

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 51570 / April 19, 2005

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2233 / April 19, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-10476

_____ : ORDER GRANTING APPLICATION FOR
In the Matter of : REINSTATEMENT TO APPEAR AND PRACTICE
: BEFORE THE COMMISSION AS AN ACCOUNTANT
Craig R. Clark : RESPONSIBLE FOR THE PREPARATION OR
: REVIEW OF FINANCIAL STATEMENTS REQUIRED
_____ : TO BE FILED WITH THE COMMISSION

On May 7, 2001, Craig R. Clark (“Clark”) was suspended from appearing or practicing as an accountant before the Commission as a result of settled public administrative proceedings instituted by the Commission against Clark pursuant to Rule 102(e) of the Commission's Rules of Practice.¹ On September 27, 1999, the Commission filed a complaint against Clark and others in SEC v. Jerry M. Walker and Craig R. Clark, Civ. 99-1737-PHX-ROS. On March 16, 2001, Clark consented to the entry of a Final Judgment of Permanent Injunction and Other Equitable Relief (“Final Judgment”), without admitting or denying the allegations in the complaint, except as to subject matter jurisdiction, which he admitted. On April 11, 2001, the United States District Court for the District of Arizona entered the Final Judgment, which permanently enjoined Clark from violating Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5, 13b2-1 thereunder, and aiding and abetting violations of Section 13(a) of the Exchange Act and Rule 13a-13 thereunder, and ordered him to pay a \$15,000 civil penalty.

¹ See Accounting and Auditing Enforcement Release No. 1391, dated May 7, 2001. Clark was permitted, pursuant to the order, to apply for reinstatement after three years upon making certain showings.

Rule 102(e)(5)(i) provides:

“An application for reinstatement of a person permanently suspended or disqualified under paragraph (e)(1) or (e)(3) of this section may be made at any time, and the applicant may, in the Commission’s discretion, be afforded a hearing; however, the suspension or disqualification shall continue unless and until the applicant has been reinstated by the Commission for good cause shown.” 17 C.F.R. § 201.102(e)(5)(i).

Clark served in the capacity of Chief Financial Officer for Unison HealthCare Corporation (“Unison”). The complaint alleges that Clark and other officers made unsupported journal entries to the corporate accounting records that materially inflated Unison’s net income. The unsupported entries alleged in the complaint include a \$3.4 million adjustment to revenue and a \$1.7 million adjustment to expenses. During the third quarter of 1996, these unsupported adjustments enabled Unison to report net income of roughly \$1.2 million verses a “true” net loss of almost \$4 million. Furthermore, the complaint alleges that the unsupported journal entries resulted in Unison filing materially false and misleading financial statements for the third quarter ended September 30, 1996, and that Clark knew or was reckless in not knowing that the financial statements were false and misleading.

This order is issued in response to Clark's application for reinstatement to practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

In his capacity as a preparer or reviewer, or as a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, Clark attests that he will undertake to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, while practicing before the Commission in this capacity. Clark is not, at this time, applying to appear or practice before the Commission as an independent accountant. If he should wish to resume appearing and practicing before the Commission as an independent accountant, he will be required to submit an application to the Commission showing that he has complied and will comply with the terms of the original suspension order in this regard. Therefore, Clark's suspension from practice before the Commission as an independent accountant continues in effect until the Commission determines that a sufficient showing has been made in this regard in accordance with the terms of the original suspension order.

Rule 102(e)(5) of the Commission’s Rules of Practice governs applications for reinstatement, and provides that the Commission may reinstate the privilege to appear and practice before the Commission “for good cause shown.” This “good cause” determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Clark, it appears that he has complied with the terms of the May 7, 2001 order suspending him from practice before the Commission as an accountant, that no information has come to the attention of the Commission relating to his character, integrity, professional conduct or qualifications to practice before the Commission that would be a basis for adverse action against him pursuant to Rule 102(e) of the Commission's Rules of Practice, and that Clark, by undertaking to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, in his practice before the Commission as a preparer or reviewer of financial statements required to be filed with the Commission, has shown good cause for reinstatement. Therefore, it is accordingly,

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Craig R. Clark is hereby reinstated to appear and practice before the Commission as an

accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

By the Commission.

Jonathan G. Katz
Secretary