



## 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 these proceedings, and the findings contained in Sections III, 3 and III, 5 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 Sanction (“Order”), as set forth below.

## III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. William T. Owens, age 47, is and has been a certified public accountant licensed to practice in the State of Alabama. Owens was the chief financial officer of HealthSouth Corp. (“HealthSouth”) from February 2000 to August 2001, its president and chief operating officer from August 2001 until August 2002, and its president and chief executive officer from August 2002 through January 2003. Owens also served as HealthSouth’s executive vice president and chief financial officer from January 2003 until March 2003.

2. HealthSouth was, at all relevant times, a Delaware corporation with its principal place of business in Birmingham, Alabama. HealthSouth was in the business of, among other things, providing outpatient diagnosis and surgery. At all relevant times, HealthSouth’s common stock was registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 (“Exchange Act”), and traded on the New York Stock Exchange.

3. On March 31, 2003, the Commission filed a complaint against Owens in SEC v. Weston L. Smith and William T. Owens (Civil Action No. CV-03-C-0720-S, amended to CV-03-CO-0720-S). On May 22, 2006, the court entered an order permanently enjoining Owens, by consent, from future violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5 and 13b2-1 thereunder, and from aiding and abetting violations of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-13 and 13a-14 thereunder.

4. The Commission’s complaint alleged, among other things, that Owens and other senior officers of HealthSouth engaged in a fraudulent scheme which resulted in HealthSouth filing materially false and misleading financial statements in the company’s annual reports on Forms 10-K and periodic reports on Forms 10-Q from 1997 through 2002. Among other

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the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

things, the complaint alleged that Owens directed other HealthSouth employees to make entries on the company's books which fraudulently overstated income and reflected fictitious assets in amounts which matched generally the fraudulent overstatements of income. The complaint alleged that the fraudulent entries were designed to avoid detection by HealthSouth's independent auditors.

5. On December 9, 2005, a judgment of conviction was entered against Owens in United States v. Owens, CR-03-3B-00131-SLB, in the United States District Court for the Northern District of Alabama, finding him guilty of one count of conspiracy to commit wire fraud and securities fraud, one count of wire fraud and one count of filing a false certification of financial information with the Commission.

6. As a result of this conviction, Owens was sentenced to five years incarceration followed by two years of supervised release, and was ordered to forfeit \$2.5 million.

#### IV.

In view of the foregoing, the Commission finds that Owens has been convicted of a felony within the meaning of Rule 102(e)(2) of the Commission's Rules of Practice. The Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Owens's Offer.

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

Owens is forthwith suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Nancy M. Morris  
Secretary