



DEPARTMENT OF CONSUMER AFFAIRS
 CALIFORNIA BOARD OF ACCOUNTANCY
 2000 EVERGREEN STREET, SUITE 250
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CBA MISSION: To protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards

**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)
 ENFORCEMENT ADVISORY COMMITTEE (EAC)**

**EAC MEETING
 NOTICE & AGENDA**

**Thursday, July 7, 2016
 9:00 a.m. – 5:00 p.m.**

California Board of Accountancy
 2000 Evergreen Street, Suite 250
 Sacramento, CA 95815
 Telephone: (916) 263-3680

Important Notice to the Public

All times indicated, other than those identified as “time certain,” are approximate and subject to change. Action may be taken on any item on the agenda. Agenda items may be discussed and action taken out of order at the discretion of the EAC Chair. The meeting may be canceled without notice. For verification of the meeting, call (916) 561-1734 or access the CBA website at www.cba.ca.gov.

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|-------------|--|
| 9:00 – 9:05 | I. Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks (Joseph Rosenbaum, Chair). |
| 9:05 – 9:10 | II. Report of the Committee Chair (Joseph Rosenbaum, Chair).

A. Approval of the May 5, 2016 EAC Meeting Minutes.
B. Discussion Regarding Proposed 2017 EAC Meeting dates. |
| 9:10 – 9:25 | III. Report of the CBA Liaison (Jian Ou-Yang, CPA).

A. Report of the May 19-20, 2016 CBA and Committee Meetings. |
| 9:25 – 9:45 | IV. Report of the Enforcement Chief (Dominic Franzella).

A. Enforcement Activity Report.
B. Report of Accusations Filed and Final Disciplinary Orders Effective March 17, 2016 through June 16, 2016. |
| 9:45 – 9:50 | V. Public Comments for Items not on the Agenda. |

9:50 – 11:30 VI. Review Enforcement Files on Licensees.
[Closed Session: The EAC will meet in closed session to review and deliberate on enforcement files as authorized by Government Code section 11126(c)(2) and Business and Professions Code section 5020.]

11:30 – 1:00 **LUNCH**

1:00 – 5:00 VII. Conduct Closed Hearings.
[The EAC will meet in closed session as authorized by Government Code Sections 11126(c)(2) and (f)(3), and Business and Professions Code Section 5020 to conduct a closed session to interview and consider disciplinary action against an individual licensee or applicant prior to the filing of an Accusation.]

VIII. Adjournment.

In accordance with the Bagley-Keene Open Meeting Act, all meetings of the EAC are open to the public. Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the EAC prior to the EAC taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the EAC, but the EAC Chair may, at his discretion, apportion available time among those who wish to speak. Individuals may appear before the EAC to discuss items not on the agenda; however, the EAC can neither discuss nor take official action on these items at the time of the same meeting. CBA members who are not members of the EAC may be attending the meeting. However, if a majority of members of the full board are present at the EAC meeting, members who are not members of the EAC may attend the meeting only as observers.

The meeting is accessible to individuals with physical disabilities. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Allison O'Connor at (916) 561-1734, or by email at allison.oconnor@cba.ca.gov, or send a written request to the CBA office at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815. Providing your request at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.

For further information regarding this meeting, please contact:

Allison O'Connor, Management Services Technician
(916) 561-1734 or allison.oconnor@cba.ca.gov
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815

An electronic copy of this agenda can be found at www.cba.ca.gov.



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EAC Item II.A
 July 7, 2016
 DRAFT

DEPARTMENT OF CONSUMER AFFAIRS
 CALIFORNIA BOARD OF ACCOUNTANCY (CBA)

MINUTES OF THE
May 5, 2016
ENFORCEMENT ADVISORY COMMITTEE (EAC) MEETING

Wyndham Irvine-Orange County Hotel
 17941 Von Karman Ave.
 Irvine, CA 92614
 Telephone: (949) 863 -1999

I. Roll Call and Call to Order.

EAC Chair, Joseph Rosenbaum, CPA, called to order the regularly scheduled meeting of the EAC at 9:02 a.m. on May 5, 2016.

Mr. Rosenbaum read the following into the record:

“The CBA’s mission is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

This mission is derived from the statutory requirement that protection of the public shall be the highest priority for the California Board of Accountancy in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.”

Members

Joseph Rosenbaum, CPA, Chair	Present
Nancy Corrigan, CPA, Vice-Chair	Present
Katherine Allanson, CPA	Present
Nicholas Antonian, CPA	Present
Dale Best, CPA	Present
Joseph Buniva, CPA	Present
Gary Caine, CPA	Present
Jeffrey De Lyser, CPA	Present
Mary Rose Caras, CPA	Absent
William Donnelly, CPA	Present
Thomas Gilbert, CPA	Present
Robert A. Lee, CPA	Present
Michael Schwarz, CPA	Present

CBA Staff and Legal Counsel

Gary Burkel, Investigative CPA
Paul Fisher, Supervising Investigative CPA
Gregory Francis, Investigative CPA
Dominic Franzella, Enforcement Chief
Allison O'Connor, Enforcement Technician
Dorothy Osgood, Supervising Investigative CPA
Gogi Overhoff, Investigative CPA
Holly Roznowski, Investigative CPA
Carl Sonne, Deputy Attorney General (DAG), Department of Justice
Marla Weitzman, Investigative CPA

II. Report of the Committee Chair (**Joseph Rosenbaum**).

A. Approval of the December 10, 2015 EAC Meeting Minutes.

It was moved by Mr. Schwarz and seconded by Mr. Thomas to approve the minutes of the December 10, 2015 EAC meeting.

Yes: Mr. De Lyser, Mr. Rosenbaum, Ms. Allanson, Mr. Best, Mr. Caine, Ms. Corrigan, Mr. Buniva, Mr. Lee, Mr. Gilbert, and Mr. Schwarz.

No: None.

Absent: Ms. Caras

Abstain: Mr. Donnelly

The motion passed.

III. Report of the CBA Liaison

A. Report of the March 17-18, 2016 CBA and Committee Meetings.

Mr. Franzella provided the report for this agenda item. He noted the CBA discussed various regulatory proposals and reviewed and took positions on several legislative proposals. He also noted that the CBA discussed plans regarding future changes to the Disciplinary Guidelines, and that the CBA discussed the recently completed study of the attest experience requirement and decided to maintain the requirement without changes.

Mr. Franzella noted that the CBA heard a presentation from Ian Dingwall, Chief Accountant, Department of Labor (DOL). Mr. Dingwall provided the CBA with a presentation on the DOL's report from May 2015 regarding Assessing the Quality of Employee Benefit Plan Audits.

IV. Report of the Enforcement Chief (**Dominic Franzella**).

A. Enforcement Activity Report.

Mr. Franzella provided an overview of this item. He also provided an update on the current vacancies for the Enforcement Division.

B. Report on Accusations and Final Disciplinary Orders Effective November 17, 2015 to March 16, 2016.

Mr. Franzella reported that between November 17, 2015 and March 16, 2016, the CBA filed 25 accusations and took 19 disciplinary actions.

V. Public Comments for Items not on the Agenda.

No public comment was given.

VI. Review Enforcement Files on Individual Licensees.

[Closed Session: The EAC met in closed session to review and deliberate on enforcement files as authorized by Government Code section 11126(c)(2) and Business and Professions Code section 5020.]

VII. Conduct Closed Hearings.

[The Committee met in closed session as authorized by Government Code sections 11126(c)(2) and (f)(3) and Business and Professions Code section 5020 to conduct closed sessions to interview and consider possible disciplinary action against an individual licensee or applicant prior to the filing of an accusation.]

VIII. Adjournment.

The next EAC meeting is scheduled for July 7, 2016 at the California Board of Accountancy in Sacramento.

Having no further business to conduct, the EAC general meeting adjourned at approximately 9:38 a.m. to convene in closed session. Closed session adjourned at approximately 11:30 a.m. Closed session reconvened for investigative hearings from 1:00 p.m. to 5:00 p.m.

Joseph Rosenbaum, CPA, Chair
Enforcement Advisory Committee

Prepared by: Allison O'Connor, Enforcement Technician



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EAC Item II.B.
July 7, 2016

Discussion Regarding Proposed 2017 Enforcement Advisory Committee Meeting Dates

Presented by: Joseph Rosenbaum, CPA, Chair, Enforcement Advisory Committee

Purpose of the Item

The purpose of this agenda item is to present the Enforcement Advisory Committee (EAC) with proposed EAC meeting dates for 2017.

Action(s) Needed

The EAC may choose to adopt or modify the 2017 EAC proposed meeting dates.

Background

The 2017 California Board of Accountancy (CBA) meeting dates are as follows:

- January 26-27, 2017 – Southern California
- March 23-24, 2017 – Northern California
- May 18-19, 2017 – Southern California
- July 20, 2017 – Northern California
- September 14-15, 2017 – Southern California
- November 16-17, 2017 – Northern California

Comments

The proposed EAC meeting dates are:

- February 2, 2017 – Northern California
- May 4, 2017 – Southern California
- July 6, 2017 – Northern California
- October 19, 2017 – Southern California
- December 7, 2017 – Northern California

The EAC and Peer Review Oversight Committee (PROC) meet concurrently, with the EAC meeting on Thursdays and PROC on Fridays. The proposed PROC meeting dates, which will be considered during the August 19, 2016 PROC meeting, are:

Discussion Regarding Proposed 2017 Enforcement Advisory Committee Meeting Dates

Page 2 of 2

- February 3, 2017 – Northern California
- May 5, 2017 – Southern California
- August 18, 2017 – Northern California
- December 8, 2017 – Northern California

Fiscal/Economic Impact Considerations

There are no fiscal/economic considerations.

Recommendations

Staff recommend the EAC adopt or modify the proposed dates. After adoption, the dates will be submitted to the CBA for approval.

Attachment

2017 Year-at-a-Glance CBA Calendar.

Attachment

CALIFORNIA BOARD OF ACCOUNTANCY (CBA) 2017 MEETING DATES/LOCATIONS CALENDAR (CBA MEMBER COPY)

JANUARY 2017

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26 SC	27 SC	28
29	30	31				

FEBRUARY 2017

S	M	T	W	Th	F	S
			1	2	2	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH 2017

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23 NC	24 NC	25
26	27	28	29	30	31	

APRIL 2017

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

MAY 2017

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18 SC	19 SC	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE 2017

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY 2017

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20 NC	21	22
23	24	25	26	27	28	29
30	31					

AUGUST 2017

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER 2017

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14 SC	15 SC	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER 2017

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER 2017

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16 NC	17 NC	18
19	20	21	22	23	24	25
26	27	28	29	30		

DECEMBER 2017

S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

COMMITTEES

- EAC - Enforcement Advisory Committee
- QC - Qualifications Committee
- PROC - Peer Review Oversight Committee
- MSG-Mobility Stakeholder Group

GENERAL LOCATION

- NC-NORTHERN CALIFORNIA
- SC-SOUTHERN CALIFORNIA

	CBA OFFICE CLOSED
	CBA MEETING
	EAC MEETING
	PROC MEETING
	QC MEETING
	MSG MEETING

**California Board of Accountancy
Enforcement Activity Report**
Report as of March 31, 2016

EAC Item IV.A.
July 7, 2016

Complaints

Complaints/Records of Convictions	FY 2013/14	FY 2014/15	FY 2015/16 9 months of data
Received	3,255	2,702	2,028
<i>Internal</i>	<i>2,861</i>	<i>2,248</i>	<i>1,662</i>
<i>Internal – Peer Review¹</i>	<i>1,892</i>	<i>449</i>	<i>419</i>
<i>Internal – All Other</i>	<i>969</i>	<i>1,799</i>	<i>1,243</i>
<i>External</i>	<i>394</i>	<i>454</i>	<i>366</i>
Assigned for Investigation	2,969	2,007	1,464
Closed – No Action	289	713	566
Average Days from Intake to Closure or Assignment for Investigation	4	4	3
Pending	0	0	2
Average Age of Pending Complaints (days)	0	0	0

¹ Peer Review internal complaints typically include investigation of failed peer review reports, failure to comply with peer review citations, filing an incorrect PR-1, or renewing a license without undergoing a peer review when a peer review is required. For FY 2013/14, these complaints included failures to respond during the initial peer review phase-in period (July 1, 2011 to July 1, 2013).

- The California Board of Accountancy (CBA) has opened 2,028 complaints since the beginning of the new fiscal year, with 82 percent of these complaints being internal referrals.
- The top external complaint is regarding non-CPAs practicing public accounting.

California Board of Accountancy Enforcement Activity Report

Report as of March 31, 2016

Investigations

Investigations	FY 2013/14	FY 2014/15	FY 2015/16 9 months of data
Assigned	2,969	1,953	1,464
<i>Internal</i>	2,628	1,579	1,114
<i>Internal – Peer Review¹</i>	1,888	439	406
<i>Internal – All Other</i>	740	1,140	708
<i>External</i>	341	374	350
Closed	2,669	1,773	1,627
Average Days to Close	74	167	181
Total Investigations Pending	825	1,081	984
<i>0-6 Months</i>	472	639	421
<i>6-12 Months</i>	191	211	248
<i>12-18 Months</i>	111	120	175
<i>18-21 Months</i>	18	39	37
<i>21-24 Months</i>	22	33	30
<i>> 24 Months</i>	11	39	73
Average Age of Open Cases (days)	202	222	276
Median Age of Open Cases (days)	153	126	220

¹ For FY 2013/14, these investigations included failures to respond to multiple CBA requests to file the required PR-1 as part of the initial peer review phase-in period that occurred between July 1, 2011 and July 1, 2013.

Chart A on Page 7 illustrates the percentage of open investigations by length of time.

- The CBA has closed 1,627 assigned investigations since the beginning of the fiscal year.
- The total investigations pending is 984, a 13 percent reduction from the last report.
- Presently, there are 73 investigations over 24 months, which includes 17 new cases. These cases are the most complex investigations requiring additional time to resolve. Of the 73 investigations, staff has completed or are near completion on 32 of the cases, as follows:
 - 17 cases have had investigation reports completed and are pending supervisor review
 - One case has had the investigation report reviewed and approved and is being prepared for referral to the Attorney General’s Office

California Board of Accountancy Enforcement Activity Report

Report as of March 31, 2016

- Two cases are being prepared for citations and fines
 - 12 cases will be closed as of the next report
- As previously communicated, management has been working diligently with staff to complete the investigations pending over 24 months and have successfully closed 86 of these cases during Fiscal Year (FY) 2015/16, including 30 since the last report.

Discipline

Attorney General Referrals	FY 2013/14	FY 2014/15	FY 2015/16 9 months of data
Referrals	74	97	88
Accusations Filed	34	47	58
Statements of Issues Filed	8	9	1
Petitions for Revocation of Probation Filed	2	2	5
Closed	31	63	56
<i>Via Stipulated Settlement</i>	<i>21</i>	<i>55</i>	<i>38</i>
<i>Via Proposed Decision</i>	<i>4</i>	<i>2</i>	<i>3</i>
<i>Via Default Decision</i>	<i>6</i>	<i>6</i>	<i>15</i>
Discipline Pending	95	119	139
<i>0-6 Months</i>	<i>50</i>	<i>42</i>	<i>65</i>
<i>6-12 Months</i>	<i>15</i>	<i>40</i>	<i>34</i>
<i>12-18 Months</i>	<i>16</i>	<i>28</i>	<i>19</i>
<i>18-21 Month</i>	<i>7</i>	<i>4</i>	<i>10</i>
<i>21-24 Months</i>	<i>4</i>	<i>0</i>	<i>6</i>
<i>> 24 Months</i>	<i>3</i>	<i>5</i>	<i>5</i>

Chart B on Page 7 illustrates the percentage of cases pending at the AG's Office by length of time.

- There are five cases pending at the Attorney General's Office for more than 24 months. The current status of the cases are as follows:
 - A writ was filed with the California Superior Court in August 2012 following adoption of a proposed decision and denial of a Petition for Reconsideration in July 2012. A decision was issued on August 28, 2014 denying the writ of mandate. The stay previously issued was dissolved and the CBA's decision revoking the Petitioner's license became effective. The Petitioner immediately filed a Notice of Appeal with the Appellate Court seeking a stay of the decision. The motion requesting a trial was denied at a hearing on December 12, 2014. A ruling from the Court of Appeals is pending

California Board of Accountancy Enforcement Activity Report

Report as of March 31, 2016

- One case was adopted by the CBA at its March 2016 meeting and will be removed from the next report
- Three cases have hearing dates scheduled in May, August, and December of 2016

Citations and Fines

Citations	FY 2013/14	FY 2014/15	FY 2015/16 9 months of data
Total Citations Issued	1,522 ¹	348	218
Total Fines Assessed	\$399,020	\$119,387	\$82,750
Fines Average	\$702	\$343	\$380
Average number of days from receipt of a complaint to issuance of a citation	33	142	150
Top 3 Violations Resulting in Citation			
1:	Response to CBA Inquiry (Reg 52)	CE Basic Requirements (Reg 87)	CE Basic Requirements (Reg 87)
2:	CE Basic Requirements (Reg 87)	Response to CBA Inquiry (Reg 52)	Response to CBA Inquiry (Reg 52)
3:	Name of Firm (BPC 5060)	Name of Firm (BPC 5060)	Fingerprinting & Disclosure (Reg 37.5)

¹ For FY 2013/14, 1,481 citations were issued for failure to respond to multiple CBA requests to file the required PR-1 as part of the initial peer review phase-in period that occurred between July 1, 2011 and July 1, 2013.

- As noted in previous reports, the Average number of days from receipt of a complaint to issuance of a citation has increased from the FY 2013/14. This is due to the high volume of Peer Review (Failure to Respond) citations that were issued and the quick turn-around time that was initiated.
- The fine amount assessed varies from \$100 to \$5,000 and is determined on a case-by-case basis. Factors that may increase or decrease the fine amount include aggravating or mitigating circumstances, and length of time the violation existed.
- Violation of the continuing education basic requirements is currently the most common reason for issuance of a citation.

California Board of Accountancy Enforcement Activity Report

Report as of March 31, 2016

Probation Monitoring

Monitoring Activities	FY 2015/16 9 months of data
Number of Licensees on Probation as of Last Report	102
New Probationers	7
Total Number of Probationers	102
Out-of-State Probationers	7
Probation Orientations Held since Last Report	0

- Currently 13 probation orientations are scheduled for the May 5, 2016 Enforcement Advisory Committee Meeting.

Criminal Offender Record Information (CORI)

CORI Fingerprints ¹	FY 2014/15	FY 2015/16 9 months of data
Notification Letters Sent	19,715	4,723
CORI Compliances Received	11,971	5,715
Non-Compliance Notifications Sent (Audit)	742	403

CORI Enforcement Cases	FY 2014/15	FY 2015/16 9 months of data
Received	624	376
Assigned for Investigation	185	236
Closed – No Action	439	134
Non-Compliance Citations and Fines Issued	45	54
Referred to the Attorney General's Office	14	21

¹ CORI-related activities that occurred in FY 2013/14 were previously reflected on the Licensing Activity Report.

- Effective January 1, 2014, all licensees renewing in active status are required to have fingerprints on file for the purpose of conducting a state and federal criminal offender record information background check.
- For FY 2015/16 a total of 4,723 fingerprint notification letters were sent. December 31, 2015 concludes the fingerprint notification letter procedure.
- On March 15, 2016, all active licensees without fingerprint clearance on record who received the initial fingerprint notifications were sent Final Notices of Fingerprint Non-Compliance (Audit). Going forward, a retroactive audit is performed monthly for licensees in an active status without fingerprint clearances on record.

California Board of Accountancy Enforcement Activity Report

Report as of March 31, 2016

Mobility

Enforcement Aspects of Mobility	FY 2014/15	FY 2015/16 9 months of data
Pre-Notification Forms Received	2	1
Cessation Event Forms Received	0	0
SEC Discipline Identified	27	29
PCAOB Discipline Identified	21	10
Out-of-State Accounting Firm Registrants That Reported Other Discipline	14	8
Complaints Against Practice Privilege Holders	11	3

Effective July 1, 2013, the CBA implemented a no notice, no fee practice privilege model in California. This table depicts the enforcement aspects of mobility, including the receipt and investigation of Practice Privilege Pre-Notification Forms and Notification of Cessation Event Forms.

- The complaints against practice privilege holders include practice without permit, discipline by other states/governmental agencies, and practice complaints.
- Staff sends letters to all CPAs who were disciplined by either the Securities and Exchange Commission or the Public Company Accounting Oversight Board to inform them that they must seek CBA authorization prior to practicing in California.

Division Highlights and Future Considerations

The Enforcement Division has the following vacancies:

- Two Staff Services Managers
- One Associate Governmental Program Analyst
- Two Investigative Certified Public Accountants (ICPA) Limited-Term and one ICPA Retired Annuitant
- One Office Technician
- Two Student Assistants
- Eight CORI positions are scheduled to expire on June 30, 2016 and June 30, 2017

**California Board of Accountancy
Enforcement Activity Report**
Report as of March 31, 2016

Chart A – Open Investigations as of March 31, 2016

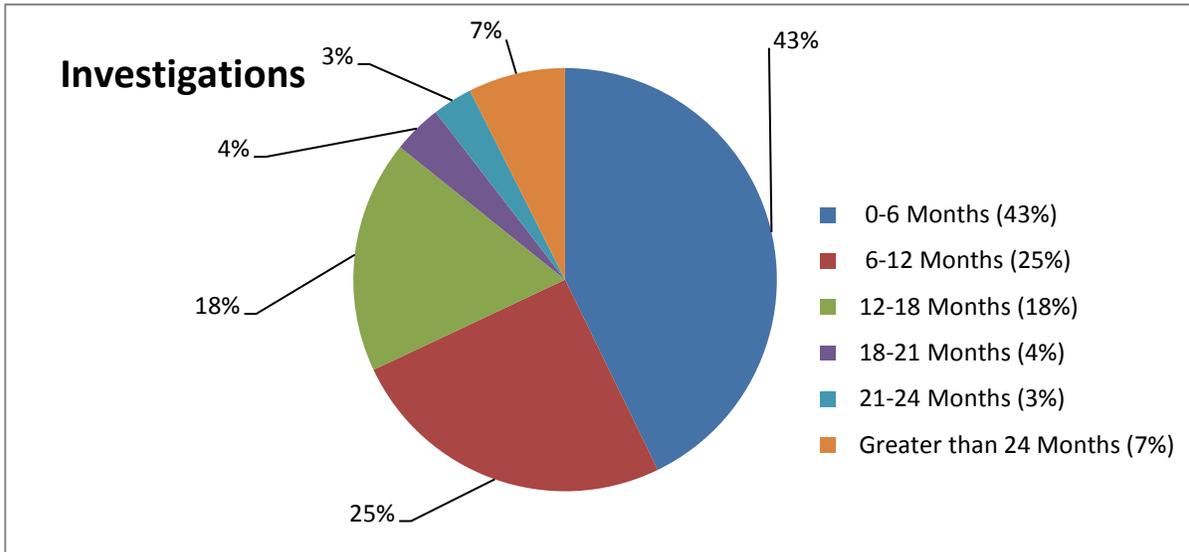
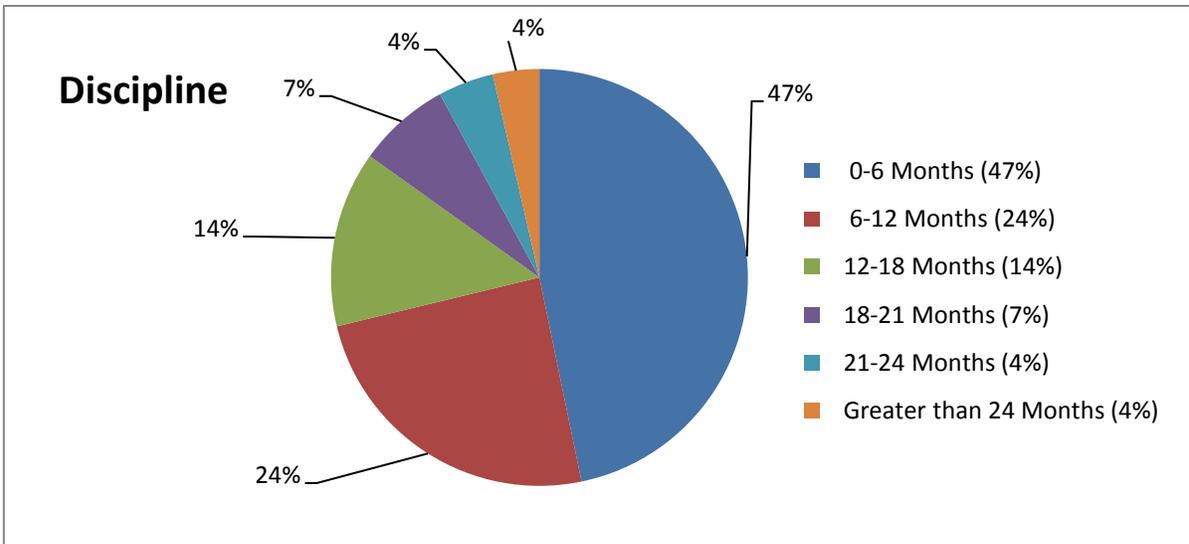


Chart B – Discipline Pending at the Attorney General Office as of March 31, 2016





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EAC Item IV.B.
July 7, 2016

**Report on Accusations Filed and Final Disciplinary Orders Effective
March 17, 2016 – June 16, 2016**

Presented by: Dominic Franzella, Chief, Enforcement Division

Purpose of the Item

The purpose of this agenda item is to provide the Enforcement Advisory Committee (EAC) with information related to accusations filed and final disciplinary orders effective March 17, 2016 through June 16, 2016.

Consumer Protection Objectives

The accusations filed and disciplinary orders issued by the California Board of Accountancy (CBA) assist in ensuring consumer protection by identifying and subsequently taking action against those who are in violation of the provisions of the Business and Professions Code (BPC) and CBA Regulations.

Action(s) Needed

No specific action is required on this agenda item.

Background

At the conclusion of the October 2014 EAC meeting, members completed a survey via SurveyMonkey providing comments and feedback on various aspects of the meeting. Among the comments was a request for staff to bring information related to accusations filed and final disciplinary orders effective since the prior EAC meeting. As a result, staff has placed this topic as a standing agenda item for all future EAC meetings.

Comments

Between March 17, 2016 and June 16, 2016, the CBA has filed 29 accusations and taken 17 disciplinary actions. All matters are listed herein along with a summary of the cause for discipline and action taken. The complete accusations and final disciplinary orders are available for review on the CBA website at www.cba.ca.gov.

Report on Accusations Filed and Final Disciplinary Orders

Effective March 17, 2016 – June 16, 2016

Page 2 of 21

Accusations Filed

1. AC-2015-90 Benadon, Jacob Filed March 24, 2016
The causes for discipline identified in the accusation include breach of fiduciary duty, engaged in unprofessional conduct, failure to comply with professional standards, and repeated acts of negligence.
2. AC-2015-24 Harris, Cindy J. Filed April 7, 2016
The causes for discipline identified in the accusation include gross negligence and repeated acts of negligence, issuing a report not in compliance with professional standards, performance of compilation engagements and preparation of financial statements not in compliance with professional standards, practicing public accountancy with an expired license, failure to register and complete a peer review report, failure to have a peer review report accepted by a Board-recognized peer review program, failure to enroll in a Board-recognized peer review program, failure to provide true and accurate information in response to the CBA inquiries.
3. AC-2016-25 BKD, LLP Filed April 7, 2016
The cause for discipline identified in the accusation includes imposition of discipline by the United States Securities and Exchange Commission (SEC).
4. AC-2015-1 Bennett, Wayne William Filed April 7, 2016
The causes for discipline identified in the accusation include dishonesty and/or fraud; knowingly prepared, publication, or dissemination of false or materially misleading fraudulent information; fiscal dishonesty and/or breach of fiduciary duty; embezzlement, theft, misappropriation; gross negligence; practicing without a valid permit; failure to use "Inactive" designation; and willful violation of this chapter.
5. AC-2016-39 Nitta, Thomas Akio Filed April 7, 2016
The causes for discipline identified in the accusation include repeated negligent acts, audit report not in conformance with professional standards, audit documentation not in conformance with professional standards, failure to complete a peer review, and audit not in conformance with professional standards.
6. AC-2016-15 Early, Robert Patrick Filed April 8, 2016
The causes for discipline identified in the accusation include gross negligence or repeated negligent acts, failure to respond to CBA inquiries, and failure to notify the CBA of his change in address.

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7. AC-2016-44 Gridiron, Donald Richard Jr. Filed April 13, 2016
The causes for discipline identified in the accusation include conviction of substantially related crimes; prepared false, fraudulent, or materially misleading reports; dishonest acts; and embezzlement, theft, misappropriation of funds or obtaining money by fraudulent means.

8. AC-2016-24 Lederman, Zeidler, Gray & Co. CPA's Filed April 13, 2016
The cause for discipline identified in the accusation includes imposition of discipline by the Public Company Accounting Oversight Board (PCAOB).

9. AC-2014-71 Takahashi Accountancy Corp.,
 Takahashi, Christopher Satoshi Filed April 19, 2016
The CBA filed a First Amended Accusation. The causes for discipline identified in the First Amended Accusation include gross negligence, reports not in compliance with professional standards, compliance with professional standards, practice of public accountancy without a valid permit, failure to have a peer review, failure to respond to CBA inquiries, willful violation of CBA rule or regulation, and disciplinary actions against the corporation.

10. AC-2016-35 Woodhull, Daniel E. Filed April 20, 2016
The causes for discipline identified in the accusation include conviction of a crime; fiscal dishonesty; embezzlement, theft, and misappropriation of funds.

11. AC-2016-53 Kastner, Gerald J. Filed April 22, 2016
The causes for discipline identified in the accusation include failure to enroll in and obtain a peer review, failure to respond to CBA inquiry, and willful violation of the Accountancy Act.

12. AC-2016-58 Atwell, Jill Simms Filed April 26, 2016
The causes for discipline identified in the accusation include willful failure to comply with Citation Order, willful failure to complete the required continuing education (CE), willful failure to respond to CBA inquiries.

13. AC-2016-85 Smith, Leonard Hurbert III Filed April 28, 2016
The causes for discipline identified in the accusation include gross negligence and/or repeated acts of negligence, breach of fiduciary responsibility, compliance with professional standards, failure to undergo peer review, practicing without a permit, and failure to respond to CBA inquiries.

14. AC-2016-29 Fry, William John Filed April 28, 2016
The causes for discipline identified in the accusation include practice of public accountancy without a valid certificate, unprofessional conduct-willful violation, and failure to respond to CBA inquiries.

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15. AC-2015-93 Montero, Regelio Filed April 29, 2016
The causes for discipline identified in the accusation include gross and repeated acts of negligence, report failing to conform to professional standards, failure to indentify and keep audit documentation, failure to comply with professional standards, failure to comply with peer review, and failure to enroll and participate in peer review.
16. AC-2016-101 Garrett, William Karsen Filed April 29, 2016
The causes for discipline identified in the accusation include failure to return client records, failure to obtain a peer review, failure to respond to CBA inquiries, failure to comply with citation, and willful violation of the Accountancy Act and CBA Regulations.
17. AC-2016-48 Winterburn, Jon Stephen Filed April 29, 2016
The cause for discipline identified in the accusation include breach of fiduciary responsibility.
18. AC-2015-76 Lumsey, Andre Gordon Filed May 2, 2016
The causes for discipline identified in the accusation include conviction of crimes.
19. AC-2016-84 Mechikoff, Richard Alan Filed May 4, 2016
The causes for discipline identified in the accusation include conviction of crimes, false statements, and failure to report convictions to the CBA.
20. AC-2015-99 Coon, Timothy Alan Filed May 6, 2016
The causes for discipline identified in the accusation include discipline by the PCAOB, willful violation of the Accountancy Act and CBA Regulations, operating an unregistered firm, failure to comply with peer review, failed to notify the CBA of failed peer review, and failure to respond to CBA inquiries.
21. AC-2015-103 Joseph Yafeh CPA, Inc.,
Yafeh, Joseph Filed May 10, 2016
The causes for discipline identified in the accusation include imposed discipline by the SEC, and failure to report reportable events to the CBA.
22. AC-2016-60 Kaiser, Jerome S. Filed May 11, 2016
The cause for discipline identified in the accusation include suspension of the right to practice before the SEC.
23. AC-2016-75 Klein, Eric Mark Filed May 13, 2016
The causes for discipline identified in the accusation includes breach of fiduciary responsibility; knowingly prepared, publication, or dissemination of false, fraudulent, or materially misleading statements, reports or information; obtaining money, property or other valuable consideration by fraudulent means; repeated

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Disciplinary Orders

1. AC-2014-41 Rivera & Company,
Rivera, Charles Joseph Effective April 24, 2016
Accusation No. AC-2014-41 contains the following allegations:

Mr. Rivera is subject to disciplinary action in that Mr. Rivera failed to submit to the CBA a completed Peer Review Reporting Form and failed to complete a peer review by an accepted CBA-recognized peer review program within 18 months of completing accounting and/or auditing services.

Mr. Rivera is subject to disciplinary action in that Mr. Rivera failed to completely respond to an inquiry by the CBA and/or its appointed representatives within 30 days and/or failed to provide true and accurate information in response to questions and/or other requests for information from the CBA.

Mr. Rivera is subject to disciplinary action in that Mr. Rivera failed to notify the CBA of a change of address within 30 days of the change.

CBA Actions:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Rivera shall reimburse the CBA \$9,610.11 for its investigation and prosecution costs. Payments shall be made on a quarterly basis, due at the same time as the quarterly written reports. The final payment is due six months before the probation is scheduled to terminate.

Mr. Rivera shall complete four hours of CE in ethics. The hours shall be completed within six months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Rivera shall complete a CBA-approved Regulatory Review course. The course shall be completed within six months of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

During the period of probation, all review and compilation reports and work papers shall be subject to peer review by a CBA-recognized peer review program provider. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. The peer review shall be completed within a period of time designated and specified in writing by the CBA or its designee, which time frame shall be incorporated as a condition of this probation. Within 45 days of the peer review report being accepted by a CBA-recognized peer review program provider.

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Mr. Rivera shall submit to the CBA a copy of the peer review report and maintain an active license status.

Mr. Rivera shall not engage in and shall be prohibited from performing any audit services.

Mr. Rivera shall pay to the CBA an administrative penalty in the amount of \$2,500.00. The payment shall be made within ninety (90) days of the effective date of the Decision and Order.

During probation, Mr. Rivera and Rivera & Company shall not engage in and shall be prohibited from performing any audit services.

Mr. Rivera shall be permanently restricted from engaging in and performing any audits services after the completion of probation. This condition shall continue until such time, if ever, that Mr. Rivera successfully petitions the CBA for the reinstatement of the ability to perform audits, reviews, compilations, or attestation services.

- Tremelling & Associates,
Tremelling, Richared Claude
2. AC-2014-51 Effective April 24, 2016
Accusation No. AC-2014-51 contains the following allegations:

Mr. Tremelling is subject to disciplinary action for gross negligence in that Mr. Tremelling performed audits for Holiday 102 (HOL) and Sycamore Lane Apartments (SYC) which contained numerous extreme departures from professional standards, including departures from generally accepted auditing standards.

Mr. Tremelling is subject to disciplinary action for repeated negligent acts in that Mr. Tremelling performed audits for HOL and SYC which contained numerous extreme departures from professional standards, including departures from generally accepted auditing standards.

Mr. Tremelling is subject to disciplinary action for willfully failing to provide information in audit documentation. Mr. Tremelling's audit documentation did not include dates of preparation, conclusions, or preparer and reviewer information.

Mr. Tremelling is subject to disciplinary action for willfully failing to issue a report which conforms to professional standards upon completion of an audit of financial statements.

Mr. Tremelling's HOL and SYC audit documentation does not support his unqualified opinions in the audit.

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Mr. Tremelling is subject to disciplinary action for willfully failing to comply with professional standards, including departures from generally accepted auditing standards. Also Mr. Tremelling's HOL and SYC audit documentation does not support his unqualified opinions in the audit.

Mr. Tremelling is subject to disciplinary action for willfully failing to provide certificates of completion of CE courses. Mr. Tremelling is subject to disciplinary action for failing to comply with peer review requirements. Mr. Tremelling is subject to disciplinary action for willfully practicing under a name not registered with the CBA. Mr. Tremelling is subject to disciplinary action for willfully practicing public accountancy without a valid permit.

CBA Actions:

Revocation stayed with three year's probation, via stipulated settlement.

Mr. Tremelling shall reimburse the CBA \$15,000.00 for its investigation and prosecution costs. Payments shall be made on a quarterly basis, due at the same time as the quarterly written reports. The final payment is due 12 months before the probation is scheduled to terminate.

Mr. Tremelling shall submit to the CBA or its designee for its prior approval a plan of practice that shall be monitored by another CPA or PA who provides periodic reports to the CBA or its designee.

Mr. Tremelling shall pay all costs for such monitoring. The plan shall be submitted within 30 days of the effective date of the CBA's decision and order.

Mr. Tremelling shall complete four hours of CE in ethics. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Tremelling shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing. During the period of probation, all audit, review and compilation reports and work papers shall be subject to peer review by a CBA-recognized peer review program provider.

The specific engagements to be reviewed shall be at the discretion of the peer reviewer. The peer review shall be completed within a period of time designated and specified in writing by the CBA or its designee, which time frame shall be incorporated as a condition of this probation. Within 45 days of the peer review report being accepted by a CBA-recognized peer review program provider,

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Mr. Tremelling shall submit to the CBA a copy of the peer review report.

Mr. Tremelling shall complete 16 hours of CE in accounting and auditing each year.

Mr. Tremelling is on probation. The hours shall be completed by June 30 of each year of probation and are in addition to the CE requirements for relicensing.

Mr. Tremelling shall maintain an active license status. During the period of probation, if the Mr. Tremelling undertakes an audit, review or compilation engagement, the Mr. Tremelling shall submit to the CBA as an attachment to the required quarterly report a listing of the same.

Mr. Tremelling shall pay to the CBA an administrative penalty in the amount of \$2,500.00. The payment shall be made within 90 days of the date the effective date of the CBA's decision and order.

Other standard terms of probation.

3. AC-2014-21 Jung, Seok Yong Effective April 24, 2016
Accusation No. AC-2015-21 contains the following allegations:

Ms. Jung is subject to disciplinary action in that Ms. Jung failed to file or pay her federal or state taxes for tax years 2010, 2011, and 2012 until August 2013, just days after the CBA requested copies of her tax returns.

Ms. Jung is subject to disciplinary action in that Ms. Jung failed to comply with the following professional standards: 26 U.S. Code section 7201; Title 31 Internal Revenue Service (IRS) Circular 230 section 10.51; IRS Publication 17; California Revenue and Taxation Code- Failure to Report-section 40186; American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct .01 Rule 501.88 501-7; and AICPA Code of Professional Conduct section 54 Article III.

Ms. Jung is subject to disciplinary action in that Ms. Jung made false statements to the CBA during its investigation.

CBA Actions:

Revocation stayed with three years' probation, via stipulated settlement.

Ms. Jung shall reimburse the CBA \$9,852.00 for its investigation and prosecution costs. Payments shall be made on a quarterly basis, due at the same time as the quarterly written reports. The final payment is due six months before the probation is scheduled to terminate.

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Ms. Jung shall complete four hours of CE in ethics. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Ms. Jung shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Ms. Jung shall complete eight hours of CE in IRS Circular 230 requirements and eight hours of CE in Individual Federal and California State Tax Return Preparation. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Ms. Jung shall maintain an active license status and shall pay to the CBA an administrative penalty in the amount of \$1,000.00. The payment shall be made within 90 days of the date the CBA's decision is final.

4. AC-2015-53 Nixon, Jimmie Fate Effective April 24, 2016
Accusation No. AC-2015-53 contains the following allegations:

Mr. Nixon is subject to disciplinary action for unprofessional conduct in that Mr. Nixon was convicted of crimes substantially related to the duties, responsibilities and qualifications of a certified public accountant.

Mr. Nixon is subject to disciplinary action in that Mr. Nixon willfully violated BPC section 5063 by failing to report his arrest and conviction to the CBA within 30 days of Mr. Nixon's conviction on March 14, 2013.

CBA Actions:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Nixon's CPA license number, CPA 96493 is suspended for four months.

Mr. Nixon shall reimburse the CBA \$4,179.00 for its investigation and prosecution costs. Payments shall be made on a quarterly basis, due at the same time as the quarterly written reports. The final payment is due six months before the probation is scheduled to terminate.

Mr. Nixon shall complete four hours of CE in ethics. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

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Mr. Nixon shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the CBA's decision and order.

Mr. Nixon shall comply with procedures by the CBA or its designee regarding notification to, and management, of clients.

Mr. Nixon shall undergo and continue treatment by a licensed psychotherapist of Mr. Nixon's choice and approved by the CBA or its designee until the treating psychotherapist certifies in writing in a report to the CBA or its designee that treatment is no longer necessary.

Mr. Nixon shall have the treating psychotherapist submit reports to the CBA at intervals determined by the CBA or its designee, be responsible for costs of treatment and reports, and maintain an active license status.

5. AC-2015-70 Meadows, Norman Lemont Effective April 24, 2016
Accusation No. AC-2015-70 contains the following allegations:

Mr. Meadows is subject to disciplinary action in that Mr. Meadows engaged in the practice of public accountancy when his permit to practice public accountancy was expired.

Mr. Meadows is subject to disciplinary action in that Mr. Meadows performed an audit of the Sterling Group, Inc. 401 (k) Plan (The Plan) for the year ended December 31, 2011, and issued an auditor's report, but failed to maintain audit documentation as required.

Mr. Meadows is subject to disciplinary action in that Mr. Meadows performed an audit of *The Plan* for the year ended December 31, 2011, and issued an auditor's report. However, Mr. Meadows failed to have a peer review of his accounting and auditing practice accepted by a CBA-recognized peer review program.

Mr. Meadows is subject to disciplinary action in that Mr. Meadows engaged in the practice of public accountancy in Montana by performing attest services for The Sterling Group, Inc., which has its home office in Montana, when Mr. Meadows's firm was not registered with the Montana CBA of Public Accountants.

CBA Actions:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Meadows shall reimburse the CBA \$2,500.00 for its investigation and prosecution costs. The payment shall be made in quarterly payments (due with

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the quarterly written reports), the final payment being due one year before probation is scheduled to terminate.

Mr. Meadows shall complete four hours of CE in ethics. The hours shall be completed within 12 months of the date the CBA's decision is final and are in addition to the CE hours required for relicensing.

Mr. Meadows shall complete a CBA-approved Regulatory Review course. The hours shall be completed within 12 months of the date the CBA's decision is final and are in addition to the CE hours required for relicensing.

Mr. Meadows shall pay to the CBA an administrative penalty in the amount of \$2,500.00. The payment shall be made within 90 days of the date of the CBA's decision.

Mr. Meadows shall maintain an active license status.

Mr. Meadows shall not engage in and shall be restricted from performing audits, reviews, compilations, or attestation services.

After the completion of probation, Mr. Meadows shall be permanently restricted from engaging in and performing any audits, reviews, compilations, or attestation services. This condition shall continue until such time, if ever, that he successfully petitions the CBA for the reinstatement of the ability to perform audits, reviews, compilations, or attestation services.

6. AC-2016-16 Jasper, Carol W. Effective April 24, 2016
Accusation No. AC-2016-16 contains the following allegations:

Mr. Jasper is subject to disciplinary action in that Mr. Jasper was disciplined by the SEC.

Mr. Jasper is subject to disciplinary action in that Mr. Jasper's right to practice before a governmental body was suspended.

Mr. Jasper is subject to disciplinary action in that Mr. Jasper willfully violated BPC section 5063 by failing to report the SEC discipline to the CBA in writing within 30 days.

CBA Actions:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Jasper's certified public accountant certificate is suspended for 90 days. Mr. Jasper shall reimburse the CBA \$4,323.61 for its costs of investigation and

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prosecution costs. The payment shall be made within 30 days of the date the CBA's decision becomes final.

Mr. Jasper shall complete four hours of CE in ethics. The hours shall be completed within 12 months of the date the CBA's decision becomes final, and are in addition to the CE requirements for relicensing.

Mr. Jasper shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the date the CBA's decision becomes final, and are in addition to the CE requirements for relicensing.

Mr. Jasper shall maintain an active license status and comply with the CBA's procedure for providing notice to clients regarding cessation or suspension of practice.

- Medlen & Associates, LLP,
Medlen, Daniel Lee JR.
7. AC-2015-37 Effective April 24, 2016
Accusation No. AC-2015-37 contains the following allegations:

Mr. Medlen and Medlen & Associates, LLP (Associates) are subject to disciplinary action in that Mr. Medlen and Associates committed gross negligence when they caused client C.E. to be assessed a penalty by the United States IRS.

Mr. Medlen and Associates are subject to disciplinary action in that during the period from September 1, 2012 to February 28, 2013, Mr. Medlen and Associates practiced public accountancy by holding themselves out to the public as a CPA and CPA firm, while their licenses were invalid.

Mr. Medlen and Associates are subject to disciplinary action in that they misled the public in believing that their licenses were valid from September 1, 2012 to February 26, 2013.

Mr. Medlen and Associates are subject to disciplinary action in that Medlen & Associates, LLP was not validly registered from September 1, 2012 when its only licensed partner's individual license expired and was not renewed until April 21, 2015.

Mr. Medlen and Associates are subject to disciplinary action in that Medlen & Associates, LLP did not qualify as a registered firm with the CBA from September 1, 2012 when its only licensed partner's individual license expired and was not renewed until April 21, 2015.

Mr. Medlen and Associates are subject to disciplinary action in that Mr. Medlen and Associates failed to respond to the CBA's request for information regarding C.E.'s allegations, and questions regarding their practice.

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accountancy or in the performance of the bookkeeping operations described in BPC section 5052.

Mr. Taylor is subject to disciplinary action in that Mr. Taylor willfully violated rules and regulations promulgated by the CBA under the authority granted under the BPC.

Mr. Taylor is subject to disciplinary action in that Mr. Taylor committed fiscal dishonesty.

Mr. Taylor is subject to disciplinary action in that Mr. Taylor knowingly prepared, publicized, or disseminated false, fraudulent, or materially misleading financial statements, reports, and information.

Mr. Taylor is subject to disciplinary action in that Mr. Taylor engaged in conduct constituting embezzlement, theft, misappropriation of funds or property, or obtained money, property, or other valuable consideration by fraudulent means or false pretenses.

Mr. Taylor is subject to disciplinary action in that he failed to report his conviction.

CBA Actions:

Revocation of CPA License, via default decision.

10. AC-2015-100 Andrade, Anthony Lee Effective April 24, 2016
Accusation No. AC-2015-1 00 contains the following allegations:

Mr. Andrade is subject to disciplinary action because he engaged in the practice of public accountancy without a valid permit. After Mr. Andrade failed to renew his certificate, he represented several clients, completed tax returns, and completed an attest engagement.

Mr. Andrade is subject to disciplinary action because he willfully violated a rule promulgated by the CBA by failing to participate in a peer review program within the required time frame.

Mr. Andrade failed to have a peer review report accepted by a CBA-recognized peer review provider within 18 months of completing the attest engagement.

Mr. Andrade is subject to disciplinary action because he willfully violated a rule promulgated by the CBA by failing to enroll his firm with a CBA-recognized peer review program provider.

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Mr. Andrade is subject to disciplinary action because he willfully violated a rule promulgated by the CBA by failing to respond to a CBA inquiry.

CBA Actions:

Revocation of CPA License, via default decision.

11. AC-2016-47 Harner, Edward Lai Effective April 24, 2016

Accusation No. AC-2016-47 contains the following allegations:

Mr. Harner is subject to disciplinary action in that Mr. Harner was convicted of a crime substantially related to the qualifications, functions and duties of a certified public accountant or a public accountant.

Mr. Harner is subject to disciplinary action in that Mr. Harner failed to report his September 11, 2013, felony conviction.

CBA Actions:

Revocation of CPA License, via default decision.

12. AC-2015-44 Moe, Robert Emil Effective April 24, 2016

Accusation No. AC-2015-44 contains the following allegations:

Mr. Moe is subject to disciplinary action in that Mr. Moe engaged in gross negligence and/or repeated acts of negligence evidencing a violation of applicable professional standards and indicating a lack of competency in the practice of public accountancy or in the performance of bookkeeping operations.

Mr. Moe is subject to disciplinary action in that Mr. Moe issued reports with an unqualified opinion which was unsupported by audit documentation and which failed to conform to professional standards upon completion of a compilation, review or audit of financial statements.

Mr. Moe is subject to disciplinary action in that Mr. Moe failed to maintain audit documentation sufficient to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, extent, and results of the auditing or other procedures performed, evidence obtained and conclusions reached, and to determine the identity of the persons who performed and reviewed the work.

Mr. Moe is subject to disciplinary action in that Mr. Moe failed to enroll in and obtain a peer review as required.

CBA Actions:

Revocation stayed with three years' probation, via stipulated settlement.

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Mr. Moe shall reimburse the CBA \$7,938.13 for its investigation and prosecution costs. Payments shall be made on a quarterly basis, due at the same time as the quarterly written reports. The final payment is due 12 months before the probation is scheduled to terminate.

Mr. Moe shall complete four hours of CE in ethics. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Moe shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Mr. Moe shall complete 24 hours of CE in accounting and auditing. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing. Mr. Moe shall maintain an active license status.

Mr. Moe shall pay to the CBA an administrative penalty in the amount of \$2,500.00. The payment shall be made within 180 days of the effective date of the CBA's decision and order.

During the period of probation, Mr. Moe shall not engage in and shall be prohibited from performing any audit services, but may still perform compilations, reviews and other attestation services. After the completion of probation, Mr. Moe shall be permanently prohibited from engaging in and performing any audit services. This condition shall continue until such time, if ever, that he successfully petitions the CBA for the reinstatement of the ability to perform audit services.

John D. Stoller, CPA, Inc.,
13. AC-2015-49 Stoller, John David Effective April 24, 2016
Accusation No. AC-2015-49 contains the following allegations:

Mr. Stoller and John D. Stoller, CPA, Inc., (Corporation) are subject to disciplinary action in that on or about June 19, 2013 and November 26, 2013, Mr. Stoller and Corporation willfully practiced public accountancy and Mr. Stoller held himself out as a CPA without a valid license.

Mr. Stoller and Corporation are subject to disciplinary action in that the Corporation license expired on June 1, 2011; however, the Corporation continued to operate the firm of *John D. Stoller, CPA, INC.*, as evidenced by Mr. Stoller's and the Corporation's website, correspondence to the CBA, and tax returns. From at least June 19, 2013, and thereafter, Mr. Stoller and Corporation

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knowingly and willingly practiced under the name of *John D. Stoller, CPA, INC.*, while the firm was in a delinquent status with the CBA.

Mr. Stoller is subject to disciplinary action in that Mr. Stoller was issued a citation order for failing to complete the requisite CE hours for an active license. Mr. Stoller paid the administrative fine; however, he has yet to submit to the CBA any of the requisite CE.

Mr. Stoller is subject to disciplinary action in that Mr. Stoller on and after June 19, 2013, advertised or used other forms of solicitation which were false, fraudulent, or misleading, by using and advertising of *John D. Stoller, CPA, INC.*, while in a delinquent status and holding himself out as a CPA.

CBA Actions:

Surrender of CPA license, via stipulated settlement.

Mr. Stoller and Corporation shall pay the CBA for its costs of investigation and enforcement in the amount of \$12,091.18 prior to issuance of a new or reinstated license.

14. AC-2015-96 Jerassy-Etzion, Yaniv Effective April 24, 2016
Accusation No. AC-2015-96 contains the following allegations:

Mr. Jerassy-Etzion is subject to disciplinary action in that Mr. Jerassy-Etzion was disciplined by the Nevada State CBA of Accountancy (Nevada CBA).

Mr. Jerassy-Etzion is subject to disciplinary action in that Mr. Jerassy-Etzion failed to report to the CBA that he had been disciplined by the Nevada CBA.

Mr. Jerassy-Etzion is subject to disciplinary action in that during an investigation, several sources were discovered, including Mr. Jerassy-Etzion's company website, his Curriculum Vitae, and a CPA directory that showed that Mr. Jerassy-Etzion continues to hold himself out as a California licensed Certified Public Accountant, when in fact, his license expired on January 31, 2011.

Mr. Jerassy-Etzion is subject to disciplinary action in that Mr. Jerassy-Etzion failed to report to the CBA that he had been disciplined by the Nevada CBA and that his Nevada Certified Public Accountant's Certificate was placed on probation for five years.

Mr. Jerassy-Etzion subject to disciplinary action in that Mr. Jerassy-Etzion failed to respond to CBA inquiries sent on November 25, 2014, January 8, 2015, and February 17, 2015.

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Mr. Jerassy-Etzion is subject to disciplinary action in that Mr. Jerassy-Etzion failed to notify the CBA of a change in his address of record within 30 days after the change.

Mr. Jerassy-Etzion is subject to disciplinary action in that Mr. Jerassy-Etzion failed to comply with a citation containing an assessment of an administration fine.

CBA Actions:

Surrender of CPA license, via stipulated settlement.

Mr. Jerassy-Etzion shall pay the CBA for its costs of investigation and enforcement in the amount of \$4,076.88 prior to issuance of a new or reinstated license.

15. AC-2016-5 Hickey, James Edmond Jr. Effective April 24, 2016
Accusation No. AC-2016-5 contains the following allegations:

Mr. Hickey is subject to disciplinary action in that Mr. Hickey secured his license by fraud, deceit, knowing misrepresentation of fact or by knowingly omitting to state a material fact.

Mr. Hickey is subject to disciplinary action in that Mr. Hickey willfully made false and misleading statements regarding his CE.

CBA Actions:

Surrender of CPA license, via stipulated settlement.

Mr. Hickey shall pay the CBA \$5,551.35 for its investigation and enforcement costs prior to the issuance of a new or reinstated license.

16. AC-2013-10 Oberly, Franklin L. Effective April 24, 2016
Petition to Revoke Probation No. D1-2013-1 0 contains the following allegations:

Mr. Oberly's probation is subject to revocation in that Mr. Oberly failed to submit quarterly reports due April 10, 2015; July 10, 2015; and October 10, 2015.

Mr. Oberly's probation is subject to revocation in that Mr. Oberly has failed to renew his expired CPA license.

Mr. Oberly's probation is subject to revocation in that Mr. Oberly has failed to comply with the CBA's probation terms.

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CBA Actions:

Surrender of CPA license, via stipulated settlement.

In a prior disciplinary action titled In the Matter of the Accusation against Franklin L. Oberly, before the CBA as Case No. AC-2013-10, that became effective on or about November 2, 2013, Mr. Oberly stipulated and agreed to reimburse the CBA \$5,254.68 for its costs of investigation and prosecution.

Mr. Oberly has reimbursed the CBA \$2,627.54, and shall pay the CBA the balance of \$2,627.14 prior to issuance of a new or reinstated license.

Sanborn and Sanborn Accountancy,
17. AC-2015-83 Sanborn, Kelly Max Effective April 24, 2016
Accusation No. AC-2015-83 contains the following allegations:

Mr. Sanborn and Sanborn Accountancy Corporation (Corporation) is subject to disciplinary action in that Mr. Sanborn practiced public accountancy and/or help itself out as an accountancy corporation while its sole shareholder, Mr. Sanborn's individual CPA license was- expired and invalid.

Mr. Sanborn is subject to disciplinary action in that Mr. Sanborn practiced public accountancy by holding himself out to the public as a CPA, while his license was expired and invalid.

Mr. Sanborn and Corporation are subject to disciplinary action in that Mr. Sanborn and Corporation failed to submit to the CBA a copy of the failed Peer Review Report within 45 days from the date the report was accepted by the peer review program provider.

Mr. Sanborn and Corporation are subject to disciplinary action in that Mr. Sanborn and Corporation failed to notify the CBA that they had been expelled or terminated from CalCPA's Peer Review Program effective January 17, 2014.

Mr. Sanborn is subject to disciplinary action in that Mr. Sanborn failed to respond to Investigative CPA M.W.'s request for information dated May 21, 2014.

CBA Actions:

Revocation stayed with three years' probation, via stipulated settlement.

Mr. Sanborn shall reimburse the CBA \$10,350.48 for its investigation and prosecution costs. Payments shall be made on a quarterly basis, due at the same time as the quarterly written reports. The final payment is due six months before the probation is scheduled to terminate.

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Mr. Sanborn shall complete four hours of CE in ethics. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Sanborn shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Mr. Sanborn shall provide the CBA with documentation to the satisfaction of the CBA that they have enrolled with a CBA-approved peer review program provider. The documentation shall be provided within 30 days of the effective date of the CBA's decision and order.

Mr. Sanborn shall undergo and complete a peer review by July 31, 2016. Mr. Sanborn shall complete sixteen hours of CE in accounting and auditing. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Sanborn shall maintain an active license status and pay to the CBA an administrative penalty in the amount of \$2,500.00. The payment shall be made within 90 days of the effective date of the Decision and Order. During the period of probation, submit a listing of any audit, review or compilation performed and submit to the CBA as an attachment to the required quarterly report.

Fiscal/Economic Impact Considerations

There are no fiscal/ economic impact considerations.

Recommendation

Staff does not have a recommendation on this agenda item.