

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 56409 / September 13, 2007**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 2689 / September 13, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12770**

**In the Matter of**

**David M. Winings, CPA, An  
Accountancy Corporation and  
David M. Winings, CPA,**

**Respondents.**

**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 cease-and-desist proceedings be, and hereby are, instituted against David M. Winings, CPA, An Accountancy Corporation and David M. Winings, CPA (collectively “Respondents”) pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and that public administrative proceedings be, and hereby are, instituted against David M. Winings, CPA, An Accountancy Corporation pursuant to Section 4C<sup>1</sup> of the Exchange Act and Rule 102(e)(1)(iii) of the Commission’s Rules of Practice.<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> Rule 102(e)(1)(iii) provides, in relevant part, that:

## II.

In anticipation of the institution of these proceedings, Respondents have 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 them and the subject matter of these proceedings, which are admitted, Respondents consent 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 Respondents’ Offer, the Commission finds<sup>3</sup> that:

### A. RESPONDENTS

1. David M. Winings, CPA, An Accountancy Corporation (the “Firm”) is a California corporation and a public accounting firm headquartered in Palm Desert, California. The Firm audited the financial statements of the following six companies: 1) Silver Bow Antique Aviation (fiscal years ended December 31, 2002 and 2003); 2) Animal Cloning Sciences, Inc. (fiscal year ended December 31, 2003); 3) Knickerbocker Capital Corporation (fiscal year ended December 31, 2003); 4) Asian Financial, Inc. (fiscal year ended December 31, 2003); 5) Apex Capital Group, Inc. (fiscal year ended December 31, 2003); and 6) Woodstock Tree Farms, Inc. (fiscal years ended December 31, 2002 and 2003).

2. David M. Winings, CPA, (“Winings”), 43, of Palm Desert, California, is a certified public accountant licensed in the state of California since 1992. Winings was the engagement partner in connection with the Firm’s audits of the financial statements of the following six companies: 1) Silver Bow Antique Aviation (fiscal years ended December 31, 2002 and 2003); 2) Animal Cloning Sciences, Inc. (fiscal year ended December 31, 2003); 3) Knickerbocker Capital Corporation (fiscal year ended December 31, 2003); 4) Asian Financial, Inc. (fiscal year ended December 31, 2003); 5) Apex Capital Group, Inc. (fiscal year ended December 31, 2003); and 6) Woodstock Tree Farms, Inc. (fiscal years ended December 31, 2002 and 2003).

### B. FACTS

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

<sup>3</sup> The findings herein are made pursuant to Respondents’ Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

1. During the relevant period, Silver Bow Antique Aviation (“Silver Bow”), Animal Cloning Sciences, Inc. (“Animal Cloning”), Knickerbocker Capital Corporation (“Knickerbocker”), Asian Financial, Inc. (“Asian Financial”), Apex Capital Group, Inc. (“Apex Capital”), and Woodstock Tree Farms, Inc. (“Woodstock”), were all under common control and ownership, and the common stock of Silver Bow, Animal Cloning, Knickerbocker, Asian Financial, and Apex Capital was registered with the Commission pursuant to Section 12(g) of the Exchange Act. None of the companies reported revenue for 2003. Silver Bow reported \$37,675 in total assets for December 31, 2003, and Woodstock reported \$282,593 in total assets for December 31, 2003.

2. Silver Bow, Animal Cloning, Knickerbocker, Asian Financial, Apex Capital, and Woodstock have at all relevant times each been an issuer as defined by the Sarbanes-Oxley Act of 2002 (the “Act”).

3. The Firm audited Silver Bow’s 2002 financial statements included in Silver Bow’s annual report for fiscal year 2002 on Form 10-KSB, filed with the Commission on May 20, 2004. As part of the audit, the Firm prepared and issued an audit report dated November 30, 2003, which the company included in its 2002 Form 10-KSB. The Firm also audited Silver Bow’s 2003 financial statements included in Silver Bow’s annual report for fiscal year 2003 on Form 10-KSB, filed with the Commission on May 21, 2004, and in Silver Bow’s registration statement on Form SB-2/A, filed with the Commission on May 25, 2004. As part of the audit, the Firm prepared and issued an audit report dated May 3, 2004 (together with the November 30, 2003 audit report, the “Silver Bow audit reports”), which the company included in its 2003 Form 10-KSB and in its registration statement on Form SB-2/A.

4. The Firm audited Animal Cloning’s 2003 financial statements included in Animal Cloning’s annual report for fiscal year 2003 on Form 10-KSB, filed with the Commission on February 13, 2004. As part of that audit, the Firm prepared and issued an audit report dated February 9, 2004 (the “Animal Cloning audit report”), which the company included in its 2003 Form 10-KSB.

5. Animal Cloning retained a new, registered firm to audit its financial statements for fiscal year 2004. However, because of a reclassification regarding a note payable, the company restated its financial statements for fiscal year 2003. As a result, because the Firm had originally audited Animal Clonings’ financial statements for fiscal year 2003, it issued an updated audit report on October 28, 2005, explaining the reclassification. Animal Cloning included the new audit report in a Form 10-KSB filed with the Commission on December 12, 2005. The Firm issued the October 28, 2005 audit report after the Public Company Accounting Oversight Board (the “Board”) had disapproved the Firm’s application for registration. See paragraph 13 below.

6. The Firm audited Knickerbocker’s 2003 financial statements included in Knickerbocker’s annual report for fiscal year 2003 on Form 10-KSB, filed with the Commission on March 30, 2004. As part of that audit, the Firm prepared and issued an audit report dated March 23, 2004 (the “Knickerbocker audit report”), which the company included in its 2003 Form 10-KSB. On May 3, 2004, Knickerbocker dismissed the firm as its independent auditor.

7. The Firm audited Asian Financial's 2003 financial statements included in Asian Financial's annual report for fiscal year 2003 on Form 10-KSB, filed with the Commission on April 6, 2004. As part of that audit, the Firm prepared and issued an audit report dated March 26, 2004 (the "Asian Financial audit report"), which the company included in its 2003 Form 10-KSB.

8. The Firm audited Apex Capital's 2003 financial statements included in Apex Capital's annual report for fiscal year 2003 on Form 10-KSB, filed with the Commission on April 6, 2004. As part of that audit, the Firm prepared and issued an audit report dated March 27, 2004 (the "Apex Capital audit report"), which the company included in its 2003 Form 10-KSB.

9. The Firm audited Woodstock's 2002 and 2003 financial statements, which were included in Woodstock's registration statement on Form SB-2/A, filed with the Commission on June 14, 2004. As part of that audit, the Firm prepared and issued an audit report dated April 29, 2004 (the "Woodstock audit report"), which the company included in its Form SB-2/A.

10. The Firm collected no fees for the audit work performed for Silver Bow, Animal Cloning, Knickerbocker, Asian Financial, Apex Capital, and Woodstock.

11. At the time the Firm issued the Silver Bow, Animal Cloning, Knickerbocker, Asian Financial, Apex Capital, and Woodstock audit reports, it was not registered with the Board as required by Section 102(a) of the Act.

12. Winings was the engagement partner on the Firm's audit of the financial statements of Silver Bow, Animal Cloning, Knickerbocker, Asian Financial, Apex Capital, and Woodstock. Winings participated in the preparation and issuance of the Silver Bow, Animal Cloning, Knickerbocker, Asian Financial, Apex Capital, and Woodstock audit reports.

13. By order dated April 18, 2005, the Board disapproved an application for registration submitted by the Firm based in part on the Firm's violation of Section 102(a) of the Act in issuing the Silver Bow, Animal Cloning, Knickerbocker, Asian Financial, Apex Capital, and Woodstock audit reports.<sup>4</sup> The order effectively prevented the Firm from becoming registered with the Board until after February 15, 2006, approximately 15 months from the date the Board issued a notice of hearing on the Firm's application.<sup>5</sup> Winings has only worked as an accountant through the Firm since before the Board's order and has not otherwise been associated with a public

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<sup>4</sup> PCAOB Release No. 2005-005 (Apr. 18, 2005). The order also found that the Firm's issuance of the Silver Bow, Animal Cloning, Knickerbocker, Asian Financial, Apex Capital, and Woodstock audit reports violated Board Rule 2100, which implemented Section 102(a) of the Act, and that the Firm violated Board Rule 2101 when it failed to identify and to provide required information concerning the Knickerbocker audit report on the Firm's registration application. Id.

<sup>5</sup> The order states that with respect to any new registration application the Firm submits after February 15, 2006, the Board will not issue a notice of hearing to determine whether to approve or disapprove such application based solely on the violations subject to the Board's order. Id.

accounting firm registered with the Board.

### **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.”<sup>6</sup>

2. The provisions of Section 102(a) of the Act became effective on October 22, 2003.<sup>7</sup>

3. Based on the conduct described above, the Firm willfully<sup>8</sup> violated Section 102(a) of the Act.

4. Based on the conduct described above, Winings caused the Firm’s violation of Section 102(a) of the Act.

### **D. FINDINGS**

Based on the foregoing, the Commission finds that the Firm willfully violated Section 102(a) of the Sarbanes-Oxley Act of 2002, and that Winings caused the Firm’s violation of Section 102(a) of the Act.

### **E. UNDERTAKING**

Respondents undertake not to request, demand, or accept, directly or indirectly, any compensation from Silver Bow, Animal Cloning, Knickerbocker, Asian Financial, Apex Capital, and Woodstock in connection with the audit work associated with the respective audit reports. In determining whether to accept the Offer, the Commission has considered this undertaking.

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<sup>6</sup> 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).

<sup>7</sup> 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. 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).

<sup>8</sup> “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).

#### IV.

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

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

##### **1. David M. Winings, CPA, An Accountancy Corporation**

A. The Firm shall cease and desist from committing or causing any violations and any future violations of Section 102(a) of the Act.

B. The Firm is censured.

C. The Firm may practice before the Commission as an independent accountant provided that:

1. It is registered with the Board in accordance with the Act, and such registration continues to be effective; and

2. It has submitted to the Commission staff (attention: Office of the Chief Accountant) the Board's letter notifying the Firm that its registration application has been approved.

##### **2. David M. Winings, CPA**

A. Winings shall cease and desist from committing or causing any violations and any future violations of Section 102(a) of the Act.

B. Winings 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

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