

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 56562 / September 27, 2007**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 2733 / September 27, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12849**

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**In the Matter of**

**BRUCE D. KAY, CPA**

**Respondent.**

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**ORDER OF SUSPENSION PURSUANT  
TO RULE 102(e)(2) OF THE  
COMMISSION'S RULES OF PRACTICE**

**I.**

The Securities and Exchange Commission deems it appropriate to issue an order of forthwith suspension of Bruce D. Kay ("Kay") pursuant to Rule 102(e)(2) of the Commission's Rules of Practice [17 C.F.R. §200.102(e)(2)].<sup>1</sup>

**II.**

The Commission finds that:

1. From August 1999 through September 2000, Kay was a certified public accountant in Maine.

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<sup>1</sup> Rule 102(e)(2) provides in pertinent part: "Any ... person who has been convicted of a felony or a misdemeanor involving moral turpitude shall be forthwith suspended from appearing or practicing before the Commission."

2. On July 5, 2007, a judgment of conviction was entered against Kay in *United States v. Gagalis, et al*, No. 1:04-cr-00126-PB-5, in the United States District Court for the District of New Hampshire, finding him guilty of two counts of securities fraud, one count of conspiracy to commit wire and securities fraud, one count of falsifying books and records of Enterasys Networks, Inc. (“Enterasys”), a public company, one count of making false statements to auditors of Enterasys, and three counts of wire fraud.

3. As a result of this conviction, Kay was sentenced to nine years and six months imprisonment in a federal penitentiary.

### III.

In view of the foregoing, the Commission finds that Kay has been convicted of a felony within the meaning of Rule 102(e)(2) of the Commission’s Rules of Practice.

Accordingly, it is ORDERED, that Bruce D. Kay is forthwith suspended from appearing or practicing before the Commission pursuant to Rule 102(e)(2) of the Commission’s Rules of Practice.

By the Commission.

Nancy M. Morris  
Secretary