

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
RELEASE NO. 56137 / July 26, 2007

ACCOUNTING AND AUDITING ENFORCEMENT
RELEASE NO. 2656 / July 26, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12711

In the Matter of	:	ORDER INSTITUTING ADMINISTRATIVE
	:	PROCEEDINGS PURSUANT TO RULE 102(e)
	:	OF THE COMMISSION'S RULES OF
PATRICK T. CHEW, CPA,	:	PRACTICE, MAKING FINDINGS, AND
	:	IMPOSING REMEDIAL SANCTIONS
Respondent.	:	

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 Patrick E. Chew ("Respondent" or "Chew") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice [17 C.F.R. § 201.102(e)].¹

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

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.

these proceedings, and the findings contained in Section III. 3 below, which are admitted, Respondent 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 Respondents' Offer, the Commission finds² that:

1. Chew, age 40, was the controller of SmartForce's U.S. subsidiary, which generated 70 percent of the Company's business, from January 1998 until February 2002. Chew was responsible for recognizing revenue on standard agreements but did not set or otherwise determine the Company's revenue recognition policy. During all relevant times, Chew was a certified public accountant.

2. SmartForce PLC ("SmartForce"), now known as SkillSoft PLC ("SkillSoft"), was at all relevant times a company organized under the laws of the Republic of Ireland with its principal place of business in Redwood City, California. SmartForce provided Internet-based training courseware and professional services geared toward business and IT professionals. At all relevant times, SmartForce's common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and trades on NASDAQ National Market.

3. On July 19, 2007, the Commission filed a complaint against Chew in SEC v. Patrick T. Chew (Civil Action No. 07CV220). On July 23, 2007, the court entered an order permanently enjoining Chew, by consent, from future violations of Section 13(b)(5) of the Exchange Act and Rule 13b2-2 thereunder, and aiding and abetting violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder. Chew was also ordered to pay \$67,559 in disgorgement, representing losses avoided as a result of the conduct alleged in the Complaint, and \$18,326 in prejudgment interest; and a \$25,000 civil money penalty.

4. The Commission's complaint alleged, among other things, that Chew engaged in improper accounting practices which resulted in SmartForce filing materially false and misleading financial statements in the company's quarterly reports on Form 10-Q for the second and third quarters of fiscal year 2001, and in the company's annual report on Form 10-K for the fiscal year ended December 31, 2001. These practices included improperly recognizing revenue from non-binding agreements and from a transaction for which no product was shipped to the customer. As a result of these practices, SmartForce's annual and quarterly revenue and net income were materially increased.

² 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.

IV.

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

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

A. Respondent is suspended from appearing or practicing before the Commission as an accountant.

B. After three (3) years from the date of this order, Respondent 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. Such an application must satisfy the Commission that the Respondent's work in his practice before the Commission 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. an independent accountant. Such an application must satisfy the Commission that:

(a) Respondent, 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) Respondent, or the registered public accounting firm with which he is associated, has been inspected by the Board or equivalent Canadian organization 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 the Respondent will not receive appropriate supervision;

(c) Respondent has resolved all disciplinary issues with the Board or equivalent Canadian organization, and has complied with all terms and conditions of any sanctions imposed (other than reinstatement by the Commission); and

(d) Respondent acknowledges his responsibility, as long as the Respondent 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.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that his certified public accountant and/or chartered accountant license is current and he has resolved all other disciplinary issues with the Board or applicable Canadian organization. However, if 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 the Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Nancy M. Morris
Secretary