

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 69879 / June 27, 2013

ACCOUNTING AND AUDITING ENFORCEMENT  
Release No. 3467 / June 27, 2013

ADMINISTRATIVE PROCEEDING  
File No. 3-13151

	:	ORDER GRANTING APPLICATION FOR
In the Matter of	:	REINSTATEMENT TO APPEAR AND PRACTICE
	:	BEFORE THE COMMISSION AS AN ACCOUNTANT
Jerry L. Burdick, CPA	:	RESPONSIBLE FOR THE PREPARATION OR
	:	REVIEW OF FINANCIAL STATEMENTS REQUIRED
	:	TO BE FILED WITH THE COMMISSION

On August 29, 2008, Jerry L. Burdick, CPA (“Burdick”) suspended from appearing or practicing before the Commission as an accountant as a result of settled public administrative proceedings instituted by the Commission against Burdick pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.<sup>1</sup> This order is issued in response to Burdick’s application for reinstatement to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

The Commission found that Burdick had been permanently enjoined by a United States District Court from future violations of Sections 17(a)(2) and (3) of the Securities Act of 1933 and Rules 13a-14, 13b2-1, and 13b2-2 of the Securities Exchange Act of 1934 (“Exchange Act”), and 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 its complaint, the Commission alleged that SeraCare Life Sciences Inc. (“SeraCare”), through the misconduct of Burdick, misstated its financial statements by inflating income before taxes for the second and third quarters of fiscal year 2005 by 20% and 17%, respectively. The complaint alleged that Burdick improperly released general inventory reserves that he created following a major acquisition by SeraCare, which caused SeraCare’s net income before taxes to be inflated in the second and third quarters of 2005. The complaint further alleged that Burdick caused misrepresentations to be made to SeraCare’s auditors by creating a backdated letter that was given to the auditors as support for recognizing revenue on an almost \$1 million sale before the close of the fiscal year. The

<sup>1</sup> See Accounting and Auditing Enforcement Release No. 2870 dated August 29, 2008. Burdick was permitted, pursuant to the order, to apply for reinstatement after one year upon making certain showings.

complaint further alleged that Burdick also caused misrepresentations to be made to SeraCare's auditors by providing an increased inventory valuation without any documented or verifiable support.

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, Burdick 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. Burdick is not, at this time, seeking to appear or practice before the Commission as an independent accountant. If he should wish to resume appearing and practicing before the Commission as an independent accountant, he will be required to submit an application to the Commission showing that he has complied and will comply with the terms of the original suspension order in this regard. Therefore, Burdick's suspension from practice before the Commission as an independent accountant continues in effect until the Commission determines that a sufficient showing has been made in this regard in accordance with the terms of the original suspension order.

Burdick is currently subject to probation under the California Board of Accountancy. Failure to abide by the terms of his probation could result in the revocation of Burdick's CPA license. Burdick has attested that he will notify the Commission if he is found to have violated the terms of the probation. He also has attested that he understands that the suspension of his CPA license could result in the revocation of the reinstatement of his privilege to appear or practice before the Commission as an accountant.

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."<sup>2</sup> This "good cause" determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Burdick, it appears that he has complied with the terms of the August 29, 2008 order suspending him from 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 Burdick, 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, has shown good cause for reinstatement. Therefore, it is accordingly,

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<sup>2</sup> 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 rule 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).

ORDERED pursuant to Rule 102(e)(5)(i) of the Commission's Rules of Practice that Jerry L. Burdick, CPA is hereby reinstated to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

By the Commission.

Elizabeth M. Murphy  
Secretary