

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

CORRECTED

SECURITIES EXCHANGE ACT OF 1934
Release No. 56398 / September 13, 2007

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2678 / September 13, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12803

In the Matter of

Andrew M. Smith, CPA,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTIONS 4C AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934
AND RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted against Andrew M. Smith, CPA ("Respondent" or "Smith") pursuant to Sections 4C¹ and 21C of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 102(e)(1)(iii) of the Commission's Rules of Practice.²

¹ Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

² Rule 102(e)(1)(iii) provides, in relevant part, that:

The Commission may censure a person or deny, temporarily or permanently, the privilege of appearing or practicing before it in any way to any person who is found . . . to have willfully violated, or willfully aided and abetted the violation of

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds³ that:

A. RESPONDENT

Andrew M. Smith, CPA, age 58, of Los Angeles, California, is a certified public accountant licensed in the state of California since 1972, doing business as a sole proprietorship. Smith audited Safe Travel Care, Inc.’s, Meridian Holdings, Inc.’s, and InterCare DX, Inc.’s financial statements for each company’s respective 2003 fiscal year ended December 31, 2003.

B. FACTS

1. Safe Travel Care, Inc. (“Safe Travel”) is a Nevada corporation based in Cardiff, California. During the relevant period, Safe Travel’s common stock traded on the OTC Bulletin Board. Its common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act. Safe Travel reported no revenue and total assets of \$146,000 for fiscal year ended December 31, 2003.

2. Meridian Holdings, Inc. (“Meridian”) is a Colorado corporation based in Culver City, California. Meridian’s common stock trades on the Pink Sheets under the symbol MRDH.PK and is registered with the Commission pursuant to Section 12(g) of the Exchange Act. The company reported revenues of approximately \$2.6 million and total assets of \$5.3 million for fiscal year ended December 31, 2003.

any provision of the Federal securities laws or the rules and regulations thereunder.

³ The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

3. InterCare DX, Inc. (“InterCare”) is a California corporation based in Los Angeles, California. InterCare’s common stock trades on the OTC Bulletin Board under the symbol ICCO.OB and is registered with the Commission pursuant to Section 12(g) of the Exchange Act. The company reported no revenue and total assets of \$1.5 million for fiscal year ended December 31, 2003.

4. Safe Travel, Meridian, and InterCare, each, has at all relevant times been an issuer as defined by the Sarbanes-Oxley Act of 2002 (the “Act”).

5. Smith audited Safe Travel’s 2003 financial statements included in Safe Travel’s annual report for fiscal year 2003 on Form 10-KSB, filed with the Commission on May 6, 2004. As part of that audit, Smith prepared and issued an audit report dated February 20, 2004 (the “Safe Travel audit report”), which the company included in its 2003 Form 10-KSB. Smith audited Meridian’s 2003 financial statements included in Meridian’s annual report for fiscal year 2003 on Form 10-KSB, filed with the Commission on April 1, 2004. As part of that audit, Smith prepared and issued an audit report dated March 31, 2004 (the “Meridian audit report”), which the company included in its 2003 Form 10-KSB. Smith audited InterCare’s 2003 financial statements included in InterCare’s annual report for fiscal year 2003 on Form 10-KSB, filed with the Commission on March 31, 2004. As part of that audit, Smith prepared and issued an audit report, also dated March 31, 2004 (the “InterCare audit report”), which the company included in its 2003 Form 10-KSB. Safe Travel, Meridian, and InterCare, collectively, paid Smith \$9,500 for the audit work.⁴

6. At the time Smith prepared and issued the Safe Travel, Meridian, and InterCare audit reports, he was not registered with the Public Company Accounting Oversight Board (the “Board”), as required by Section 102(a) of the Act.

C. VIOLATIONS

1. Section 102(a) of the Act provides that “it shall be unlawful for any person that is not a registered public accounting firm to prepare or issue, or to participate in the preparation or issuance of, any audit report with respect to any issuer.”⁵

2. The provisions of Section 102(a) of the Act became effective on October 22, 2003.⁶

⁴ During the course of the Commission’s investigation, Smith voluntarily reimbursed Safe Travel, Meridian, and InterCare the \$9,500 in audit fees through the provision of non-audit or other services to the issuers. In view of Smith’s reimbursement, the Commission is not ordering disgorgement in this matter.

⁵ A violation of the Act or any rule that the Board issues under the Act is treated for all purposes in the same manner as a violation of the Exchange Act, including with respect to penalties. Sarbanes-Oxley Act of 2002, 15 U.S.C.A. § 7202(b)(1) (West 2002).

⁶ Section 102(a) became effective “[b]eginning 180 days after the date of the determination of the Commission under Section 101(d)” of the Act that the Board was prepared to undertake its statutory responsibilities. The Commission made the required determination on April 25, 2003.

3. Based on the conduct described above, Respondent willfully⁷ violated Section 102(a) of the Act.

D. FINDINGS

Based on the foregoing, the Commission finds that Smith willfully violated Section 102(a) of the Sarbanes-Oxley Act of 2002.

E. UNDERTAKING

Respondent undertakes not to request, demand, or accept, directly or indirectly, any compensation from Safe Travel, Meridian, and InterCare in connection with the audit work associated with the audit reports for these companies. In determining whether to accept the Offer, the Commission has considered this undertaking.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

- A. Smith shall cease and desist from committing or causing any violations and any future violations of Section 102(a) of the Act.
- B. Smith is censured.
- C. Smith may practice before the Commission as an independent accountant provided that:
 - 1. The public accounting firm with which he is associated is registered with the Board in accordance with the Act, and such registration continues to be effective; and

See Order Regarding Section 101(d) of the Sarbanes-Oxley Act of 2002, Securities Act Release No. 8223, Exchange Act Release No. 47746, 2003 WL 1956164 (Apr. 25, 2003).

⁷ "Willfully" as used in this Offer means intentionally committing the act that constitutes the violation. There is no requirement that the actor also be aware that he is violating a rule or statute. See Wonsover v. SEC, 205 F.3d 408, 414 (D.C. Cir. 2000); Tager v. SEC, 344 F.2d 5, 8 (2d Cir. 1965).

2. He has submitted to the Commission staff (attention: Office of the Chief Accountant) the Board's letter notifying the public accounting firm with which he is associated that its registration application has been approved.

By the Commission.

Nancy M. Morris
Secretary