

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58280 / August 1, 2008

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2856 / August 1, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-10664

| | | |
|---------------------|---|----------------------------------------|
| In the Matter of | : | CORRECTED |
| | : | |
| Jeffrey Bacsik, CPA | : | ORDER GRANTING APPLICATION FOR |
| | : | REINSTATEMENT TO APPEAR AND PRACTICE |
| | : | BEFORE THE COMMISSION AS AN ACCOUNTANT |
| | : | |

On December 27, 2001, Jeffrey Bacsik (“Bacsik”) was denied the privilege of appearing or practicing as an accountant before the Commission as a result of settled public administrative proceedings instituted by the Commission against Bacsik pursuant to Rule 102(e) of the Commission's Rules of Practice.¹ Bacsik consented to the entry of the December 27, 2001 order without admitting or denying the findings therein. This order is issued in response to Bacsik’s application for reinstatement to practice before the Commission as an accountant.

Bacsik served as the engagement partner for Deloitte & Touche LLP’s (“Deloitte”) audits of Fine Host Corporation’s (“Fine Host”) financial statements for fiscal year 1996. Bacsik also served as the engagement partner for the audits of Fine Host’s financial statements for fiscal years 1993 through 1995 that were incorporated in a Form S-1 that went effective on June 19, 1996. The Commission found that Fine Host engaged in an extensive financial fraud that, when detected, resulted in the collapse of its stock price and, eventually, the end of its existence as a public company. The fraud involved, as its primary mechanism, the improper capitalization of millions of dollars in company expenses as assets. Fine Host also manipulated acquisition reserve accounts, income from vendor rebates and other items for the purpose of managing reported earnings. Bacsik, as the engagement partner on the Deloitte audit team, failed to ensure that the audit team conducted appropriate audit procedures, in many instances improperly relying on representations of Fine Home management as the source of audit evidence. This failure to exercise due professional care, ensure that the audit team obtained sufficient competent

¹ See Accounting and Auditing Enforcement Release No. 1482 dated December 27, 2001. Bacsik was permitted, pursuant to the order, to apply for reinstatement after two years upon making certain showings.

evidential matter and maintain an attitude of professional skepticism constituted improper professional conduct under Rule 102(e) of the Commission's Rules of Practice.

Bacsik has met all of the conditions set forth in the original order and, in his capacity as an independent accountant, has stated that he will comply with all requirements of the Commission and the Public Company Accounting Oversight Board, including, but not limited to all requirements relating to registration, inspections, concurring partner reviews and quality control standards. 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, Bacsik 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.

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."² This "good cause" determination is necessarily highly fact specific.

On the basis of the information supplied, representations made, and undertakings agreed to by Bacsik, it appears that he has complied with the terms of the December 27, 2001 order denying him the privilege of 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 Bacsik, 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, and that Bacsik, by undertaking to comply with all requirements of the Commission and the Public Company Accounting Oversight Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards, in his practice before the Commission as an independent accountant has shown good cause for reinstatement. Therefore, it is accordingly,

² 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 section 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 Jeffrey Bacsik, CPA is hereby reinstated to appear and practice before the Commission as an accountant.

By the Commission.

Florence E. Harmon
Acting Secretary