

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. Rougraff, age 47, is a CPA licensed in the State of Indiana. He served as vice president, CFO, and corporate secretary of Virbac Corporation ("Virbac") from May 2000 until he resigned effective January 27, 2004.

2. Virbac, a Delaware corporation headquartered in Fort Worth, Texas, is the result of the March 1999 acquisition of Agri-Nutrition Group Limited ("AGNU"), a publicly-held company, by Virbac Inc., a wholly-owned subsidiary of Virbac S.A., a French veterinary pharmaceutical manufacturer. Virbac is a manufacturer and distributor of animal health products. Virbac's common stock is registered with the Commission under Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") and trades in the Pink Sheets under the symbol "VBAC" since it was delisted from the NASDAQ National Market on January 23, 2004 for Virbac's failure to file timely its periodic reports.

3. On August 4, 2006, a final judgment was entered against Rougraff, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13a-14, 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 and 13a-13 thereunder, and imposing an officer and director bar in the civil action entitled Securities and Exchange Commission v. Virbac Corp., et. al, Civil Action Number 4:06-CV-0453-A, in the United States District Court for the Northern District of Texas. Rougraff was also ordered to pay \$26,668 in disgorgement and \$5,656 in prejudgment interest, and a \$100,000 civil money penalty.

4. The Commission's complaint alleged, among other things, that from December 2000 to November 2003, Virbac engaged in a revenue inflation and expense deferral scheme and that Rougraff participated in the scheme. According to the complaint, the scheme involved the improper recognition of revenue by means of channel-stuffing, or "loading" of product to distributors, by recording revenue from sham transactions, and by recording revenue from transactions occurring after period-end. The Commission also alleges in the complaint that, as a result of the scheme, Virbac met unrealistic revenue and earnings projections and managed to sustain the illusion of rapid growth—by fraudulently inflating its revenues and net income by as much as 9% and 694%, respectively and that, in the process, Virbac failed to comply with Generally Accepted Accounting Principles ("GAAP"). The Commission further alleges that Rougraff failed to cause Virbac to record appropriate reserves and accruals to overstate earnings; that in furtherance of the scheme, Virbac personnel falsely documented terms of transactions on invoices and other underlying documents; and that the true terms were established in side

arrangements, per conversations and e-mails, which Rougraff and others failed to disclose to Virbac's auditors.

IV.

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

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

By the Commission.

Nancy M. Morris
Secretary