

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 52481 / September 21, 2005

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2316 / September 21, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-12049

In the Matter of

DAVID J. CAMMARATA, CPA

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS PURSUANT TO
RULE 102(e) OF THE COMMISSION'S
RULES OF PRACTICE**

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 David J. Cammarata (“Cammarata” or “Respondent”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

¹ Rule 102(e)(3)(i) provides in pertinent part as follows:

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.

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. paragraph 3 below, which are admitted, Respondent consents to the entry of this Order Instituting Public Administrative Proceedings, Making Findings, and Imposing Remedial Sanctions Pursuant to Rule 102(e) of the Commission’s Rules of Practice (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Cammarata, age 40, is a certified public accountant. He was Chief Financial Officer (“CFO”) at IMPATH Inc. (“Impath”) from November 1999 until his termination in May 2002, and worked as Impath’s Controller and Vice President-Finance from 1992-1999.

2. Impath, a Delaware corporation that had its headquarters in New York City, provided diagnostic and prognostic services to health care providers engaged in the treatment of cancer and sold human tissue specimens to biopharmaceutical companies engaged in the development of gene-based cancer treatments. Its common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and was traded on the Nasdaq National Market. Impath filed for bankruptcy protection in September 2003. Its common stock has been deregistered and it is being liquidated under Chapter 11 of the Bankruptcy Code.

3. On March 29, 2005, the Commission filed a complaint against Cammarata in *SEC v. Saad, et al.*, 05 Civ. 3308 (JSR) (S.D.N.Y.). On July 26, 2005, the court entered an amended partial final judgment enjoining Cammarata, by consent, from violating Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1 and 13b2-2 thereunder, and from controlling any person who violates Section 13(a), 13(b)(2) and 14(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-13, 14a-3 and 14a-9 thereunder. The court also barred Cammarata from acting as an officer or director of a public company.

4. The Commission’s complaint alleges, among other things, that during Cammarata’s tenure as CFO of Impath, he engaged in a fraudulent scheme to inflate Impath’s reported financial results. As part of the fraudulent scheme, Cammarata and others employed improper accounting practices that violated generally accepted accounting principles and resulted in material overstatements of the revenue, net income and assets that Impath reported for annual and quarterly periods. As a result of this scheme, Impath filed materially false and misleading periodic reports. Cammarata signed periodic reports even though he knew that they were false and misleading.

IV.

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

Accordingly, it is hereby ORDERED, effective immediately, that Cammarata is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Jonathan G. Katz
Secretary