

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 56561 / September 27, 2007**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 2732 / September 27, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12848**

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<b>In the Matter of</b>	:	
	:	
<b>ROBERT J. GAGALIS, CPA</b>	:	<b>ORDER OF SUSPENSION PURSUANT</b>
	:	<b>TO RULE 102(e)(2) OF THE</b>
<b>Respondent.</b>	:	<b>COMMISSION'S RULES OF PRACTICE</b>
_____	:	

**I.**

The Securities and Exchange Commission deems it appropriate to issue an order of forthwith suspension of Robert J. Gagalis (“Gagalis”) pursuant to Rule 102(e)(2) of the Commission’s Rules of Practice [17 C.F.R. §200.102(e)(2)].<sup>1</sup>

**II.**

The Commission finds that:

1. From May 1981 through June 1984, Gagalis was a certified public accountant in Massachusetts.

<sup>1</sup> Rule 102(e)(2) provides in pertinent part: “Any ... person who has been convicted of a felony or a misdemeanor involving moral turpitude shall be forthwith suspended from appearing or practicing before the Commission.”

2. On July 5, 2007, a judgment of conviction was entered against Gagalis in *United States v. Gagalis, et al*, No. 1:04-cr-00126-PB-5, in the United States District Court for the District of New Hampshire, finding him guilty of two counts of securities fraud, one count of making false statements to auditors of Enterasys Networks, Inc., a public company, two counts of wire fraud, and one count of conspiracy to commit wire and securities fraud.

3. As a result of this conviction, Gagalis was sentenced to eleven years and six months imprisonment in a federal penitentiary.

### **III.**

In view of the foregoing, the Commission finds that Gagalis has been convicted of a felony within the meaning of Rule 102(e)(2) of the Commission's Rules of Practice.

Accordingly, it is ORDERED, that Robert J. Gagalis is forthwith suspended from appearing or practicing before the Commission pursuant to Rule 102(e)(2) of the Commission's Rules of Practice.

By the Commission.

Nancy M. Morris  
Secretary