

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.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. Lonchar, age 54, has been a certified public accountant licensed to practice in the State of Idaho. This license lapsed in 1995. He served as Chief Financial Officer (“CFO”) of Veritas Software Corporation (“Veritas”) from April 1997 until his resignation in October 2002.

2. Veritas, now a wholly owned subsidiary of Symantec Corporation, was a software company headquartered in Mountain View, California that created and licensed data storage software. At all relevant times, Veritas’ common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 (“Exchange Act”) and was quoted on the Nasdaq National Market.

3. On July 20, 2012, a final judgment was entered against Lonchar, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Leslie, et al., Civil Action No. C 07-3444-CW, in the United States District Court for the Northern District of California. Lonchar was also ordered to pay \$300,000 in disgorgement representing profits gained as a result of the conduct alleged in the amended complaint and prejudgment interest thereon, and a \$100,000 civil money penalty.

4. The Commission’s amended complaint alleged Lonchar knowingly participated in two schemes to manipulate Veritas’ publicly reported revenues and earnings. The complaint alleged that Veritas artificially inflated reported revenues by approximately \$20 million in connection with a software sale to America Online, Inc. (“AOL”) in 2000. According to the complaint, Lonchar, Veritas’ CFO, applied an accounting treatment to the transaction that did not comply with generally accepted accounting principles (“GAAP”). The complaint also alleged that Lonchar and others concealed the true nature of the transaction with AOL, which allowed Veritas to artificially inflate its reported revenue. The complaint further alleged that from at least 2000 until his resignation in 2002, Lonchar and others also applied three non-GAAP accounting

practices to “smooth” artificially Veritas’ financial results and that they concealed these manipulations from Veritas’ independent auditors.

IV.

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

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

- A. Lonchar is suspended from appearing or practicing before the Commission as an accountant.
- B. After five (5) 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 provided that his state CPA license is current and he 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