UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934 Release No. 60170 / June 25, 2009

ACCOUNTING AND AUDITING ENFORCEMENT Release No. 3000 / June 25, 2009

ADMINISTRATIVE PROCEEDING File No. 3-13528

In the Matter of

: PROCEEDINGS PURSUANT TO RULE
CHRISTI R SULTRACH : 102(a) OF THE COMMISSION'S RULES OF

CHRISTI R. SULZBACH, : 102(e) OF THE COMMISSION'S RULES OF PRACTICE, MAKING FINDINGS, AND

Respondent. : IMPOSING REMEDIAL SANCTIONS

ORDER INSTITUTING ADMINISTRATIVE

:

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Christi R. Sulzbach ("Respondent" or "Sulzbach") 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

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any attorney . . . 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.

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

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 her and the subject matter of these proceedings, and the findings contained in Section III.3. 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 Sanctions ("Order"), as set forth below.

III.

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

- 1. Sulzbach, age 54, is and has been an attorney licensed to practice in the State of California. She served as chief compliance officer, executive vice president and general counsel of Tenet Healthcare Corporation ("Tenet") from February 1999 until her termination in September 2003.
- 2. Tenet was, at all relevant times, a Nevada corporation which maintained its principal executive offices in Santa Barbara, California. At all relevant times, its 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 and Pacific Stock Exchanges.
- 3. On June 18, 2009, a final judgment was entered against Sulzbach, permanently enjoining her from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and aiding and abetting violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder, in the civil action entitled Securities and Exchange Commission v. Tenet Healthcare Corp., et. al, Civil Action Number CV-07-2144 RSWL (RZx), in the United States District Court for the Central District of California. Sulzbach was also ordered to pay \$1 in disgorgement of ill-gotten gains and a \$120,000 civil money penalty.
- 4. The Commission's first amended complaint ("complaint") alleges, among other things, that from 1999 through 2002, Tenet and certain of its officers engaged in an unsustainable strategy to improve Tenet's earnings by deliberately exploiting a loophole in Medicare's reimbursement system which allowed Tenet to obtain significantly greater Medicare outlier payments by aggressively increasing its gross charges. The complaint further alleges that Tenet's failure to disclose its unsustainable pricing strategy and its impact on Tenet's Medicare revenues resulted in Tenet filing a materially false and misleading annual report on Form 10-K for its fiscal year ended May 31, 2002, and materially false and misleading quarterly reports on Form 10-Q for the third quarter of its fiscal year 2002 ending February 28, 2002, and the first quarter of its fiscal year 2003 ending August 31, 2002; and a materially false and misleading prospectus supplement on June 21, 2002, in connection with an offering of \$400 million of debt securities registered pursuant to a Form S-3 registration statement that had been filed by Tenet in December 2001, which prospectus supplement incorporated by reference, among other filings, Tenet's false and misleading third quarter 2002 Form 10-Q. The complaint further alleges that Sulzbach was substantially involved in preparing, reading, reviewing and approving Tenet's

public reports with the Commission and the prospectus supplement. The complaint further alleges that Sulzbach knew, or was reckless in not knowing, about Tenet's unsustainable strategy to aggressively increase its gross charges in order to inflate its Medicare outlier revenues. In particular, the complaint alleges that as early as 1999, Tenet personnel approached Sulzbach with questions and concerns regarding the legality of implementing the gross charge increases that triggered additional outlier payments, and that by 2002, Sulzbach had requested, received, and discussed data showing that Tenet's outlier payments were a significant portion of its Medicare revenue.

IV.

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

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

Sulzbach is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Elizabeth M. Murphy Secretary