

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 61148 / December 10, 2009

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3077 / December 10, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13710

In the Matter of	:	
	:	
	:	
John Wilroy, CPA	:	ORDER INSTITUTING PUBLIC
	:	ADMINISTRATIVE PROCEEDINGS
	:	PURSUANT TO RULE 102(e) OF THE
	:	COMMISSION'S RULES OF
Respondent.	:	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 John Wilroy, CPA, (“Respondent” or “Wilroy”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

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.

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 paragraph three of Section III 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. John Wilroy, age 50, was the Worldwide Controller of SafeNet, Inc., from December 2004 through July 29, 2005. Wilroy was licensed as a Certified Public Accountant in the state of Virginia from April 2003 to August 2009.

2. SafeNet, Inc. (“SafeNet” or the “Company”) is a Delaware corporation, with its headquarters in Belcamp, Maryland. SafeNet produces information security software products. During the relevant period, the Company’s common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 (“Exchange Act”) and listed on the NASDAQ Global Market under the symbol “SFNT.” In April 2007, SafeNet was taken private by Vector Capital Corporation.

3. On November 12, 2009, the Commission filed a complaint against Wilroy in SEC v. SafeNet, Inc., et. al, Civil Case No. 09-2117 (D.D.C). On December 2, 2009, the court entered a final judgment permanently enjoining Wilroy, by consent, from future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933, and Rules 13b2-1 and 13b2-2 under the Exchange Act, 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, 13a-11, and 13a-13 thereunder. The final judgment also ordered Wilroy to pay a civil penalty of \$25,000.

4. The Commission’s complaint alleged that, from the third quarter of 2004 through the second quarter of 2005, SafeNet, through the conduct of its former employees, engaged in a scheme to assist SafeNet in meeting or exceeding quarterly earnings per share targets through the use of improper accounting adjustments. The complaint alleged that Wilroy and others made, or caused others to make, certain improper accounting adjustments in SafeNet’s books and records. The complaint also alleged that, as a result of these inappropriate adjustments, SafeNet’s periodic reports, registration statements, and press releases contained materially misstated financial results and materially false and misleading information concerning SafeNet’s financial condition.

IV.

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

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

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

B. After two 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 further 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