

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 74229 / February 6, 2015

ACCOUNTING AND AUDITING ENFORCEMENT  
Release No. 3631 / February 6, 2015

ADMINISTRATIVE PROCEEDING  
File No. 3-14724

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In the Matter of \_\_\_\_\_ : ORDER GRANTING APPLICATION FOR  
Christopher J. Kelly, ACA : 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 January 30, 2012, Christopher J. Kelly, ACA (“Kelly”) 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 Kelly pursuant to Rule 102(e)(1)(ii) of the Commission’s Rules of Practice.<sup>1</sup> This order is issued in response to Kelly’s 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.

Kelly was found to have engaged in improper professional conduct with respect to his role on the Ernst & Young LLP UK (“E&Y UK”) audits of the 2004-2006 financial statements for Symmetry Medical Sheffield LTD, f/k/a Thornton Precision Components, Limited (“TPC”). The Commission found that, during the relevant period, Kelly’s actions during the audit engagements were unreasonable and failed to conform to applicable professional standards. Kelly failed to (i) adequately plan, staff and supervise the audits; (ii) properly review and adequately test TPC’s journal entries, including top-side journal entries designed to inflate revenue; (iii) obtain sufficient competent evidential matter regarding TPC’s accounts receivable; and (iv) properly document in the audit work papers the results of audit testing.

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, Kelly

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<sup>1</sup> See Accounting and Auditing Enforcement Release No. 3359 dated January 30, 2012. Kelly was permitted, pursuant to the order, to apply for reinstatement after two years upon making certain showings.

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. Kelly is not, at this time, seeking to appear or practice before the Commission as an independent accountant. If he should wish to appear and practice 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, Kelly's suspension from practice 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."<sup>2</sup> This "good cause" determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Kelly, it appears that he has complied with the terms of the January 30, 2012 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 Kelly, 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 Christopher J. Kelly, ACA is hereby reinstated 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.

By the Commission.

Brent J. Fields  
Secretary

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<sup>2</sup> 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).