On June 29, 2010, Stephen Hozie (“Hozie”) was suspended from appearing or practicing before the Commission as an accountant as a result of settled public administrative proceedings instituted by the Commission against Hozie pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.1 This order is issued in response to Hozie’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.

In a civil action entitled Securities Exchange Commission v. Strauss, et al., the court entered a final order permanently enjoining Hozie from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 (“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 and barring him from serving as an officer or director for a period of five years. Hozie was also ordered to pay a $225,000 civil money penalty and $1 of disgorgement.

In a complaint filed on April 28, 2009, the Commission 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 actual loss into a fictional profit. The complaint also alleged

1 See Accounting and Auditing Enforcement Release No. 3148 dated June 29, 2010. Hozie was permitted, pursuant to the order, to apply for reinstatement after five years upon making certain showings.
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 AHS originated and held. The Complaint further alleged that Hozie misled AHM’s auditor about the adequacy of the reserves.

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, Hozie 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. Hozie 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, Hozie’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.” This “good cause” determination is necessarily highly fact specific.

On the basis of information supplied, representations made, and undertakings agreed to by Hozie, it appears that he has complied with the terms of the June 29, 2010 order suspending him from 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 Hozie, 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,

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 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 Stephen Hozie 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.

Brent J. Fields
Secretary