

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 54634 / October 20, 2006

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2496 / October 20, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12460

In the Matter of

RONALD J. GOEDDE, CPA,

Respondent.

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

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 Ronald J. Goedde ("Respondent" or "Goedde") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.¹

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

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

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.

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 Public 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. Respondent Ronald J. Goedde, age 56, is a certified public accountant licensed in the state of California since 1977 whose license has been inactive since about 1996. From 1996 until June 30, 2001 he was the Chief Financial Officer of Cornerstone Propane Partners, L.P. ("Cornerstone").
2. Cornerstone, a Delaware limited partnership, formerly with headquarters in Watsonville, California, was at one time one of the nation's largest propane marketers, and at the time of the conduct discussed herein, its units were traded on the New York Stock Exchange and were registered under Section 12(b) of the Securities Exchange Act of 1934 ("Exchange Act").
3. On October 10, 2006, a final judgment was entered against Respondent permanently enjoining him from future violations of Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1 and 13b2-2 thereunder, and 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-1 and 13a-13 thereunder in the civil action S.E.C. v. Keith G. Baxter, et al. (Civil Action 05-3843 RMW, N.D. Cal.). Respondent was ordered to pay disgorgement of \$82,717, prejudgment interest of \$20,629.88, and a \$35,000 civil money penalty.
4. The Commission's complaint alleged, among other things, that Respondent signed a materially false Form 10-K for Cornerstone for fiscal year 2000 and three Forms 10-Q for fiscal year 2001 that he knew or was reckless in not knowing failed to conform with Generally Accepted Accounting Principles ("GAAP"). The complaint further alleged that Cornerstone's subsidiary Coast Energy Group ("CEG") had suffered a comprehensive failure to accurately and timely record transactions on its books and records. It also alleged that CEG, before the 2000 Form 10-K was filed, had embarked on a project to systematically reconcile numerous account balances at the company. The complaint further alleged that Cornerstone's financial statements were not presented in conformity with GAAP because all material transactions had not been properly recorded and the company's accounting records did not accurately reflect its transactions. It also alleged the financial statements in Cornerstone's 2000 Form 10-K and 2001 Forms 10-Q failed to conform with GAAP in at least three respects. First, GAAP requires that all assets, liabilities and other items contained in an issuer's balance sheet be based upon reliable information. The complaint alleged that the scope of Cornerstone's unsupported accounts rendered Cornerstone's financial statements materially unreliable. Second, GAAP requires that when an issuer identifies a reasonably

possible loss, the issuer disclose the potential loss in its financial statement footnotes. The complaint alleged that Cornerstone failed to include any disclosure of this potential loss in Cornerstone's Commission filings. Third, provisions governing consolidation in GAAP and Regulation S-X require that inter-company items and transactions eliminate in the preparation of the consolidated financial statements. If an issuer's inter-company balances are not eliminated in consolidation, Regulation S-X requires disclosure of the balances and the methods of treatment. The complaint further alleged the financial statements did not include such disclosure. The complaint also alleged that Respondent signed four management representation letters to the company's outside auditors that were false.

IV.

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

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

A. Goedde is suspended from appearing or practicing before the Commission as an accountant.

B. After five years from the date of this Order, Goedde 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 Goedde'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. Goedde, 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. Goedde, 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 Goedde's or the firm's quality control system that would indicate that Goedde will not receive appropriate supervision;

c. Goedde 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. Goedde acknowledges his responsibility, as long as Goedde 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 Goedde 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 Goedde's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Nancy M. Morris
Secretary