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In the matter of Nicolas J. Raftery, a certified public accountant: Order

United States. Securities and Exchange Commission

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UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION
February 9, 1967

In the Matter of	:	
	:	
NICOLAS J. RAFTERY	:	ORDER
	:	
A Certified Public Accountant	:	

On the basis of information furnished to the Commission in a non-public investigative proceeding, the Commission has reason to believe that there may have been a lack of adherence to generally accepted auditing standards and its minimum audit requirements by Nicolas J. Raftery, a certified public accountant, in connection with the preparation and submission to the Commission of certain financial statements in accordance with the requirements of Rule 240.17a-5.

The information furnished the Commission indicates that the questioned audits were deficient in respect of one or more of the following matters: (1) the failure to obtain written confirmation of bank balances and obtain the bank statements and cancelled checks from the depositaries and reconcile the bank balances at the audit date; (2) the failure to obtain the bank statements and cancelled checks from the depositaries and reconcile the balances shown thereon with the balances shown by the records at an appropriate date subsequent to the audit date; (3) the failure to obtain written confirmations of customers' accounts, open contractual commitments, etc., as at the audit date; (4) the failure to review and on a test basis obtain written confirmation of customers' accounts closed during the period under review; (5) the failure to examine and obtain written confirmation of subordination agreements covering indebtedness shown as subordinated in the financial statements; (6) the failure to secure a written statement signed by the proprietor, a responsible partner, or an officer, as appropriate, as to the assets, liabilities, and accountabilities, contingent or otherwise, not recorded on the respondent's books; or (7) the acceptance by Raftery of employment to perform an audit when he was not independent in that he had indebtedness to the respondent or an officer thereof; (8) the alteration, in at least two instances, of the audit working papers after our investigation began.

Nicolas J. Raftery, without admitting or denying any such lack of adherence to generally accepted auditing standards or the minimum audit requirements, has tendered to the Commission his resignation in which he agrees that he will not appear or practice before the Commission in the future; and the Commission being satisfied that by reason of such resignation no proceeding pursuant to Rule 2(e) of the Commission's Rules of Practice is necessary; and it being determined by the Commission that it is not inconsistent with the public interest;

IT IS ORDERED that Nicolas J. Raftery's resignation from practice before this Commission be and hereby is accepted, and that no further proceeding be had in this matter.

By the Commission.

Orval L. DuBois
Secretary

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