

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 59295 / January 26, 2009

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2924 / January 26, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13349

In the Matter of	:	ORDER INSTITUTING ADMINISTRATIVE
	:	PROCEEDINGS PURSUANT TO RULE
John V. Cracchiolo, CPA,	:	102(e) OF THE COMMISSION'S RULES OF
	:	PRACTICE, MAKING FINDINGS, AND
Respondent.	:	IMPOSING REMEDIAL SANCTIONS
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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 John V. Cracchiolo ("Respondent" or "Cracchiolo") 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

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.

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 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. John V. Cracchiolo, age 52, is and has been a certified public accountant licensed to practice in the State of California. He served as Chief Financial Officer and Chief Operations Officer of Endocare, Inc. from June 2001 until his resignation on March 3, 2003.

2. Endocare was, at all relevant times, a Delaware corporation with its principal place of business in Irvine, California. Endocare developed and distributed medical devices for use in the treatment of various types of cancers and urological ailments. At all relevant times, Endocare's common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act"), and was listed on the NASDAQ National Market until January 16, 2003, when it was delisted for Endocare's failure to file its periodic reports with the Commission.

3. On January 13, 2009, a final judgment was entered against Cracchiolo, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), and Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1 and 13b2-2 thereunder, and 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. Paul W. Mikus, et al., Civil Action Number SACV06-734 JVS (MLGx), in the United States District Court for the Central District of California. Cracchiolo was also ordered to pay \$60,715 in disgorgement of ill-gotten gains while participating in the fraud, and \$10,378.69 in prejudgment interest, and a \$50,000 civil money penalty.

4. The Commission's complaint alleged, among other things, that Cracchiolo engaged in a fraudulent scheme which resulted in Endocare filing materially false and misleading periodic reports for the second and third quarters of 2001, the year end 2001, and the first and second quarters in 2002, and registration statements filed on November 14, 2001 and March 26, 2002. As a result of the scheme, Endocare also issued misleading press releases and Forms 8-K in December 2002 and March 2003. The Complaint alleged that Cracchiolo overstated Endocare's revenue and income by booking false sales, engaging in improper revenue recognition practices, and improperly understating or delaying the recognition of expenses in order to inflate Endocare's earnings. The Complaint also alleged that during conference calls with Wall Street securities analysts, Cracchiolo misled investors about the number of procedures that were preformed using Endocare-owned boxes.

IV.

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

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

A. John V. Cracchiolo is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Elizabeth M. Murphy
Secretary