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 Stephen Hozie ("Respondent" or "Hozie") pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.1

1 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 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. Hozie, age 51, passed the Uniform CPA exam in Illinois, but has never been licensed as a CPA in any state. He served as an executive vice president and the chief financial officer of American Home Mortgage from March 2002 until June 2008.

2. American Home Mortgage Investment Corp. (“AHM” or “the Company”) is a Maryland corporation headquartered in Melville, New York. In 2006, AHM was one of the nation’s largest home mortgage lenders. AHM’s common and preferred stock was registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 (“Exchange Act”). However, the NYSE filed Forms 25 delisting and deregistering AHM’s securities from Section 12(b) of the Exchange Act as of September 17, 2007. Upon delisting, AHM’s common stock was deemed registered pursuant to Section 12(g) of the Exchange Act based on its 537 common stock holders of record (as reported in AHM’s 2006 Form 10-K) and the fact that its total assets for 2004, 2005 and 2006 exceeded $10 million. Through the first quarter of 2007, AHM filed periodic reports, including Forms 10-K and 10-Q, with the Commission pursuant to Section 13(a) of the Exchange Act as of September 17, 2007. Upon delisting, AHM’s common stock was deemed registered pursuant to Section 12(g) of the Exchange Act based on its 537 common stock holders of record (as reported in AHM’s 2006 Form 10-K) and the fact that its total assets for 2004, 2005 and 2006 exceeded $10 million. Through the first quarter of 2007, AHM filed periodic reports, including Forms 10-K and 10-Q, with the Commission pursuant to Section 13(a) of the Exchange Act and related rules thereunder. Since May 10, 2007, the Company has not filed any required periodic reports. On August 6, 2007, AHM and its direct and indirect subsidiaries filed for bankruptcy protection. The Bankruptcy Court confirmed AHM’s liquidating bankruptcy plan on February 23, 2009. Thus, the Company will ultimately cease to exist.

3. On April 28, 2009 the Commission filed a complaint against Hozie in SEC v. Strauss, et al. (09 Civ. 4150) (S.D.N.Y.). Hozie consented to a settlement of this matter. On June 7, 2010, the court entered an order permanently restraining and enjoining Hozie from direct or indirect violations of Section 17(a) of the Securities Act of 1933, Sections 10(b) and 13(b)(5) of the Securities Exchange Act and Rules 10b-5, 13a-14, 13b2-1 and 13b2-2 thereunder and from aiding and abetting violations 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. Hozie was also ordered to pay a $225,000 civil money penalty and $1 of disgorgement.
4. The Commission’s complaint alleged, among other things, that Hozie fraudulently understated AHM’s first quarter 2007 loan loss reserves by tens of millions of dollars, converting the Company’s loss into a fictional profit. The complaint further alleges that Hozie made misleading disclosures concerning the Company’s financial condition including misrepresenting the Company’s liquidity and failing to adequately disclose the riskiness of the mortgages American Home Mortgage originated and held. The complaint further alleges that Hozie misled American Home Mortgage’s auditor about the adequacy of the reserves, among other violations.

IV.

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

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

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

B. After five years from the date of this Order, Respondent may request that the Commission consider his 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 his practice before the Commission will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he 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 he 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 he 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 his 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 as an accountant provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission as 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 provided that his state CPA license or certificate is current and he has resolved all other disciplinary issues with the applicable state board 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
Service List

Rule 141 of the Commission’s Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
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