³ 15 U.S.C. § 7216.

On December 3, 2012, we issued an additional OIP against D&T Shanghai and four other respondents.⁴ The OIP in this second proceeding alleges that the respondents willfully refused to provide the Commission with audit workpapers and other materials prepared in connection with audit work or interim reviews in contravention of their legal obligations under Sarbanes-Oxley Section 106 as foreign public accounting firms. The first proceeding, in which D&T Shanghai was the sole respondent, was subsequently consolidated with this second proceeding.

II.

The OIPs direct the presiding law judge to issue an initial decision no later than 300 days from the date of service of the OIP. On March 8, 2013, we granted Chief Judge Murray's motion requesting an extension of time to file the initial decision in the first proceeding until October 11, 2013 because the first proceeding "was postponed for approximately five months pending the Commission's negotiations with the China Securities Regulatory Commission and has since been consolidated with [the second proceeding], which was instituted approximately seven months after the first proceeding."⁵ The initial decision in the second proceeding is also due on October 11, 2013.⁶ Chief Judge Murray has now filed a second motion requesting an extension for this consolidated proceeding pursuant to Rule of Practice 360(a)(3).

We adopted Rules of Practice 360(a)(2) and 360(a)(3) to enhance the timely and efficient adjudication and disposition of Commission administrative proceedings by setting deadlines for issuance of an initial decision.⁷ The rules further provide for deadline extensions under certain circumstances if supported by a motion from the Chief Administrative Law Judge and we determine that "additional time is necessary or appropriate in the public interest."⁸

In her motion, Chief Judge Murray asserts that "[i]t will not be possible to issue an Initial Decision within the time specified due to the size and complexity of the Consolidated Proceeding and [her] Office's very heavy workload." She notes that there have been twelve days of hearings in the consolidated proceeding which have produced over 2,700 pages of transcript, that the parties presented testimony from twenty lay witnesses and seven expert witnesses, and that approximately 1,000 exhibits were admitted into evidence. She also notes that the "expert witness reports are hundreds of pages long and the parties' opening post-hearing briefs have a combined total of nearly 250 pages." Moreover, the presiding law judge "has three other Initial Decisions due in early October following hearings in those proceedings and is scheduled to preside at a hearing beginning on September 23, 2013, which is expected to last a week." Under the circumstances, it is appropriate in the public interest to grant the Chief Administrative Law

⁴ *BDO China Dahua CPA Co.*, Exchange Act Release No. 68335, 2012 SEC LEXIS 3704 (Dec. 3, 2012).

⁵ *BDO China Dahua CPA Co.*, Exchange Act Release No. 69094, 2013 SEC LEXIS 974, at *4-5 (Mar. 8, 2013) (internal quotations omitted).

⁶ *BDO China Dahua CPA Co.*, Administrative Proceedings Rulings Release No. 763, 2013 SEC LEXIS 1298, at *17 (Apr. 30, 2013).

⁷ *See Adopting Release*, Securities Act Release No. 8240, 2003 SEC LEXIS 1404, at *2-3 (June 11, 2003).

⁸ 17 C.F.R. § 201.360(a)(3).

Judge's request and to extend the deadline for issuance of a decision in this consolidated proceeding.

Accordingly, IT IS ORDERED that the deadline for filing the initial decision in this consolidated proceeding is extended to January 20, 2014.

By the Commission.

Elizabeth M. Murphy
Secretary