

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 59317 / January 29, 2009

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2928 / January 29, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13355

In the Matter of

Michelle V. Nguyen (CPA),

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Michelle V. Nguyen (“Respondent” or “Nguyen”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

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 her and the subject matter of these proceedings, and the findings contained in Section III.3. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Nguyen, age 48, is and has been a certified public accountant licensed to practice in the States of California and Maryland.

2. Meridian Holdings, Inc. ("Meridian") was, at all relevant times, a Colorado corporation with its principal executive offices in Culver City, California. In 2004, Meridian maintained its principal executive office in Los Angeles, California and its common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act"), and listed on the NASDAQ Bulletin Board.

3. On September 28, 2007, the Commission filed a complaint against Nguyen in SEC v. Meridian Holdings, Inc., et al., Case No. CV 07-06335 DDP (SSx) (C.D. Cal.). On January 6, 2009, the court entered an order permanently enjoining Nguyen, by consent, from violating Section 10(b) of the Exchange Act, and Rules 10b-5 and 13b2-1 thereunder, and aiding and abetting violations of Sections 13(a) and 13(b)(2)(A) of the Exchange Act, and Rules 12b-20 and 13a-13 thereunder. Nguyen was also ordered to pay a \$15,000 civil money penalty.

4. The Commission's complaint alleged, among other things, that during the 2004 calendar year, Nguyen acted as Meridian's principal financial officer and interim chief financial officer for purposes of Meridian's public filings with the Commission and prepared the condensed consolidated financial information included in Meridian's quarterly reports filed with the Commission. The Commission's complaint further alleged that Nguyen, at the direction of Meridian's Chief Executive Officer and Chairman of the Board, participated in a fraudulent scheme which resulted in materially false and misleading financial statements being included in Meridian's quarterly reports on Form 10-QSB for the second and third quarters of 2004. The Commission's complaint also alleged that Nguyen engaged in improper accounting practices that materially increased Meridian's quarterly revenue and net income in a departure from generally accepted accounting principles ("GAAP"). These practices included, among other things, creating the condensed consolidated financial statements included in Meridian's second and third quarter 2004 Forms 10-QSB filed with Commission, which included, as assets and income, a \$30 million default judgment award plus accumulated interest thereon. By recognizing the default judgment and interest thereon as income in its 2004 second and third quarter reports, Meridian reported positive earnings per share for each quarter. Absent the default judgment and interest, Meridian would have reported losses per share for each quarter.

Additionally, the Commission's complaint alleged Nguyen caused Meridian to record the default judgment and interest thereon as a \$31 million asset on Meridian's balance sheets, resulting in the default judgment constituting 85% of Meridian's total assets. The Commission's complaint alleged that the inclusion of the default judgment and interest in Meridian's financial statements was both contrary to GAAP and materially false and misleading because Nguyen had no reasonable basis to conclude that Meridian would be able to collect any, let alone all, of the default judgment and interest.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Nguyen's Offer.

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

A. Nguyen is suspended from appearing or practicing before the Commission as an accountant.

B. After three years from the date of this order, Respondent may request that the Commission consider her reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in her practice before the Commission will be reviewed either by the independent audit committee of the public company for which she works or in some other acceptable manner, as long as she practices before the Commission in this capacity; and/or

2. an independent accountant. Such an application must satisfy the Commission that:

(a) Respondent, or the public accounting firm with which she is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Respondent, or the registered public accounting firm with which she is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in the Respondent's or the firm's quality control system that would indicate that the Respondent will not receive appropriate supervision;

(c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Respondent acknowledges her responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that her state CPA license is current and she has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Elizabeth M. Murphy
Secretary