

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 68949 / February 19, 2013

ACCOUNTING AND AUDITING ENFORCEMENT  
Release No. 3445 / February 19, 2013

ADMINISTRATIVE PROCEEDING  
File No. 3-12938

---

In the Matter of  
Michael Lowther, CPA

: ORDER GRANTING APPLICATION FOR  
: REINSTATEMENT TO APPEAR AND PRACTICE  
: BEFORE THE COMMISSION AS AN ACCOUNTANT  
: RESPONSIBLE FOR THE PREPARATION OR  
: REVIEW OF FINANCIAL STATEMENTS REQUIRED  
: TO BE FILED WITH THE COMMISSION

---

On January 28, 2008, Michael Lowther, CPA (“Lowther”) was denied the privilege of appearing or practicing before the Commission as an accountant as a result of settled public administrative proceedings instituted by the Commission against him pursuant to Rule 102(e)(1)(ii) of the Commission's Rules of Practice.<sup>1</sup> This order is issued in response to Lowther’s application for reinstatement to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

The Commission found that Lowther engaged in improper professional conduct in his role as the concurring reviewer for Arthur Andersen LLP’s (“Andersen”) audits and reviews of Enron Corp.’s (“Enron”) financial statements for the year ended December 31, 1997 through the third quarter ended September 30, 2001. During this period, Enron senior executives engaged in a scheme to materially overstate the company’s earnings and cash flows while concealing debt through a variety of complex structured transactions, related party transactions, misleading disclosures, and a widespread abuse of generally accepted accounting principles (“GAAP”). For each year during this time period, Andersen issued an auditor’s report falsely stating that Enron’s financial statements were presented fairly, in all material respects, in conformity with GAAP, and that Andersen had conducted its audit of those financial statements in accordance with generally accepted auditing standards. Lowther engaged in improper professional conduct by concurring with the audit engagement team’s faulty conclusions regarding Enron’s accounting

---

<sup>1</sup> See Accounting and Auditing Enforcement Release No. 2775 dated January 28, 2008. Lowther was permitted, pursuant to the order, to apply for reinstatement after two years upon making certain showings.

for certain transactions and by authorizing the issuance by Andersen of unqualified audit reports that were materially false and misleading.

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, Lowther 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. Lowther is not, at this time, seeking to appear or practice before the Commission as an independent accountant. If he should wish to resume appearing and practicing before the Commission as an independent accountant, he will be required to submit an application to the Commission showing that he has complied and will comply with the terms of the original suspension order in this regard. Therefore, Lowther's suspension from practice before the Commission as an independent accountant continues in effect until the Commission determines that a sufficient showing has been made in this regard in accordance with the terms of the original suspension order.

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."<sup>2</sup> This "good cause" determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Lowther, it appears that he has complied with the terms of the January 28, 2008 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 Lowther, 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, has shown good cause for reinstatement. Therefore, it is accordingly,

---

<sup>2</sup> 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 rule 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 Michael Lowther, CPA is hereby reinstated to appear and practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission.

By the Commission.

Elizabeth M. Murphy  
Secretary