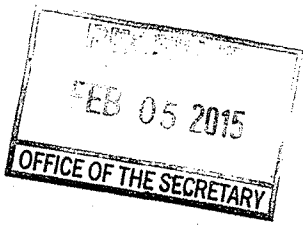
ADMINISTRATIVE PROCEEDING
FILE NOS. 3-14872, 3-15116

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549



In the Matter 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

BRIEF OF ZHONGGUANCUN LISTED COMPANIES ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF REVERSAL

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I. INTEREST OF THE *AMICUS CURIAE*

The Zhongguancun Listed Companies Association (the "ZLCA") is a non-profit association formed under the laws of the People's Republic of China by the Zhongguancun National Innovation Demonstration Zone, an area of Beijing designated by the Beijing Municipal Government with the approval of the People's Republic of China's State Council as the location for the Zhongguancun Science and Technology Park (the "Science and Technology Park" or "Z-Park"). According to the *Measures on Registration Management of Zhongguancun Science and Technology Park*[1], the applicable governmental directive governing the management and operation of the Science and Technology Park, any company that is registered in the Zhongguancun National Innovation Demonstration Zone and listed in any capital market worldwide shall be considered a Zhongguancun Listed Company. Under the supervision of the Director of the Science and Technology Park, a position that is substantially equivalent to a Vice Mayor of the City of Beijing, the ZLCA is chartered with a purpose of representing the broad-based policy interests of its members in the areas of global capital markets research, education, and training with a goal of enhancing its members' participation and visibility in both domestic and worldwide capital markets.

United States listed companies registered in the Science and Technology Park numbered approximately forty (40) companies, including major Chinese technology companies, such as Baidu (NASDAQ: BIDU), Sina Corporation (NASDAQ: SINA), Sohu.com (NASDAQ: SOHU), SouFun Holdings Ltd. (NYSE: SFUN), and Changyou.com Limited (NASDAQ: CYOU), and

[1] Measures for the Administration of Enterprise Registration in Zhongguancun Science and Technology Park, adopted at the 32nd executive committee of the People's Government of Beijing Municipal on February 13, 2001 and promulgated March 2, 2001, *available at* http://www.ebeijing.gov.cn/feature_2/RegulationsRules/t1125919.htm. *See generally,* Regulations of Zhongguancun Science and Technology Garden (Adopted on December 8, 2000 by the 23rd Meeting of the Standing Committee of the 11th People's Congress of Beijing Municipality), *available at,* http://www.lawofchina.com/Display.aspx?lib=law&Cgid=16797073.

as of the year ended December 31, 2013, all forty (40) companies represented over $115 Billion US Dollars in market capitalization on US Stock Exchanges.[2] By far, the vast majority of these United States listed companies ranked by market capitalization are audited by Respondents and will be affected by the Commission's decision in this appeal.

II. SUMMARY OF ARGUMENT

ZLCA has a strong interest in matters affecting policy interests of its members in the areas of global capital markets research, education, and training, and has a goal of enhancing its members' participation and visibility in both domestic and worldwide capital markets. We respectfully submit this brief, as *Amicus Curiae,* to discuss the policy ramifications that the Commission's decision may have on U.S. listed Chinese companies, and U.S. shareholders of the same, in light of the conflict between U.S. and Chinese law, and to recommend to the Commission a solution that would address this conflict and the dilemma that the Respondents face, and that all similarly situated foreign accountants in China will face, if the Commission affirms the initial decision rendered by Administrative Law Judge Cameron Elliot on January 22, 2014 (the "Initial Decision").

As *Amicus*, it is not our purpose to advocate for or against the interests of any specific party to this proceeding. Our efforts herein are intended to assist the Commission in furtherance of promoting investor protection for U.S. investors that invest in Chinese companies listed on U.S. exchanges in a manner that does not unnecessarily hinder such U.S. listed companies from capital formation.

For the Commission to uphold the Initial Decision would be inconsistent with its prior policy positions in resolving conflicts between the securities laws and the laws of foreign

[2] *See, 2013 listed companies in Zhongguancun Competitiveness Report* ("English summary") available at http://www.zlca.org/_d275985473.htm.

nations,[3] would adversely affect U.S. listed companies that are audited by accounting firms in countries having laws that conflict with Sarbanes-Oxley Section 106, would be contrary to the public interest and protection of United States investors, and would have a chilling effect on capital formation in the United States.

III. DISCUSSION

A. The Long-Standing Position of the Commission Counsels Adherence to Principles of International Comity; the Enforcement Mechanism Is Ill Suited For That Analysis.

The use of an enforcement action against foreign auditors, who cannot comply with U.S. laws without also violating home country laws, is against the norms and practices the Commission has followed for many years. *See* Exhibit 1, Declaration of Roel C. Campos ("Campos Declaration"); *see, e.g.,* U.S. *Amicus* Br., *Aerospatiale,* 482 U.S. 522, 1986 WL 727504, *19 (U.S. 1986). By abandoning such long-standing policy and norms, the Commission invites retaliation against U.S. issuers and investors and opens the door for a host of unintended consequences. Furthermore, in imposing punitive sanctions against Chinese auditors, the Commission would risk erasing, in one step, years of slow progress in building relationships of trust and cooperation with its regulatory counterparts in China. *See* Campos Declaration.

B. The Commission Should Vacate the Initial Decision and Provide For the Application of a Proper Comity Analysis.

The Commission's use of an administrative proceeding under Rule 102(e) , 17 C.F.R. § 201.102, imposing sanctions on foreign accounts for their failure to produce audit work papers requested by the Commission under Section 106 of the SARBANES-OXLEY ACT OF 2002, 15 U.S.C. § 7216 § 106(f), (2012). , as amended by Section 929J of the DODD-FRANK WALL STREET

[3] *See, e.g.,* Brief for the U.S. and the Securities and Exchange Commission as *Amici Curiae, Aerospatiale,* 482 U.S. 522, 1986 WL 727504, *19 (U.S. 1986) ("The Decision Below Should Be Vacated And The Case Should Be Remanded For The Application Of A Proper Comity Analysis").

REFORM AND CONSUMER PROTECTION ACT, PL 111-203, Title IX, § 929J, July 21, 2010 ("Dodd-Frank"), 124 Stat 1376[4] (a "Section 106 Request"), is a matter of first impression. Relevant statutes and authorities recognize the wisdom of requiring the application of the principles of international comity to resolve conflicts between domestic and foreign law before sanctions can be imposed against a foreign accountant in an administrative proceeding under Rule 102(e), 17 C.F.R. § 201.102, for a failure to comply with a Section 106 Request. Applying international comity would also be more consistent with the current state of the law after the Supreme Court's decision in *Société Nationale Industrielle Aerospatiale v. United States District Court for the Southern District of Iowa,* 482 U.S. 522, 546 (1987) (hereinafter *"Aerospatiale")* and its progeny. The Commission's long-standing policy on such matters likewise supports the application of principles of international comity. *See* Campos Declaration.

The United States District Courts have been held to be the forum best suited to determine the exact line between reasonableness and unreasonableness when applying the principles of international comity in resolving conflicts between U.S. law and the laws of a foreign state. *See, Aerospatiale, supra,* 482 U.S. at 546; *Seattle Times Co. v. Rhinehart,* 476 U.S. 20, 36 (1984). The Commission should require its Enforcement Division to pursue an order to compel production of the audit work papers that are the subject of a Section 106 Request in the District Courts – where the principles of international comity will be applied as a predicate to instituting any Order Initiating Administrative Proceedings under Rule 102(e), when the alleged violation of the federal securities laws is based upon the failure to comply with a Section 106 Request. After the Supreme Court's decision in *Aerospatiale,* whenever a District Court has jurisdiction over a foreign national in a proceeding in the U.S. and applicable U.S. law or procedure relating to the production of evidence from such foreign national conflicts with foreign law, the District

[4] 15 U.S.C § 7216(b)(1).

Courts have applied the principles of international comity to determine the nature and extent a foreign national should be compelled to produce such evidence in violation of foreign law. *See, e.g., Wultz v. Bank of China Ltd.*, 942 F. Supp. 2d 452, 456 (S.D.N.Y. 2013).

In this way, important and politically sensitive issues involving foreign relations and international cooperation can be addressed to avoid the kind of "Hobson's Choice" that the Initial Decision presents. *See* Campos Declaration. A reasonable interpretation of Congress's intent in enacting the amendments to Sarbanes-Oxley Section 106 by Dodd-Frank support the position that Congress was aware that conflicts may arise between the requirements of Section 106 and foreign law when they added an "alternative means" for foreign accountants to comply with a Section 106 Request as a permissible way for resolving conflicts. By vesting the District Courts with jurisdiction to enforce a Section 106 Request,[5] Congress intended that the principles of international comity mandated by *Aerospatiale* be applied in resolving these conflicts.[6] An Administrative Law Judge in a proceeding under Rule 102(e) is not vested with the power to fashion an order to compel production of the requested audit work papers and therefore is not able to apply the principles of international comity in a manner consistent with the holding of *Aerospatiale*. Accordingly, a finding by an Administrative Law Judge in such proceeding – that a foreign accountant willfully violated the federal securities laws and therefore is subject to sanctions by failure to comply with a Section 106 Request – without the predicate order to compel production by a District Court, would circumvent the requirement to apply the principles

[5] *See,* Section 106(b)(1)(B), 15 U.S.C. §7216(B)(1)(B).
[6] *Compare* Sarbanes Oxley Act of 2002, PL 107-204, Title I, §106, 116 STAT. 745, 764-65 with Dodd Frank, PL 111-203, Title IX, §929, 124 STAT.1376, 1859-60, amending Section 106 by strengthening the audit work paper production requirement of Section 106(b)(1) by deleting the phrase "be deemed to have consented" before the word "shall" and adding Section 106(f) Other Means Satisfying Production Obligations.

of international comity in resolving the conflict of laws in a manner intended by Congress and mandated by *Aerospatiale.*

C. The Commission Should Consider Well Established Principles of International Comity

Since the Supreme Court's decision in *Aerospatiale*, principles of international comity have been applied by the District Courts whenever there is a conflict between enforcing an obligation under U.S. law to produce evidence from a foreign national in a foreign jurisdiction, when such obligation conflicts with laws of that foreign jurisdiction. In amending Sarbanes-Oxley Section 106, Congress modified the language of Section 106(b), 15 U.S.C § 7216(b), the obligation of foreign accountants registered with the Public Accounting Oversight Board (the "PCAOB") and added a new Section 106(f), 15 U.S.C. § 7216(f), providing for an alternative means for production. Since the Dodd Frank Amendments occurred after *Aerospatiale* and its progeny, it can be inferred that Congress knew, and therefore intended, that the nature and extent of the obligation to produce the requested audit work papers when a conflict of laws exists would be constrained by the principles of international comity mandated by *Aerospatiale.*[7]

International comity is the "recognition which one nation allows within its territory to the legislative, executive or judicial acts of another nation, having due regard both to international duty and convenience, and the rights of its own citizens or other persons who are under the protection of its laws." *Hilton v. Guyot*, 159 U.S. 113, 164 (1895). Although the existence of a foreign statute barring disclosure, as here, "does not deprive an American court of the power to order a party subject to its jurisdiction to produce evidence even though the act of production may violate that statute," *Aerospatiale, supra,* at 544, n.29, District Courts have carefully

[7] *See Missippi ex rel. Hood v. AU Optronics Crop.*, 134 S. Ct. 736, 734 (2014); *Goodyear Atomic Corp v. Miller,* 486 U.S. 174, 184-85 (1988); *Standard Oil v. United States*, 221 U.S. 1, 59 (1911).

weighed comity considerations when the exercise of United States jurisdiction over foreign nationals implicates a foreign government's interest in a generally applicable law regulating activity occurring with its jurisdiction. *Cf. Morrison v. Nat'l Australia Bank Ltd.*, 561 U.S. 247, 269, 130 S. Ct. 2869, 2886, 177 L. Ed. 2d 535 (2010). The Court in *Aerospatiale* explained that the factors relevant to any comity analysis compelling the discovery of evidence from a foreign national in a foreign jurisdiction include:

> (1) the importance to the ... litigation of the documents or other information requested; (2) the degree of specificity of the request; (3) whether the information originated in the United States; (4) the availability of alternative means of securing the information; and (5) the extent to which noncompliance with the request would undermine important interests of the United States, or compliance with the request would undermine important interests of the state where the information is located.

Aerospatiale, supra, at 544 n.28 *citing* THE RESTATEMENT OF FOREIGN RELATIONS LAW OF THE UNITED STATES (Revised) §437(1)(c)(Tent. Draft No. 7, 1986) (approved May 14, 1986). Since then, the RESTATEMENT (THIRD) OF THE FOREIGN RELATIONS LAW OF THE UNITED STATES §421(1)(c) (1987) (hereinafter "*Restatement of Foreign Relations Law*") has set forth the *Aerospatiale* factors as considerations that courts should consider in applying the principles of international comity.

In weighing the respective interests of the United States and foreign jurisdictions, it is appropriate for a court to examine not only the specific interests at issue in the particular case, but also the more general foreign-relations interests that may be affected by the weight given to foreign law. *See, Aerospatiale, supra,* at 544 n.29. In particular, the *Restatement of Foreign Relations Law* provides that courts should consider the United States' "long term interests ... in international cooperation in law enforcement and judicial assistance, ... in giving effect to formal or informal international agreements, and in orderly international relations." *Restatement of Foreign Relations Law, supra,* at §442 comment c. This interest is especially relevant here

where the PCAOB has entered into a Memorandum of Understanding[8] with the Chinese Securities Regulatory Commission and the Ministry of Finance that has resulted in the production of documents in response to the PCAOB's Section 106 requests that involve some of the clients of Respondents. District Courts have also taken into consideration comity concerns when considering potential remedies for non-production, recognizing that sanctions may be appropriate even when a party's non-production is the result of its compliance with foreign law, since a party's "inability to comply [with a production order] because of a foreign law" may be a "weighty excuse for nonproduction." *Société Internationale pour Participations Industrielles et Commerciales, S.A. v. Rogers*, 357 U.S. 197, 211-212 (1958)(emphasis omitted) (hereinafter "*Rogers*"). A party's good faith in attempting to produce the documents consistent with foreign law is also relevant, as is the impact on the United States foreign-relations interests that may result from sanctioning a party when foreign law prohibits production of documents. *See, Restatement of Foreign Relations Law, supra,* §442(2) and comment h; *Aerospatiale,* 482 U.S. at 546; *Rogers,* 357 U.S. at 201-202.

Adopting a policy of requiring an order from a district court to compel production of the audit work papers covered by a Section 106 Request as a predicate to initiating a Rule 102(e) proceeding against a foreign accountant would ensure that the principles of international comity mandated by *Aerospatiale* have been satisfied and that the remaining issues to be decided by an Administrative Law Judge would be focused on a "willful refusal" to comply with the District Court's order as a basis for finding a violation of the federal securities laws and the imposition of sanctions.

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[8] *Memorandum of Understanding on Enforcement Cooperation Between the Public Company Accounting Oversight Board of the United States and the China Securities Regulatory Commission and the Ministry of Finance of China*, May 10, 2013, available at http://pcaobus.org/International/Documents/MOU_China.pdf.

D. Section 106 is Subject to International Comity Analysis

As argued above, the principles of international comity should apply to the enforcement of any Section 106 request, as mandated by *Aerospatiale*. Accordingly, the Administrative Law Judge was in error when he ruled that the principles of international comity are not applicable to a Section 106 request and for the purposes of the Rule 102(e) proceeding against Respondents, holding that "it is irrelevant whether the Sarbanes-Oxley 106 requests are enforceable."[9] The Administrative Law Judge may also have erred in his interpretation of Sarbanes Oxley Section 106(f) as an alternate means of complying with a Section 106 Request, although much of this discussion has been redacted and is not available to ZLCA for analysis. However, we submit that based on the un-redacted conclusions made by the Administrative Law Judge in the Initial Decision, the Administrative Law Judge erred in not applying the principles of international comity mandated by *Aerospatiale*. *See* Initial Decision, page 98 n.51.[10]

E. The Commission Should Permit Further Briefing By ZLCA

In preparing this brief, neither the ZLCA nor its counsel have contacted any of the Respondents or Respondent's counsel relating to this proceeding. In fact, the ZLCA has not had access to an un-redacted version of the Initial Decision rendered by the Administrative Law Judge on January 22, 2014, which has been made available only to the parties and their respective counsel. Consequently, with the permission of the Commission, the ZLCA would like the opportunity to reply to any issues raised by a party in opposition to this brief that is predicated upon information in the Initial Decision that has been redacted.

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[9] Initial Decision, page 101.

[10] In the Initial Decision, the Administrative Law Judge erroneously concluded that "Sarbanes-Oxley 106(f) sets forth no standard by which to judge the appropriateness of a disallowance, nor do there appear to be any rules or regulations establishing such a standard." Initial Decision, page 98 n.51.

IV. CONCLUSION

Accordingly, we respectfully submit for the reasons stated above, that the Commission should set aside the sanctions imposed by the Administrative Law Judge below, allow further negotiations between Chinese authorities and the PCAOB and SEC to reach a methodology in which to inspect and review audit work papers, and that other solutions be formulated by the Commission and the Staff that will avoid a severe impediment to Chinese companies being able to list in the U.S. and to U.S. investors' ability to invest in those companies.

Dated: February 5, 2015

Respectfully submitted,

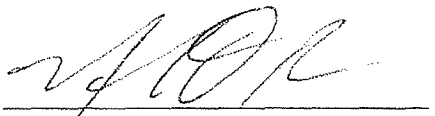

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EXHIBIT 1

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DECLARATION OF ROEL C. CAMPOS

I, Roel C. Campos, declare as follows:

I am currently a partner at the firm of Locke Lord LLP, where I am National Chair of the Securities Regulation and Enforcement Practice. From 2002 through 2007, I was twice appointed by the President and confirmed by the Senate as one of five Commissioners on the Securities and Exchange Commission (the "Commission"). During my tenure as Commissioner, I was assigned the duties of representing the Commission in international forums. In this capacity, I assumed positions of leadership and worked with securities regulators from Europe, Asia, and the Americas, through the International Organization of Securities Commissions ("IOSCO") and the Financial Stability Forum (now the Financial Stability Board). I led several international teams of regulators in developing new multilateral memoranda of understanding, and new international principles of securities regulation, in the aftermath of financial reporting

scandals which included ENRON and WorldCom. During my tenure, I was also the first SEC Commissioner to visit the CSRC in China, helping the SEC Staff establish an important milestone in the development of the relationship with the CSRC.

I respectfully submit this Declaration to the Commission as a part of an *amicus* filing by the Zhongguancun Listed Companies Association ("ZLCA") related to the appeal of an Initial Decision of Administrative Law Judge Cameron Elliot in *In the Matter of BDO China Dahua CPA Co., Ltd.* In this Declaration, I ask the Commission to consider the following:

One of the most difficult tasks that I encountered initially while serving as the SEC's international Commissioner was to explain and defend the extra-territorial provisions of the new Sarbanes Oxley Act ("SOX"). I remember vividly in 2002, during my first visit to Europe representing the SEC, facing unrestrained anger from European regulators and officials. How could the U.S. pass laws, they demanded, that provided American officials [through the new U.S. Public Company Accounting Oversight Board ("PCAOB") and the SEC] the right to inspect without consent non-American auditors and lawyers in their jurisdictions? These officials actually screamed at me that such inspections would never be permitted. They maintained that, "Sarbanes Oxley was a gross violation of sovereignty and an insult to Europeans."

It took many meetings and quiet sessions with the European regulators to explain that SOX was not meant to create authority in U.S. officials from the SEC and PCAOB over foreign auditors and lawyers. Slowly, European officials, and later officials from other countries, came to appreciate that there was a reciprocal need for jurisdictions whose markets allowed foreign listings to be able to police accurate and fulsome disclosures. SEC staff and I repeatedly emphasized the principle that, if a European company was suspected of fraud while listed or raising capital in the U.S., regulators from the U.S. would need to be able to examine the work of

its auditors, even if they resided in a foreign jurisdiction. The same would be true for European officials who might have a need to examine the work of American auditors when a U.S. company was suspected of fraud while listed or raising capital in Europe.

It took much work and trust building by the SEC staff and that of the PCAOB before progress was made. With the passage of time and cooperative effort, some European countries now accept the concept of performing joint inspections with PCAOB examiners and their own home country inspectors. The establishment of PCAOB-type agencies in many foreign countries has also fostered cooperation principles in the face of ongoing investigations of possible frauds.

Joint inspections allow for U.S. representatives, in cooperation with the home country regulator's lead and protocols, to examine the work product of foreign auditors for relevant listed companies in the U.S. markets. As the Commission fully appreciates, there are still many countries in Europe, Asia, and the Americas, that have not fully accepted the concept of joint inspections with U.S. regulators and many of these countries do not yet have working relationships with the PCAOB. Accordingly, the goal of American regulators examining foreign auditor work papers in cases of suspected fraud remains elusive in many parts of the world, not just China. There is much work to be done.

An Enforcement Action Is Inappropriate To Resolve Issues Involving Sovereignty

I have thought deeply about the current situation and considered whether an enforcement action similar to the one now under review during my period of service would have been beneficial. Based on my experience, I believe that an enforcement action in the period shortly after SOX was adopted would have been a mistake and viewed as an outrage by European and other foreign regulators. I have no doubts that retaliation would have been swift. At a minimum, American issuers, investors, auditors and service providers would have faced new barriers and

difficulties in operating in Europe and other countries. Consequently, I am not surprised at the reaction by Chinese government agencies, including the CSRC and Finance Ministry, and the threats of retaliation that have occurred.

I appreciate fully the frustration on the part of SEC Enforcement Staff in seeking to complete a thorough investigation and to bring suspected fraudsters to justice. During my service as a Commissioner, I strongly supported aggressive enforcement in the face of fraud and wrongdoing. However, the existence of a meritorious case has not in the past provided license for the imposition of U.S. regulatory will upon another jurisdiction and sovereign. Instead, I resigned myself to the reality that long and arduous negotiations and persistence were the only meaningful tools available to resolve differences with foreign countries.

Punitive sanctions against Chinese auditors would risk erasing, in one step, years of progress in building relationships with China

Much progress has been made in the years since I first had to defend to foreign regulators the goals of SOX and the PCAOB. The staffs of the PCAOB and SEC continue to work with their foreign counterparts to improve cooperation and the exchange of information. But much more needs to be done. As with many issues involving complex problems between the U.S. and foreign jurisdictions, progress is made one small step at a time through building relationships and trust, and working smartly through the bureaucratic and political environment in the home country. As the Commission fully understands, a foreign sovereign will retaliate strongly if it fears that a public "loss of face" may occur.

Chairman Doty of the PCAOB has recently stated publicly that negotiations to resolve the matter at hand are progressing. It seems to me that, despite the length of time such negotiations may take, it would be wise to allow those negotiations to take their full course. A

resolution through such negotiations would place the SEC within all of the international principles and practices that the Commission has followed in the past.

The current enforcement action to compel production of work papers from auditors in China is certainly a departure from the SEC's established norms of international regulatory cooperation and comity, violating decades of the SEC's previous practices. If the Commission affirms the ALJ sanctions, it risks destroying years of progress that has been made by the SEC and PCAOB in building trust and relationships with the CSRC and other regulators in China.

The Commission's Broad Mandate Requires a Pursuit of Solutions That Avoid Harm to U.S. Markets and Investors.

The Commission has a broad mandate in reviewing the case at hand. As the Commissioners understand, the Commission is not limited to the role of an appellate court in reviewing the sufficiency of evidence to support a lower court's findings. Instead, the Commission must look to the impact on the integrity of the markets, the protection of investors, and the formation of capital. In so doing, the Commission must ask whether investors in the U.S. are well served by the unintended consequences of imposing the sanctions determined in this case.

If the Initial Decision of the Administrative Law Judge is sustained, companies such as ZLCA members, will not be able to list in the U.S. This will occur because no Chinese auditor will perform the work of auditing financial statements of Chinese companies, fearing sanctions when unable to comply with the requirement of producing audit work papers to the PCAOB and Commission.

Consequently, the ALJ decision goes too far. It will effectively prevent many if not most Chinese companies from seeking to list in U.S. capital markets. Not listing in the U.S. will prevent deserving Chinese companies from raising capital in the U.S. and deprive U.S. investors

from being able to invest in such Chinese companies. There is demand from U.S. investors not only for large state owned Chinese issuers, but also for smaller technology based Chinese issuers like those that are part of the ZLCA.

Of course, if U.S. markets are viewed as effectively closed to Chinese companies in the future, it will also be at a great economic cost to our U.S. financial markets, perhaps diminishing their importance and leadership in the world. There is no doubt that investors in the U.S. will seek to invest in Chinese issuers through foreign markets, taking calculated risks and their capital will leave the U.S. in order to do so.

The Commission and the talented SEC staff could find a way to "thread the needle" – to protect U.S. investors and, at the same time, not create a situation in which Chinese companies cannot list in the U.S. because the companies cannot find auditors to comply with U.S. standards. There are many ideas that have been presented to the Commission. Many commenters have suggested, for example, a requirement for "toxic warnings" on all financial statements and other filings from Chinese issuers whose auditors are not in compliance. I will leave such a discussion to the Commission with the Staff, but I am confident that good alternatives to the ALJ sanctions exist.

Executed this 5th day of February, 2015.

Roel C. Campos
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CERTIFICATE OF SERVICE

I hereby certify that I served true copies of the Brief of Zhongguancun Listed Companies Association as *Amicus Curaie* In Support Of Reversal on this 5th day of February 2015.

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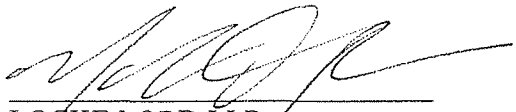
Dated: February 5, 2015

Respectfully submitted,



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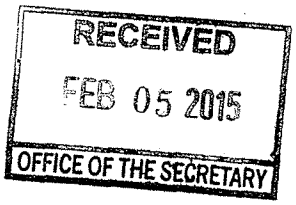

Fax Cover Sheet

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Re: ADMINISTRATIVE PROCEEDING FILE NOS. 3-14872, 3-15116

Please see attached "**Brief of Zhongguancun Listed Companies Association as *Amicus Curaie* in Support of Reversal**" in the Matter 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.