

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 2801/June 11, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16293

In the Matter of

LAURIE BEBO and
JOHN BUONO, CPA

PROTECTIVE ORDER

The Securities and Exchange Commission (Commission) commenced this proceeding on December 3, 2014, with an Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Securities Exchange Act of 1934 Sections 4C and 21C and Commission Rule of Practice 102(e). Hearing testimony was heard on April 20-24, April 27-May 1, and May 4-7, and the hearing will resume on June 15, 2015.

Yesterday, I held a telephonic conference attended by the parties and third-parties Assisted Living Concepts, Inc. (ALC), represented by Ropes & Gray LLP, and Milbank, Tweed, Hadley & McCloy LLP. For the reasons outlined during the conference, the May 15, 2015, Protective Order is RESCINDED.

Pages 550-51 and 656-61 of the hearing transcript refer to the existence of privileged communications between Alan Bell (Bell) and Benjamin Stern (Stern), but do not actually disclose those privileged communications. Accordingly, those pages of the hearing transcript will not be ordered sealed. However, Bell's attorney produced a copy of a letter from Stern to Bell (Stern Letter), dated November 7, 2007, which contains privileged information. Hearing Tr. 702. Bell's attorney produced the Stern Letter to at least Respondent's counsel, and possibly to the Division of Enforcement, and a copy of the Stern Letter was submitted (under seal) as Exhibit 1 to ALC's Memorandum of Points and Authorities Relating to Privilege, submitted on June 4, 2015, but it was not admitted in evidence. *Id.* I find for the reasons outlined during the conference that the disclosure of the Stern Letter was inadvertent and did not effect a privilege waiver. *See Judson Atkinson Candies, Inc. v. Latini-Hohberger Dhimantec*, 529 F.3d 371, 388-89 (7th Cir. 2008). I further find that the harm resulting from public disclosure of the Stern Letter outweighs the benefits of such disclosure. *See* 17 C.F.R. § 201.322(b).

It is ORDERED that any party or third party in possession of the Stern Letter, other than ALC, shall destroy all copies of the Stern Letter in its possession, whether in hardcopy or

electronic form, and shall report such destruction to Ropes & Gray LLP no later than Friday, June 19, 2015.

It is further ORDERED that Exhibit 1 to ALC's Memorandum of Points and Authorities Relating to Privilege shall remain SEALED, and shall be disclosed only to individual Commissioners and their staffs, and to the staff of the Commission's Office of Administrative Law Judges, Office of the Secretary, and Office of General Counsel.

SO ORDERED.

Cameron Elliot
Administrative Law Judge