

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 53125 / January 13, 2006

ACCOUNTING AND AUDITING ENFORCEMENT  
Release No. 2363 / January 13, 2006

ADMINISTRATIVE PROCEEDING  
File No. 3-11091

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In the Matter of	:	ORDER GRANTING APPLICATION FOR
	:	REINSTATEMENT TO APPEAR AND PRACTICE
William T. Fricke, CPA	:	BEFORE THE COMMISSION AS AN ACCOUNTANT
	:	
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On April 24, 2003, William T. Fricke ("Fricke") was denied the privilege of appearing or practicing as an accountant before the Commission as a result of a settled order instituting public administrative and cease-and-desist proceedings against Fricke pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 102(e) of the Commission's Rules of Practice.<sup>1</sup> Fricke consented to the entry of the order, and imposition of the remedial sanctions set forth in the order, without admitting or denying the findings therein, except as to the Commission's jurisdiction and the subject matter of the proceedings.

From 1989 until August 1998, Fricke was a partner at BKR Metcalf Davis ("Metcalf Davis") and he served as the concurring partner in Metcalf Davis's audit of Chancellor Corporation's ("Chancellor") 1998 financial statements. According to the Commission's order, Fricke and the engagement partner allegedly engaged in improper professional conduct in auditing Chancellor's 1998 financial statements and caused Chancellor to materially overstate its revenue, income and assets for 1998. In addition, the Commission alleged that Fricke and the engagement partner willfully violated Section 10A of the Exchange Act by failing to design appropriate audit procedures to determine whether or not Chancellor's senior management had committed fraud and by their failure to inform Chancellor's audit committee of the suspected fraud.

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<sup>1</sup> See Accounting and Auditing Enforcement Release No. 1762, dated April 24, 2003. Fricke was permitted, pursuant to the order, to apply for reinstatement after two years upon making certain showings.

This order is issued in response to Fricke's application for reinstatement to practice before the Commission as an accountant responsible for the preparation or review of financial statements required to be filed with the Commission and as an independent accountant.

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, Fricke 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.

In his capacity as an independent accountant Fricke attests that he will comply with all requirements of the Commission and the Public Company Accounting Oversight Board ("PCAOB"), including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

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 Fricke, it appears that he has complied with the terms of the April 24, 2003 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 Fricke, 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, and that Fricke, by registering with the PCAOB and undertaking to comply with all requirements of the Commission and the PCAOB, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards, in his practice before the Commission as an independent accountant, has shown good cause for reinstatement. Therefore, it is accordingly,

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<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 section 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 William T. Fricke, CPA is hereby reinstated to appear and practice before the Commission as an accountant.

By the Commission.

Nancy M. Morris  
Secretary