

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

**SECURITIES EXCHANGE ACT OF 1934**

Release No. 56334 / August 29, 2007

**ACCOUNTING AND AUDITING ENFORCEMENT**

Release No. 2670 / August 29, 2007

**ADMINISTRATIVE PROCEEDING**

File No. 3-12740

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**In the Matter of**

**ILONA KAY COLLINS,**

**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 Iлона Kay Collins ("Respondent" or "Collins") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.<sup>1</sup>

**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 her and the subject matter of

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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.

these proceedings, and the findings contained in paragraph 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. Collins, age 44, was a certified public accountant licensed to practice in the State of Iowa from February 1986 to June 2004 and licensed to practice in the State of Colorado from June 1991 to May 2004. She was the Controller at Quovadx, Inc. ("Quovadx" or the "Company") from approximately November 2000 until April 2004.

2. Quovadx, a Delaware corporation headquartered in Englewood, Colorado, is a software company that licenses software and sells related services to the healthcare industry. At all relevant times, Quovadx's common stock was registered with the Commission under Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") and traded on the NASDAQ.

3. On August 14, 2007, a final judgment was entered against Collins, permanently enjoining her from violating, directly or indirectly, Section 17(a) of the Securities Act of 1933, Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1 and 13b2-2 thereunder, and aiding and abetting any violation of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-11, and 13a-13, thereunder, in the civil action entitled Securities and Exchange Commission v. Ilona Kay Collins, Civil Action Number 07-cv-01506-WDM-MEH, in the United States District Court for the District of Colorado.

4. The Commission's Complaint alleged, among other things, that, in the third quarter of 2003, Quovadx fraudulently recognized approximately \$380,000 in software licensing revenue from three purported sales to one of its customers. The Complaint also alleged that Collins approved the recognition of the revenue from these transactions when she knew or was reckless in not knowing that this customer was merely holding the software licenses until they were resold to other customers the next quarter and there was no likelihood that Quovadx would otherwise collect the revenues from those transactions. The Complaint also alleged that in February 2004, Collins participated in a plan to channel payment from another Quovadx customer to the customer holding the software licenses, which created the false appearance that Quovadx had collected part of the revenue from these three transactions. The Complaint also alleged that Collins also signed a management representation letter for 2003 sent to Quovadx's outside auditor that failed to disclose the true facts and circumstances of these three transactions.

#### IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Collins is suspended from appearing or practicing before the Commission as an accountant.

B. After five years from the date of this order, Collins may request that the Commission consider her reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in her practice before the Commission will be reviewed either by the independent audit committee of the public company for which she works or in some other acceptable manner, as long as she practices before the Commission in this capacity; and/or

2. an independent accountant. Such an application must satisfy the Commission that:

(a) Respondent, or the public accounting firm with which she is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Respondent, or the registered public accounting firm with which she is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in the Respondent's or the firm's quality control system that would indicate that the Respondent will not receive appropriate supervision;

(c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Respondent acknowledges her responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that her state CPA license is current and she has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Nancy M. Morris  
Secretary