



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

**EAC MEETING  
NOTICE & AGENDA**

**Thursday, October 22, 2015  
9:00 a.m. – 5:00 p.m.**

Marriott Los Angeles Burbank Airport  
2500 N. Hollywood Way  
Burbank, CA 91505  
Telephone: (818) 843-6000

- 9:00 – 9:05 I. Roll Call and Call to Order (**Jeffrey De Lyser, Chair**).
- 9:05 – 9:20 II. Report of the Committee Chair (**Jeffrey De Lyser, Chair**).
- A. Review of Proposed 2016 Meeting Dates.  
B. Approval of the July 9, 2015 EAC Meeting Minutes.
- 9:20 – 9:35 III. Report of the CBA Liaison (**Herschel Elkins**).
- A. Report of the September 17-18, 2015 CBA and Committee Meetings.
- 9:35 – 10:00 IV. Report of the Enforcement Chief (**Dominic Franzella**).
- A. Enforcement Activity Report.  
B. Report on Accusations and Final Disciplinary Orders Effective June 16, 2015 to September 25, 2015.
- 10:00 – 10:05 V. Public Comments for Items not on the Agenda.
- 10:05 – 11:30 VI. Review Enforcement Files on Individual 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.]**

**LUNCH**

- 1:00 – 5:00 VII. Conduct Closed Hearings.  
**[The Committee 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.

Please note: Action may be taken on any item on the agenda. All times are approximate. In accordance with the Bagley-Keene Open Meetings 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 her 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. (Government Code sec.11125.7(a)). 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 Nightingale at (916) 561-1723, or by email at [anightingale@cba.ca.gov](mailto:anightingale@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 Nightingale, Management Services Technician  
(916) 561-1723 or [anightingale@cba.ca.gov](mailto:anightingale@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 <http://www.dca.ca.gov/cba/calendar.shtml>.



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**EAC Item II.A.**  
October 22, 2015

## **Review of Proposed 2016 Meeting Dates**

**Presented by:** Jeffrey De Lyser, CPA, Enforcement Advisory Committee Chair

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### **Purpose of the Item**

The purpose of this agenda item is to present the Enforcement Advisory Committee (EAC) with proposed EAC meeting dates for 2016.

### **Action(s) Needed**

The EAC may choose to adopt or modify the 2016 proposed meeting dates.

### **Background**

The 2016 California Board of Accountancy (CBA) meeting dates are as follows:

- January 21-22, 2016 – Southern California
- March 17-18, 2016 – Northern California
- May 19-20, 2016 – Southern California
- July 21, 2016 – Northern California
- September 15-16, 2016 – Southern California
- November 17-18, 2016 – Northern California

### **Comments**

The proposed EAC meeting dates for 2016 are:

- January 28, 2016 – Northern California
- May 5, 2016 – Southern California
- July 7, 2016 – Northern California
- October 20, 2016 – Southern California
- December 8, 2016 – Southern California

For the months January, May, and December, the PROC and EAC meet concurrently, with the EAC meeting on Thursdays and PROC on Fridays. At the August 21, 2015 meeting, the PROC adopted the following meeting dates:

## **Review of Proposed Meeting Dates for 2016**

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- January 29, 2016 – Northern California
- May 6, 2016 – Southern California
- August 19, 2016 – Northern California
- December 9, 2016 – Southern California

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic considerations.

### **Recommendations**

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

### **Attachment**

2016 Year-at-a-Glance CBA Calendar.

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**EAC Item II.B.**  
 October 22, 2015

**DEPARTMENT OF CONSUMER AFFAIRS**  
**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)**

**MINUTES OF THE**  
**JULY 9, 2015**  
**ENFORCEMENT ADVISORY COMMITTEE (EAC) MEETING**

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

I. Roll Call and Call to Order.

EAC Vice-Chair, Joseph Rosenbaum, CPA, called to order the regularly scheduled meeting of the EAC at 9:06 a.m. on July 9, 2015.

Members

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

CBA Members

Katrina Salazar, CPA, CBA Liaison

CBA Staff and Legal Counsel

Dominic Franzella, Chief, Enforcement Division  
 Paul Fisher, Supervising Investigative CPA  
 Dorothy Osgood, Supervising Investigative CPA  
 Tina MacGregor, Investigative CPA  
 Nancy Remberg, Investigative CPA  
 Jody Liang, Investigative CPA

Allison Nightingale, Enforcement Technician  
Malcolm Mitchell, Enforcement Analyst  
Carl Sonne, Deputy Attorney General (DAG), Department of Justice

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

A. Approval of the April 30, 2015 EAC Meeting Minutes.

**It was moved by Mr. Schwarz and seconded by Mr. Donnelly to approve the minutes of the April 30, 2015 EAC meeting.**

**Yes: Ms. Allanson, Mr. Best, Mr. Caine, Ms. Corrigan, Ms. Caras, Mr. Donnelly, Mr. Gilbert, and Mr. Schwarz.**

**No: None.**

**Abstain: Mr. Rosenbaum and Mr. McCulloch.**

**The motion passed.**

III. Report of the CBA Liaison (**Katrina Salazar, CBA Liaison**).

A. Report of the May 28-29, 2015 CBA and Committee Meetings.

Ms. Salazar provided the report for this agenda item. She reported that at the Joint meeting of the CBA and the Mobility Stakeholder Group, the National Association of State Boards of Accountancy presented their Guiding Principles of Enforcement, and Mr. Franzella provided a comparison of the principles to the CBA's Enforcement Practices.

Ms. Salazar also reported that the CBA reviewed the CBA committee liaison roles and determined that no changes were needed, as the liaisons ensure that the committees and the CBA are kept apprised of each other's activities. She also reported that the CBA delegated the adjournment of the committee meetings to the committee chairs. This delegation will ensure that the meeting can be adjourned without a motion or quorum of members.

Ms. Salazar reported that Ms. Bowers announced the lease for the CBA's new office was executed and the tentative date for relocation is August 2015.

Ms. Salazar reported that the CBA took positions on the following bills:

AB 750 – Neutral. AB 750 would authorize all Department of Consumer Affairs boards and bureaus to establish a retired license status through the regulatory process. The CBA also directed staff to work with the author's office on an amendment that will exempt the CBA from the bill, as one of the provisions of the bill states that the holder of a retired license shall not be required to renew that license and the CBA requires that a license placed in retired status be renewed every two years.

Ms. Salazar also reported that the CBA adopted a legislative proposal incorporating reference to Article 5.1 in section 5055, which would clarify that practice privilege holders may use the certified public accountant designation in California, and directed staff to submit the proposal to the Legislature for inclusion in the omnibus bill.

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

A. Enforcement Activity Report.

Mr. Franzella provided an overview of this item. He noted that CBA staff will provide an overview of the probation monitoring process at an upcoming CBA meeting.

Mr. Franzella gave an update on staffing and reported that the Discipline and Probation Monitoring Unit filled the two vacant Associate Governmental Program Analyst positions. He also reported that Dorothy Osgood filled the vacant Supervising Investigative CPA position.

B. Report on Accusations and Final Disciplinary Orders Effective April 3, 2015 to June 15, 2015.

Mr. Franzella reported that since the April 30, 2015 EAC meeting, the CBA has filed six accusations and taken six 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 October 22, 2015 at the Marriott-Los Angeles Burbank Airport.

Having no further business to conduct, the EAC general meeting adjourned at approximately 9:35 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.

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Joseph Rosenbaum, CPA, Vice-Chair  
Enforcement Advisory Committee

Prepared by: Allison Nightingale, Enforcement Technician

## California Board of Accountancy Enforcement Activity Report

Report as of July 31, 2015

### Complaints

Complaints/Records of Convictions	FY 2013/14	FY 2014/15	FY 2015/16 as of July 31, 2015
Received	3,255	2,702	148
<i>Internal – Peer Review (Failure to Respond)<sup>1</sup></i>	<i>1,481</i>	<i>0</i>	<i>0</i>
<i>Internal – Peer Review (Other)<sup>2</sup></i>	<i>411</i>	<i>449</i>	<i>7</i>
<i>Internal – All Other</i>	<i>969</i>	<i>1,799</i>	<i>98</i>
<i>External</i>	<i>394</i>	<i>454</i>	<i>43</i>
Assigned for Investigation	2,969	2,007	143
Closed – No Action	289	713	40
Average Days from Intake to Closure or Assignment for Investigation	4	4	7
Pending	0	0	25
Average Age of Pending Complaints (days)	0	0	9

<sup>1</sup> These complaints relate to licensees that failed to respond to multiple CBA requests to file the required peer review reporting form (PR-1) as part of the initial peer review phase-in period that occurred between July 1, 2011 and July 1, 2013.

<sup>2</sup> Peer Review (Other) 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.

- The California Board of Accountancy (CBA) has received 148 complaints since the beginning of the new fiscal year, including 43 complaints received from outside sources.
- The top internal complaint continues to be conviction of a crime. The top external complaint is tax related.

# California Board of Accountancy Enforcement Activity Report

Report as of July 31, 2015

## Investigations

Investigations	FY 2013/14	FY 2014/15	FY 2015/16 as of July 31, 2015
Assigned	2,969	1,953	143
<i>Internal – Peer Review (Failure to Respond)<sup>1</sup></i>	1,481	0	0
<i>Internal – Peer Review (Other)</i>	407	439	23
<i>Internal – All Other</i>	740	1,140	85
<i>External</i>	341	374	35
Closed	2,669	1,773	121
Average Days to Close	74	167	171
Total Investigations Pending	825	1,081	1,098
<i>&lt; 18 Months</i>	774	973	961
<i>18-24 Months</i>	42	69	99
<i>&gt; 24 Months</i>	9	39	38
Average Age of Open Cases (days)	202	222	233
Median Age of Open Cases (days)	153	126	135

<sup>1</sup> These investigations relate to licensees that failed 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 cases by length of time.

- The CBA has closed 121 investigations since the beginning of the fiscal year and the average age of open cases is 233 days.
- The CBA currently has 38 investigations, including 23 carried over from the last report, that have been pending over 24 months. These cases are the most complex investigations requiring additional time to resolve. The status of the investigations are as follows:
  - One case has an investigative hearing scheduled for September 2, 2015.
  - Three cases have an Attorney General (AG) report completed and are under supervisor review.
  - Seven cases have investigative reports ready for supervisor review.
  - Six cases have reports in process.
  - Three cases have had a pre-citation letter sent.
  - 18 investigations are on-going.

## California Board of Accountancy Enforcement Activity Report

Report as of July 31, 2015

### Discipline

Attorney General Referrals	FY 2013/14	FY 2014/15	FY 2015/16 as of July 31, 2015
Referrals	74	97	8
Accusations Filed	34	47	5
Statements of Issues Filed	8	9	0
Petitions for Revocation of Probation Filed	2	0	0
Closed	31	63	15
<i>Via Stipulated Settlement</i>	21	55	13
<i>Via Proposed Decision</i>	4	2	0
<i>Via Default Decision</i>	6	6	2
Discipline Pending	95	119	112
<i>&lt; 18 Months</i>	82	110	103
<i>18-24 Months</i>	10	4	5
<i>&gt; 24 Months</i>	3	5	4

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

- There are four cases pending at the AG's Office for more than 24 months, all of which have been carried over from the last report. 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.
  - One case has a settlement conference set for November 30, 2015.
  - One case has a hearing date set for May 2, 2016.
  - One case had a stipulated decision adopted, but did not take effect until August 29, 2015.

## California Board of Accountancy Enforcement Activity Report

Report as of July 31, 2015

### Citations and Fines

Citations	FY 2013/14	FY 2014/15	FY 2015/16 as of July 31, 2015
Total Citations Issued	1,522	348	23
Total Fines Assessed	\$399,020	\$119,387	\$12,250
Peer Review (Failure to Respond) <sup>1</sup>	1,481	0	0
<i>Peer Review Fines Assessed</i>	<i>\$370,250</i>	<i>\$0</i>	<i>\$0</i>
Other Citations	41	348	23
<i>Other Fines Assessed</i>	<i>\$28,770</i>	<i>\$119,387</i>	<i>\$12,250</i>
Other Fines Average	\$702	\$343	\$533
Average number of days from receipt of a complaint to issuance of a citation	33	142	157
Top 3 Violations Resulting in Citation			
1:	Response to CBA Inquiry (Reg 52)	CE Basic Requirements (Reg 87)	Fingerprinting & Disclosure (Reg 37.5)
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)	Name of Firm (BPC 5060)

<sup>1</sup> These citations relate to licensees that failed 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 current year average for number of days to issue a citation is higher than the two previous fiscal years due to the high volume and efficiency with which Peer Review (Failure to Respond) citations were issued.
- The Other Fines Average amount continues to be lower than in prior years. 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 Fingerprinting and Disclosure Requirements, CBA Regulations section 37.5, is currently the most common reason for issuance of a citation.

## California Board of Accountancy Enforcement Activity Report

Report as of July 31, 2015

### Probation Monitoring

Monitoring Activities	FY 2015/16 as of July 31, 2015
Number of Licensees on Probation as of Last Report	95
New Probationers	11
Total Number of Probationers	103
Out-of-State Probationers	9
Probation Orientations Held since Last Report	0

### Criminal Offender Record Information (CORI)

CORI Fingerprints <sup>1</sup>	FY 2014/15	FY 2015/16 as of July 31, 2015
Notification Letters Sent	19,715	1,636
CORI Compliances Received	11,971	1,115
Non-Compliance Notifications Sent (Audit)	742	44

CORI Enforcement Cases	FY 2014/15	FY 2015/16 as of July 31, 2015
Received	624	57
Assigned for Investigation	185	28
Closed – No Action	439	29
Non-Compliance Citations and Fines Issued	45	20
Referred to the Attorney General's Office	14	1

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

- Effective January 1, 2014, all licensees renewing their license 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.
- The fingerprint compliance rate has increased from 61 percent for fiscal year 2014/15 to 68 percent for the beginning of the current fiscal year.

# California Board of Accountancy Enforcement Activity Report

Report as of July 31, 2015

## **Mobility**

Enforcement Aspects of Mobility	FY 2014/15	FY 2015/16 as of July 31, 2015
Pre-Notification Forms Received	2	0
Cessation Event Forms Received	0	0
SEC Discipline Identified	27	12
PCAOB Discipline Identified	21	7
Out-of-State Accounting Firm Registrants That Reported Other Discipline	14	2
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.

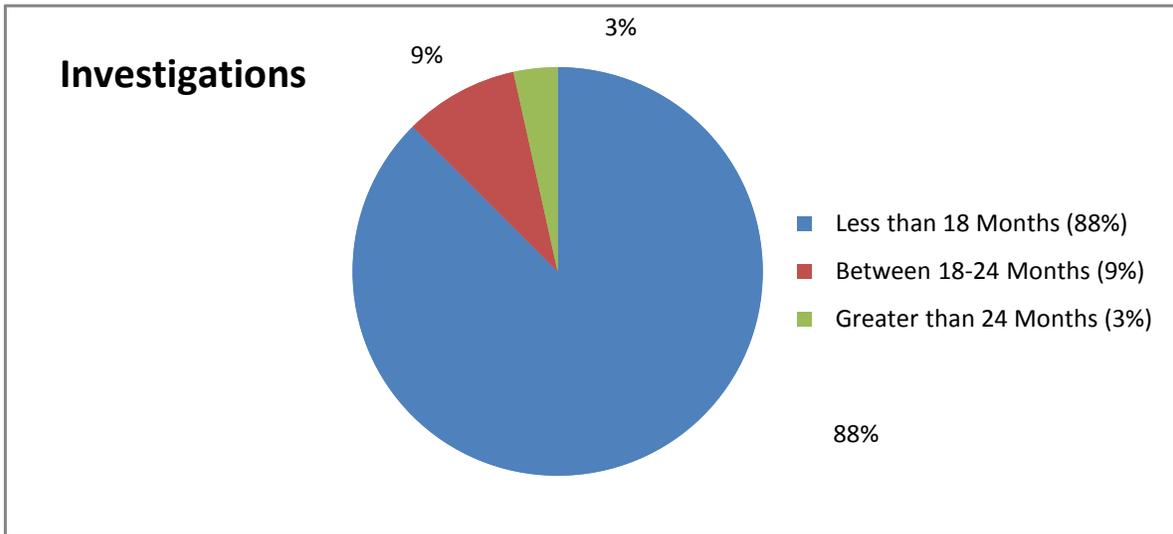
- The complaints against practice privilege holders include practice without permit, discipline by other states/governmental agencies, and practice complaints.
- Staff sends letters to all CPAs who were disciplined from either the Securities and Exchange Commission or the Public Company Accounting Oversight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

## **Division Highlights and Future Considerations**

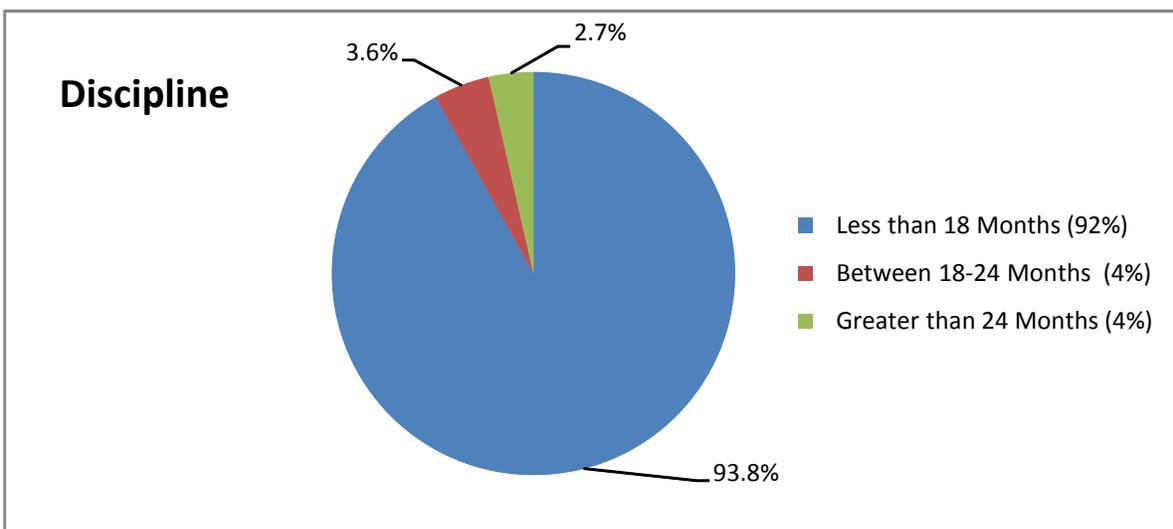
- Angela Wise joined the management team to oversee the Criminal Offender Record Information (CORI) Unit. The CORI Unit was created to coordinate the CBA's fingerprinting requirements.
- Malcolm Mitchell joined the management team to oversee the Discipline and Probation Monitoring Unit (DPM). The DPM Unit is tasked to perform initial caseload analysis and determine whether further investigation is required. The DPM Unit is also responsible for monitoring probation related caseloads.

**California Board of Accountancy  
Enforcement Activity Report**  
Report as of July 31, 2015

**Chart A – Open Investigations as of July 31, 2015**



**Chart B – Discipline Pending at the Attorney General Office as of July 31, 2015**





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**EAC Item IV.B**  
October 22, 2015

## **Report on Accusations Filed and Final Disciplinary Orders Effective June 16, 2015 – September 16, 2015**

**Presented by:** Dominic Franzella, Enforcement Chief

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### **Consumer Protection Objectives**

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 June 16, 2015 through September 16, 2015.

### **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**

Since the July 9, 2015 EAC meeting, the California Board of Accountancy (CBA) has filed 19 accusations and taken 26 disciplinary actions. All matters are listed below 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](http://www.cba.ca.gov).

### **Accusations Filed**

- Walker, Sam R./
1. AC-2014-16 Sam Walker CPA, Inc. Filed August 12, 2015  
The causes for discipline identified in the accusation include gross negligence, repeated acts of negligence, failure to comply with professional standards, repeated negligent acts, and practicing without a permit.

**Report on Accusations Filed and Final Disciplinary Orders  
Effective June 16, 2015 – September 16, 2015**

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- Kilian, Michael Jeppson/  
Kilian & Co CPAs

2. AC-2014-50 Filed September 1, 2015  
The causes for discipline identified in the accusation include gross negligence or repeated acts of negligence, failure to conform to professional standards, and failure to comply with audit documentation requirements.
- Coley, Reed Allen

3. AC-2014-59 Filed July 21, 2015  
The causes for discipline identified in the accusation include repeated acts of negligence or gross negligence, knowing preparation of false information, and failure to comply with standards.
- Takahashi, Christopher Satoshi/  
Takahashi Accountancy Corp

4. AC-2014-71 Filed July 14, 2015  
The causes for discipline identified in the 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 comply with peer review, failure to respond to CBA inquiry, willful violation of this chapter or any rule or regulation, and discipline of corporation.
- Mann, Peter Isaac/  
Mann Accountancy Corporation

5. AC-2015-18 Filed July 14, 2015  
The causes for discipline identified in the accusation include gross and repeated acts of negligence, report failing to conform to professional standards, failure to comply with professional standards, and failure to comply with peer review.
- Pappin, Richard G.

6. AC-2015-39 Filed June 22, 2015  
The causes for discipline identified in the accusation include failure to comply with the CBA's peer review program, failure to respond to CBA inquiry, fraud or deceit in obtaining license/permit/registration, and improper or illegitimate name of firm.
- Mosley, Carmen D./C. Mosely & Associates,  
An Accountancy Corporation, Carmen Denise Mosely,  
Sole Shareholder

7. AC-2015-43 Filed June 16, 2015  
The causes for discipline identified in the accusation include conviction of a substantially related crime, knowingly prepared false information, acts involving fiscal dishonesty, and failure to comply with citation order.
- Sonney, Jake R.

8. AC-2015-51 Filed June 24, 2015  
The causes for discipline identified in the accusation include convictions of substantially related crimes, and failure to report reportable events to the CBA.



## Report on Accusations Filed and Final Disciplinary Orders

Effective June 16, 2015 – September 16, 2015

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18. AC-2015-105 Shirley, Ronald C. Filed August 10, 2015

The causes for discipline identified in the accusation include convictions of substantially related crimes, failure to report convictions, and willful violation of the Accountancy Act.

19. AC-2016-4 Fierro, Alfonso Jr. Filed September 14, 2015

The causes for discipline identified in the accusation include criminal conviction for mail fraud, fiscal dishonesty, embezzlement and theft, failure to report criminal conviction, and failure to respond to CBA inquiry.

### Disciplinary Orders

1. AC-2013-6 Applewhite, Jeffrey Deshon Effective August 29, 2015

Accusation number AC-2013-6 contains the following allegations:

Mr. Applewhite is subject to disciplinary action in that he was convicted on April 28, 2014 of 20 felony counts of aiding and assisting preparation and presentation of false and fraudulent federal tax returns from on or about April 10, 2006 to on or about March 14, 2011. Mr. Applewhite was sentenced to serve 36 months in federal prison. He was also ordered to be on supervised release with standard and special conditions of supervision for one year upon release from imprisonment.

Grounds exist to revoke Mr. Applewhite's probation in that he did not comply with the following terms and conditions of his probation:

- Obey All Laws
- Cost Reimbursement
- Submit Written Reports
- Comply with Probation

CBA Actions:

Revocation of probation and CPA license, via a default decision.

2. AC-2014-55 Aylward, William Kevin Effective July 5, 2015

Accusation No. AC-2014-55 contains the following allegations:

Mr. Aylward is subject to disciplinary action in that he renewed his CPA certificate for the renewal period that ended on January 31, 2013, knowing that he had not completed the mandatory peer review.

Mr. Aylward is also subject to disciplinary action in that he failed to comply with CBA laws and regulations which required him to obtain a peer review no later than July 1, 2011, prior to the renewal of his CPA certificate.

**Report on Accusations Filed and Final Disciplinary Orders  
Effective June 16, 2015 – September 16, 2015**

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Mr. Aylward is subject to disciplinary action in that he failed to respond to the CBA's multiple requests for information regarding the status of his peer review.

CBA Actions:

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

Mr. Aylward shall reimburse the CBA \$3,000.25 for its investigation and prosecution costs.

Mr. Aylward shall be prohibited from providing audit, review, and compilation services until he provides proof that a peer review has been accepted by a Board-recognized peer review program provider.

Mr. Aylward shall complete four hours of CE in ethics. The course hours shall be completed by September 30, 2015, and are in addition to the CE hours required for relicensing.

Mr. Aylward shall complete a Board-approved Regulatory Review course. The course hours shall be completed by September 30, 2015, and are in addition to the CE hours required for relicensing.

During the period of probation, all audit, review, and compilations reports and work papers shall be subject to peer review by a Board-recognized peer review program provider at Mr. Aylward's expense. The peer review shall be completed by September 30, 2015.

Mr. Aylward shall complete and provide proper documentation of 16 hours of CE in accounting and auditing subject matter each year he is on probation for a total of 48 hours of CE during the three years of probation. The 16 hours of CE shall be completed by December 31st of each year of probation, and are in addition to CE hours for relicensing.

During the period of probation, if Mr. Aylward undertakes an audit, review, or compilation engagement, he shall submit to the CBA as an attachment to the required quarterly report a listing of the same. The CBA or its designee may select one or more from each category and the resulting report and financial statement and all related working papers must be submitted to the CBA or its designee upon request.

Mr. Aylward shall maintain an active status license.

Other standard terms of probation.

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3. AC-2014-44      Barak Richter & Dror CPAs      Effective April 26, 2015  
Acusation No. AC-2013-28 contains the following allegations:

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

Respondent is subject to disciplinary action in that Respondent engaged in unprofessional conduct by failing to comply with the order of correction on a citation issued by the CBA.

Respondent is subject to disciplinary action in that Respondent engaged in unprofessional conduct by failing to completely respond to an inquiry by the CBA within 30 days and/or by failing to provide true and accurate information in response to CBA's questions or other requests for information.

CBA Actions:

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

Respondent shall reimburse the CBA \$4,840.23 for its investigation and prosecution costs. The payment shall be made within 90 days of the effective date of the CBA's decision.

Respondent shall be prohibited from providing audit, review, and compilation services until Respondent provides proof that a peer review has been accepted by a Board-recognized peer review program provider.

During the period of probation, all audit, review, and compilation reports and work papers shall be subject to peer review by a Board-recognized peer review program provider at Respondent's expense. The peer review shall be completed by August 31, 2015.

During the period of probation, if the Respondent undertakes an audit, review, or compilation engagement, the Respondent shall submit to the CBA an attachment to the required quarterly report a listing of the same. The CBA or its designee may select one or more from each category and the resulting report and financial statement and all related working papers must be submitted to the CBA or its designee upon request.

Respondent shall pay to the CBA an administrative penalty in the amount of \$5,000.00. The payment shall be made within 90 days of the effective date of the CBA's decision.

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Respondent shall maintain an active status license.

Other standard terms of probation.

4. AC-2015-31      Barna, Christopher Lee      Effective July 5, 2015  
Accusation No. AC-2015-31 contains the following allegations:

Mr. Barna is subject to disciplinary action on grounds of unprofessional conduct based on a criminal conviction. On or about May 30, 2013, Mr. Barna pled guilty to violating 18 U.S.C. section 1344 (bank fraud), a class B felony, a crime substantially related to the qualifications, functions and duties of a certified public accountant. On or about December 12, 2013, Mr. Barna was sentenced to prison for 41 months followed by parole for 36 months. Mr. Barna's sentence includes payment of restitution in the amount \$1,016,505.90, and to forfeit to the United States all right, title, and interest to any and all assets subject to forfeiture pursuant to 18 U.S.C. section 982, subdivision (a)(2)(A), including, but not limited to, the real property located at 744 Monte Rosa Lane, Manteca, California.

Mr. Barna failed to report his felony conviction to the CBA within 30 days of the conviction.

Mr. Barna is subject to disciplinary action, in that he converted, stole, diverted, misappropriated, or embezzled money, property, or other valuable consideration by illegal conduct, fraudulent means, or false pretenses.

CBA Actions:

Surrender of CPA license, via stipulated settlement.

Mr. Barna shall pay the CBA for its costs of investigation and prosecution in the amount of \$3,392.82 prior to issuance of a new or reinstated license.

5. AC-2014-54      Bishop, Colleen E. Kelly      Effective August 29, 2015  
Accusation No. AC-2014-54 contains the following allegations:

Ms. Bishop subjected her license to disciplinary action in that on or about April 4, 2013, she was suspended from appearing or practicing before the Securities and Exchange Commission (SEC) as an accountant.

CBA Actions:

Surrender of CPA license, via stipulated settlement.

Ms. Bishop shall pay the CBA \$4,826.86 for its investigation and enforcement costs prior to the issuance of a new or reinstated license.

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6. AC-2015-6 Cassady, Dustin Scott Effective July 5, 2015  
Accusation No. AC-2015-9 contains the following allegations:

Mr. Cassady is subject to disciplinary action in that he pled guilty to violating 18 U.S.C. section 2252, subdivision (a)(2) (Receipt and Distribution of Material Involving the Sexual Exploitation of Minors), a class C felony, a crime substantially related to the qualifications, functions and duties of a CPA.

On or about January 29, 2013, Mr. Cassady was sentenced to prison for a total term of 72 months. Mr. Cassady was also ordered, upon his release from prison, to be on supervised release for a term of 120 months on certain conditions.

CBA Actions:

Surrender of CPA license, via stipulated settlement.

Mr. Cassady shall pay the CBA \$4,880.21 for its investigation and enforcement costs prior to the issuance of a new or reinstated license.

7. AC-2013-52 Chan, Sally Mi-Fong Effective July 5, 2015  
Accusation No. AC-2013-52 contains the following allegations:

Respondent Chan and Respondent Sachs Corporation are subject to disciplinary action in that they committed gross negligence and/or repeated acts of negligence, when they ignored the implications and failed to make reasonable inquiries related to the information provided by the taxpayer R.S. regarding his qualifying children for the Earned Income Tax Credit and failed to comply with applicable professional standards of diligence as to accuracy, standards with respect to tax returns and documents, affidavits and other papers, and standards for tax services.

Respondents practiced public accountancy using the name, Seymour H. Sachs, An Accountancy Corporation, without the firm having a valid license, and failed to report to the CBA any and all changes of address, corporate name and shareholders within 30 days of any such change.

Respondents provided false information to the CBA regarding Respondent Chan's role in the preparation of R.S.'s tax return and failed to comply with applicable professional standards of fees by charging an unconscionable fee in connection with a matter before the Internal Revenue Service (preparation of an individual tax return). R.S. paid \$1,250, which represents 11 percent of his gross income to Respondent to prepare and e-file a very simple tax return.

Respondent Chan is subject to disciplinary action in that Respondent committed gross negligence and/or repeated acts of negligence when she failed to respond

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and abandoned her client, P.T., by not fulfilling the mutual expectation that Respondent would timely complete P.T.'s 2011 and 2012 tax returns. Respondent failed to comply with applicable standards when she did not return P.T.'s and N.W.'s original records in a timely manner and when they were requested.

Respondent Chan is subject to disciplinary action in that Respondent practiced public accountancy using the unlicensed firm name of Sachs Palmeri Chan. Respondent Chan also advertised this unlicensed firm name on a business card and on her corporation letterhead, which was false, fraudulent, and/or misleading.

### CBA Actions:

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

Respondents' licenses are suspended for 60 days. During the period of suspension, Respondents shall engage in no activities for which certification as a CPA or Public Accountant (PA) is required as described in BPC section 5051.

Respondents shall reimburse the CBA \$25,000.00 for its prosecution costs. The payment shall be made in nine quarterly payments (due with quarterly written reports), with the final payment being due three months before the probation is scheduled to terminate. The first payment shall be due by January 10, 2016.

Respondent Chan shall complete a Board-approved Regulatory Review course. The course must be completed within six months of the CBA's decision and order, and the hours are in addition to the CE hours required for relicensing.

Respondent Chan shall complete 16 hours of CE courses in tax each year Respondent is on probation for a total of 48 hours of additional CE. The 16 hours of CE courses shall be completed by December 31st of each year of probation and are in addition to the CE hours required for relicensing.

Respondents shall comply with procedures provided by the CBA regarding notification to clients and management of clients related to Respondents' suspension.

Other standard terms of probation.

8. AC-2015-27      Crawford, Scott McNeil      Effective August 29, 2015  
Accusation No. AC-2015-27 contains the following allegations:

Mr. Crawford is subject to disciplinary action in that he failed to furnish records to clients upon request and reasonable notice.

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Mr. Crawford is subject to disciplinary action in that he engaged in the practice of public accountancy without holding a valid permit issued by the CBA.

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

Mr. Crawford is subject to disciplinary action in that he failed to respond to numerous CBA inquiries.

Mr. Crawford is subject to disciplinary action in that he advertised and/or used other forms of solicitation in a false, fraudulent, and/or misleading manner.

Mr. Crawford is subject to disciplinary action in that he failed to comply with two citations issued by the CBA.

CBA Actions:

Revocation of CPA License, via default decision.

9. AC-2014-73 Cummings, Keith Roger Effective , 2015

Accusation No. AC-2014-73 includes the following allegations:

Mr. Cumming's license is subject to disciplinary action in that he submitted false statements in obtaining his license renewal for the renewal periods ending March 31, 2010, and March 31, 2012.

Mr. Cummings was subject to peer review requirements beginning at or about February 2010, due to the routine nature of Respondent's work for H.H. for the issuance of financial statements. Mr. Cummings failed to have a peer review report accepted by a Board-recognized peer review program once every three years and within 18 months of the date he completed services for the first time. Mr. Cummings never obtained a peer review and falsely stated on his March 26, 2012 license renewal application that he was in compliance with peer review requirements.

In both of Mr. Cummings' renewal applications, Mr. Cummings falsely stated that he was not subject to accounting and auditing and fraud CE.

Mr. Cummings committed gross negligence and/or repeated negligent acts in his performance of compilation engagements for several clients from on or about April 18, 2008 to August 28, 2013, that departed extremely from professional standards.

Mr. Cummings failed to provide true and accurate information and responses to the CBA.

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CBA Actions:

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

Mr. Cummings shall reimburse the CBA \$17,618.29 for its investigation and prosecution costs. The payment shall be made in 10 quarterly payments (due with written quarterly reports), with the final payment being due six months before probation is scheduled to terminate.

Within 30 days of the effective date of the Decision, Mr. Cummings shall provide the CBA for its prior approval a plan of practice that shall be monitored by another CPA or PA who provides periodic reports to the CBA. Mr. Cummings shall pay all costs for such monitoring.

During the period of probation, all audit, review and compilation reports and work papers shall be subject to peer review by a Board-recognized peer review program provider.

During the period of probation, Mr. Cummings shall complete eight hours of fraud CE and 24 hours of accounting and auditing CE. These hours shall be in addition to the hours required for relicensing.

Mr. Cummings shall complete four hours of ethics CE and a two-hour Board-approved Regulatory Review course within 180 days of the date of the CBA's Order. These hours shall be in addition to the hours required for relicensing.

Mr. Cummings shall maintain an active license.

Other standard terms of probation.

### 10. AC-2014-22 Ernst & Young LLP Effective April 26, 2015

Accusation No. AC-2014-22 contains the following allegations:

Ernst & Young LLP is subject to disciplinary action in that on or about February 8, 2012, the PCAOB imposed disciplinary sanctions against Ernst & Young LLP. Specifically, the PCAOB ordered, in pertinent part, that Ernst & Young LLP was censured. Additionally, the PCAOB imposed a civil money penalty in the amount of \$2,000,000. The PCAOB imposed sanctions on Ernst & Young LLP on the basis of finding that Ernst & Young LLP violated PCAOB rules and auditing standards related to the Ernst & Young LLP's audits of the December 31, 2005, 2006, and 2007 financial statements of Medicis Pharmaceutica Corporation (Company), as well as consultation concerning the Company's accounting for product returns stemming from Ernst & Young LLP's Audit Quality Review of the December 31, 2005 audit in 2006 (the 2006 AQR) for the Company.

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Ernst & Young LLP is subject to disciplinary action in that on or about July 14, 2014, the SEC imposed disciplinary sanctions against Ernst & Young LLP. The SEC ordered that Ernst & Young LLP shall cease and desist from committing or causing any violations and any future violations of Rule 2-02(b)(1) of Regulations S-X, Section 13(a) of the Exchange Act, and Rule 13a-1 promulgated thereunder; Ernst & Young LLP was censured; and Ernst & Young LLP shall, within ten (10) days of the issuance of its order, pay disgorgement of \$1,240,000, together with prejudgment interest thereon of \$351,925.98, and a civil money penalty of \$2,480,000, for a total of \$4,071,925.98 to the U.S. Treasury.

CBA Actions:

30-day suspension stayed with 18 months' probation, via stipulated settlement.

Ernst & Young LLP shall comply with all requirements imposed by the PCAOB in its February 8, 2012 Order and report such compliance in its quarterly written reports submitted to the CBA.

Ernst & Young LLP shall comply with all requirements imposed by the SEC in its July 14, 2014 Order and report such compliance in its quarterly written reports submitted to the CBA.

Ernst & Young shall maintain an active license.

Within 15 days of the effective date of the CBA's order, Ernst & Young LLP shall disseminate the Stipulated Settlement and Disciplinary Order to all of its professional personnel located in California, and shall confirm such dissemination in writing to the CBA.

Ernst & Young LLP shall pay an administrative penalty in the amount of \$600,000. Payment shall be made to the CBA within 60 days of the effective date of the order.

Ernst & Young LLP shall reimburse the CBA a sum not to exceed \$100,000 for its investigation and prosecution costs, including those costs associated with probation monitoring. The CBA will periodically present Ernst & Young LLP with a certified statement of costs to date, including additional costs incurred during probation, and Ernst & Young LLP shall pay those costs to the CBA within 30 days thereafter. If costs are billed after the completion of the probationary period, the obligation to pay the costs shall continue, but the probation shall not be extended thereby.

Other standard terms of probation.

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11. AC-2013-42                      Gutentag, Mark Steven                      Effective July 5, 2015

Accusation No. AC-2013-42 contains the following allegations:

Mr. Gutentag, while a partner in Warner, Corbett & Gutentag, received commissions for recommending an investment with Diversified Lending Group (DLG). Mr. Gutentag failed to notify 27 clients in writing that he was receiving commissions for recommending an investment with DLG. In total, Mr. Gutentag received between \$750,000 and \$900,000 in undisclosed commissions.

CBA Actions:

Revocation stayed with three years' probation, via proposed decision.

Mr. Gutentag shall reimburse the CBA \$15,676 for its investigation and prosecution costs. The payment shall be made in quarterly payments (due with quarterly written reports) with the final payment being due one year before probation is scheduled to terminate.

Other standard terms of probation.

12. AC-2015-45                      Hradowy, Edward John                      Effective July 5, 2015

Accusation No. AC-2015-45 contains the following allegations:

Mr. Hradowy is subject to disciplinary action in that he willfully failed to respond to multiple CBA inquiries.

Mr. Hradowy is subject to disciplinary action in that he failed to comply with a final citation.

CBA Actions:

Revocation of CPA License, via default decision.

13. AC-2015-10                      Jorgensen, Ryan Daniel                      Effective April 26, 2015

Accusation No. AC-2015-10 contains the following allegations:

Mr. Jorgensen is subject to disciplinary action in that he was convicted of a crime that evidences present or potential unfitness to perform the functions authorized by his certificate or permit in a manner consistent with the public health, safety, or welfare.

On or about March 11, 2013, Mr. Jorgensen was convicted of aggravated assault, a class 3 felony, on his plea of guilty. On or about May 20, 2012, Mr. Jorgensen threatened another person with a handgun, a deadly weapon or dangerous instrument, intentionally placing that person in reasonable

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apprehension of imminent physical injury.

Mr. Jorgensen was sentenced to a probation term of three years.

CBA Actions:

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

Mr. Jorgensen's CPA license is suspended for 120 days. During the period of suspension, Mr. Jorgensen shall engage in no activities for which certification as a CPA or Public Accountant is required.

Mr. Jorgensen shall reimburse the CBA \$2,854.97 for its investigation and prosecution costs. The payment shall be made in quarterly payments (due with quarterly written reports) with the final payment due one year before the termination of probation.

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

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

Mr. Jorgensen shall maintain an active status license.

Other standard terms of probation.

14. AC-2015-41 Kan, Sam Siu-Wing Effective August 29, 2015  
Accusation No. AC-2015-41 contains the following allegations:

Mr. Kan is subject to disciplinary action in that he was the subject of discipline, penalty and/or sanction by the SEC, which also included suspension or revocation of Mr. Kan's right to practice before the SEC.

CBA Actions:

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

Mr. Kan shall reimburse the CBA for its costs of investigation and prosecution in the amount of \$8,291.63. The costs shall be paid in equal quarterly payments, due along with quarterly written reports, with the last payment due six months prior to the termination of probation.

Within 180 days of the effective date of this Order, Mr. Kan shall complete four

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hours of CE in ethics. These hours are in addition to the CE hours required for relicensing.

Within 180 days of the effective date of this Order, Mr. Kan shall complete a Board-approved Regulatory Review course. These hours are in addition to the CE hours required for relicensing.

During probation, Mr. Kan shall be prohibited from performing attestation services.

After the completion of probation, Mr. Kan shall be permanently prohibited from providing attestation services. Prohibition on this condition shall continue until such time, if ever, Mr. Kan successfully petitions the CBA for the reinstatement of his ability to provide attestation services.

Mr. Kan shall maintain an active status license.

Other standard terms of probation.

15. AC-2014-63      Leevan, Edward Jay      Effective , 2015

Accusation No. AC-2014-63 contains the following allegations:

Mr. Leevan is subject to disciplinary action in that he allowed Lawrence Stephens to use his license and assisted and/or conspired with Mr. Stephens in the unlicensed practice of accountancy in violation of the law.

Mr. Leevan is subject to disciplinary action in that he applied for a fictitious name registration for Respondent Brylaw Accounting Firm without supervising the work for Respondent Brylaw Accounting Firm, which was not under the personal management of a certified public accountant.

Mr. Leevan is subject to disciplinary action in that he willfully violated rules promulgated by the CBA.

CBA Actions:

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

Mr. Leevan shall reimburse the CBA \$7,460.67 for its investigation and prosecution costs. The costs shall be paid in equal quarterly payments due along with Mr. Leevan's quarterly written reports, with the last payment due six months prior to the termination of probation.

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Mr. Leevan shall complete four hours of CE in ethics within 180 days of the effective date of the order. The hours are in addition to the CE hours required for relicensing.

Mr. Leevan shall complete a Board-approved Regulatory Review course within 180 days of the effective date of the order. The hours are in addition to the CE hours required for relicensing.

Mr. Leevan shall maintain an active license status.

Other standard terms of probation.

16. AC-2014-49                      Lucia, Donald Gene                      Effective July 5, 2015  
Accusation No. AC-2014-49 contains the following allegations:

Mr. Lucia is subject to disciplinary action in that he failed to provide his clients M.R. and D.R. with written disclosure of the commissions he was to receive on the sale of their 419 investment plans.

CBA Actions:

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

Mr. Lucia shall reimburse the CBA \$5,356.12 for its investigation and prosecution costs. The payment shall be made in 10 quarterly payments (due with quarterly written reports), with the final payment being due six months before the probation is scheduled to terminate.

Mr. Lucia shall complete four hours of CE in ethics. These course hours shall be completed within six months of the effective date of this decision and order, and are in addition to the CE hours required for relicensing.

Mr. Lucia shall complete a Board-approved Regulatory Review course. The hours must be completed within six months of the effective date of this decision and order.

Mr. Lucia shall maintain an active status license.

Other standard terms of probation.

17. AC-2015-36                      Maloney, Kent Paul                      Effective August 29, 2015  
Accusation No. AC-2015-36 contains the following allegations:

Mr. Maloney is subject to disciplinary action in that on or about January 29, 2014, he was convicted on a plea of no contest to violating California Penal Code (PC)

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section 503, embezzlement, a felony, with the enhancement of PC section 12022.6(a)(2) for embezzling an amount in excess of \$200,000.00.

Mr. Maloney is subject to disciplinary action for unprofessional conduct in that he willfully violated BPC section 5063 by failing to report his felony conviction to the CBA within 30 days of the conviction.

Mr. Maloney is subject to disciplinary action in that he converted, stole, diverted, misappropriated, or embezzled money, property, or other valuable consideration by illegal conduct, fraudulent means or false pretenses.

Mr. Maloney is subject to disciplinary action in that his actions and conduct were dishonest and a breach of his fiduciary obligation to a charity.

CBA Actions:

Revocation of CPA License, via default decision.

18. AC-2015-13                      McKinney, Gordon Alan                      Effective August 29, 2015

Accusation No. AC-2015-13 contains the following allegations:

Mr. McKinney is subject to disciplinary action in that his firm “McKinney & McPeak CPAs” is not registered with the CBA.

Mr. McKinney is subject to disciplinary action in that he failed to respond to the CBA’s multiple inquiries and requests for information regarding the status of his peer review, and unregistered firm name.

In a prior disciplinary action entitled *In the Matter of the Accusation Against Gordon Alan McKinney*, filed on March 5, 2009, case number AC-2009-10, the CBA alleged that Mr. McKinney was subject to discipline for several violations, including, willfully violating Code section 5060(b) by practicing under the name of McKinney & McPeak CPAs, from approximately 1984 through at least November 2007, without being registered or licensed with the CBA. In the prior disciplinary action effective June 25, 2009, Mr. McKinney’s CPA License No. 28037 was revoked, the revocation was stayed, and Mr. McKinney was placed on probation for a period of three years with certain terms and conditions, including a suspension for 180 days.

CBA Actions:

Revocation of CPA License, via default decision.

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19. AC-2015-12                      McPeak, Rick L.                      Effective August 29, 2015

Accusation No. AC-2015-12 contains the following allegations:

Mr. McPeak is subject to disciplinary action in that his CPA license expired on January 31, 2013, and he continued to practice public accountancy without a valid CPA certificate.

Mr. McPeak is subject to disciplinary action in that he failed to comply with a citation order issued to him on February 3, 2012 (CT-2012-107).

Mr. McPeak is subject to disciplinary action in that his firm “McKinney & McPeak CPAs” is not registered with the CBA.

Mr. McPeak is subject to disciplinary action in that he failed to respond to the CBA’s multiple inquiries and requests for information regarding the status of his peer review, compliance with citation order CT-2012-107, and the unregistered firm name.

On March 19, 2008, the CBA issued Citation Order No. CT -2008-12 to Mr. McPeak as a result of him having engaged in the practice of public accountancy in California without a valid permit during the period from April 2005 to at least November 2007. Mr. McPeak complied with the Citation Order and paid the administrative fine.

CBA Actions:

Revocation of CPA License, via default decision.

20. AC-2015-34                      Meyer, Christine N.                      Effective August 29, 2015

Accusation No. AC-2015-34 contains the following allegations:

Ms. Meyer is subject to disciplinary action in that on or about September 17, 2014, she was convicted on a plea of guilty to one count of Penal Code (PC) section 487(a) (grand theft), with an enhancement charge under PC section 186.11(a)(2) for committing a pattern of theft or embezzlement exceeding \$500,000, and two counts of violating PC section 470(d) (forgery), all felonies. As a result of the conviction, Ms. Meyer was sentenced on December 29, 2014, to a total term of five years in state prison, and ordered to pay restitution in the amount of \$892,860.48 to her victim, as well as to comply with other terms, fees and fines. At the time of her sentencing, Ms. Meyer made a partial payment of restitution to her victim in the amount of \$300,000.

Ms. Meyer is subject to disciplinary action in that she engaged in conduct constituting fraud and dishonesty towards her client and his businesses.

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Ms. Meyer is subject to disciplinary action in that she engaged in conduct constituting fiscal dishonesty or breach of fiduciary responsibility towards her client and his businesses.

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

CBA Actions:

Revocation of CPA License, via default decision.

21. AC-2014-48                      Oftedal, Arne R.                      Effective July 5, 2015

Accusation No. AC-2014-48 contains the following allegations:

Mr. Oftedal is subject to disciplinary action in that he 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. Oftedal is subject to disciplinary action in that he issued unqualified opinions which were unsupported by audit documentation and issued reports which failed to conform to professional standards upon completion of a compilation, review or audit of financial statements.

Mr. Oftedal is subject to disciplinary action in that he 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. Oftedal is subject to disciplinary action in that he failed to timely engage in peer review as required by law and in that Mr. Oftedal made misleading statements as part of, or in support of, his peer review reporting.

CBA Actions:

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

Mr. Oftedal shall reimburse the CBA \$25,000.00 for its investigation and prosecution costs.

During probation, Mr. Oftedal shall be prohibited from providing attestation services other than compilations.

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After the completion of probation, Mr. Oftedal shall be permanently prohibited from providing attestation services other than compilations. Prohibition on this condition shall continue until such time, if ever, Mr. Oftedal successfully petitions the CBA for the reinstatement of his ability to provide attestation services.

Maintain an active status license.

Other standard terms of probation.

22. AC-2015-54                      Pattison, Michael Charles                      Effective August 29, 2015

Accusation No. AC-2015-54 contains the following allegations:

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

Mr. Pattison is subject to disciplinary action in that his right to practice before a governmental body was revoked.

CBA Actions:

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

Mr. Pattison shall reimburse the CBA \$9,265.17 for its investigation and prosecution costs. The payment shall be made within 60 days of the date the CBA's decision is final.

Mr. Pattison is suspended for 45 days beginning on the date the CBA's decision becomes final. During the period of suspension, he shall engage in no activities for which certification as a certified public accountant or public accountant is required.

Mr. Pattison 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. The hours are in addition to the CE hours required for relicensing.

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

Mr. Pattison shall maintain an active status license.

Other standard terms of probation.

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23. AC-2014-70                      Sherb, Steven J                      Effective July 5, 2015

Accusation No. AC-2014-70 contains the following allegations:

Mr. Sherb is subject to disciplinary action in that his right to practice before the SEC was suspended, and Mr. Sherb was disciplined by the SEC. On or about November 6, 2013, Mr. Sherb was denied the privilege of appearing or practicing before the SEC as an accountant. After five years from that date, Mr. Sherb is eligible to apply to resume appearing or practicing before the SEC as an independent accountant.

Mr. Sherb is subject to disciplinary action in that he failed to comply with a citation containing an assessment of an administrative fine. On or about November 12, 2013, the CBA imposed an administrative fine of \$250.00 on Mr. Sherb for failure to respond to multiple CBA inquiries. Mr. Sherb did not comply with the citation or pay the fine.

CBA Actions:

Revocation of CPA License, via default decision.

24. SI-2015-40                      Baldwin, Bradlee Yeats                      Effective July 5, 2015

Statement of Issues No. SI-2015-40 contains the following allegations:

Mr. Baldwin is subject to disciplinary action in that he was convicted of crimes that are substantially related to the qualifications, duties, and functions of a certified public accountant.

On or about November 30, 2001, Mr. Baldwin pled guilty to violating Health and Safety Code section 11550(a), under the influence of a controlled substance, a misdemeanor. Mr. Baldwin's probation was revoked on April 9, 2003, and a bench warrant was issued.

On or about December 21, 2001, Mr. Baldwin was convicted on his plea of nolo contendere to violating Penal Code (PC) section 484(a), theft, a misdemeanor.

On or about January 11, 2002, Mr. Baldwin was convicted on his plea of guilty to violating PC section 12020(a)(4), possession of a dirk/dagger, a misdemeanor. On or about June 13, 2003, Mr. Baldwin was convicted on his plea of guilty to violating PC section 243(b), battery upon an officer and emergency personnel, a misdemeanor.

On or about January 6, 2004, Mr. Baldwin was convicted on his plea of guilty to violating PC section 484/490.5, petty theft with a prior theft conviction, a misdemeanor.

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Mr. Baldwin's application is subject to denial in that he was twice convicted of theft, a crime that involves dishonesty, fraud, or deceit, with the intent to substantially benefit himself, or substantially injure another.

### CBA Actions:

Upon meeting all pre-licensure requirements, a certified public accountant license will be issued to Mr. Baldwin and immediately revoked. The revocation will be stayed and Mr. Baldwin is placed on five years' probation with the following terms and conditions:

Mr. Baldwin shall complete four hours of CE in ethics within the first 12 months of probation.

Mr. Baldwin shall at all times maintain an active license status with the CBA, including during any period of suspension.

Other standard terms of probation.

### 25. SI-2015-22                      Nguy, Huy Hy                      Effective April 26, 2015

Statement of Issues No. SI-2015-22 contains the following allegations:

Mr. Nguy's application is subject to denial under Business and Professions Code (BPC) sections 480, subdivisions (a)(1) and (a)(3)(A), in that Mr. Nguy was convicted of crimes substantially related to the qualifications, functions and duties of a CPA. The conduct would be grounds for discipline under BPC section 5100(a) for a licensed CPA. The circumstances are as follows:

On April 16, 2007, in a criminal proceeding entitled People of the State of California v. Huy Hy Nguy, in Orange County Superior Court, Case no. 07CM02960, Mr. Nguy was convicted on his guilty plea to violating Vehicle Code (VC) section 23152(a), driving under the influence of alcohol and one misdemeanor count of violating VC section 23152, subdivision (b), driving with a blood alcohol concentration (BAC) of 0.08 percent or more, misdemeanors.

On December 15, 2008, in a criminal proceeding entitled People of the State of California v. Huy Hy Nguy in Orange County Superior Court, Case no. 08WM04177, Mr. Nguy was convicted on his guilty plea to violating VC section 23152(a), driving under the influence of alcohol, and VC section 23152(b), driving with a BAC of 0.08 percent or more, misdemeanors.

On March 25, 2010, in a criminal proceeding entitled People of the State of California v. Huy Hy Nguy in Orange County Superior Court, Case no. 9BF03993, Mr. Nguy was convicted on his plea of nolo contendere to violating VC section 21352(b), driving with a BAC of .08 percent or more, a misdemeanor.

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CBA Actions:

Upon meeting all pre-licensure requirements, a CPA license will be issued to Mr. Nguy and immediately revoked. The revocation will be stayed and Mr. Nguy is placed on three years' probation with the following terms and conditions:

Mr. Nguy shall complete four hours of CE in ethics. This course shall be in addition to the CE requirements for license renewal and must be completed within 180 days of the effective date of the Decision and Order.

Mr. Nguy shall at all times maintain an active license status with the CBA, including during any period of suspension.

Other standard terms of probation.

26. SI-2014-62                      Ronquillo, Faye D.                      Effective July 5, 2015  
Statement of Issues No. SI-2014-62 contains the following allegations:

Ms. Ronquillo is subject to disciplinary action in that she was convicted of one misdemeanor count of violating 18 U.S.C. section 656 – Misapplication of Funds by Bank Employee.

On October 1, 1999, Ms. Ronquillo, then known as Faye Dotimas, while employed by Wells Fargo Bank, did willfully embezzle, abstract, purloin and willfully misapply to her personal benefit approximately \$5,800 in funds entrusted to the care and custody of Wells Fargo Bank.

On or about August 8, 2000, Ms. Ronquillo entered a plea of guilty to the misdemeanor count of violating 18 U.S.C. section 656 and the court dismissed the felony count for violating the same statute. Ms. Ronquillo was sentenced to five years of supervised probation and ordered to pay \$5,800 in restitution, after payment of which the probation would become unsupervised.

On March 8, 2001, Ms. Ronquillo's probation monitor submitted a petition to the court to modify the conditions of probation, following Ms. Ronquillo testing positive for methamphetamine. Ms. Ronquillo's probation terms were then modified to require participation in a substance abuse treatment program, including drug testing and counseling.

CBA Actions:

Upon meeting all pre-licensure requirements, a certified public accountant license will be issued to Ms. Ronquillo and immediately revoked. The revocation will be stayed and Ms. Ronquillo is placed on five years' probation with the following terms and conditions:

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Ms. Ronquillo shall complete four hours of CE in ethics. The course shall be completed within the first year of probation, and are in addition to the CE requirements for license renewal.

Ms. Ronquillo shall complete a Board-approved Regulatory Review course. The course shall be completed within the first year of probation, and are in addition to the CE hours required for license renewal.

Maintain an active status license.

Other standard terms of probation.

**Fiscal/Economic Impact Considerations**

There are no fiscal or economic impacts for this agenda item.

**Recommendation**

Staff does not have a recommendation on this agenda item.