

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 90025 / September 28, 2020

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4176 / September 28, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-16783

	: ORDER GRANTING APPLICATION FOR
In the Matter of	: REINSTATEMENT TO APPEAR AND PRACTICE
	: BEFORE THE COMMISSION AS AN ACCOUNTANT
Kanako Matsumoto, CPA	: RESPONSIBLE FOR THE PREPARATION OR
	: REVIEW OF FINANCIAL STATEMENTS REQUIRED
	: TO BE FILED WITH THE COMMISSION

On September 4, 2015, Kanako Matsumoto, CPA (“Matsumoto”) 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 Matsumoto pursuant to Rule 102(e)(1) of the Commission’s Rules of Practice.¹ This order is issued in response to Matsumoto’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.

The Commission’s order found that Matsumoto engaged in improper professional conduct while serving as the manager on Peterson Sullivan, LLP’s audit of the financial statements of a private investment fund, Summit Stable Value Fund. Matsumoto failed to comply with American Institute of Certified Public Accountants audit standards by failing to obtain sufficient appropriate audit evidence about the existence of certain fund assets, failing to exercise appropriate professional judgment and professional skepticism, and failing to properly supervise the audit.

In her 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, Matsumoto attests that she will undertake to have hers work reviewed by the independent audit committee of any company for which she works, or in some other manner acceptable to the Commission,

¹ See Accounting and Auditing Enforcement Release No. 3681 dated September 4, 2015. Matsumoto was permitted, pursuant to the order, to apply for reinstatement after three years upon making certain showings.

while practicing before the Commission in this capacity. Matsumoto is not, at this time, seeking to appear or practice before the Commission as an independent accountant. If she should wish to resume appearing and practicing before the Commission as an independent accountant, she will be required to submit an application to the Commission showing that she has complied and will comply with the terms of the original suspension order in this regard. Therefore, Matsumoto'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 suspension 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 Matsumoto, it appears that she has complied with the terms of the September 4, 2015 order suspending her from appearing or practicing before the Commission as an accountant, that no information has come to the attention of the Commission relating to her character, integrity, professional conduct or qualifications to practice before the Commission that would be a basis for adverse action against her pursuant to Rule 102(e) of the Commission's Rules of Practice, and that Matsumoto, by undertaking to have her work reviewed by the independent audit committee of any company for which she works, or in some other manner acceptable to the Commission, in her 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 Kanako Matsumoto, CPA 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.

Vanessa Countryman
Secretary

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 rule 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).