



herein, except as to the Commission's jurisdiction over him and the subject matter of 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 Respondent's Offer, the Commission finds that:

1. Corjay, age 43, is and has been a certified public accountant ("CPA") licensed in the state of Oklahoma. He served as Daisytek International Corporation's ("Daisytek") controller from 1994 to 2003.
2. On May 7, 2003, Daisytek, a Delaware corporation based in Allen, Texas, filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division. Prior to filing for bankruptcy, Daisytek was engaged, in the United States and internationally, in the sale and distribution of office products and computer supplies. At all relevant times, Daisytek'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 NASDAQ. On March 30, 2004, Daisytek filed a Form 15-12G to deregister its common stock. On January 24, 2005, the Commission instituted settled cease-and-desist proceedings against Daisytek, in which Daisytek consented to the entry of a cease-and-desist order containing findings, which Daisytek neither admitted nor denied, that Daisytek had violated Section 17(a) of the Securities Act of 1933 ("Securities Act"), and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, 13a-13, and 13b2-1 thereunder.
3. On August 10, 2006, a final judgment was entered against Corjay, permanently enjoining him from direct or indirect future violations of Section 17(a) of the Securities Act, and Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1, and 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, 13a-11, and 13a-13 thereunder, in the civil action entitled Securities and Exchange Commission v. Mark J. Corjay, et al., Civil Action Number 4:06-CV-311, in the United States District Court for the Northern District of Texas. Corjay was also ordered to pay \$311,175 in disgorgement of ill-gotten gains from his sales of Daisytek stock while participating in the fraud, and \$51,822 in prejudgment interest, but the Commission waived all but \$100,000 of that amount and did not seek against Corjay a civil penalty based on his sworn financial statements.

4. The Commission's complaint alleged, among other things, that throughout Daisytek's fiscal years 2001 and 2002 (i.e., from April 1, 2000 through March 31, 2002), and through Daisytek's second quarter of fiscal year 2003 (i.e., through September 30, 2002), Corjay participated in a scheme through which Daisytek managed its earnings by recording non-existent and uncollectible receivables, and by improperly accelerating revenue recognition. According to the complaint, the scheme involved the improper booking as revenue of various rebates associated with inventory Daisytek ordered for the sole purpose of meeting its earnings targets. The Commission alleged that Corjay booked these receivables with knowledge that they were improper. The Commission also alleged in the complaint that, as a result of the scheme, Daisytek met unrealistic earnings projections by fraudulently inflating its net income.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Corjay'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 five 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 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 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, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and
- (d) Respondent acknowledges his responsibility, as long as 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 state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependant 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 Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Nancy M. Morris  
Secretary