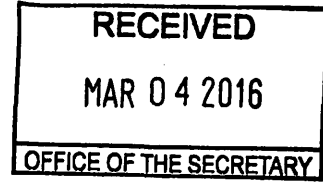


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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-17112



In the Matter of

FRAZER FROST, LLP; SUSAN WOO, CPA; and
MIRANDA SUEN, CPA,

Respondents

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**RESPONDENTS' ANSWER TO THE ORDER INSTITUTING PUBLIC
ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS**

Respondents Frazer Frost, LLP (“Frazer Frost”), Susan Woo (“Woo”), and Miranda Suen (“Suen”) (collectively, “Respondents”) hereby answer the Securities and Exchange Commission’s Order Instituting Public Administrative and Cease-and-Desist Proceedings (“OIP”), dated February 11, 2016, as follows. To the extent not specifically admitted, each and every allegation is denied. To the extent the headings used in the OIP contain any factual or legal characterizations or allegations, Respondents deny them.

Part I of the OIP contains legal conclusions to which no answer is required. Respondents deny having sufficient information to address what the Securities and Exchange Commission (“Commission”) deemed “appropriate” and in the “public interest,” as set forth in Section I, except to state that the OIP was not appropriate or in the public interest. Moreover, by filing and serving this answer, Respondents do not intend to waive, and are not waiving, their rights to pursue a federal court action, and raise constitutional objections here to preserve them. This

Answer is filed without prejudice to and expressly preserves all claims and contentions that may be asserted in any federal court action.

The allegations contained in the first paragraph of the “Summary” of the OIP set forth purported conclusions of law to which no answer is required. To the extent that an answer is required, Respondents deny each and every factual allegation contained therein.

Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in the second paragraph of the “Summary” of the OIP.

The allegations contained in the third paragraph of the “Summary” of the OIP set forth purported conclusions of law to which no answer is required. To the extent that an answer is required, Respondents deny each and every factual allegation contained therein.

1. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “1,” except admit that Respondent Frazer Frost is a PCAOB-registered accounting firm that maintains two offices in California and Respondent Frazer Frost has not issued an audit report for a public company since 2012. Respondents further admit that the Commission issued a cease-and-desist order in connection with Respondent Frazer Frost’s audits and reviews of China Energy Saving Technology, Inc. and Respondent Woo acted as manager for the China Energy audits. Respondents admit that Respondent Frazer Frost also does business under the name Frazer LLP, which is not separately registered with the PCAOB.

2. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “2,” except admit that Respondent Woo is 53, is a certified public accountant, has worked at Frazer Frost since 1994, and is an engagement partner. Respondents further admit that Respondent Woo became director of Frazer Frost’s Asia Services

Group in 2002, became a partner in 2006, and participated in the referenced review and audit as an engagement partner.

3. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “3,” except admit that Respondent Suen is 42, is a certified public accountant, and has worked at Frazer Frost since 2006. Respondents further admit that Respondent Suen became a manager in 2009 and participated in the referenced review and audit as an audit manager.

4. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “4.”

5. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “5.”

6. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “6,” and respectfully refers the Court to the referenced Form 8-K for a full and complete statement of its content.

7. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “7,” and respectfully refer the Court to the referenced Forms 10-Q for a full and complete statement of their content.

8. The allegations contained in paragraph “8” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny each and every factual allegation (if any) contained therein, and respectfully refer the Court to the referenced Forms for a full and complete statement of their content.

9. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “9,” and respectfully refer the Court to the referenced email for a full and complete statement of their contents.

10. The allegations contained in paragraph “10” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “10,” and respectfully refer the Court to the referenced email for a full and complete statement of its content.

11. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “11,” and respectfully refer the Court to the referenced email for a full and complete statement of its content.

12. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “12,” and respectfully refer the Court to the referenced email for a full and complete statement of its content.

13. The allegations contained in paragraph “13” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny each and every factual allegation (if any) contained therein.

14. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “14,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

15. Respondents deny the allegations contained in paragraph “15.”

16. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “16,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

17. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “17,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

18. The allegations contained in paragraph “18” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “18,” and respectfully refer the Court to the referenced rule and Form 10-Q for a full and complete statement of their content.

19. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “19,” and respectfully refer the Court to the referenced rules for a full and complete statement of their content.

20. The allegations contained in paragraph “20” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “20.”

21. The allegations contained in paragraph “21” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny that they failed to raise these issues with CVVT and deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph

“21,” and respectfully refer the Court to the referenced PCAOB standards and work papers for a full and complete statement of their content.

22. The allegations contained in paragraph “22” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph “22,” and respectfully refer the Court to the referenced rules, work papers, and Form 10-Q for a full and complete statement of their content.

23. Respondents admit the allegations contained in paragraph “23.”

24. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “24,” and respectfully refer the Court to the referenced Form 8-K for a full and complete statement of its content.

25. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “25,” and respectfully refer the Court to the referenced Form 8-K for a full and complete statement of its content.

26. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “26,” and respectfully refer the Court to the referenced Form 8-K/A for a full and complete statement of its content.

27. Respondents admit the allegations contained in paragraph “27,” and respectfully refer the Court to the referenced audit reports for a full and complete statement of their content.

28. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “28,” and respectfully refer the Court to the referenced audit reports for a full and complete statement of their content.

29. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “29,” and respectfully refer the Court to the referenced PCAOB Alert for a full and complete statement of its content.

30. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “30.”

31. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “31,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

32. Respondents deny the allegations contained in paragraph “32,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

33. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “33,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

34. Respondents deny that it was determined it was necessary to perform the referenced procedure and deny knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph “34,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

35. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “35,” and respectfully refer the Court to the referenced email for a full and complete statement of its content.

36. Respondents deny the allegations contained in paragraph “36.”

37. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “37,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

38. The allegations contained in paragraph “38” misconstrue the referenced Skype exchange, and Respondents respectfully refer the Court to the referenced Skype exchange for a full and complete statement of its content. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “38.”

39. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “39,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

40. Respondents deny the allegations contained in paragraph “40,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

41. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “41.”

42. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “42,” and respectfully refer the Court to the referenced Forms 8-K for a full and complete statement of its content.

43. Respondents deny that Successor Auditor B performed the same procedure as in Respondent’s audit plan and deny knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph “43.”

44. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “44,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

45. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “45,” and respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

46. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “46.”

47. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “47,” and respectfully refer the Court to the referenced PCAOB standards for a full and complete statement of their content.

48. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “48,” and respectfully refer the Court to the referenced PCAOB standards for a full and complete statement of their content.

49. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “49,” and respectfully refer the Court to the referenced PCAOB standards for a full and complete statement of their content.

50. The allegations contained in paragraph “50” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny that they failed to exercise due care and professional skepticism in performing the referenced audit and deny knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph “50.” Respondents respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

51. The allegations contained in paragraph “51” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny that they violated standards of due care and professional skepticism, failed to

ensure that appropriate procedures were performed, and failed to obtain sufficient audit evidence and deny knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph “51.” Respondents respectfully refer the Court to the referenced work papers for a full and complete statement of their content.

52. The allegations contained in paragraph “52” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required, Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “52.”

53. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “53” and respectfully refer the Court to the referenced PCAOB standards for a full and complete statement of their content.

54. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “54,” and respectfully refer the Court to the referenced PCAOB standards for a full and complete statement of their content.

55. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “55,” and respectfully refer the Court to the referenced rule for a full and complete statement of its content.

56. Respondents deny the allegations contained in paragraph “56.”

57. Respondents deny the allegations contained in paragraph “57.”

58. Respondents deny the allegations contained in paragraph “58.”

59. The allegations contained in paragraph “59” set forth purported conclusions of law to which no response is required. To the extent that a response is nonetheless required,

Respondents deny the allegations contained in paragraph “59,” and respectfully refer the Court to the referenced rule for a full and complete statement of its content.

60. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “60,” and respectfully refer the Court to the referenced PCAOB standards for a full and complete statement of their content.

61. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “61,” except admit that Respondent Woo was the engagement partner. Respondents respectfully refer the Court to the referenced PCAOB standards for a full and complete statement of their content.

62. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “62,” except admit that Respondent Suen was the audit manager. Respondents respectfully refer the Court to the referenced PCAOB standards for a full and complete statement of their content.

63. Respondents deny the allegations contained in paragraph “63.”

64. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “64.”

65. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “65.”

66. Respondents deny the allegations contained in paragraph “66.”

67. Respondents deny the allegations contained in paragraph “67.”

68. Respondents deny the allegations contained in paragraph “68.”

69. Respondents deny the allegations contained in paragraph “69.”

70. Respondents deny knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “70.”

71. Respondents respectfully refer the Court to the referenced rule and PCAOB standards for a full and complete statement of their content. Respondents deny the allegations contained in paragraph “71” and deny that Respondent Woo caused Frazer Frost to violate the referenced rule.

72. Respondents deny the allegations contained in paragraph “72.”

73. Respondents respectfully refer the Court to the referenced section and rule for a full and complete statement of their content. Respondents deny the allegations contained in paragraph “73” and deny that Respondents failed to conform to applicable professional standards in connection with the referenced review and audit.

74. Respondents respectfully refer the Court to the referenced rule for a full and complete statement of its content. Respondents deny the allegations contained in paragraph “74” and deny that Respondent Frazer Frost willfully violated the referenced rule and that Respondent Woo caused Frazer Frost to violate the referenced rule.

75. Respondents respectfully refer the Court to the referenced rule for a full and complete statement of its content. Respondents deny the allegations contained in paragraph “75” and deny that Respondent Frazer Frost willfully violated the referenced rule and that Respondents Woo and Suen caused Frazer Frost to violate the referenced rule.

76. Respondents deny the allegations contained in paragraph “76.”

77. Respondents respectfully refer the Court to the referenced section and rule for a full and complete statement of their content. Respondents deny the allegations contained in

paragraph “77” and deny that Respondent Frazer Frost willfully violated the federal securities laws or rules and regulations thereunder.

Part III of the OIP contains the Commission’s statement that it deems it necessary and appropriate in the public interest to initiate public administrative cease-and-desist proceedings to which no response is required. Respondents re-allege and incorporate their answers to Parts I and II of the OIP herein, deny that the initiation of public administrative cease-and-desist proceedings is in the public interest and deny that the Commission is entitled to seek or obtain the penalties and relief it seeks in Part III in this forum.

Part IV of the OIP does not contain allegations for which admissions or denials are required.

Respondents deny each and every allegation of the Division of Enforcement not herein admitted, qualified or denied. Respondents expressly reserve the right to seek to amend and/or supplement their Answer as may be appropriate or necessary.

AFFIRMATIVE DEFENSES

Further answering the OIP, Respondents assert the following affirmative defenses, without conceding that they carry the burden of proof on any of the following affirmative defenses.

First Affirmative Defense

The Commission and the Commission's Administrative Law Judges lack authority to conduct the proceedings herein.

Second Affirmative Defense

The allegations in the OIP fail to state a claim upon which relief may be granted.

Third Affirmative Defense

The Commission is estopped, in whole or in part, from asserting the allegations and the alleged causes of action in the OIP.

Fourth Affirmative Defense

The OIP, and each alleged cause of action contained therein, is barred in whole or in part by the statute of limitations.

Fifth Affirmative Defense

The OIP, and each alleged cause of action contained therein, is barred by the doctrine of laches because the Commission delayed unreasonably and inexcusably in commencing this action and Respondents suffered prejudice as a result.

Sixth Affirmative Defense

Respondents did not act intentionally, recklessly, or negligently in regard to the claims asserted in the OIP, and at all times acted in good faith.

Seventh Affirmative Defense

The civil penalties sought by the Commission should be denied because any such award would be unjust, arbitrary and oppressive, or confiscatory.

Eighth Affirmative Defense

This administrative proceeding violates Respondents' right to procedural due process under the United States Constitution. A hearing in this matter, particularly on an accelerated basis, violates the Due Process and Equal Protection Clauses of the Constitution by failing to afford Respondents appropriate discovery, failing to abide by the federal rules of civil procedure and evidence, and depriving Respondents of the important right to a jury trial under the Seventh Amendment, among other grounds. In addition, given the time constraints, Respondents' defense will necessarily be prejudiced in light of the need to review and digest the massive investigative

file, including the documents that the Commission has collected over the course of its multi-year investigation, retain and prepare experts, and do all the other necessary things that go into defending complex litigation. This is particularly unfair given the Commission has had many years to prepare its case.

Ninth Affirmative Defense

This administrative proceeding violates Respondents' right to equal protection of the laws under the United States Constitution. Where the government affords similarly situated citizens the right to a jury trial, the procedural protections of the federal rules of civil procedure and evidence, and the reasonable time to prepare a defense as afforded in federal district court but arbitrarily deprives other citizens, like Respondents, of those same rights, the government has deprived Respondents of their right to equal protection of the laws.

Tenth Affirmative Defense

This administrative proceeding violates Article II of the United States Constitution.

Respondents expressly reserve all rights with respect to affirmative defenses that may be revealed during the course of discovery.

WHEREFORE, Respondents pray for judgment as follows:

1. Dismissing the OIP in its entirety with prejudice on the merits;
2. Awarding judgment in Respondents' favor against the Commission;
3. Granting Respondents' costs and fees, including reasonable attorneys' fees; and
4. Granting such further and other relief as the Court deems just and proper.

Dated: March 3, 2016

LOEB & LOEB LLP

By:  _____

Jay K. Musoff

C. Linna Chen

Jacobus J. Schutte

345 Park Avenue

New York, New York 10154

(212) 407-4000

*Attorneys for Respondents Frazer Frost, LLP,
Susan Woo, and Miranda Suen*

CERTIFICATE OF SERVICE

On March 3, 2016, the foregoing document was sent to the following parties and other persons entitled to notice as follows:

Brent Fields, Secretary
Office of the Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
(Copy by facsimile and original and three copies by FedEx)

Honorable James E. Grimes
Administrative Law Judge
100 F Street, N.E., Mail Stop 2582
Washington, D.C. 20549
(Courtesy copy by e-mail)

Alfred A. Day
Sarah S. Nilson
Patrick L. Feeney
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549
(Copy by FedEx and courtesy copy by e-mail)



Jacobus J. Schutte