

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 55077 / January 10, 2007

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2538 / January 10, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-11374

In the Matter of :
: ORDER GRANTING APPLICATION FOR
: REINSTATEMENT TO APPEAR AND PRACTICE
Stuart A. Nussbaum, CPA : BEFORE THE COMMISSION AS AN ACCOUNTANT
:
:

On January 15, 2004, Stuart A. Nussbaum ("Nussbaum") was suspended from appearing or practicing as an accountant before the Commission as a result of settled public administrative proceedings instituted by the Commission against Nussbaum pursuant to Rule 102(e) of the Commission's Rules of Practice.¹ Nussbaum consented to the entry of the January 15, 2004 order without admitting or denying the findings therein. This order is issued in response to Nussbaum's application for reinstatement to practice before the Commission as an accountant.

During the years 1997 and 1998, Nussbaum was employed as a senior manager at Weiser LLP ("Weiser"). During these two years, Nussbaum participated as the manager on Weiser's surprise inspections of the Sagam Capital Management Corporation ("Sagam Corp."). As the manager of these surprise inspections, the Commission alleged that Nussbaum engaged in instances of highly unreasonable conduct by failing to conduct them in accordance with the Investment Advisers Act of 1940 ("Advisers Act") Rule 206(4)-2(a)(5). This conduct caused and aided and abetted Sagam Corp.'s violations of Section 206(4) of the Advisers Act and constituted improper professional conduct.

Nussbaum has met all of the conditions set forth in his suspension order and, in his capacity as an independent accountant, has stated that he will comply with all requirements of the Commission and the Public Company Accounting Oversight Board, including, but not limited to all requirements relating to registration, inspections, concurring partner reviews and

¹ See Accounting and Auditing Enforcement Release No. 1943 dated January 15, 2004. Nussbaum was permitted, pursuant to the order, to apply for reinstatement after one year upon making certain showings.

quality control standards. In his capacity as a preparer or reviewer, or as a person responsible for the preparation or review, of financial statements of a public company to be filed with the Commission, Nussbaum attests that he will undertake to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, while practicing before the Commission in this capacity.

Rule 102(e)(5) of the Commission's Rules of Practice governs applications for reinstatement, and provides that the Commission may reinstate the privilege to appear and practice before the Commission "for good cause shown."² This "good cause" determination is necessarily highly fact specific.

On the basis of the information supplied, representations made, and undertakings agreed to by Nussbaum, it appears that he has complied with the terms of the January 15, 2004 order denying him the privilege of appearing or practicing before the Commission as an accountant, that no information has come to the attention of the Commission relating to his character, integrity, professional conduct or qualifications to practice before the Commission that would be a basis for adverse action against him pursuant to Rule 102(e) of the Commission's Rules of Practice, and that Nussbaum, by undertaking to have his work reviewed by the independent audit committee of any company for which he works, or in some other manner acceptable to the Commission, in his practice before the Commission as a preparer or reviewer of financial statements required to be filed with the Commission, and that Nussbaum, by undertaking to comply with all requirements of the Commission and the Public Company Accounting Oversight Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards, in his practice before the Commission as an independent accountant has shown good cause for reinstatement. Therefore, it is accordingly,

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Stuart A. Nussbaum, CPA is hereby reinstated to appear and practice before the Commission as an accountant.

By the Commission.

Nancy M. Morris
Secretary

² Rule 102(e)(5)(i) provides:

"An application for reinstatement of a person permanently suspended or disqualified under paragraph (e)(1) or (e)(3) of this section may be made at any time, and the applicant may, in the Commission's discretion, be afforded a hearing; however, the suspension or disqualification shall continue unless and until the applicant has been reinstated by the Commission for good cause shown." 17 C.F.R. § 201.102(e)(5)(i).