

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 56942 / December 11, 2007

ACCOUNTING AND AUDITING ENFORCEMENT  
Release No. 2756 / December 11, 2007

ADMINISTRATIVE PROCEEDING  
File No. 3-12244

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In the Matter of	:	ORDER GRANTING APPLICATION FOR
	:	REINSTATEMENT TO APPEAR AND PRACTICE
	:	BEFORE THE COMMISSION AS AN ACCOUNTANT
Anthony P. Dolanski,	:	RESPONSIBLE FOR THE PREPARATION OR
CPA	:	REVIEW OF FINANCIAL STATEMENTS REQUIRED
	:	TO BE FILED WITH THE COMMISSION

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On March 21, 2006, Anthony P. Dolanski ("Dolanski") was suspended from appearing or practicing as an accountant before the Commission as a result of settled public administrative proceedings instituted by the Commission against Dolanski pursuant to Rule 102(e) of the Commission's Rules of Practice.<sup>1</sup> Dolanski consented to the entry of the order without admitting or denying the findings therein but for the Commission's finding that a final judgment and permanent injunction had been previously entered against him. This order is issued in response to Dolanski'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.

Dolanski served as the lead engagement partner overseeing KPMG LLP's ("KPMG") audits of Xerox Corporation ("Xerox") from 1995 through 1997. The Commission alleged that in fiscal year 1997 approximately \$405 million of Xerox's \$2.14 billion in pre-tax earnings was generated through the use of improper accounting devices in violation of GAAP. In the course of serving as the engagement partner for Xerox, Dolanski signed on behalf of KPMG an audit report that accompanied the 1997 Annual Report on Form 10-K filed by Xerox with the SEC. That audit report stated that KPMG conducted an audit of Xerox's financial statements in accordance with GAAS, that KPMG planned and performed the audit to obtain reasonable assurances that the financial statements were free of material misstatements, that KPMG

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<sup>1</sup> See Accounting and Auditing Enforcement Release No. 2397 dated March 21, 2006. Dolanski was permitted, pursuant to the order, to apply for reinstatement after one year upon making certain showings.

assessed the accounting principles used and significant estimates made by Xerox management and that it evaluated the overall consolidated financial statement presentation. The audit report further represented that, as a result of KPMG's audit, it was KPMG's opinion that Xerox's financial condition and results of operation were fairly presented in the financial statements in conformity with GAAP. The Commission alleged that each of these representations was materially false and misleading or omitted to disclose material information which would make the statements not false and misleading.

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, Dolanski 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. Dolanski 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, Dolanski'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."<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 Dolanski, it appears that he has complied with the terms of the March 21, 2006 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 Dolanski, 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,

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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 Anthony P. Dolanski, CPA 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.

Nancy M. Morris  
Secretary