

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 82208 / December 4, 2017

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3913 / December 4, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18294

In the Matter of

RAHULDEV GANDHI, CPA,

Respondent.

**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 public administrative and cease-and-desist proceedings be, and hereby are, instituted against Rahuldev Gandhi, CPA ("Respondent" or "Gandhi") pursuant to Sections 4C¹ and 21C of the Securities

¹ Section 4C provides, in pertinent 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 engaged in unethical or improper professional conduct; or to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations issued thereunder.

Exchange Act of 1934 (“Exchange Act”) and Rule 102(e)(1)(ii) and (iii) of the Commission’s Rules of Practice.²

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 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 him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents 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 Respondent’s Offer, the Commission finds³ that:

SUMMARY

1. These proceedings arise out of violations of the federal securities laws and improper professional conduct by Rahuldev Gandhi, a partner in the public accounting firm Anton & Chia, LLP (“A&C”), relating to the 2015 audit of Accelera Innovations, Inc. (“Accelera”). Gandhi failed to adhere to numerous standards of the Public Company Accounting Oversight Board (“PCAOB”) and ignored a number of red flags that indicated that Accelera’s financial statements and public filings contained material misstatements. As a result, Gandhi engaged in improper professional conduct.

2. In addition, despite Gandhi’s deviations from applicable professional standards and disregard of red flags indicating that Accelera’s financial statements were not in conformity with Generally Accepted Accounting Principles (“GAAP”), A&C, by and through Gandhi, issued an

² Rule 102(e)(1)(ii) and (iii) provide, in pertinent part, that 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 engaged in unethical or improper professional conduct; or 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.

³ The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

audit report in which it represented that A&C had conducted the audit in accordance with standards of the PCAOB and further represented that, based on that audit, in its opinion, Accelera's financial statements presented fairly, in all material respects, the company's financial condition and results of its operations in accordance with GAAP. Gandhi knew or should have known that those representations were false and misleading. Accordingly, Gandhi willfully aided and abetted and caused A&C's violation of Rule 2-02(b) of Regulation S-X and Accelera's violation of Section 13(a) of the Exchange Act and Rule 13a-1 thereunder.

RESPONDENT

3. **Rahuldev Gandhi**, age 37, of Irvine, California, was a partner of A&C from November 2014 through December 2016. He is a certified public accountant licensed in the state of Washington. Gandhi served as the engagement partner for A&C's 2015 annual audit of the financial statements of Accelera.

OTHER RELEVANT PERSONS AND ENTITIES

4. **Accelera Innovations, Inc.** is a Delaware corporation with its principal place of business located in Frankfort, Illinois. It was formerly known as Accelerated Acquisition IV, Inc. and was incorporated in April 2008 as a shell company. The company claims to be "a healthcare service company which is focused on acquiring companies primarily in the post-acute care patient services and information technology services industries." Its common stock has been quoted on OTC Link, operated by OTC Markets Group, Inc. and formerly known as the Pink Sheets under ticker ACNV since January 2015. Accelera files periodic reports, including Forms 10-K and 10-Q, with the Commission pursuant to Section 13(a) of the Exchange Act and related rules thereunder. Accelera's fiscal year ends on December 31.⁴

5. **Behavioral Health Care Associates, Ltd. ("BHCA")** is a health care provider based in Schaumburg, Illinois specializing in psychiatry and substance abuse treatment. 100% of its stock is owned by its founder, director, and sole owner. In or around October of 2012, the owner, through a broker, placed BHCA for sale.

6. **Anton & Chia, LLP** is a PCAOB-registered audit firm since 2009 and a California limited liability partnership headquartered in Newport Beach, California, with additional offices in San Diego and Westlake Village, California. A&C was founded in 2009 by Georgia Chung, and is currently co-owned by Chung and her husband, Gregory Wahl. A&C conducted year-end audits

⁴ On September 29, 2017, the Commission filed a civil injunctive action against Accelera, its Chairman, and a related company in the United States District Court for the Northern District of Illinois. (Case No. 17-cv-7052). On the same day, the Commission also filed a civil injunctive action in that district against Accelera's CFO, and later filed a motion for entry of judgment based on a bifurcated settlement. (Case No. 17-cv-7057).

and quarterly reviews of Accelera's financial statements from December 17, 2012 through November 15, 2016.⁵

FACTS

BACKGROUND

7. Accelera is a Delaware corporation based in Frankfort, Illinois. It has common stock registered under Section 12 of the Exchange Act and consequently a reporting obligation under Section 13(a) of the Exchange Act.

8. A&C performed audits of Accelera's year-end financial statements for 2013, 2014, and 2015. Audit reports containing unqualified opinions were included in Accelera's Forms 10-K filed for each of those years. In addition, A&C performed the quarterly reviews of Accelera's financial statements throughout 2014 and 2015.

9. Gandhi was the engagement partner for the 2015 audit of Accelera's financial statements. The 2015 audit was completed in August 2016. Gandhi did not participate in the 2013 or 2014 audits or any of the quarterly reviews for 2014 or 2015.

IMPROPER CONSOLIDATION OF BHCA INTO ACCELERA'S FINANCIAL STATEMENTS

10. Beginning with the year-end financial statements for 2013, Accelera began consolidating into its publicly-filed financial statements the financial results of a purported subsidiary, BHCA. Accelera continued to consolidate BHCA's financials with Accelera's through the Form 10-K for the year ending December 31, 2015, which was filed in August of 2016.

⁵ On December 4, 2017, the Commission instituted an 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 and Notice of Hearing against A&C, as well as several of its current or past personnel, Gregory A. Wahl, CPA, Michael Deutchman, CPA, Georgia Chung, CPA, and Tommy Shek, CPA, concerning their conduct in the audits and/or interim reviews for Accelera, Premier, Holding Corporation ("Premier"), and/or CannaVEST Corp. ("CannaVEST") (Rel. No.34-82206). Also on December 4, 2017, the Commission instituted an 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 against Richard Koch, CPA, an A&C audit partner, related to his conduct in an audit for Premier and two interim reviews for CannaVEST (Rel. No. 34-82207).⁶ The financial statements in Accelera's Form 10-K for the fiscal year 2016 were audited by a different auditing firm, as opposed to A&C.

11. BHCA's revenue comprised approximately 90% of Accelera's revenue in 2013 and 2014, and 69% in 2015.

12. Accelera never owned or controlled BHCA. Instead, Accelera and BHCA entered into a stock purchase agreement (the "Stock Purchase Agreement") whereby Accelera was to purchase 100% of the shares of BHCA in exchange for a total of \$4.55 million. Specifically, under the BHCA SPA, Accelera promised to pay BHCA's owner a total of \$4.55 million, the first \$1 million of which was due within 90 days, and the remaining \$3.55 million of which was to be paid in regular installments pursuant to the terms of a promissory note. After the first payment, the shares of BHCA would be placed into escrow pending the final payment, after which time the shares would transfer free and clear to Accelera. Prior to the first payment, the shares would remain with BHCA's owner, and BHCA's owner would have the right to cancel the transaction at any time.

13. The Stock Purchase Agreement, the promissory note, and other documents memorializing the transaction all made clear that any ownership interest in BHCA would pass only after Accelera paid BHCA's owner the initial \$1 million. For example,

a) The Stock Purchase Agreement stated that 100% of the stock in BHCA would change hands only "[u]pon payment of the purchase price set forth in Section 1.1.1.1.," *i.e.*, the initial \$1 million payment.

b) The promissory note indicated that it was only "effective upon the payment of the purchase price set forth in Section 1.1.1.1."

c) The bill of sale stated that the owner of BHCA would sell to Accelera 100% of the shares of BHCA "effective upon the payment of the purchase price set forth in Section 1.1.1.1 of the Purchase Agreement."

14. Accelera never made the initial \$1 million payment referenced in Section 1.1.1.1 of the Stock Purchase Agreement. In fact, Accelera never paid a single dollar for BHCA.

15. Instead, Accelera and BHCA's owner entered into a series of amendments to the Stock Purchase Agreement, under which the timeline for payment was pushed back in exchange for a certain number of shares of Accelera common stock. These amendments did not otherwise alter the terms of the agreement. In other words, it remained true that Accelera would not receive the shares of BHCA prior to payment. In addition, BHCA's owner could cancel the transaction at any time prior to payment.

16. Throughout the pendency of the Stock Purchase Agreement, Accelera never controlled BHCA in any way. BHCA kept the revenue it earned. Accelera did not direct any hiring or firing or other managerial decisions at BHCA. Accelera did not exercise any influence via board representation or common executives. BHCA's management ran the business as it always had.

17. On March 31, 2016, BHCA's owner and Accelera entered into an agreement officially terminating the Stock Purchase Agreement, effective retroactively to January 1, 2016.

18. In its 2016 Form 10-K,⁶ filed on April 17, 2017, Accelera admitted that "the financial statements of BHCA should have never been consolidated with our financial statements since we was [sic] never able to take control of BHCA due to non-payment of the purchase price." Accelera restated its financial statements for 2015, resulting in a 92% decrease in total assets and a 69% decrease in revenues.

RED FLAGS INDICATING BHCA WAS IMPROPERLY CONSOLIDATED

19. In addition to the clear language of the Stock Purchase Agreement and the other agreements, Gandhi had numerous other reasons to question the propriety of consolidating BHCA into Accelera's financial statements. There were multiple red flags indicating that the consolidation of BHCA was inappropriate and that Accelera's financial statements were therefore materially inaccurate. Neither Gandhi nor any other A&C staff working on the engagement team identified, analyzed, or documented these red flags.

20. For example, Accelera never filed a Form 8-K containing BHCA's financial statements, despite an SEC rule requiring it to do so within 75 days of the closing of the BHCA transaction.

21. In late 2014 and early 2015, Accelera entered into three new purchase agreements with other entities that featured similar terms to the Stock Purchase Agreement. As with BHCA, Accelera never made any payments toward these purchases. Instead, as with BHCA, the parties entered into extension agreements. However, despite the similarities, Accelera never consolidated these other companies into its financial statements. This disparity did not prompt Gandhi to re-examine Accelera's treatment of BHCA.

22. For the 2015 year-end audit, A&C requested that BHCA's owner execute a confirmation of liability stating that the entire \$4.55 million owed by Accelera under the BHCA SPA was unpaid. The owner confirmed, and added language clarifying that, "[t]o the extent the terms of this letter conflict with the terms of the Parties' Stock Purchase Agreement, the terms of the Stock Purchase Agreement shall control." BHCA's owner made a similar statement during the 2014 audit.

23. As of October 1, 2015, Accelera was in default on the Stock Purchase Agreement (the final extension entered into by the parties expired on September 30, 2015).

⁶ The financial statements in Accelera's Form 10-K for the fiscal year 2016 were audited by a different auditing firm, as opposed to A&C.

24. In or around late-2015, an officer of Accelera contacted Gandhi, requested that Accelera restate its financials to remove BHCA, and explained that Accelera had never had control over BHCA. Gandhi, after consultation with A&C's managing partner, said that restatement was unnecessary.

25. In March 2016, Accelera provided Gandhi with a draft termination agreement from BHCA's owner's attorney which required Accelera to "disclos[e] that [Accelera] did not own an interest in [BHCA] and should not have recognized on its books and records the revenue and expenses of [BHCA] for the years of 2012 [sic], 2013, 2014, and 2015." In a cover email transmitting the draft agreement, an Accelera officer wrote to Gandhi, "[t]his continues to be an issue I need to know how we can remove the revenue and restate all those years." In response to the e-mail and draft, Gandhi asked if it was "possible to negotiate this section" of the termination agreement. Ultimately, the final version of the termination agreement did not include a restatement requirement. Later, Gandhi wrote to Accelera "[o]ur firm helped you, through my own guidance, to review and point out flaws in the legal agreements related to the [BHCA] termination and avoid multiple years of restatements. Not just any accounting firm would be able to provide this kind of value."

26. In June 2016, prior to the filing of Accelera's 2015 Form 10-K, Accelera provided A&C with copies of investigative subpoenas issued by Commission staff in connection with an investigation relating to Accelera's financial reporting, and specifically its consolidation of BHCA.

INADEQUATE PROCEDURES REGARDING THE BHCA CONSOLIDATION

27. To the extent that A&C performed audit procedures to verify the propriety of consolidating BHCA, those procedures were inadequate.

28. There is no documentation of any discussion or analysis regarding the consolidation of BHCA, or any of the red flags discussed above, in the work papers for the 2015 audit. In addition, key documents regarding the BHCA transaction – including the Stock Purchase Agreement and the promissory note – are not included in the 2015 audit work papers.⁷

FAILURE TO OBTAIN SUFFICIENT APPROPRIATE AUDIT EVIDENCE TO SUPPORT AUDIT OPINION

29. PCAOB Auditing Standard No. 15, *Audit Evidence* ("AS No. 15"), requires the auditor to "plan and perform audit procedures to obtain sufficient appropriate audit evidence to

⁷ The promissory note was included in the audit work papers for the 2013 and 2014 audits, and the Stock Purchase Agreement was included in the audit work papers for the 2013 audit.

provide a reasonable basis for his or her opinion.” (AS No. 15.4.)⁸ Appropriate audit evidence must be “both relevant and reliable in providing support for the conclusions on which the auditor’s opinion is based.” (AS No. 15.6) Among other things, “[e]vidence obtained from a knowledgeable source that is independent of the company is more reliable than evidence obtained only from internal company sources.” (AS No. 15.8.) Further, “[i]f audit evidence obtained from one source is inconsistent with that obtained from another, . . . the auditor should perform the audit procedures necessary to resolve the matter and should determine the effect, if any, on other aspects of the audit” (AS No. 15.29).

30. PCAOB Standard AU Section 333, *Management Representations*, (“AU §333”) states that representations from a company’s management “are part of the evidential matter the independent auditor obtains, but they are not a substitute for the application of those auditing procedures necessary to afford a reasonable basis for an opinion regarding the financial statements under audit.” (AU §333.02). AU Section 333 also states that “[i]f a representation made by management is contradicted by other audit evidence, the auditor should investigate the circumstances and consider the reliability of the representation made. Based on the circumstances, the auditor should consider whether his or her reliance on management’s representations relating to other aspects of the financial statements is appropriate and justified.” (AU §333.04).

31. A&C issued its 2015 audit report containing an unqualified opinion, and Gandhi approved the issuance of the audit report. However, Gandhi and staff working under his supervision failed to obtain sufficient appropriate audit evidence to provide a reasonable basis for that opinion, to understand the material transaction with BHCA, or to resolve inconsistencies regarding the accounting for the BHCA transaction.

32. Gandhi knew that Accelera had material weaknesses in its internal control over financial reporting. In its Forms 10-K, Accelera reported that its internal control over financial reporting was ineffective as of December 31, 2014 and 2015. A&C noted in its 2015 audit planning memorandum that it had “determined not to rely on the internal control of the company based on past audit experience.”

33. In addition, before the 2015 audit was completed, Gandhi became aware that Accelera was under an SEC investigation relating to its financial reporting, and specifically relating to the consolidation of BHCA.

34. Gandhi also improperly relied on Accelera management’s representations in the face of contrary evidence. Among other things, Accelera’s agreements with BHCA contradicted management’s representations in Accelera’s public filings regarding ownership of BHCA. Also, the draft termination agreement, which indicated that Accelera had never controlled BHCA, contradicted Accelera’s accounting treatment of BHCA. Moreover, the representations Gandhi

⁸ References herein to the PCAOB standards refer to the standards that were in effect at the time of the relevant conduct.

received from an Accelera officer that Accelera did not control BHCA contradicted the representations in the public filings that Accelera had acquired BHCA. Neither Gandhi nor any A&C staff under his supervision performed audit procedures to resolve these conflicts.

FAILURE TO DOCUMENT SIGNIFICANT FINDINGS OR ISSUES

35. PCAOB Auditing Standard No. 3, *Audit Documentation* (“AS No. 3”) requires auditors to document the procedures performed, evidence obtained, and conclusions reached. (AS No. 3.6.) Audit documentation must contain, among other things, information sufficient to allow an experienced auditor with no connection to the work to understand the procedures performed, evidence obtained, and conclusions reached and to determine who performed the work, when the work was completed, the person who reviewed the work, and the date of the review. (AS No. 3.6.) In particular, “audit documentation must include information the auditor has identified relating to significant findings or issues that is inconsistent with or contradicts the auditor’s final conclusions,” and “[r]isks of material misstatement that are determined to be significant risks and the results of the auditing procedures performed in response to those risks.” (AS Nos. 3.8, 3.12(f-1).)

36. Gandhi failed to document communications that called into question the BHCA consolidation, including the communications from Accelera’s officer who raised the issues of lack-of-control of BHCA and restatement of Accelera’s financial statements, as discussed above.

37. To the extent that any procedures were ever performed to address the issue of BHCA’s consolidation, those procedures were not documented.

FAILURE TO EXERCISE DUE PROFESSIONAL CARE

38. PCAOB Standard AU Section 230, *Due Professional Care in the Performance of Work* (“AU §230”) requires auditors to exercise due professional care throughout the audit, including by “exercise of professional skepticism.” Under this standard, “[p]rofessional skepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence” (AU § 230.07), and auditors “consider the competency and sufficiency of the evidence” (AU §230.08) and “neither assume[] that management is dishonest nor assume[] unquestioned honesty” (AU § 230.09).

39. For the reasons outlined above, Gandhi failed to meet AU § 230.

VIOLATIONS

40. Rule 2-02(b)(1) of Regulation S-X requires that an audit report “state whether the audit was made in accordance with generally accepted auditing standards...” As used with respect to Regulation S-X in relation to audits of issuers, the phrase “generally accepted auditing standards” refers to the standards issued by the PCAOB. *See* Sec. Act Rel. No. 33-8422.

41. A&C, with Gandhi's authorization, issued an audit report stating that the 2015 Accelera audit had been performed in accordance with the required standards. As discussed above, Gandhi and other A&C staff acting under his supervision failed to comply with numerous PCAOB standards during the course of the audit. As such, Gandhi willfully aided and abetted and was a cause of A&C's violation of Rule 2-02(b) of Regulation S-X.

42. Section 13(a) of the Exchange Act and Rule 13a-1 thereunder require issuers with securities registered under Section 12 of the Exchange Act to file annual reports with the Commission and to keep this information current. The obligation to file such reports embodies the requirement that they be true and correct. *See, e.g., SEC v. Savoy Indus., Inc.*, 587 F.2d 1149, 1165 (D.C. Cir. 1978), *cert. denied*, 440 U.S. 913 (1979).

43. As discussed above, Gandhi caused Accelera to file a false and misleading annual report with the Commission that misrepresented the financial results of Accelera, overstating its revenue by approximately 69% and its total assets by approximately 92%. By his conduct described above, Gandhi willfully aided and abetted and caused Accelera's violations of Section 13(a) of the Exchange Act and Rule 13a-1 thereunder.

FINDINGS

46. Based on the foregoing, the Commission finds that Gandhi (a) willfully aided and abetted and caused A&C's violation of Rule 2-02(b) of Regulation S-X, and (b) willfully aided and abetted and caused Accelera's violation of Section 13(a) of the Exchange Act, and Rule 13a-1 promulgated thereunder.

47. Based on the foregoing, the Commission finds that Gandhi engaged in improper professional conduct within the meaning of Section 4C(a)(2) of the Exchange Act and Rule 102(e)(1)(ii) of the Commission's Rules of Practice by engaging in, as provided under Rule 102(e)(1)(iv): (A) intentional or knowing conduct, including reckless conduct, that results in a violation of applicable professional standards; and (B) either of the following two types of negligent conduct: (1) a single instance of highly unreasonable conduct that results in a violation of applicable professional standards in circumstances in which an accountant knows, or should know, that heightened scrutiny is warranted; or (2) repeated instances of unreasonable conduct, each resulting in a violation of applicable professional standards, that indicate a lack of competence to practice before the Commission.

IV.

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

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

A. Gandhi shall cease and desist from committing or causing any violations and any future violations of Rule 2-02(b) of Regulation S-X, and Section 13(a) of the Exchange Act and Rule 13a-1 promulgated thereunder.

B. Gandhi is denied the privilege of appearing or practicing before the Commission as an accountant.

C. After three (3) years from the date of this order, Gandhi may request that the Commission consider his 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 (other than as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Securities Exchange Act of 1934). Such an application must satisfy the Commission that Gandhi's work in his practice before the Commission as an accountant will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or
2. 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 as a member of an audit committee, as that term is defined in Section 3(a)(58) of the Securities Exchange Act of 1934. Such an application will be considered on a facts and circumstances basis with respect to such membership, and the applicant's burden of demonstrating good cause for reinstatement will be particularly high given the role of the audit committee in financial and accounting matters; and/or
3. an independent accountant.

Such an application must satisfy the Commission that:

- (a) Gandhi, or the public accounting firm with which he 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) Gandhi, or the registered public accounting firm with which he 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 Gandhi will not receive appropriate supervision;

- (c) Gandhi 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) Gandhi acknowledges his responsibility, as long as he 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.

D. The Commission will consider an application by Gandhi to resume appearing or practicing before the Commission provided that his state CPA license is current and he 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 Gandhi's character, integrity, professional conduct, or qualifications to appear or practice before the Commission as an accountant. Whether an application demonstrates good cause will be considered on a facts and circumstances basis with due regard for protecting the integrity of the Commission's processes.

E. Respondent shall pay civil penalties of \$15,000, to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717. Payment shall be made in the following installments: a first installment of \$5,000 is due within 30 days of the entry of this Order; a second installment of \$5,000 is due within 60 days of the entry of this Order; and a third installment of \$5,000 is due within 90 days of the entry of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of civil penalties, plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or

- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Gandhi as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Associate Regional Director Robert J. Burson, Division of Enforcement, Securities and Exchange Commission, 175 West Jackson Boulevard, Suite 1450, Chicago, IL 60604.

F. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary