

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 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. Judith Kudla, age 50, is and has been a certified public accountant licensed to practice in the State of Michigan since approximately 1984. Kudla served as Director of Finance in Delphi Corporation's ("Delphi") information technology ("IT") department from June 1999 to April 2002, when she was separated by the company. In that position, Kudla was consulted for Generally Accepted Accounting Principles ("GAAP") accounting guidance concerning IT department transactions.

2. Delphi was, at all relevant times, an auto parts supplier headquartered in Troy, Michigan. It was incorporated in Delaware in 1998. At all relevant times, Delphi's common stock was registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 ("Exchange Act") and was listed on the New York Stock Exchange ("NYSE") under the symbol "DPH."

3. On October 30, 2006, the Commission filed a complaint against Kudla and others in SEC v. Delphi Corporation and Judith Kudla, et al. (Civil Action No. 2:06-cv-14891-AC-SDP). On March 26, 2009, the court entered an order permanently enjoining Kudla, by consent, from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), and Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5 and 13b2-1 thereunder, and aiding and abetting violations of Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, and 13a-1 thereunder. Kudla was also ordered to pay a \$30,000 civil money penalty.

4. The Commission's complaint alleged, among other things, that Kudla engaged in a fraudulent scheme which resulted in Delphi filing materially false and misleading financial statements in the company's annual report on Form 10-K for the fiscal year ended December 31, 2001, which were incorporated by reference into offering documents filed by Delphi in connection with its 2003 notes and preferred securities offerings. Specifically, the Complaint alleged that Delphi improperly recorded a \$20 million payment from an IT company in December 2001, made in connection with a new IT contract between the IT company and Delphi, as a reduction in expense, although the payment was in substance a loan which Delphi was required to repay with interest. The Complaint alleged that, when the IT contract was signed, Delphi agreed to repay the \$20 million over 5 years with interest, through an intentionally opaque scheme involving accelerated payments on other IT company service invoices, and using a supplier finance program; because the \$20 million was refundable, it contravened GAAP to record the \$20 million as an immediate reduction of IT expense instead of a Delphi liability to the IT company. In connection

with the payment, Delphi allegedly entered into a false side letter with the IT company which was intended to mislead Delphi's auditors as to the correct accounting treatment for the transaction. The Complaint alleged that Kudla actively participated in meetings and discussions leading to the signing of the relevant contract and a false \$20 million payment side letter and then was involved in drafting and approving the false work orders through which the repayment was accomplished.

IV.

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

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

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

B. After three (3) years from the date of this order, Respondent 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.

Elizabeth M. Murphy
Secretary