

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 59530 / March 6, 2009

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2944 / March 6, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13400

<p>In the Matter of</p> <p style="text-align:center">STEPHAN HUSI</p> <p>Respondent.</p>

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (the "Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Stephan Husi (the "Respondent" or "Husi") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.¹

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 Section III.2. below, which are admitted, Respondent consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to Rule

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions (the "Order"), as set forth below.

III.

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

1. Husi, age 48, has held a certificate as a "Swiss Certified Expert for Accounting and Controlling" since 1996. From April 2002 through October 2003, he was the Head of Corporate Planning & Controlling of Centerpulse Ltd., a Swiss public company that manufactured and marketed various medical devices. From January 2001 through October 2003, Centerpulse's American Depositary Shares were registered in the United States pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and were traded on the New York Stock Exchange under the symbol "CEP."

2. On January 23, 2009, a final judgment was entered against Husi, permanently enjoining him from future violations of Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5 and 13b2-1 thereunder, and from aiding and abetting future violations of 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 and 13a-16 thereunder, in the civil action entitled United States Securities and Exchange Commission v. Urs Kamber et al., Civil Action Number 1:07-cv-01867 (JDB), in the United States District Court for the District of Columbia. Husi was also ordered to pay \$14,216 in disgorgement of ill-gotten gains, \$5,868 in prejudgment interest, and a \$30,000 civil money penalty.

3. The Commission's complaint alleged that Husi and others engaged in a fraudulent scheme to inflate Centerpulse's reported earnings during the second half of 2002 by manipulating reserves and refusing to recognize expenses and liabilities. The complaint also alleged that, as a result of the scheme, Centerpulse issued and furnished to the Commission false and misleading earnings releases for the third and fourth quarters of 2002, and issued and filed with the Commission a false and misleading annual report for fiscal 2002, which materially overstated Centerpulse's third quarter 2002 reported pretax income by approximately \$32 million, and its fourth quarter 2002 and fiscal year 2002 reported pretax income by at least \$26.4 million.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Husi's Offer.

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

A. Husi is suspended from appearing or practicing before the Commission as an accountant.

B. After 5 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 status as an accountant is

current and he has resolved all other disciplinary issues with the applicable boards of accountancy. However, if resolution of any disciplinary action by a board of accountancy is dependent 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.

Elizabeth M. Murphy
Secretary