

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62589 / July 29, 2010

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3160 / July 29, 2010

ADMINISTRATIVE PROCEEDING
FILE NO. 3-13983

In the Matter of

LARRY E. HULSE, 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 pursuant to Rule 102(e)(3)(i)¹ of the Commission’s Rules of Practice against Larry E. Hulse (“Respondent” or “Hulse”).

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 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, 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

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.

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. Hulse, age 54, is and has been a certified public accountant licensed to practice in the State of Maryland. Hulse became the Chief Financial Officer ("CFO") of Sunrise Sunrise Senior Living, Inc. ("Sunrise" or the "Company") in March 2000. On August 4, 2005, Sunrise announced that it had replaced Hulse as CFO and Hulse became chief executive of Sunrise's captive insurance company. On December 20, 2007, Sunrise announced the separation of Hulse from the Company.

2. Sunrise is a Delaware Corporation headquartered in McLean, Virginia. Its securities are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and the Company's common stock trades on the New York Stock Exchange under the symbol SRZ. Sunrise is a provider of residential communities and services for the elderly. Sunrise has a fiscal year end of December 31.

3. On July 23, 2010, the Commission filed a complaint against Hulse and others in *Securities and Exchange Commission v. Sunrise Senior Living, Inc., et al.* Civil Action No. 1:10-CV-01247 (D.D.C.). On July 27, 2010 the court entered an order permanently enjoining Hulse, by consent, from future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 ("Securities Act") and Section 13(b)(5) of the Exchange Act and Rules 13a-14 and 13b2-1 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-1, and 13a-13 thereunder. Hulse was also ordered by consent to pay \$83,333 in disgorgement of ill-gotten gains plus \$31,660 in prejudgment interest and a \$50,000 civil monetary penalty.

4. The Commission's complaint alleged, among other things, that Hulse, in violation of Generally Accepted Accounting Principles, oversaw improper adjustments to Sunrise's reserve for self-insured health and dental benefits and its accrual for corporate bonuses, thereby misrepresenting Sunrise's earnings. The complaint alleges that as a result of his actions, Sunrise filed materially false and misleading financial statements for Sunrise's 2003 and 2004 fiscal years on Forms 10-K and in Sunrise's quarterly reports on Forms 10-Q for the first two quarters of 2005. The complaint further alleges that Hulse signed false SEC filings and Sarbanes Oxley certifications.

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

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

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

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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