

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 53387 / February 28, 2006

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2388 / February 28, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12222

In the Matter of	:	
	:	
	:	
ELSIE M. LEUNG, CPA	:	ORDER INSTITUTING ADMINISTRATIVE
	:	PROCEEDINGS PURSUANT TO
Respondent.	:	RULE 102(e) OF THE
	:	COMMISSION'S RULES OF
	:	PRACTICE, MAKING FINDINGS, AND
	:	IMPOSING REMEDIAL SANCTIONS
	:	
	:	
	:	

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 Elsie M. Leung, CPA (“Leung”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Leung has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose

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.

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 her and the subject matter of these proceedings, and the findings contained in Section III.3 below, which are admitted, Leung consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Leung's Offer, the Commission finds that:

1. Elsie M. Leung is a resident of Pasadena, California. Leung was the Chief Financial Officer of Gemstar-TV Guide International, Inc. ("Gemstar") from 1994 to November 7, 2002, a Co-President from July 2000 to November 7, 2002, Chief Operating Officer or a Co-Chief Operating Officer from January 1996 to November 7, 2002, and a director from 1994 to May 2003. In November 2002, Leung resigned as an officer of Gemstar. Leung is a Certified Public Accountant licensed in California, but her license is currently inactive.
2. Gemstar is a Delaware corporation with its principal place of business in Los Angeles, California. At all relevant times, Gemstar's common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act"), and traded on the NASDAQ Stock Market.
3. On July 13, 2004, the Commission filed a third amended complaint ("complaint") against Leung in SEC v. Henry C. Yuen, et al. (Case No. CV 03-4376 MRP (PLAx)). On February 21, 2006, the court entered a final judgment permanently enjoining Leung, by consent, from future violations or aiding and abetting violations of Section 17(a) of the Securities Act of 1933, Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1, 13a-11, 13a-13, 13b2-1, and 13b2-2 thereunder. Leung was also ordered to pay \$600,000 in disgorgement, \$14,866.38 in prejudgment interest, and a \$750,000 civil penalty.
4. The Commission's complaint alleged, among other things, that Leung (i) touted that Gemstar's current and future growth would come from licensing technology to third parties and selling advertising on a new media platform; (ii) caused Gemstar to improperly record licensing and advertising revenue; (iii) caused Gemstar to fraudulently overstate its revenues by \$223.3 million in Gemstar's periodic filings with the Commission, analysts calls, and press releases, which resulted in Gemstar's overstating its licensing revenue by 57.4% and its advertising revenue by 278.1% and which enabled Gemstar to meet its projected financial results; (iv) misrepresented and/or omitted to disclose the actual structure of certain Gemstar transactions and that a substantial amount of licensing and advertising revenue was being created through fraudulent schemes in Gemstar's periodic filings with the Commission, analysts calls, and press releases; and (v) omitted to disclose material information to Gemstar's independent auditors regarding the structure of certain transactions during the auditors' 2001 quarterly reviews.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Leung's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that Leung is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Nancy M. Morris
Secretary