

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 56402 / September 13, 2007

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2682 / September 13, 2007

ADMINISTRATIVE PROCEEDING
File No. 12763

In the Matter of

Bray & Associates CPA's LLC
and Arnold David Bray, CPA,

Respondents.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTIONS 4C AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934
AND RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted against Bray & Associates CPA's LLC and Arnold David Bray, CPA (collectively "Respondents") pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), and that public administrative proceedings be, and hereby are, instituted against Bray & Associates CPA's LLC pursuant to Section 4C¹ of the Exchange Act and Rule 102(e)(1)(iii) of the Commission's Rules of Practice.²

¹ Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

² Rule 102(e)(1)(iii) provides, in relevant part, that:

The Commission may censure a person or deny, temporarily or permanently, the privilege of appearing or practicing before it in any way to any person who is found . . . to have willfully violated, or willfully aided and abetted the violation of any provision of the Federal securities laws or the rules and regulations thereunder.

II.

In anticipation of the institution of these proceedings, Respondents have submitted an Offer of Settlement (“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 them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents’ Offer, the Commission finds³ that:

A. RESPONDENTS

1. Bray & Associates CPA’s LLC (the “Firm”) is an Indiana limited liability company headquartered in Greencastle, Indiana. The Firm audited Alanar Real Estate Investment Trust Series 1 Corporation’s (“Alanar”) balance sheet as of May 19, 2004.

2. Arnold David Bray, CPA, (“Bray”), 59, of Greencastle, Indiana, is a certified public accountant licensed in the state of Indiana since 1977. Bray was the engagement partner in connection with the Firm’s audit of Alanar’s balance sheet as of May 19, 2004.

B. FACTS

1. Alanar is an Indiana corporation with its headquarters in Sullivan, Indiana. As of May 19, 2004, Alanar reported total assets of \$200,000.

2. Alanar has at all relevant times been an issuer as defined by the Sarbanes-Oxley Act of 2002 (the “Act”).

3. The Firm audited Alanar’s balance sheet as of May 19, 2004, which was included in Alanar’s registration statement on Form S-11/A, filed with the Commission on September 15, 2004. As part of that audit, the Firm prepared and issued an audit report dated May 20, 2004 (the “Alanar audit report”), which the company included in its Form S-11/A. Alanar paid the Firm \$800 for the audit work.⁴

³ The findings herein are made pursuant to Respondents’ Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

⁴ During the course of the Commission’s investigation, the Firm voluntarily reimbursed Alanar the \$800 in audit fees. In view of the Firm’s reimbursement, the Commission is not ordering disgorgement in this matter.

