

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 52369 / August 31, 2005**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 2305 / August 31, 2005**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12026**

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<b>In the Matter of</b>	:	
	:	<b>ORDER INSTITUTING PUBLIC</b>
	:	<b>ADMINISTRATIVE PROCEEDINGS</b>
	:	<b>PURSUANT TO RULE 102(e) OF THE</b>
<b>John R. Behrmann, CPA,</b>	:	<b>COMMISSION'S RULES OF PRACTICE,</b>
	:	<b>MAKING FINDINGS, AND IMPOSING</b>
	:	<b>REMEDIAL SANCTIONS</b>
<b>Respondent.</b>	:	
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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 Behrmann (“Respondent” or “Behrmann”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.<sup>1</sup>

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<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 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 Public 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 Behrmann, 69, joined First American Health Concepts, Inc. (“FAHC”) in 1994 and was elected Chairman of the Board in 1996. Behrmann resigned as director and chairman of FAHC in 2001. Behrmann is a Certified Public Accountant (“CPA”) licensed in Pennsylvania, but at all times relevant hereto his CPA license was inactive.

2. FAHC was an Arizona corporation headquartered in Phoenix with common stock registered with the Commission pursuant to Section 12(b) of the Exchange Act and listed on the American Stock Exchange. As of January 31, 2001, FAHC had 2,635,691 shares of common stock outstanding. FAHC marketed and administered vision care programs including programs underwritten by various insurance carriers. In 2001, Luxottica Group S.p.A., an Italian company, acquired FAHC. FAHC is no longer a public company.

3. On August 17, 2005, a final judgment was entered against John Behrmann, permanently enjoining him from future violations of Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 (“the Exchange Act”) and Rules 10b-5 and 13b2-1 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 and 13a-13 thereunder, in the civil action entitled Securities and Exchange Commission v. John R. Behrmann and Margaret M. Eardley, Civil Action Number 05-CV-01640, in the United States District Court for the District of Columbia. Behrmann was also ordered to pay a \$75,000 civil money penalty.

4. The Commission’s Complaint alleged, among other things, that FAHC materially overstated its assets and net income in reports filed with the Commission for its 1999 fiscal year and the second quarter of its 2000 fiscal year by significantly overstating its accounts receivable and by engaging in other accounting irregularities, and violated reporting, internal controls and books and records provisions of the federal securities laws. The Complaint alleged that Behrmann was advised in October 1998 by FAHC’s independent auditor that the receivables were not reconciled for at least a year and that the auditor considered that to be the most significant audit problem. The Complaint also alleged that in November 1998, FAHC’s Chief Financial

Officer also brought the accounts receivable problem to Behrmann's attention and that Behrmann directed the CFO to focus on other matters. The Complaint also alleged that Behrmann signed FAHC's 1999 10-KSB, filed October 29, 1999, knowing of the receivables problem and without regard for whether it would have a material impact on the Company's financial statements. In that Form 10-KSB, FAHC reported accounts receivable of \$2.4 million and pretax income of \$693,000.<sup>2</sup> According to a restatement FAHC filed on December 20, 2000, the receivables were overstated in that Form 10-KSB by approximately \$892,000 and, but for the overstatement, FAHC's fiscal 1999 pre-tax income would have been a loss of \$199,000. The Complaint also alleged that Behrmann was advised in early March 2000 that FAHC's independent auditor was working on a restatement of FAHC's 1999 10-KSB and first quarter 2000 10-QSB and therefore recommended that FAHC obtain a five-day extension for filing its second quarter 10-QSB, which would be affected by the restatement. The Complaint alleged that, at the March 13, 2000 Board of Directors meeting, Behrmann recommended that the Board ignore the concerns of the independent auditors and have FAHC file its second quarter 10-QSB "as is." That filing was made on March 15, 2000. A subsequent amended filing revealed that FAHC overstated its reported income for the second quarter of 2000 by 46 percent.

#### IV.

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

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

By the Commission.

Jonathan G. Katz  
Secretary

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<sup>2</sup> FAHC operates with a July 31 fiscal year end.