

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 56366 / September 6, 2007**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 2675 / September 6, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12752**

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**In the Matter of**

**Dean A. Nichols (CPA),**

**Respondent.**

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**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO RULE  
102(e) OF THE COMMISSION’S RULES OF  
PRACTICE, MAKING FINDINGS, AND  
IMPOSING REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Dean A. Nichols (“Respondent” or “Nichols”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.<sup>1</sup>

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<sup>1</sup> Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

## II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “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 him and the subject matter of these 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. Nichols, age 47, is and has been a certified public accountant licensed to practice in the State of New Jersey. He served as Controller of AFI Foodservice Distributor, Inc. (“AFI”) from 1995 until his termination in March 2002.
2. At all relevant times, AFI, located in Elizabeth, New Jersey, was a subsidiary of Performance Food Group Company (“PFG”), a Tennessee corporation headquartered in Richmond, Virginia. PFG was, at all relevant times, engaged in marketing, processing and selling food and food-related products to restaurants, hotels, schools, and other businesses and institutions. At all relevant times, PFG’s common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 (“Exchange Act”), and traded on the NASDAQ National Market.
3. On July 24, 2007, a final judgment was entered against Nichols, permanently enjoining him from future violations of Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5 and 13b2-1 thereunder, and from aiding and abetting violations of Sections 13(a) and 13(b)(2)(A) of the Exchange Act and Rules 12b-20 and 13a-13 thereunder, in the civil action entitled Securities and Exchange Commission v. Dean A. Nichols, Civil Action Number 04-641 (HAA), in the United States District Court for the District of New Jersey. Nichols was also ordered to pay a \$25,000 civil money penalty.
4. The Commission’s Complaint alleged, among other things, that during 2000 and 2001, Nichols made numerous improper accounting journal entries on the books of AFI that, because AFI’s accounts were consolidated with those of PFG, caused PFG to file with the Commission materially misleading financial statements in its quarterly reports for the quarters ended June 30, 2000, September 30, 2000, March 31, 2001 and September 30, 2001. The Complaint alleged that Nichols engaged in a number of improper accounting practices that caused PFG to overstate materially its reported net earnings for those quarters. These practices included, among other things, failing to reconcile properly imbalances in various AFI accounts, and making improper accounting adjustments in an effort to make the accounts appear to balance.

**IV.**

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

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

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris  
Secretary