

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(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. Scott Hirth, age 41, is a resident of Carleton, Michigan. Hirth was the Vice-President of Finance and Chief Financial Officer of ProQuest Company’s Information and Learning Division from 1999 through 2005.

2. ProQuest Company, now known as Voyager Learning Company (collectively “ProQuest”), was a Delaware corporation with its headquarters located in Ann Arbor, Michigan between 2001 and 2005. ProQuest was formerly known as Bell & Howell Company from 1907 to 2001. ProQuest specialized in aggregating, organizing and packaging data from various publishers to provide information-service products to its customers.

3. On July 28, 2008, a final judgment was entered against Hirth, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 (“Exchange Act”), and Rules 10b-5, 13b2-1, 13b2-2 thereunder, and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11 and 13a-13 thereunder in the civil action entitled Securities and Exchange Commission v. Scott Hirth et al., Civil Action Number 08-cv-13139, in the United States District Court for the Eastern District of Michigan. Hirth was also ordered to pay \$233,676.00 in disgorgement of ill-gotten gains, \$54,474.25 in prejudgment interest, a \$130,000 civil money penalty, and was prohibited from serving as an officer or director of an issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

4. The Commission’s complaint alleged, among other things, that Hirth engaged in accounting fraud at ProQuest from at least 2001 through 2005. At the end of monthly and quarterly reporting periods, Hirth made fraudulent manual journal entries in order to favorably alter ProQuest’s financial results and these manual journal entries were designed to increase revenue and decrease expenses at ProQuest. The complaint alleged that through these false accounting entries, Hirth materially inflated ProQuest’s reported Earnings Before Interest and

Taxes (“EBIT”) for 2001 through 2004 and the first three quarters of 2005. This false EBIT information was disclosed to the investing public in ProQuest’s registration statements, financial reports, and filings such as its S-3, S-8, Form 10-K, and Form 10-Q filings made with the Commission. The complaint further alleged that Hirth’s scheme overstated ProQuest’s EBIT by 31% between 2001 and the first three quarters of 2005.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that Hirth is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Florence E. Harmon
Acting Secretary