

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 68611 / January 9, 2013

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3438 / January 9, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-13555

In the Matter of Jimmie Dean Jones, CPA	: ORDER GRANTING APPLICATION FOR : REINSTATEMENT TO APPEAR AND PRACTICE : BEFORE THE COMMISSION AS AN ACCOUNTANT : RESPONSIBLE FOR THE PREPARATION OR : REVIEW OF FINANCIAL STATEMENTS REQUIRED : TO BE FILED WITH THE COMMISSION
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On July 17, 2009, Jimmie Dean Jones, CPA (“Jones”) was denied the privilege of appearing or practicing before the Commission as an accountant as a result of settled public administrative proceedings instituted by the Commission against Jones pursuant to Rule 102(e)(1)(iii) of the Commission's Rules of Practice.¹ Jones consented to the entry of that order without admitting or denying the findings therein. This Order is issued in response to Jones’ application for reinstatement to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

At all times relevant to the 2009 Order, Jones was a certified public accountant who was licensed to practice in the state of Oklahoma, and served as the Chief Accounting Officer for LSB Industries, Inc. (“LSB”). The Commission found that during the first three quarters of fiscal year 2004 and the full fiscal year 2004, LSB failed to comply with the disclosure and restatement requirements of Accounting Principles Board Opinion No. 20, “Accounting Changes” (“APB 20”). Rather than comply with APB 20’s restatement and disclosure requirements, Jones directed his subordinates to bleed down LSB’s reserve relating to its last in, first out inventory pricing method (“LIFO”) during 2004. Jones also failed to comply with LSB’s requirement that he alert the company’s CFO to items with a financial statement impact exceeding \$100,000. Moreover, Jones was responsible for LSB’s false disclosures in its Forms 10-Q for the first and second quarters of 2004 that it maintained LIFO inventory. Jones knew

¹ See Accounting and Auditing Enforcement Release No. 3015, dated July 17, 2009. Jones was permitted, pursuant to the order, to apply for reinstatement after two years upon making certain showings.

that LSB's Forms 10-Q for the first three quarters of fiscal year 2004 and Form 10-K for the year ended December 31, 2004 materially overstated LSB's reported net income. Jones also knew that LSB's Form 10-Q for the quarter ended March 31, 2004 failed to comply with APB 20. Finally, Jones knew or should have known that LSB's Forms 10-Q for the quarters ended March 31, 2004 and June 30, 2004 contained false disclosures that LSB maintained inventory using the LIFO pricing methodology. As a result of this conduct, Jones willfully violated Exchange Act Section 13(b)(5) and Rule 13b2-1 and caused and willfully aided and abetted LSB's violations of Exchange Act Sections 13(a) and 13(b)(2)(A), and Rules 13a-1 and 13a-13.

In his capacity as a preparer or reviewer, or as a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, Jones attests that he will undertake to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, while practicing before the Commission in this capacity. Jones is not, at this time, seeking to appear or practice before the Commission as an independent accountant. If he should wish to resume appearing and practicing before the Commission as an independent accountant, he will be required to submit an application to the Commission showing that he has complied and will comply with the terms of the original order in this regard. Therefore, the denial of Jones' privilege of appearing or practicing before the Commission as an independent accountant continues in effect until the Commission determines that a sufficient showing has been made in this regard in accordance with the terms of the original order.

Rule 102(e)(5) of the Commission's Rules of Practice governs applications for reinstatement, and provides that the Commission may reinstate the privilege to appear and practice before the Commission "for good cause shown."² This "good cause" determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Jones, it appears that he has complied with the terms of the July 17, 2009 order denying him the privilege of appearing or practicing before the Commission as an accountant, that no information has come to the attention of the Commission relating to his character, integrity, professional conduct, or qualifications to practice before the Commission that would be a basis for adverse action against him pursuant to Rule 102(e) of the Commission's Rules of Practice, and that Jones, by undertaking to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, in his practice before the Commission as a preparer or reviewer of financial statements required to be filed with the Commission, has shown good cause for reinstatement. Therefore, it is accordingly,

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Jimmie Dean Jones, CPA is hereby reinstated to appear and practice before the Commission as

² Rule 102(e)(5)(i) provides:

"An application for reinstatement of a person permanently suspended or disqualified under paragraph (e)(1) or (e)(3) of this section may be made at any time, and the applicant may, in the Commission's discretion, be afforded a hearing; however, the suspension or disqualification shall continue unless and until the applicant has been reinstated by the Commission for good cause shown." 17 C.F.R. § 201.102(e)(5)(i).

an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

By the Commission.

Elizabeth M. Murphy
Secretary