

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 56420 / September 13, 2007**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 2700 / September 13, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12781**

**In the Matter of**

**Norman Stumacher, CPA,**

**Respondent.**

**ORDER INSTITUTING PUBLIC  
ADMINISTRATIVE AND CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTIONS 4C AND 21C OF THE  
SECURITIES EXCHANGE ACT OF 1934  
AND RULE 102(e) OF THE  
COMMISSION'S RULES OF PRACTICE,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS AND A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted against Norman Stumacher, CPA (“Respondent” or “Stumacher”) pursuant to Sections 4C<sup>1</sup> and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 102(e)(1)(iii) of the Commission’s Rules of Practice.<sup>2</sup>

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<sup>1</sup> Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

<sup>2</sup> Rule 102(e)(1)(iii) provides, in relevant part, that:

The Commission may censure a person or deny, temporarily or permanently, the privilege of appearing or practicing before it in any way to any person who is found . . . to have willfully violated, or willfully aided and abetted the violation of any provision of the Federal securities laws or the rules and regulations thereunder.

## II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“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, which are admitted, Respondent consents to the entry of this Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

## III.

On the basis of this Order and Respondent’s Offer, the Commission finds<sup>3</sup> that:

### A. RESPONDENT

Norman Stumacher, CPA, 81, of Bellmore, New York, is a certified public accountant licensed in the state of New York since 1960 and doing business as a sole proprietorship. Stumacher audited MediaREADY, Inc.’s (“MediaREADY”) financial statements for the company’s 2003 fiscal year ended December 31, 2003. MediaREADY dismissed Stumacher as its independent auditor on February 22, 2005.

### B. FACTS

1. MediaREADY (known as Video Without Boundaries, Inc. during the relevant time period) is a Florida corporation with its headquarters in Fort Lauderdale, Florida. MediaREADY’s common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act and is listed on the Pink Sheets under the symbol MRED. For its fiscal year ended December 31, 2003, MediaREADY reported revenues of \$191,000 and total assets of \$875,000.

2. MediaREADY has at all relevant times been an issuer as defined by the Sarbanes-Oxley Act of 2002 (the “Act”).

3. Stumacher audited MediaREADY’s 2003 financial statements included in MediaREADY’s annual report for fiscal year 2003 on Form 10-KSB, filed with the Commission on April 14, 2004. As part of that audit, Stumacher prepared and issued an audit report dated April 12, 2004 (the “MediaREADY audit report”), which the company included in its 2003 Form 10-KSB. MediaREADY paid Stumacher \$25,000 for the audit work.

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<sup>3</sup> 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.

4. At the time Stumacher prepared and issued the MediaREADY audit report, he was not registered with the Public Company Accounting Oversight Board (the “Board”), as required by Section 102(a) of the Act.

5. By order dated April 26, 2005, the Board disapproved an application for registration submitted by Stumacher based in part on Stumacher’s violation of Section 102(a) of the Act in issuing the MediaREADY audit report.<sup>4</sup> The order effectively prevented Stumacher from becoming registered with the Board until after February 15, 2006, approximately one year from the date the Board issued a notice of hearing on Stumacher’s application.<sup>5</sup> Stumacher has only worked as an accountant through his sole proprietorship and has not otherwise been associated with a public accounting firm registered with the Board.

### **C. VIOLATIONS**

1. Section 102(a) of the Act provides that “it shall be unlawful for any person that is not a registered public accounting firm to prepare or issue, or to participate in the preparation or issuance of, any audit report with respect to any issuer.”<sup>6</sup>

2. The provisions of Section 102(a) of the Act became effective on October 22, 2003.<sup>7</sup>

3. Based on the conduct described above, Respondent willfully<sup>8</sup> violated Section 102(a) of the Act.

### **D. FINDINGS**

Based on the foregoing, the Commission finds that Stumacher willfully violated Section 102(a) of the Sarbanes-Oxley Act of 2002.

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<sup>4</sup> PCAOB Release No. 2005-008 (Apr. 26, 2005). The order also found that Stumacher’s issuance of the MediaREADY audit report violated Board Rule 2100, which implemented Section 102(a) of the Act. Id.

<sup>5</sup> The order states that with respect to any new registration application Stumacher submits after February 15, 2006, the Board will not issue a notice of hearing to determine whether to approve or disapprove such application based solely on the violations subject to the Board’s order. Id.

<sup>6</sup> A violation of the Act or any rule that the Board issues under the Act is treated for all purposes in the same manner as a violation of the Exchange Act, including with respect to penalties. Sarbanes-Oxley Act of 2002, 15 U.S.C.A. § 7202(b)(1) (West 2002).

<sup>7</sup> Section 102(a) became effective “[b]eginning 180 days after the date of the determination of the Commission under Section 101(d)” of the Act that the Board was prepared to undertake its statutory responsibilities. The Commission made the required determination on April 25, 2003. See Order Regarding Section 101(d) of the Sarbanes-Oxley Act of 2002, Securities Act Release No. 8223, Exchange Act Release No. 47746, 2003 WL 1956164 (Apr. 25, 2003).

<sup>8</sup> “Willfully” as used in this Order means intentionally committing the act that constitutes the violation. There is no requirement that the actor also be aware that he is violating a rule or statute. See Wonsover v. SEC, 205 F.3d 408, 414 (D.C. Cir. 2000); Tager v. SEC, 344 F.2d 5, 8 (2d Cir. 1965).

## **E. UNDERTAKING**

Respondent has undertaken not to request, demand, or accept, directly or indirectly, any compensation from MediaREADY in connection with the audit work associated with the MediaREADY audit report. In determining whether to accept the Offer, the Commission has considered this undertaking.

## **IV.**

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

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

A. Stumacher shall cease and desist from committing or causing any violations and any future violations of Section 102(a) of the Act.

B. Stumacher is censured.

C. Stumacher may practice before the Commission as an independent accountant provided that:

1. The public accounting firm with which he is associated is registered with the Board in accordance with the Act, and such registration continues to be effective; and

2. He has submitted to the Commission staff (attention: Office of the Chief Accountant) the Board's letter notifying the public accounting firm with which he is associated that its registration application has been approved.

D. IT IS FURTHER ORDERED that Respondent shall, within 10 days of the entry of this Order, pay disgorgement of \$25,000 and prejudgment interest of \$1,865.60 to the United States Treasury. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check, or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Norman Stumacher as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Christopher Conte, Division of Enforcement, Securities and Exchange Commission, 100 F Street N.E., Washington, D.C. 20549.

By the Commission.

Nancy M. Morris  
Secretary