

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 67542 / July 30, 2012

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3395 / July 30, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14968

In the Matter of

NANCY SHAO WEN CHU

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS AND
IMPOSING TEMPORARY SUSPENSION
PURSUANT TO RULE 102(e)(3) OF THE
COMMISSION'S RULES OF PRACTICE**

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 Nancy Shao Wen Chu (“Chu”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

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.

II.

The Commission finds that:

A. RESPONDENT

1. Nancy Shao Wen Chu, age 54, is a resident of Claremont, California. Chu served as CFO of publicly traded Soyo Group, Inc. (“Soyo”) between 2002 and 2009 and she was also effectively the chief executive officer as she ran the day-to-day operations of the company. Chu has never held a Certified Public Accountant license.

B. COURT FINDINGS & INJUNCTION

2. On May 25, 2012, the U.S. District Court for the Central District of California in *SEC v. Chu, et al.*, Case No. CV 11-09859 R(FMOx) (C.D. Cal.) issued a Final Order of Judgment By Default, permanently enjoining Chu from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5] and Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)].

3. The Final Order of Judgment by Default was entered after Chu failed to respond to the Commission’s complaint, which was properly served on her. That complaint, the allegations of which are deemed true as to Chu by her default, alleged that between January 2007 and November 2008, Soyo, through the actions of Chu and others, misled Soyo’s investors, primary lending bank, and auditor by materially overstating Soyo’s net revenues and understating its liabilities. According to the complaint, Chu caused Soyo to book over \$47 million in fraudulent sales revenues arising from at least 120 fictitious transactions with 21 customers, resulting in Soyo materially overstating its net revenues in its periodic filings by amounts ranging from 14.4 to 76.8 percent. The complaint also alleged that in order to obtain additional bank financing for Soyo and keep its existing line of credit from defaulting, Chu misled Soyo’s investors, primary lending bank, and auditor regarding a \$6 million debt-for-equity transaction with a Soyo vendor that was never completed.

III.

Based upon the foregoing, the Commission finds that a court of competent jurisdiction has permanently enjoined Chu from violating the Federal securities laws within the meaning of rule 102(e)(3)(i)(A) of the Commission’s Rules of Practice for conduct that occurred while acting as an accountant. In view of these findings, the Commission deems it appropriate and in the public interest that Chu be temporarily suspended from appearing or practicing before the Commission.

IT IS HEREBY ORDERED that Chu be, and hereby is, temporarily suspended from

appearing or practicing before the Commission. This Order will be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Chu may, within thirty days after service of this Order, file a petition with the Commission to lift the temporary suspension. If the Commission receives no petition within thirty days after service of the Order, the suspension will become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission will, within thirty days after the filing of the petition, either lift the temporary suspension, or set the matter down for hearing at a time and place to be designated by the Commission, or both. If a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

This Order shall be served upon Chu personally or by certified mail at her last known address or as otherwise authorized by the Commission's Rules of Practice.

By the Commission.

Elizabeth M. Murphy
Secretary