

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 57224 / April 28, 2008

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2814 / April 28, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-8967

In the Matter of _____ : ORDER GRANTING APPLICATION FOR
Calvin Kirk French, CPA : 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

On March 5, 1996, Calvin Kirk French, CPA (“French”) was denied the privilege of appearing or practicing as an accountant before the Commission as a result of settled public administrative proceedings instituted by the Commission against him pursuant to Rule 102(e) of the Commission's Rules of Practice.¹ French consented to the entry of the order without admitting or denying the findings therein. This order is issued in response to French’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.

During 1989 and 1990 Chambers Development Company, Inc. (“Chambers”) understated its expenses and overstated its earnings by engaging in certain fraudulent capitalization practices in violation of GAAP. French served as the audit manager and engagement administrator for audit of Chambers’s 1989 financial statements by Grant Thornton LLP. He served as the senior manager for the audit of Chambers’s 1990 financial statements. With respect to these audits, the Commission found that French engaged in improper professional conduct within the meaning of Rule 102(e) by failing to conduct them in accordance with GAAS. French failed to obtain sufficient competent evidential matter to afford a reasonable basis for Grant Thornton’s opinion on Chambers’s financial statements, failed to assess properly whether the company’s financial statements were fairly presented in accordance with GAAP, and failed to exercise due professional care in the performance of the audit.

¹ See Accounting and Auditing Enforcement Release No. 767 dated March 5, 1996. French was permitted, pursuant to the order, to apply for reinstatement after 18 months upon making certain showings.

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, French 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. French is not, at this time, seeking to appear or practice before the Commission as an independent accountant. If he should wish to resume appearing and practicing 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, the denial of French's privilege of appearing and practicing 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."² This "good cause" determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by French, it appears that he has complied with the terms of the March 5, 1996 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 French, 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,

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 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).

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Calvin Kirk French, 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.

Nancy M. Morris
Secretary