

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 82215 / December 5, 2017

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3914 / December 5, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-11890

In the Matter of :
Gregory Davis, CPA : **ORDER GRANTING APPLICATION FOR**
 : **REINSTATEMENT TO APPEAR AND PRACTICE**
 : **BEFORE THE COMMISSION AS AN**
 : **ACCOUNTANT**
 :

On April 11, 2005, Gregory Davis, CPA (“Davis”) 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 Davis pursuant to Rule 102(e)(1) of the Commission’s Rules of Practice.¹ This order is issued in response to Davis’s application for reinstatement to appear and practice before the Commission as an accountant.

The Commission found that Davis willfully violated Section 10A of the Exchange Act, and willfully aided and abetted Chancellor Corporation Inc.’s (“Chancellor”) violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder, and engaged in improper professional conduct under Rule 102(e)(1)(ii) of the Commission’s Rules of Practice in connection with the audits of Chancellor’s 1998 and 1999 financial results, as well as the interim reviews of Chancellor’s quarterly results for the first three quarters of 2000. Specifically, Davis aided and abetted Chancellor to materially overstate its revenue, income and assets for 1998 in its Form 10-KSB. Davis also aided and abetted Chancellor, in two Forms 10-KSB-A for 1998, and in a Form 10-KSB and Form 10-KSB-A for 1999, to materially misrepresent and improperly disclose the nature and substance of fees purportedly owed to a related party, which was the company’s largest shareholder and controlled by the company’s CEO and chairman of the board of directors. Finally, Davis aided and abetted Chancellor to provide materially misleading disclosure in the Forms 10-QSB for the first three quarters of 2000 related to the use of the proceeds from a line of credit obtained by the company.

¹ See Accounting and Auditing Enforcement Release No. 2229 dated April 11, 2005. Davis was permitted, pursuant to the order, to apply for reinstatement after five years upon making certain showings.

Davis has met all of the conditions set forth in the original order and, in his capacity as an independent accountant, has stated that he will comply with all requirements of the Commission and the Public Company Accounting Oversight Board, including, but not limited to all requirements relating to registration, inspections, concurring partner reviews and quality control standards. 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, Davis 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.

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 the information supplied, representations made, and undertakings agreed to by Davis, it appears that he has complied with the terms of the April 11, 2005 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 Davis, 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, and that Davis, by undertaking to comply with all requirements of the Commission and the Public Company Accounting Oversight Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards, in his practice before the Commission as an independent accountant 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 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).

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Gregory Davis, CPA is hereby reinstated to appear and practice before the Commission as an accountant.

By the Commission.

Brent J. Fields
Secretary