

**UNITED STATES OF AMERICA**  
before the  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 58667 / September 29, 2008**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 2890 / September 29, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13245**

---

	:	
	:	
	:	
<b>In the Matter of</b>	:	<b>ORDER INSTITUTING ADMINISTRATIVE</b>
	:	<b>PROCEEDINGS PURSUANT TO RULE</b>
<b>STEPHANIE S. RUSKEY (CPA),</b>	:	<b>102(e) OF THE COMMISSION'S RULES OF</b>
	:	<b>PRACTICE, MAKING FINDINGS, AND</b>
<b>Respondent.</b>	:	<b>IMPOSING REMEDIAL SANCTIONS</b>
	:	
	:	
	:	

---

**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 Stephanie S. Ruskey (“Respondent” or “Ruskey”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.<sup>1</sup>

---

<sup>1</sup> 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.

## 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 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. Ruskey, age 43, is a resident of Richmond, Missouri. Ruskey served as corporate controller of American Italian Pasta Company (“AIPC”) from April 1998 to April 2004. Ruskey also served as AIPC’s director of regulatory affairs and external reporting from May 2004 until April 2005, and director of accounting from May 2005 until June 2006, when she left the company. Ruskey was licensed as a Certified Public Accountant in Missouri and in Kansas, but her licenses lapsed in 1992.

2. At all relevant times, AIPC was a Delaware corporation with its principal place of business in Kansas City, Missouri. AIPC is a producer and marketer of dry pasta. At all relevant times, AIPC’s common stock was registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (“Exchange Act”). The company filed annual, quarterly, and current reports with the Commission on Forms 10-K, 10-Q, and 8-K, respectively. AIPC stock was traded on the New York Stock Exchange (“NYSE”) until December 20, 2006, when the NYSE suspended trading based on AIPC’s failure to keep current its Commission filings. The NYSE filed a Form 25 on April 23, 2007 and, as a result, AIPC’s common stock was deregistered from Section 12(b) effective April 23, 2007.

3. On September 15, 2008, the Commission filed a complaint against Ruskey in United States District Court for the Western District of Missouri (Civil Action No. 4:08-CV-00676). On September 17, 2008, the court entered an order permanently enjoining Ruskey, by consent, from future violations of Rules 13b2-1 and 13b2-2 under the Exchange Act, and from aiding and abetting violations of Sections 13(a) and 13(b)(2)(A) and (B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder. The court further ordered that Ruskey pay a \$25,000 civil money penalty.

4. The Commission’s complaint alleged, among other things, that Ruskey and others caused AIPC to file materially false and misleading financial statements in the company’s annual reports on Forms 10-K and quarterly reports on Forms 10-Q for fiscal years 2002, 2003, and 2004. The complaint alleged that to meet aggressive external targets, Ruskey knew or should

have known of numerous inappropriate accounting practices that departed from generally accepted accounting principles, including, among other things, capitalizing improperly normal operating costs; overstating improperly the company's spare parts inventory; recognizing improperly current period revenue on sales of products that were not shipped until after the end of the current periods; eliminating improperly the company's vacation and paid time off liability; and failing improperly to expense manufacturing variances.

#### IV.

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

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

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

B. After three years from the date of this order, Respondent may request that the Commission consider her 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 her practice before the Commission will be reviewed either by the independent audit committee of the public company for which she works or in some other acceptable manner, as long as she 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 she 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 she 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 her 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 her state CPA license is current and she has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependant 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.

Florence E. Harmon  
Acting Secretary