What a full and rewarding year this has been. We have accomplished much with the contributions of many, and I am especially grateful to Vice President Jose Campos and Secretary-Treasurer Katrina Salazar for their commitment, leadership, and support.

In my inaugural message to you last year, I spoke about goals I had for the year ahead. I'm happy to report that it has been a successful year. We sought legislative changes to accept academic teaching experience to count as qualifying general accounting experience for California CPA licensure. Now signed into law, Senate Bill (SB) 1467 authorizes the California Board of Accountancy (CBA) to allow experience in academia to satisfy the one-year of qualifying experience requirement. The next step is to establish the regulations to effect the change, which is presently underway. We believe the allowance of academic experience can help bridge the gap between theory and experience, benefiting students and the accounting profession.

In addition, we established the Mobility Stakeholder Group (MSG), a new CBA advisory committee comprised of CBA members, representatives of the accounting profession, and consumer representatives. The MSG advises the CBA on important issues related to mobility, including whether the practice privilege law satisfies the objectives of stakeholders in this State, including consumers, and are consistent with the CBA’s duty to protect the public.

I also shared that the CBA would be revisiting the current 500-hour attest experience requirement necessary to qualify for signing reports on attest engagements in California. The CBA will be exploring whether the present attest experience requirement is necessary and sufficient to support the CBA mission to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with professional standards.

CONTINUED ON PAGE 2
Once the groundwork is laid, the CBA will be launching a study on both a national and state level during 2015. The study is designed to aid the CBA in determining whether to maintain, modify, or eliminate the attest experience requirement. At the end of the day, we need to answer the question, “What is in the best interests of California consumers?”

As you may know, many new laws pertaining to accountancy went into effect in 2014, which meant adjustments throughout the year for our current and future licensees. Beginning with education, the new 150 semester hour single pathway requirement took effect January 1, 2014. Passage of SB 823 helped to ease the transition by allowing individuals who passed the Uniform CPA Examination on or before December 31, 2013, to continue to be licensed under the pathways that existed prior to December 2013 until December 31, 2015. In order to further ease the transition, the CBA held outreach events, communicated directly with educators, took to social media, and enhanced resource material for exam and licensing applicants on the CBA’s website.

In 2014 we also welcomed our first licensee to the new retired status, implemented a new active military status and other assistance to military families, changed the continuing education requirements to better reflect the needs of the profession, and made peer review reporting part of the license renewal process. The impact of all these changes will enhance consumer protection and the accountancy profession for years to come.

And still, I can guarantee there is more change on the horizon. Because the accounting profession is one that must grow and respond to an ever-evolving financial landscape and because it must offer consumers integrity and ethical practice with every product and service made available, the CBA will be here remaining true to its mission: To protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

Michael M. Savoy, CPA
President, California Board of Accountancy

This year the California Board of Accountancy (CBA) supported Senate Bill (SB) 1467, the annual omnibus bill, which makes some welcome changes to the Accountancy Act. This bill will help the CBA better communicate with licensees, allow applicants with experience in academia to use that experience when applying for licensure, and help protect California consumers who use or rely on out-of-State licensees practicing in California under a practice privilege.

The first provision affecting the CBA authorizes the collection of e-mail addresses from applicants or licensees renewing a license. It provides that these e-mail addresses shall not be considered a public record and not be posted on the CBA’s website, or otherwise disclosed to the public unless required pursuant to a court order. The CBA foresees a time when it would be able to communicate important or time-sensitive information to all of its licensees through e-mail rather than the slower and more costly mail system.
MESSAGE FROM THE EXECUTIVE OFFICER

Earlier this fall the California Board of Accountancy (CBA) joined with California Society of CPAs to present an outreach event in San Diego titled, “So You Want to Be a CPA.” The presentation was aimed at helping students get a glimpse of what they could expect as they prepare to become CPAs. It was a wonderful evening: good turnout, great questions, and terrific conversations after the event. In addition to those attending the event in person, there were many more participating via live webcast.

This presentation offered participants a road map of sorts, beginning with the 150-hour educational requirements and guiding them through the Uniform CPA Exam process, initial licensing, and even that first license renewal. Whether you are an educator, a practitioner with interns in your office, or a parent or grandparent with a prospective CPA in the family, the presentation is a wonderful tool to share with the future CPAs you may know. You can find the archived webcast at www.cba.ca.gov/webcast/webcast and a wealth of resource material, including the Uniform CPA Exam Handbook and the Handbook for the Licensing Applicant, available at www.dca.ca.gov/cba/applicants.shtml.

Another excellent resource now available on the CBA website is the 2014 Sunset Review Report. Sunset review is the process by which the Legislature determines if the various boards and commissions, including the CBA, are performing as they were intended. The CBA prepares a Sunset Review Report to the Legislature that is a comprehensive review of the CBA’s activities since its last Sunset Review in 2010, and includes financials, licensing and enforcement statistics, legislation, and important issues for the past four years.

There is a treasure trove of information made available on the CBA website at www.dca.ca.gov/cba/publications/index.shtml. Have a question about the CBA? Most likely you will find it there.

Patti Bowers
Executive Officer

UNDER THE DOME CONTINUED FROM PAGE 2

The second provision authorizes the CBA to, by regulation, allow experience in academia to qualify toward the one-year experience requirement for a CPA license. The CBA has already approved draft regulatory language to implement this new provision. If you would like to receive notice when this and other rulemakings are introduced, please sign up for CBA E-News on our website (www.cba.ca.gov/forms/enews).

Finally, SB 1467 clarifies that a CPA who is licensed in another state and who holds and exercises a practice privilege in California, must notify the CBA in writing within 30 days of knowledge of any pending criminal charges, other than a minor traffic violation. This provision will help to protect California consumers in a manner similar to the subsequent arrest notifications that the CBA already receives on its own licensees.

For additional information on legislation that the CBA is following, please visit the Pending Legislation section on the CBA website at www.dca.ca.gov/cba/laws_and_rules/pending_legislation.shtml.
FINGERPRINT REQUIREMENT FOR LICENSE RENEWAL

In conjunction with its mission to protect consumers, the California Board of Accountancy (CBA) initiated the fingerprint requirement on January 1, 2014, for those licensees not previously fingerprinted. If you are a licensee not previously fingerprinted as a condition of initial licensure or for whom an electronic record does not exist in the Department of Justice’s criminal offender record information (CORI) database, you are now required to be fingerprinted if renewing in an active status and not actively serving in the U.S. military.

It is important to note that if you were fingerprinted by another agency or your employer, you are still required to be fingerprinted by the CBA. By law, confidential fingerprint information is specific only to the requesting agency, and therefore, it is a misdemeanor for agencies to share confidential fingerprint information.

If you are subject to the fingerprint requirement, the CBA will send you a notification approximately 90 days prior to your license expiration. Please remember that the fingerprint requirement is a condition of license renewal. So if you are renewing in an active status, please take a few minutes and get fingerprinted.

Have questions about the fingerprint requirement? Please visit the CBA website at www.cba.ca.gov or contact the CBA CORI Unit at (916) 561-1707.

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UNIFORM CPA EXAMINATION PRACTICE ANALYSIS

What knowledge and skills should be required of an entry-level CPA? That, in essence, is what the American Institute of Certified Public Accountants (AICPA) Board of Examiners seeks to find out by initiating a practice analysis of the Uniform CPA Examination (CPA Exam).

The practice analysis is a comprehensive, multiyear research study used to ensure the CPA Exam is aligned with the needs of the profession by determining the knowledge and skills required of an entry-level CPA. This will form the basis for the content and skills tested on the CPA Exam.

The AICPA’s last practice analysis was conducted in 2008 and resulted in the implementation of significant changes to the CPA Exam in 2011. Modifications included changes in section structure, time allocations, percentage values of each examination component, new question formats, and new content and skill specifications to include testing of International Financial Reporting Standards.

During the practice analysis, input will be solicited from a wide variety of stakeholders including regulators, academics, standard setters, accounting firms, and CPAs in public practice, government, business, and industry. The practice analysis will include five phases, as noted in the table to the right and on the AICPA website at www.aicpa.org.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration</td>
<td>Surveys, focus groups, interviews, and other qualitative research methods will be used to understand the activities performed by newly licensed CPAs and identify the knowledge and skills to be tested.</td>
</tr>
<tr>
<td>Confirmation</td>
<td>A survey will be administered to a large sample of CPAs with relevant experience to confirm the findings from the first phase.</td>
</tr>
<tr>
<td>Design</td>
<td>Test specifications such as content and skill areas, test structure, and design will be determined.</td>
</tr>
<tr>
<td>Exposure</td>
<td>An exposure draft of proposed changes will be developed and stakeholders will be invited to comment.</td>
</tr>
<tr>
<td>Blueprint</td>
<td>The blueprint for the next version of the CPA Exam will be finalized. The findings of the practice analysis will be included in this blueprint.</td>
</tr>
</tbody>
</table>

The AICPA will issue an invitation to comment on a proposal document in fall 2014 followed by a large exposure draft in mid-2015. The California Board of Accountancy will be actively involved in this process. The practice analysis is expected to be completed in 2016, with the new version of the CPA Exam implemented in 2017.
BECOME A PEER REVIEWER

Would you like to give back to your profession? Are you interested in helping firms achieve their accounting and auditing goals and enhance the quality of their practices? If so, you may want to consider becoming a qualified peer reviewer.

When you become a peer reviewer, you:

Identify best practices of other firms, which can be applied to other peer review clients and to your own firm.

Gain broader practice knowledge through the peer review process, which will help sharpen your skills and reinforce your strengths.

Create an opportunity to develop an additional profit center for your firm.

Enhance the efficacy of the profession’s self-regulatory efforts and contribute to the quality of the profession.

For additional information on how to become a peer reviewer, please visit the American Institute of Certified Public Accountants website at www.aicpa.org/interestareas/peerreview/community/pages/peerreviewer.aspx.

Questions can be directed to: BecomeAReviewer@aicpa.org

THE CBA WANTS YOU!

The California Board of Accountancy (CBA) is recruiting for its advisory committees, the Qualifications Committee (QC), the Peer Review Oversight Committee (PROC), and the Enforcement Advisory Committee (EAC). By becoming a member of any of these committees, you can play an important role in the work of the CBA.

Appointments to the QC, PROC, and EAC are for two-year terms; appointed individuals may serve a maximum of four terms. Committee members will receive a $100 per diem plus expenses for their attendance at meetings. Committees generally meet four to six times per year, alternating between a northern and southern California city.

The QC reviews the experience of applicants for licensure and makes recommendations to the CBA. This committee conducts work paper reviews with applicants or with employers present to verify that the responses provided are reflective of the requisite experience for licensure. This committee is limited to 16 licensees who have expertise in the preparation of audit and review reports.

The PROC provides recommendations to the CBA on any matter upon which it is authorized to act to ensure the effectiveness of mandatory peer review. This committee is comprised of seven CPAs who have knowledge of and experience in peer review.

CONTINUED ON PAGE 7
THE CBA WANTS YOU! (CONTINUED FROM PAGE 6)

The EAC assists the CBA in an advisory capacity with enforcement activities. The committee offers technical guidance on open investigations, participates in investigative hearings, and reviews closed investigations. This committee is limited to a membership of 13 licensees.

To qualify for possible appointment to a CBA advisory committee you must be actively licensed to practice public accounting for a minimum of two years prior to the appointment and, if appointed, must maintain an active license status during tenure on the committee. Additionally, you must have no pending enforcement actions against your license.

If you are interested in serving, please submit a letter of interest with a resume or curriculum vitae (CV), including your CPA license number, to:

Patti Bowers
Executive Officer
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815

WHAT’S NEXT FOR ATTEST?

In our spring/summer 2014 edition of UPDATE, President Michael Savoy announced that during 2015 the California Board of Accountancy (CBA) will begin gathering data as part of a study of California’s 500-hour attest experience requirement. The CBA selected CPS HR Consulting to develop a plan for conducting the study.

The attest experience study will involve surveying a wide range of groups in California, including consumers, applicants, new and experienced licensees, hiring managers, licensees who supervise and sign-off on attest experience, as well as accounting department faculty at various colleges and universities.

To ensure that the survey results are reflective of the targeted audiences, the CBA encourages all those who are contacted to respond to the study. The CBA recognizes that your time is valuable and is taking steps to minimize the impact completing a survey will have on your practice and business.

At this time, the CBA anticipates releasing the study sometime in late April or early May 2015. In advance of the study’s release, the CBA will make direct contact with each of the targeted audiences to provide specifics on the study and how to participate and provide responses.

If you would like to stay informed of the latest developments regarding the CBA’s study of California’s attest experience requirement, follow us at www.twitter.com/CBANews, www.facebook.com/CBANews, or sign up for E-News at www.cba.ca.gov/forms/enews.
MEET OUR FIRST ‘RETIRED STATUS’ LICENSEE

Robert Garrett West has had a distinguished career over the past 39 years. Following his graduation from the Haas School of Business Administration in 1975 with a Bachelor of Science in Accounting, Auditing, and Finance, Mr. West worked in a number of auditor and financial officer roles before starting his own firm in 1984 as a sole practitioner in Danville, California.

He also gave back to the profession through his volunteer work with the California Board of Accountancy (CBA), serving ten years on the CBA’s Administrative Committee, which included investigations of savings and loan institutions, and has performed more than 150 peer reviews of firms subscribing to voluntary practice monitoring.

He looked forward to retirement.

“I first picked up on the new Retired License Status in the UPDATE–Winter 2014,” said Mr. West. “The President of the CBA, Michael Savoy, was talking about it on the front page. After that, I kept following and waiting. Finally, July came along, I paid my $75, and that was it!”

Mr. West said he doesn’t think he’ll take advantage of the retired status license provision to go active in the future. “I have five grandchildren,” he laughed. “The plan is to move up to Washington to be closer to them.”

Although Mr. West is now officially retired, he proudly shared that all three of his daughters are carrying on the family tradition as CPAs.

For more information on placing your license in retired status, visit www.dca.ca.gov/cba/licensee/retired.shtml.

PLAN AHEAD TO MEET THE 20/12 CE REQUIREMENT

It is extremely important that you plan ahead when scheduling continuing education (CE) courses to make certain you complete the appropriate minimum CE hours in each year of the renewal period.

As a result of a California Board of Accountancy (CBA) Regulation change in 2012, commonly referred to as the 20/12 CE requirement, licensees renewing a license in an active status are required to complete a minimum of 20 hours of CE in each year of the two-year license renewal period, including a minimum of 12 hours in technical subject matter.

For example, if your license expires on January 31, 2015, you are required to have completed at least 20 hours of CE, with 12 of these hours in technical subject matter, during each of the following time periods:

- **First Year**: February 1, 2013, through January 31, 2014
- **Second Year**: February 1, 2014, through January 31, 2015

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RENEWAL DEFICIENCIES CAN CAUSE SERIOUS PROBLEMS — LET US HELP

Are you aware that neglecting to respond or rectify a renewal deficiency could result in an enforcement action? You can avoid a possible enforcement action by promptly addressing a deficiency.

The consequences of not rectifying a deficiency can impact your license and your ability to legally practice in California. You run the risk of a variety of issues ranging from a citation, fines as high as $5,000, disciplinary against your license, or the expiration of your license due to failure to meet renewal requirements. Practicing public accountancy under an expired license is considered unlicensed activity, which could subject you to civil or criminal penalties.

The California Board of Accountancy (CBA) has found that most deficiencies can be avoided if you just take a few moments to ensure your renewal application is complete and you have met all renewal requirements. If a deficiency is found, the CBA will send you a letter outlining the deficiency, how to rectify the deficiency, and the timeframe in which to do it. You need to take these notices seriously. The CBA will work collaboratively with you to help you address your deficiency.

Some of the most common deficiencies licensees make include submitting an incomplete license renewal application, failure to submit or properly complete the Peer Review Reporting Form, and not meeting the minimum yearly continuing education (CE) requirement. You can avoid these types of deficiencies by doing the following:

- Make certain the application is signed and all questions have been answered.

- When completing the CE Reporting Worksheet, ensure course titles are complete; subject codes are properly identified; dates of completion include the month, day, and year, CE hours, and provider name; and the method of presentation are entered.

- Verify all required CE is completed as well as the minimum 20-hour yearly CE requirement, including 12 hours in technical subject matter.

- Complete and submit the Peer Review Reporting Form with your license renewal application. Although not all licensees are required to undergo a peer review, all licensees are required to report peer review information to the CBA upon renewal.

- Complete the Peer Review Reporting Form as it pertains to the license being renewed. If you are working for a firm or are a shareholder or partner of a firm, you are not subject to peer review. However, you must still submit and complete the Peer Review Reporting Form by reporting that you are not operating as a firm. At the time of renewal, the firm will report its peer review information to the CBA.

Have questions? The CBA website has a wealth of information regarding license renewal and CE. For an overview of the license renewal process, visit www.dca.ca.gov/cba/licensee/renewal.pdf; for information regarding CE, refer to www.dca.ca.gov/cba/cont_educ/ce.shtml; and for information pertaining to peer review, go to www.dca.ca.gov/cba/peerreview.shtml. Further, the License Renewal and Continuing Education Unit is always available to help by phone at (916) 561-1702 or by e-mail at renewalinfo@cba.ca.gov.
AT A GLANCE: UNREGISTERED ACCOUNTANCY CORPORATIONS

So you have decided to start your own CPA practice and operate as an accountancy corporation. Where do you start? One of your first steps is to contact the California Secretary of State (SOS) and file articles of incorporation.

An accountancy corporation is also required to register with the California Board of Accountancy (CBA) before practicing public accountancy in California. The CBA Enforcement Division frequently investigates unlicensed practice by accountancy corporations that have incorporated with the SOS, but failed to register with the CBA. To avoid potential enforcement actions, corporations providing public accountancy services must register with both the SOS and the CBA prior to operating in California.

Registering your corporation with the CBA is easy and inexpensive. Simply visit the “Forms” tab on the CBA website (www.dca.ca.gov/cba/forms/index.shtml) and download the Check Sheet and Licensure Application for Accountancy Corporation. These documents will guide you through the registration process. Failure to register the corporation with the CBA may result in the issuance of a citation and fine or other enforcement action.

If you have questions or are unable to locate the information you need, please contact the CBA Initial Licensing Unit by phone at (916) 561-1301 or by e-mail at firminfo@cba.ca.gov.

PLAN AHEAD TO MEET THE 20/12 CE REQUIREMENT

To assist you in CE planning for your two-year license renewal cycle, please refer to the sample CE worksheet available on the CBA website at www.dca.ca.gov/cba/cont_edu/excewrksht.pdf. Completing the worksheet as you fulfill your CE requirements may assist in monitoring your progress and distributing the courses over the two-year period.

If you have questions concerning the 20/12 CE requirement, please visit the CBA website at www.cba.ca.gov or contact the Renewal/Continuing Competency Unit via phone at (916) 561-1702 or e-mail at renewalinfo@cba.ca.gov.

Need Information?
THE CBA HANDBOOKS ARE THE PLACE TO GO!

Do you have a question about the Uniform CPA Examination, or how to get your initial CPA license? Maybe you are an out-of-state licensee who wants to practice in California or perhaps you are already licensed here and need information on license renewal. No matter what question or information you need, the CBA has a handbook to assist you. Please visit our recently revised handbooks in the Publications section of the CBA website, www.cba.ca.gov.
ENFORCEMENT PROCESS

When the California Board of Accountancy (CBA) receives a complaint, an investigation is conducted. Information regarding a complaint generally is gathered by enforcement staff, often accompanied by a licensee’s appearance before the CBA Enforcement Advisory Committee.

Following this investigation, a recommendation is made to either (1) close the case with no violation of the Accountancy Act or CBA Regulations; (2) require the licensee to take prescribed continuing education; (3) issue a citation and fine; or (4) refer the case to the Attorney General’s Office for review and possible preparation of an accusation against the licensee or a statement of issues relating to the applicant.

If charges are filed against a licensee, a hearing may be held before an independent administrative law judge who submits a proposed decision to be considered by the CBA, or the matter may be settled. The CBA may either accept the proposed decision or decide the matter itself. Please note that CBA actions reported here may not be final. After the effective date of the CBA’s decision, the licensee may obtain judicial review of its decision. On occasion, a court will order a stay of the CBA’s decision or return the decision to the CBA for reconsideration.

Copies of the accusations, decisions, and settlements regarding any of these disciplinary and/or enforcement actions are available on the CBA website, www.cba.ca.gov, or by sending a written request to: California Board of Accountancy; Attention: Disciplinary/Enforcement Actions; 2000 Evergreen Street, Suite 250; Sacramento, CA 95815-3832. Please state the licensee’s name and license number, and allow ten days for each request.

STANDARD TERMS OF PROBATION

The CBA may revoke, suspend, or impose probation on a license for violation of applicable statutes or regulations. In addition to any case-specific terms of probation, the standard probationary terms include:

• Obey all Federal, California, other state, and local laws, including those rules relating to the practice of public accountancy in California.
• Submit within ten days of completion of the quarter, written reports to the CBA on a form obtained from the CBA. The respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to respondent’s compliance with all the terms and conditions of probation. Respondent shall immediately execute all release of information forms as may be required by the CBA or its representatives.
• During the period of probation, appear in person at interviews or meetings as directed by the CBA or its designated representative, provided such notification is accomplished in a timely manner.
• Comply with the terms and conditions of the probation imposed by the CBA, and cooperate fully with representatives of the CBA in its monitoring and investigation of the respondent’s compliance with probation terms and conditions.
• Be subject to and permit a “practice investigation” of the respondent’s professional practice. Such “practice investigation” shall be conducted by representatives of the CBA, provided notification of such review is accomplished in a timely manner.
• Comply with all final orders resulting from citations issued by the CBA.
• In the event respondent should leave California to reside or practice outside this State, respondent must notify the CBA in writing of the dates of departure and return. Periods of non-California residency or practice outside the State shall not apply to reduction of the probationary period, or
of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse the CBA costs, or make restitution to consumers, shall be suspended or otherwise affected by such periods of out-of-state residency or practice, except at the written direction of the CBA.

- If respondent violates probation in any respect, the CBA, after giving respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary and/or enforcement order that was stayed. If an accusation or a petition to revoke probation is filed against respondent during probation, the CBA shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.

- Upon successful completion of probation, respondent’s license will be fully restored.

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**ENFORCEMENT DEFINITIONS**

**Accusation**
A formal document that charges violation(s) of the California Accountancy Act and/or CBA Regulations by a licensee. The charges in the accusation are allegations. Allegations are not a final determination of wrongdoing and are subject to adjudication and final review by the CBA pursuant to the Administrative Procedure Act.

**Cost Recovery**
The licensee is ordered to pay the CBA certain costs of investigation and prosecution including, but not limited to, attorney’s fees.

**Default Decision**
The licensee failed to file a Notice of Defense or has otherwise failed to request a hearing, object, or otherwise contest the accusation. The CBA takes action without a hearing based on the accusation and documentary evidence on file.

**Effective Date**
The date the disciplinary decision becomes operative.

**Probation**
The licensee may continue to engage in activities for which licensure is required, under specific terms and conditions.

**Reinstatement**
A revoked license that is restored, not sooner than one year from the date of revocation, to a clear or inactive status after petition to and approval by the CBA. Reinstatement may include probation and/or terms and conditions.

**Revocation**
The individual, partnership, or corporation no longer is licensed as a result of a disciplinary action.

**Stayed**
The action does not immediately take place and may not take place if the licensee complies with other conditions (such as a probation term).

**Stipulation**
The matter is negotiated and settled without going to hearing.

**Surrendered**
The licensee has surrendered the license. The individual, partnership, or corporation no longer is licensed. The CBA, however, may impose discipline against a surrendered license in certain circumstances. Surrender also may require certain conditions be met should the former licensee ever choose to reapply for licensure.

**Suspension**
The licensee is prohibited for a specific period of time from engaging in activities for which licensure is required.
ENFORCEMENT ACTIONS
CPA REVOCATIONS THROUGH OCTOBER 26, 2014

DIMEGLIO, JOHN JOSEPH
Lompoc, CA
(CPA 54183)

CBA ACTIONS
Revocation of CPA License, via default decision.
Effective August 31, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2014-9 contains the following allegations:

On or about January 6, 2012, after pleading guilty, Mr. Dimeglio was convicted of one felony count of violating 18 U.S.C. sections 371, 1343, 1014 and 1957 [conspiracy to commit wire fraud, false statements related to a loan, and money laundering] in the criminal proceeding entitled United States of America v. John Joseph Dimeglio (W.D. Tex., 2011, No. 11-CR-00411-SS-1). The Court sentenced Mr. Dimeglio to 60 months prison, placed him on three (3) years supervised release, and ordered $62,067,792.77 in restitution, jointly and severally with co-defendant Kurt Barton.

Mr. Dimeglio acquired an ownership interest in Triton Financial, L.L.C., and acted as the Chief Financial Officer and Executive Vice President. Triton Financial guaranteed positive returns on investments, and created ventures and limited partnerships generally on the purchase of a single asset. Limited partnerships were created for the purchase of an asset, and investors would receive a pro rata ownership based on investment. The asset would be acquired lien free and the limited partnership would take title. The asset would then be encumbered to pay out needs of other ventures, and would pay quarterly dividends or redemptions to prior investors. Cash flow and accountings were withheld from investors, other staff, and employees. All general partners were owned by Triton Financial. Each limited partnership was controlled or managed by a general partner or holding company. Bank accounts were maintained and investors were dependent upon Kurt Barton and Mr. Dimeglio who commingled funds at will. Mr. Dimeglio submitted false and fraudulent personal financial statements related to his assets, liabilities, investments, and net worth in order to secure financing for properties held by Triton Financial.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1.5, Chapter 3, § 490 (a); Division 3, Chapter 1, § 5100 (a) and (j).
California Code of Regulations, Title 16, Division 1, § 99.
CPA REVOCATIONS THROUGH OCTOBER 26, 2014

DRAKE, RILEY TERENCE
Huntington Beach, CA
(CPA 103104)

CBA ACTIONS
Revocation of CPA License, via default decision.

Effective October 26, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2014-14 contains the following allegations:
Mr. Drake was convicted of a crime substantially related to the qualifications, functions, or duties of a licensee. On or about August 10, 2012, Mr. Drake was convicted by plea of guilty to one count of Penal Code section 288(a) (Lewd Act Upon Child Under 14), a felony, based upon events which took place between January 1, 2010, and November 6, 2011.

On or about August 10, 2012, Mr. Drake was sentenced to state prison for six years, ordered to pay a $300 Sex Offense Additional Fine, a restitution fine in the amount of $200, a $200 Parole Revocation Restitution Fine, and other fees. Mr. Drake was credited for 274 actual days, 40 days due to conduct, totaling 314 days pursuant to Penal Code section 2933.1. Mr. Drake is now a registered sex offender.

Mr. Drake failed to report his felony conviction to the CBA within thirty days after it was entered by his guilty plea made on August 10, 2012.

Mr. Drake failed to respond to a CBA inquiry in violation of Title 16 of the California Code of Regulations, section 52. Specifically, on or about August 10, 2012, the CBA wrote to Mr. Drake requesting an explanation of the circumstances of his arrest and set forth in that letter Mr. Drake’s obligation to respond to the CBA’s letter within 30 days, in compliance with Title 16 of the California Code of Regulations, section 52. Mr. Drake failed to respond thereto within 30 days, or anytime thereafter.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, §§ 5063 (a)(1)(A-B), 5100 (a) and (g). California Code of Regulations, Title 16, Division 1, § 52.

HUSE, MICHAEL B.
Sky Valley, CA
(CPA 68244)

CBA ACTIONS
Revocation of CPA License, via default decision.

Effective August 31, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2014-30 contains the following allegations:
On or about January 25, 2010, in a criminal proceeding entitled People of the State of California v. Michael Ben Huse, in Riverside County Superior Court, case number INF066596, Mr. Huse was convicted on his plea of guilty to violating two counts of Penal Code section 288, subdivision (a), lewd act upon a child under the age of fourteen, a felony. As a result of the convictions, on or about January 25, 2010, Mr. Huse was sentenced to the term of three years in state prison for each count, to be served concurrently. Mr. Huse received credit for 170 days. Upon release from custody, Mr. Huse is required to register as a sex offender.

Mr. Huse failed to report his felony convictions to the CBA within 30 days of occurrence.

Mr. Huse failed to provide a complete response to CBA inquiries.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, § 5100 (a) and (g). California Code of Regulations, Title 16, Division 1, § 52.
ENFORCEMENT ACTIONS
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

ARDING III, ARTHUR JAMES
ARDING ACCOUNTANCY CORPORATION
Berkeley, CA
(CPA 63875; COR 1724)

CBA ACTIONS
Revocation stayed with three years’ probation, via stipulated settlement.

During the period of probation, Respondents shall not engage in and shall be prohibited from performing any audits or reviews.

After completion of probation, Respondents shall be permanently prohibited from engaging in and performing audits and reviews. This condition shall continue until such time, if ever, Respondents successfully petition the CBA for the reinstatement of their ability to perform audits and reviews.

Within thirty days of the effective date of this decision, Respondents shall submit to the CBA or its designee for its prior approval a plan of practice, regarding the preparation of compilations, which shall be monitored by another CPA or PA who provides periodic reports to the CBA or its designee. Respondents shall pay all costs for such monitoring.

During the period of probation, Respondents shall undergo and complete a Peer Review.

Respondents shall reimburse the CBA $12,500.00 for its investigation and prosecution costs.

Mr. Arding shall complete two hours of continuing education in regulatory review by December 31, 2014.

Mr. Arding shall complete a minimum of two hours of continuing education in auditing (including compilations), and accounting courses, which shall be completed by December 31, 2014. These course hours shall be in addition to continuing education requirements for renewal.

Respondents shall maintain an active license.

Other standard terms of probation.

Effective July 5, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2014-15 contains the following allegations:

Respondents failed to exercise due care and violated professional standards in their performance of the December 31, 2009, audit of a 401K Plan. Significant audit deficiencies were noted in the audit report, financial statement disclosures, and the audit workpapers. The audit report did not express an opinion on the financial statements and was not modified to indicate departures from Generally Accepted Accounting Principles. The financial statements did not contain several required disclosures. The audit workpapers did not properly document audit planning, internal control review and risk assessment. Respondents did not consider the effect of time periods and controls not covered by the Service Provider’s report in assessing the entity’s control environment. Respondents failed to prepare sufficient audit documentation including, but not limited to, signing and dating the audit documentation.

VIOLATION(S) CHARGED
Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5097 (a), (b), (c) and 5100 (c). California Code of Regulations, Title 16, Division 1, §§ 58, 68.2 (b).
BROWN, JASON WAYNE
Irvine, CA
(CPA 124323)

CBA ACTIONS
Revocation stayed with five years' probation, via stipulated settlement.
Mr. Brown shall complete a rehabilitation program for chemical dependency.
Mr. Brown shall abstain from the personal use of all psychotropic drugs, including alcohol, unless lawfully prescribed.
When requested, Mr. Brown shall submit to biological fluid testing.
Other standard terms of probation.
Effective July 5, 2014

CAUSE FOR DENIAL
Statement of Issues No. SI-2014-28 contains the following allegations:

CLARIDA, RODNEY JOE
CLARIDA & LUDEKE, CPAs, INC.
Brea, CA
(CPA 31851; COR 6412)

CBA ACTIONS
Surrender of CPA licenses, via stipulated settlement.
Respondents shall pay the CBA $22,485.92 for its investigation and enforcement costs prior to issuance of a new or reinstated license to either of them.
Effective August 31, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2013-32 contains the following allegations:

On or about March 16, 2011, Mr. Brown was convicted on his guilty plea of violating Vehicle Code section 23152 subdivision (a), driving under the influence of alcohol/drugs; and Vehicle Code section 23152, subdivision (b), driving with a blood alcohol concentration (BAC) of 0.08 percent or more, misdemeanors. The court certified Mr. Brown's BAC as .16 percent. The Court ordered Mr. Brown to complete three years of informal probation and complete a six-month Level 2 First Offender Alcohol Program and a MADD Victim Impact Panel session.

On or about March 29, 2012, Mr. Brown was convicted on his plea of guilty of violating Vehicle Code section 23152, subdivision (b), driving with a BAC of .08 percent or more, a misdemeanor. In the plea agreement, Mr. Brown admitted his BAC was .15 percent. The court ordered five years of summary probation and Mr. Brown was ordered to complete an 18-month Multiple Conviction Program, pay fees and fines, and comply with DUI probation terms.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1.5, Chapter 3, § 480 (a)(1) and (a)(3)(A); Division 3, Chapter 1, § 5100 (a).

Mr. Clarida was grossly negligent in preparing a tax return for a client by failing to include required information on IRS form 8886 concerning a Section 419 Single Employer Welfare Benefits plan. As a result, the IRS assessed a fine against the client in the amount of $50,905. Mr. Clarida failed to disclose to his client that he was receiving a commission from the sale of a Single Employer Welfare Benefits Plan to the client. Mr. Clarida practiced public accountancy under a name for which he did not hold a valid permit to practice issued by the CBA. Clarida & Ludeke, CPAs, Inc., engaged in the practice of public accountancy at a time when it did not hold a valid permit to do so issued by the CBA.

VIOLATION(S) CHARGED
Business and Professions Code, Division 3, Chapter 1, §§ 5050 (a), 5060 (b), 5061, 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, § 56.
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

EIKEL, SUZANNE RENEA
Danville, CA
(CPA 84969)

CBA ACTIONS
Revocation stayed with three years’ probation, via stipulated settlement.
Ms. Eikel’s license is suspended for 60 days.
Ms. Eikel shall reimburse the CBA $9,251.81 for its investigation and prosecution costs. Payments shall be made in ten quarterly payments, the final payment being due six months before probation is scheduled to terminate.
Ms. Eikel shall complete eight hours of continuing education in ethics. These hours are in addition to hours required for license renewal and must be completed prior to the termination of Ms. Eikel’s suspension.
Ms. Eikel shall complete four hours of CBA-approved regulatory review courses. These course hours are in addition to the hours required for license renewal and must be completed prior to the termination of Ms. Eikel’s suspension.
Ms. Eikel shall maintain an active license.
Other standard terms of probation.
Effective October 26, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2013-59 contains the following allegations:
Ms. Eikel falsely stated on either her 2009 renewal form or her 2011 renewal application that she had completed the required total number of hours of continuing education; falsely stated on either her 2009 renewal form or her Renewal Deficiency Response Form that she had completed the required number of continuing education hours; and submitted to the CBA for her 2011 license renewal the same continuing education course completion certificates that she submitted for her 2009 license renewal.
Ms. Eikel willfully failed to complete at least 80 hours of qualifying continuing education in the two-year period immediately preceding the expiration of her license on February 28, 2009, or the two-year period immediately preceding the expiration of her license on February 28, 2011; and willfully failed to complete a minimum of 50 percent of the required continuing education hours in the required subject areas for her 2009 and 2011 license renewals.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1.5, Chapter 5, § 498; Division 3, Chapter 1, § 5100 (b) and (g). California Code of Regulations, Title 16, Division 1 §§ 87 (a), (g), 88 (a)(1).
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

FANNING, MELISSA R.
Clearlake, CA
(CPA 49218)

CBA ACTIONS
Revocation stayed with three years’ probation, via stipulated settlement.

Ms. Fanning shall reimburse the CBA $18,541.72 for its investigation and prosecution costs. The payment shall be made in nine quarterly payments of equal amount with the submission of the quarterly probation reports, beginning the second quarter of probation.

Ms. Fanning shall complete a CBA-approved two-hour regulatory review course within 12 months of the effective date of this order. This course shall be in addition to the hours required for relicensure.

Ms. Fanning shall complete and provide proper documentation of eight hours of professional education courses on the subject of compilation and review by December of each year of probation. This shall be in addition to continuing education requirements for relicensing.

During the period of probation, if Ms. Fanning undertakes an audit, review, or compilation engagement, Ms. Fanning 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.

Ms. Fanning shall pay to the CBA an administrative penalty in the amount of $2,500.00. The payment shall be made in three installments due 90, 120, and 150 days after the date the CBA’s decision is final.

Ms. Fanning shall complete four hours of continuing education in ethics. This shall be in addition to continuing education required for relicensing and must be completed within 12 months of the effective date of the order.

During the period of probation, all audit, review, and compilation reports and workpapers shall be subject to peer review by a certified peer reviewer at Ms. Fanning’s expense. Upon completion of the peer review, Ms. Fanning shall submit a copy of the report with the reviewer’s conclusions and findings to the Board.

Ms. Fanning shall maintain an active license.

Other standard terms of probation.

Effective October 26, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2014-18 contains the following allegations:

Ms. Fanning committed multiple negligent acts each resulting in a violation of applicable professional standards indicating a lack of competency in the practice of public accountancy or in the performance of bookkeeping operations.

Ms. Fanning provided financial statements to the board of directors of a nonprofit organization client which did not contain compilation reports with required elements. In late 2010, Ms. Fanning provided financial statements to the board of directors on multiple occasions. Some of the financial statements were marked “draft” and some were not. Ms. Fanning failed to issue the draft statements in non-draft form. Ms. Fanning willfully violated her obligations to respond completely and accurately within 30 days to inquiries made by the CBA. Ms. Fanning failed to complete 20 hours of continuing education in each year of her two-year license renewal period.

VIOLATION(S) CHARGED
Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, §§ 52, 58, and 87 (a)(f).
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

GREGOR, JOHN C.
Eugene, OR
(CPA 48645)

CBA ACTIONS
Revocation stayed with three years’ probation, via stipulated settlement.

During the period of probation, Mr. Gregor shall be prohibited from performing any attestation engagements, including but not limited to audits, reviews, and compilations.

After the completion of probation, Mr. Gregor shall be permanently prohibited from engaging in and performing any attestation engagements, including but not limited to audits, reviews, and compilations. This condition shall continue until such time, if ever, Mr. Gregor successfully petitions the CBA for reinstatement of his ability to perform attestation services, including but not limited to audits, reviews, and compilations.

Mr. Gregor shall reimburse the CBA $5,757.67 for its investigation and prosecution costs. Mr. Gregor may pay this amount in one payment, or may make quarterly payments, with the final payment due one year prior to the termination of probation.

Mr. Gregor shall complete four hours of continuing education in ethics. These course hours shall be in addition to continuing education requirements for license renewal.

Mr. Gregor shall maintain an active license.

Other standard terms of probation.

Effective August 31, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2014-32 contains the following allegations:

Mr. Gregor entered into a stipulated settlement resigning his license to practice before the Oregon State Board of Accountancy (OSBA). The OSBA subsequently terminated his license. The circumstances are that on September 19, 2008, the OSBA opened an investigation to determine if Mr. Gregor had violated the laws and practices relating to accounting in the State of Oregon. On or about September 29, 2010, the OSBA issued a Notice of Intent to revoke Mr. Gregor’s license to practice before the OSBA. Further, Mr. Gregor failed to notify the CBA within thirty (30) days of the date his license was cancelled, revoked, or suspended by the OSBA.

VIOLATION(S) CHARGED
Business and Professions Code, Division 3, Chapter 1, §§ 5063 (a)(2) and 5100 (d) and (g).
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

HOVAN, LISA BLAIR
Belvedere, CA
(CPA 75821)

CBA ACTIONS

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

Ms. Hovan’s license is suspended for thirty days.

Ms. Hovan shall reimburse the CBA $5,900.79 for its investigation and prosecution costs. The payment shall be made within 45 days of the date the CBA’s decision is final.

Ms. Hovan shall complete four hours of continuing education in ethics within one year of the effective date of the Order. These course hours shall be in addition to continuing education requirements for license renewal.

Ms. Hovan shall complete sixteen hours of continuing education in auditing and accounting within one year of the effective date of the CBA’s decision. These course hours shall be in addition to continuing education requirements for license renewal.

Ms. Hovan shall comply with all requirements imposed by the SEC and shall report such compliance to the CBA.

Ms. Hovan shall maintain an active license.

Other standard terms of probation.

Effective October 26, 2014

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-29 contains the following allegations:

On or about September 28, 2011, the U.S. Securities and Exchange Commission (SEC) filed a civil suit against Ms. Hovan in the US District Court for the Northern District of California. The complaint alleged that during her tenure as Chief Financial Officer and Chief Compliance Officer of Hovan Capitol Management (HCM), Ms. Hovan misused so-called “soft dollars” that HCM had obtained as rebates on commissions paid for securities trades executed in the accounts of HCM’s clients. According to the complaint, contrary to assurances to clients and others that HCM would only use soft dollars to pay for a limited category of services that benefitted HCM’s clients, Ms. Hovan, her husband, and HCM used the soft dollars for prohibited purposes, including for HCM’s rent, salaries, and for office equipment for HCM. The complaint further alleged that Ms. Hovan provided a mutual fund client of HCM’s with certifications stating that soft dollars had not been used to pay for items other than research that would benefit the client.

On or about January 14, 2013, a final judgment was entered against Ms. Hovan. Ms. Hovan was enjoined from violating several sections of the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940, and ordered Ms. Hovan to pay a civil penalty of $50,000.

The second SEC proceeding was an administrative proceeding resulting in the issuance of an order instituting administrative proceedings pursuant to Rule 102(e) of the SEC’s Rule of Practice, making findings, and imposing remedial sanctions against Ms. Hovan.

Ms. Hovan was suspended from appearing or practicing before the SEC as an accountant, with Ms. Hovan’s right to request that the SEC consider her reinstatement after five years. Ms. Hovan was barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, with the right to apply for re-entry after five years.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, § 5100 (h) and (l).
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

JEWELL, IRENE T.
Walnut Creek, CA
(CPA 20590)

CBA ACTIONS
Revocation stayed with three years’ probation, via stipulated settlement.

During the period of probation, Ms. Jewell shall not engage in and shall be prohibited from performing any attest engagements, except for compilations.

After the completion of probation, Ms. Jewell shall be permanently prohibited from engaging in and performing any attestation services, except for compilations. This condition shall continue until such time, if ever, Ms. Jewell successfully petitions the CBA for reinstatement of her ability to perform attestation services.

During the period of probation, if Ms. Jewell undertakes a compilation or review engagement, Ms. Jewell shall submit to the CBA as an attachment to the required quarterly report a listing of the same.

During the period of probation, Ms. Jewell shall undergo and complete a Peer Review by December 31, 2015, and shall provide a copy of it to the CBA within 45 days after it is accepted by a Board-recognized peer review program provider.

Ms. Jewell shall reimburse the CBA $14,459.60 for its investigation and prosecution costs. The payment shall be made in eight quarterly installment payments of $1,807.45 each. Payments shall be due with quarterly written reports, and the final payment being due one year before probation is scheduled to terminate.

Ms. Jewell shall complete twenty-four hours of professional education courses within one year of the effective date of this stipulation and order. These course hours shall be in addition to continuing education requirements for license renewal.

Ms. Jewell shall maintain an active license.

Other standard terms of probation.

Effective August 31, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2013-41 contains the following allegations:

Irene T. Jewell performed audits of the NCTI Defined Benefit Plan (Plan) for the years ending December 31, 2008 and 2009. The audits were subject to GAAS, GAAP, and ERISA. Ms. Jewell committed acts of gross negligence due to the extreme departures from GAAS, ERISA, and the standard of care.

Ms. Jewell’s acts included failures to obtain an understanding of the engagement through a written communication, to properly plan the audit, and to obtain a sufficient understanding of the Plan to assess risks.

Ms. Jewell did not assess and document materiality, did not obtain sufficient evidential matter, did not perform cut-off procedures, and did not perform analytical review procedures. Ms. Jewell failed to apply and document auditing procedures to the individual participant accounts.

Ms. Jewell’s audit documentation and audit reports failed to comply with professional standards including that Ms. Jewell’s audit documentation did not support her unqualified opinion rendered in the audit report. Ms. Jewell failed to obtain a peer review.

VIOLATION(S) CHARGED
Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076 (a), 5097 (a), (b), (c), 5100 (c), (e) and (g).
California Code of Regulations, Title 16, Division 1, §§ 39 (a), 40, 58, 68.2, and 68.4.
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

KIM, JOEL EN-HUI
Fullerton, CA
(CPA 124635)

CBA ACTIONS
Upon meeting all pre-licensure requirements a Certified Public Accountant Certificate will be issued to Joel En-Hui Kim and immediately revoked. The revocation will be stayed and Mr. Kim placed on five (5) years’ probation on the following term and conditions:

Mr. Kim shall complete eight hours of continuing education in ethics within 90 days of licensure. These course hours shall be in addition to continuing education requirements for license renewal.

Mr. Kim shall maintain an active license.

CAUSE FOR DENIAL
Statement of Issues No. SI-2014-5 contains the following allegations:
Mr. Kim committed an act involving dishonesty, fraud, or deceit with the intent to substantially benefit himself. Mr. Kim submitted a Certificate of General Experience, Form E, containing a forged signature of his supervisor.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1.5, Chapter 1, § 475, Chapter 2, § 480; Division 3, Chapter 1, § 5110.

LAU, LELAND GEORGE
Alhambra, CA
(CPA 49763)

CBA ACTIONS
Revocation stayed with three years’ probation, via stipulated settlement.

Mr. Lau shall reimburse the CBA $15,000 for its investigation and enforcement costs. Payment shall be submitted within 60 days of the date the CBA’s decision is final.

Mr. Lau shall complete four hours of continuing education in ethics, within 12 months of the date the CBA’s decision is final. These course hours shall be in addition to continuing education requirements for license renewal.

Mr. Lau shall complete 16 hours of continuing education in subject matter pertaining to the preparation of estate tax returns, estate taxation, and completion of Form 706, within 12 months of the date the CBA’s decision is final. These course hours shall be in addition to continuing education requirements for license renewal.

Mr. Lau shall maintain an active license.

CAUSE FOR DISCIPLINE
Accusation No. AC-2013-56 contains the following allegations:
Mr. Lau committed repeated acts of negligence by failing to properly prepare an estate tax return. Mr. Lau failed to meet the standard of care expected of accountants in preparing tax returns when he improperly reported estate properties as qualified joint interest properties and when he failed to report prior taxable gifts on Form 706. On or about March 9, 2009, the IRS issued a Notice of Deficiency indicating a tax deficiency of $735,071.00 with an additional accuracy-related penalty of $147,014.00. On or about May 14, 2009, the client engaged the services of a tax attorney to file an appeal. On or about June 18, 2010, the client and the IRS reached a final settlement of the appeal for a total amount of due of $655,304.69 which included $165,585.44 interest and $36,275.50 in penalties.

VIOLATION(S) CHARGED
Business and Professions Code, Division 3, Chapter 1, § 5100 (c).
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

LAVELLE, TIMOTHY
San Diego, CA
(CPA 124432)

CBA ACTIONS
Revocation stayed with five years' probation, via stipulated settlement.
Mr. Lavelle shall complete a rehabilitation program for chemical dependency.
Mr. Lavelle shall abstain from the personal use of all psychotropic drugs, including alcohol, unless lawfully prescribed.
When requested, Mr. Lavelle shall submit to biological fluid testing.
Other standard terms of probation.

Effective July 5, 2014

CAUSE FOR DENIAL
Statement of Issues No. SI-2014-34 contains the following allegations:
On August 16, 2002, Mr. Lavelle was convicted of driving under the influence on June 6, 2002, in Virginia Beach, Virginia. He was granted probation for one year, ordered to complete an Alcohol Safety Action Program, and pay fees and fines.

On or about December 6, 2006, in criminal proceeding entitled Commonwealth of Virginia vs. Timothy David La Velle, in Virginia Beach Circuit Court, case numbers CR06-4460 and CR06-4434, Mr. Lavelle was convicted on his plea of guilty to violating Virginia Code section 46.2-894, leaving the scene of an accident involving personal injury or death, a Class 5 felony (Count 1); Virginia Code section 18.2-266/18.2-270, driving while under the influence, second offense, a Class U misdemeanor (Count 2); and Virginia Code section 46.2-852, reckless driving, a Class 1 misdemeanor (Count 3).
As a result of the convictions, on or about March 6, 2007, as to Count 1, the court ordered Respondent to serve three years in the Virginia Department of Corrections, suspended pending successful completion of three years' probation. As to Count 2, Mr. Lavelle was ordered to serve 12 months in jail, 11 months of which were suspended. Mr. Lavelle was permitted to serve one month in jail on consecutive weekends. Mr. Lavelle was further ordered to complete an Alcohol Safety Action Program, and pay fines and fees. Mr. Lavelle's driving privileges were suspended for three years, and he was ordered to install an ignition interlock device on his vehicle.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1.5, Chapter 2, § 480 (a)(1) and (a)(3)(A); Division 3, Chapter 1, § 5100 (a).
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

LINDSTROM, GORDON ROBERT
(aka GORDON R. LINDSTROM)

GORDON LINDSTROM AND ASSOCIATES, CERTIFIED PUBLIC ACCOUNTANT

LINDSTROM & WINSBORROW ACCOUNTANCY CORPORATION
Stockton, CA
(CPA 39113; FNP 300; COR 6769)

CBA ACTIONS
Revocations stayed with five years’ probation, via stipulated settlement.
Suspension of CPA, FNP, and COR licenses for a period of six months.
Respondents are required to comply with procedures provided by the CBA or its designee regarding notification to, and management of, clients regarding their cessation of practice (suspension period).
Respondents shall reimburse the CBA $17,465.99 for its investigation and prosecution costs.
Respondents shall pay to the CBA an administrative penalty in the amount of $10,000. The payment shall be made within 12 months of the date the CBA’s decision is final.
Mr. Lindstrom shall complete four hours of continuing education in ethics within the six-month suspension period. These course hours shall be in addition to continuing education requirements for license renewal.
Mr. Lindstrom shall complete twenty-four hours of professional education courses within one year of the effective date of the decision. These course hours shall be in addition to continuing education requirements for license renewal.
Respondents shall maintain an active license.
Other standard terms of probation.
Effective August 31, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2014-24 contains the following allegations:
On or about September 16, 26, 27, 28 and 29, 2011, and October 3, 4, 5, 6, and 8, 2011, Mr. Lindstrom misappropriated a former employer’s property by obtaining confidential client information, including but not limited to social security numbers, dates of birth, etc., without consent. The act of misappropriation of his former employer’s property constituted dishonesty and a willful violation of professional standards. On or between October 10, 2011, and January 2012, Mr. Lindstrom, through Respondent Lindstrom & Winsborrow Accountancy Corporation, sent out false and misleading advertisements and/or solicitations by sending tax mailers and/or tax organizers to his former employer’s clients which contained confidential client-specific data.
Mr. Lindstrom practiced public accountancy under the firm name of Lindstrom & Winsborrow Accountancy Corporation, prior to the firm being registered with the CBA. Mr. Lindstrom conspired to violate the Accountancy Act with a non-licensee (Winsborrow).

VIOLATION(S) CHARGED
Business and Professions Code, Division 1, Chapter 1, § 125; Division 3, Chapter 1, §§ 5060, 5100 (c), (g) and (k) and Division 7, Chapter 1, § 17500. California Code of Regulations, Title 16, Division 1, §§ 58, 63.
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

MEESTER, MARTIN D.
MEESTER & COMPANY, CPA, INC.
Chico, CA
(CPA 32972; COR 5887)

CBA ACTIONS
Revocations stayed with five years’ probation, via stipulated settlement.
Respondents’ licenses are suspended for 180 days.
Respondents shall reimburse the CBA $29,557 for its investigation and prosecution costs. Payments shall be made in ten (10) quarterly payments commencing with the quarter following the effective date of this disciplinary order.
During probation, Respondents shall be prohibited from engaging in, performing as or in any way acting as or in the capacity of a trustee.
After completion of probation, Respondents shall be permanently prohibited from engaging in, performing or acting in the capacity of a trustee. This condition shall continue and shall be a part of Respondents’ certification history until such time, if ever, Respondents successfully petition the CBA for reinstatement of the privilege to engage in, perform or in any way act as or in the capacity of a trustee.
Mr. Meester shall complete four hours of continuing education in ethics. Courses will be passed prior to resumption of practice where certificates have been suspended. These course hours shall be in addition to continuing education requirements for relicensing.
Mr. Meester shall complete sixteen hours of approved continuing education courses in estate and trust taxation. Courses shall be passed prior to the expiration of the period of suspension of Respondents’ certificates. These courses (hours) are in addition to continuing education requirements for relicensing.

Respondents shall make restitution to the Separate Share Trust (SST) in the amount of $30,000 and shall provide the CBA with a written release within thirty days of the effective date of this Order attesting that restitution has been paid.
Respondents shall pay to the CBA an administrative penalty in the amount of $10,000. The payment shall be made within ninety days of the effective date of the CBA’s disciplinary order.
Respondents shall maintain an active license.
Other standard terms of probation.
Effective October 26, 2014

CAUSE FOR DISCIPLINE
First Amended Accusation No. AC-2013-33 contains the following allegations:
Respondents failed to discharge fiduciary obligations to the trusts and trust beneficiaries for the MM Trust of 2000 and the contingent trusts JM SST and MN QTIP when he failed to provide annual accountings to the trust beneficiaries and intermingled the assets and business of the SST and QTIP trusts. On or about August 29, 2011, Mr. Meester was involuntarily removed as Trustee.
Mr. Meester was grossly negligent when he failed to timely file the trust estate tax returns and properly prepare the returns. Despite receiving written notice from the IRS in March of 2005 that the estate would not be able to claim deductions unless filed not later than 3 years after the original due date, Mr. Meester did not file the estate tax return until 2009. Mr. Meester also failed to include all appropriate deductions in the estate tax return. JM was unable to get a refund from the IRS for these missed deductions.
In 2009, JM was forced to file a Petition Objecting to Mr. Meester’s accounting for the three trusts and seeking to surcharge Mr. Meester for mishandling of the trusts’ business and accounting affairs. On or about March 22, 2012, the parties arrived at a settlement amount in excess
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

of $30,000. Martin Meester and Meester & Company, CPA, Inc., did not report the settlement to the CBA as required by CBA rules.

Mr. Meester engaged in the practice of public accounting while his license was expired.

Mr. Meester did not timely respond to the CBA’s request for information.

Mr. Meester did not complete the required four hours of ethics continuing education prior to the July 31, 2010, renewal of his CPA license.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5063 (b)(2), 5100 (c), (g), and (i). California Code of Regulations, Title 16, Division 1, §§ 52, and 87 (b).

MEYER, CHRISTINE N.
Solana Beach, CA
(CPA 80336)

CBA ACTIONS

Penal Code section 23 Order: Restriction of Practice as a CPA.

As part of the stipulated order, Ms. Meyer is prohibited from acting as a certified public accountant or performing any activities for which a certified public accountant license is required, either directly or indirectly, while on pretrial release under the proceeding People of the State of California v. Christine N. Meyer (Case No. CN331700), while on bail pending resolution of this criminal proceeding, as a post-conviction condition of probation, or during any California Board of Accountancy disciplinary proceeding, whichever concludes last.

This action does not constitute discipline on Ms. Meyer’s Certified Public Accountant’s license.

Effective August 20, 2014
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

QUINTO, JR. FEDERICO LLARENAS
Cerritos, CA
(CPA 68925)

CBA ACTIONS
Revocation stayed with three years’ probation, via stipulated settlement.
Mr. Quinto shall reimburse the CBA $4,922.70 for its investigation and prosecution costs. The payment shall be made within 30 days of the effective date of the CBA’s decision.
Mr. Quinto shall complete four hours of continuing education in ethics. These course hours shall be in addition to continuing education requirements for license renewal. Courses will be passed no later than 120 days from the effective date of the Order.
Mr. Quinto shall complete a CBA-approved two (2) hour regulatory review course. These course hours shall be in addition to continuing education requirements for license renewal. Courses will be passed no later than 120 days from the effective date of the Order.
Mr. Quinto shall comply with all requirements imposed by the Securities and Exchange Commission and shall report such compliance to the CBA.
Mr. Quinto shall maintain an active license.
Other standard terms of probation.
Effective October 26, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2014-39 contains the following allegations:

On August 31, 2012, the Securities and Exchange Commission (SEC) issued an Order instituting public administrative proceedings pursuant to section 4C of the Securities Exchange Act of 1934 and Rule 102(e)(1)(ii) of the SEC’s Rules of Practice, making findings, and imposing remedial sanctions against Respondent. The SEC’s Order suspended Mr. Quinto from appearing or practicing before the SEC as an accountant. The Order provides that Mr. Quinto may request that the SEC consider his reinstatement after one year from the date of the Order.
The proceedings arose out of Mr. Quinto’s improper professional conduct as the engagement partner on the 2007 audit and first three quarterly reviews of 2008 of Soyo Group, Inc.’s (“Soyo”) financials. In this capacity, Mr. Quinto failed to ensure that Vasquez & Company, LLP’s engagement team for Soyo adhered to the Standards of the Public Company Accounting Oversight Board in performing audit and review procedures in key areas, such as debt and going concern.
Mr. Quinto’s improper professional conduct included: failure to obtain sufficient competent evidential matter; failure to properly consider Soyo’s ability to continue as a going concern; failure to modify the auditor’s report appropriately when Soyo did not make required disclosures; failure to act with due professional care; failure to prepare and maintain adequate work papers; and failure to adhere to standards of conducting reviews of interim financial information.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1, Chapter 1, § 141; Division 2, Chapter 1, § 5100 (h) and (l).
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

SCHNUR, STEVEN W.
Milpitas, CA
(CPA 20216)

CBA ACTIONS
Surrender of CPA license, via stipulated settlement.
Mr. Schnur shall pay the CBA $13,147.17 for its investigation and enforcement costs prior to issuance of a new or reinstated license.

Effective July 5, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2014-17 contains the following allegations:

On June 7, 2013, Mr. Schnur pled no contest to violating Penal Code sections 504/487 (embezzlement by public or private employee), a felony. He was sentenced on August 29, 2013. The sentence included three years’ formal probation, 90 days’ incarceration, and pay restitution of $63,961.71.

Mr. Schnur provided accounting and payroll tax services for twenty years as a CPA for his client SCS. SCS gave Mr. Schnur a power of attorney to handle their state and federal taxes. As a result, Mr. Schnur received all of SCS’s correspondence from the Internal Revenue Service (IRS) and the California Employment Development Department (EDD). Mr. Schnur and SCS agreed to terminate their relationship in 2010. In 2011, the IRS notified SCS that it owed approximately $42,101 in back taxes. The EDD notified SCS that it owed approximately $8,046 in back taxes. SCS was unaware of the outstanding liabilities because the IRS and the EDD had sent their correspondence directly to Mr. Schnur. He admitted that he did not make some tax payments even though SCS provided him the funds to make the payments.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1.5, Chapter 3, § 490 (a); Division 3, Chapter 1, § 5100 (a) (i) and (k).

CITATIONS ARE SERIOUS BUSINESS
There are a number of reasons why a citation may be issued. The most common situations that prompt the California Board of Accountancy (CBA) to issue a citation are 1) failure to respond to an inquiry from the CBA, 2) violation of the continuing education basic requirements, and 3) practicing with an unregistered firm name.

The CBA may issue a citation in lieu of filing an accusation against a licensee for violation of the Accountancy Act or CBA Regulations. These violations are typically administrative in nature and the citation may include an administrative fine, order of abatement, or both. While a citation is not a disciplinary action, the consequences of being cited can be serious and long-lasting. Failure of a licensee to comply with a citation may constitute grounds for revocation or suspension of the license or permit.

Since November 1, 2012, citations that are deemed a final order are available to the public in an alphabetical listing “Citation Orders,” under the “Consumers” tab of the CBA website (www.cba.ca.gov).

The best way to avoid receiving a citation is to ensure you are in compliance with all of the laws and regulations pertaining to your CPA license. Further, if you are contacted by the CBA, it is extremely important that you respond in a timely manner.

If you have any questions about citations, please contact the CBA Enforcement Division at (916) 561-1729.
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

SEARS, STEVEN
Tustin, CA
(CPA 47657)

CBA ACTIONS
Surrender of CPA license, via stipulated settlement.
Mr. Sears shall pay the CBA its costs of investigation and enforcement in the amount of $19,871.27 prior to issuance of a new or reinstated license.

Effective October 26, 2014

CAUSE FOR DISCIPLINE
First Amended Accusation No. AC-2013-39 contains the following allegations:

Mr. Sears was convicted of a crime that is substantially related to the qualifications, functions, and duties of a certified public accountant.

On or about November 29, 2006, Mr. Sears was convicted on his plea of no contest to violating Penal Code section 273.5 (willful infliction of corporal injury of a spouse, cohabitant, or former cohabitant), a misdemeanor.
The court sentenced Mr. Sears to three years' informal probation, $1,320 in fines and fees, 90 days in jail to be served through working alternatives home confinement program, a domestic violence batterer’s treatment program, eight hours community service, and to have no contact with the victim. Mr. Sears did not report the conviction to the CBA.

Further, Mr. Sears committed unprofessional conduct related to the conduct that led to his February 18, 2011, disbarment by the State Bar of California. Mr. Sears pled no contest to a stipulation of facts and law by the State Bar related to his practice as a sole practitioner as Steven Sears Attorney, CPA, and as Legal Advisors, Inc., a Professional Law Corporation.
The State Bar found that Mr. Sears engaged in a course of practicing law that was reckless, involved gross carelessness, and involved a pattern of willfully failing to perform legal services demonstrating the abandonment of the causes for which he was retained and thereby he engaged in acts of moral turpitude in willful violation of BPC section 6106. The State Bar found as aggravating circumstances, that Mr. Sears’ misconduct significantly harmed a client, the public, or the administration of justice and reflected multiple acts of wrongdoing or demonstrated a pattern of misconduct, and that his conduct involved bad faith.

VIOLATION(S) CHARGED
Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, §§ 5100, 5100 (a) and (b).
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

SHINEY, BRUCE F.
Calabasas, CA
(CPA 43460)

CBA ACTIONS
Surrender of CPA license, via stipulated settlement.
Mr. Shiney shall pay the CBA $6,000 for its investigation and enforcements costs prior to issuance of a new or reinstated license.

Effective July 5, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2013-63 contains the following allegations:
Mr. Shiney held himself out as a certified public accountant and performed tax preparation services in 2012 when he knew, or should have known, that his license had been expired since April 2008. Mr. Shiney failed to obtain a PTIN number from the Internal Revenue Service for use in preparing tax returns. Mr. Shiney failed to return client documents upon request. Mr. Shiney failed to comply with two citations issued for practicing public accountancy without a permit and for failure to respond to CBA inquiries. Mr. Shiney also failed to respond to CBA inquiries in this investigation. Mr. Shiney failed to update his address of record.

VIOLATION(S) CHARGED
Business and Professions Code, Division 3, Chapter 1, §§ 5037, 5050, 5051, 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, §§ 3, 52, 58, 68 and 95.4.

TAYLOR, MICHAEL ALAN
Riverside, CA
(CPA 28464)

CBA ACTIONS
Revocation stayed with five years’ probation, via stipulated settlement.
Mr. Taylor’s license is suspended for 180 days.
Mr. Taylor shall reimburse the CBA $7,478.00 for its investigation and prosecution costs. The payment shall be made within 24 months of the date the CBA's decision is final.

Within 30 days of the effective date of this decision, Mr. Taylor 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. Taylor shall pay all costs for such monitoring.

During the period of probation, Mr. Taylor shall make restitution in the total amount of $356,750, as ordered by the United States District Court in United States of America v. Michael Taylor, et al., (United States District Court, Central District of California, case number 8:09-cr-00060), and comply with all other probationary terms ordered by that United States District Court. Mr. Taylor shall begin making monthly payments of $2,500 to the United States District Court 30 days after Mr. Taylor’s 180-day suspension ends, continuing every month for the period of probation. Nothing herein shall preclude Mr. Taylor from making any restitution pre-payments. No later than six months prior to the end of the probation term, Mr. Taylor shall make an additional $15,000 restitution payment to make up for those payments not made during the 180-day suspension period. Mr. Taylor will provide the CBA with written confirmation, in a form satisfactory to the United States District Court or U.S. Attorney’s Office, of Mr. Taylor’s restitution payments.

After the completion of probation, Mr. Taylor shall fully cooperate with the U.S. Attorney’s Office’s to ensure that Mr. Taylor fully repays the balance owing on the $356,750 restitution order. This obligation shall continue until such time, if ever, Mr. Taylor successfully petitions the Board for modification of this term.
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

Mr. Taylor shall complete four hours of continuing education in ethics. The hours must be completed while Mr. Taylor is suspended. These hours are in addition to the hours required for relicensure.

Mr. Taylor shall complete two hours of continuing education in regulatory review. These hours must be completed while Mr. Taylor is suspended. These hours are in addition to the hours required for relicensure.

Mr. Taylor shall complete 24 hours of professional education courses in the subject areas of Accounting and Taxation, during each year of probation, for a total of 120 hours. The first 24 hours shall be completed during the period of suspension. The remaining hours shall be completed by December 31st of each year of probation. This shall be in addition to continuing education requirements for relicensing.

Mr. Taylor shall maintain an active license.

Other standard terms of probation.

Effective October 26, 2014

CAUSE FOR DISCIPLINE

Accusation No. AC-2013-50 contains the following allegations:

On or about January 25, 2012, in a criminal proceeding entitled United States of America v. Michael Taylor, et al., in United States District Court, Central District of California, case number 8:09-cr-00060, Mr. Taylor entered a plea of guilty to Count 5 of a federal indictment for violating Title 18 United States Code sections 1341 and 2, mail fraud, and aiding and abetting, felonies. The court issued an order accepting Mr. Taylor’s plea of guilty.

As a result of Mr. Taylor’s guilty plea, on or about July 30, 2012, the court entered judgment sentencing Mr. Taylor to a probation term of 24 months, and ordered that he pay restitution to his victims in the amount of $356,750, plus a $2,000 court fine.

The facts that led to the conviction are that beginning in or about 2003, Mr. Taylor and a codefendant executed a scheme to defraud and obtain money from investors.

In its Sentencing Memorandum, the court found that Mr. Taylor provided assistance to his codefendant, who ran an investment fraud. Mr. Taylor aided and abetted his codefendant when he acted as the chief financial officer who lured persons to invest in a corporation to fund the research and development of magnetic motors.

Count 5 of the criminal indictment states that Mr. Taylor and codefendant aided and abetted each other “knowingly and with the intent to commit fraud, devised, participated in, and executed, a scheme to defraud and to obtain money through the use of false and fraudulent pretense, representations, and promises in connection with the magnetic motor scheme.” Specifically, Mr. Taylor committed mail fraud by participating in the mailing of 10,000 shares of the corporation to an investor in Vista, California, and 1,000 shares of the corporation to an investor in Yorba Linda, California.

Mr. Taylor failed to report his felony conviction to the CBA within 30 days of its occurrence as required.

Mr. Taylor failed to respond to an inquiry by the CBA.

Mr. Taylor also failed to notify the CBA of a change in his address of record within 30 days.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, §§ 5063, 5100 (a), (g), and (k). California Code of Regulations, Title 16, Division 1, §§ 3 and 52.
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

TIONGSON, ANTHONY A.
Cerritos, CA
(CPA 16032)

CBA ACTIONS
Surrender of CPA license, via stipulated settlement.

Mr. Tiongson shall pay the CBA $1,250 for its investigation and enforcement costs in this matter and pay the remaining $8,085.69 in costs from his prior discipline prior to the issuance of a new or reinstated license.

Effective July 5, 2014

CAUSE FOR DISCIPLINE
Accusation and Petition to Revoke Probation No. D1-2010-32 contains the following allegations:

Mr. Tiongson was disbarred from practicing before the Internal Revenue Service (IRS) in an IRS decision dated March 1, 2013. The IRS decision included findings and conclusions which were used in the CBA’s disciplinary action against Mr. Tiongson in 2012. These findings and conclusions included that Mr. Tiongson prepared and submitted false and fraudulent tax returns representing that income earned in California was not subject to federal taxation. The IRS decision’s findings and conclusions also included reasons to disbar Mr. Tiongson that were not adjudicated in the CBA’s 2012 disciplinary actions. These findings and conclusions included that Mr. Tiongson falsely represented to the CBA in his 2012 administrative hearing that he had ceased taking his false tax position after he first became aware of an IRS audit, when, in fact, he continued preparing tax returns using this false tax position for the next two filing seasons, 2002 and 2003. Mr. Tiongson also failed to respond to specific requests for information by the IRS.

Mr. Tiongson failed to comply with condition 1 of his probation with the CBA by failing to obey all federal laws as detailed in the IRS decision.

VIOLATION(S) CHARGED
Business and Professions Code, Division 3, Chapter 1, § 5100 (h).

POLICY OF NONDISCRIMINATION ON THE BASIS OF DISABILITY
AND EQUAL EMPLOYMENT OPPORTUNITY

The California Board of Accountancy does not discriminate on the basis of disability in employment or in the admission and access to its program and activities.

An Americans with Disabilities Act (ADA) coordinator has been designated to coordinate and carry out this agency’s compliance with the nondiscrimination requirements of Title II of the ADA. Information concerning the provisions of the ADA, and the rights provided thereunder, is available from:

ADA Coordinator
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815-3832
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

WASHINGTON, SHAWN EDGAR

SHAWN WASHINGTON ACCOUNTANCY CORPORATION
Moreno Valley, CA
(CPA 59049; COR 5527)

CBA ACTIONS
Revocation stayed with three years’ probation, via stipulated settlement. As part of the settlement, Mr. Washington admits the truth of each and every charge and allegation in Accusation No. AC-2011-24.
Suspension of CPA and COR licenses for a period of three months.
Respondents shall reimburse the CBA $12,500 for its investigation and prosecution costs. The first payment of $2,500 shall be made within 90 days after the effective date of the Decision and Order. Additional payments shall be made in quarterly payments with the next payment due with the March 2015 quarterly report. The final payment shall be made with the March 2017 quarterly report.
Mr. Washington shall complete four hours of continuing education in ethics prior to the end of the suspension period. These course hours shall be in addition to continuing education requirements for renewal.
Mr. Washington shall complete a minimum of two hours of continuing education in regulatory review prior to the end of the suspension period. These course hours shall be in addition to continuing education requirements for relicensing.
Mr. Washington shall complete 24 hours of professional education courses during each year of the probation period in the area of taxation, for a total of 72 hours. The 24 hours of professional education must be completed by March of each calendar year. These course hours shall be in addition to continuing education requirements for relicensing.
Mr. Washington and Shawn Washington Accountancy Corporation shall maintain an active license.
Other standard terms of probation.

Effective August 31, 2014

CAUSE FOR DISCIPLINE
Accusation No. AC-2011-24 contains the following allegations:
Mr. Washington failed to timely file his own Federal individual income tax returns for multiple tax years and did not file tax year 2007 by the extension deadline.
Mr. Washington failed to timely file and pay for Federal employment taxes for multiple quarters. As a result, Mr. Washington was suspended from practicing before the Internal Revenue Service (IRS) for a period of 24 months, at which time Mr. Washington may petition for reinstatement.
Mr. Washington failed to notify the CBA of the IRS suspension within the prescribed 30 days.
Mr. Washington and Shawn Washington Accountancy Corporation prepared an individual income tax return that deviated from U.S. Tax Code. The deviations were with respect to the disposition of residential rental property, basis determination, and rental income reporting.
Mr. Washington and Shawn Washington Accountancy Corporation practiced public accountancy during a period of time when Mr. Washington’s license was in a denied status, pursuant to Family Code section 17520.
Mr. Washington and Shawn Washington Accountancy Corporation also advertised on their website CPA services while Mr. Washington’s license was in a denied status.
Mr. Washington failed to provide the CBA with requested documents within 30 days.

VIOLATION(S) CHARGED
Business and Professions Code, Division 3, Chapter 1, §§ 5050 (a), 5063 (a) (3), 5100 (c), (g), (h). California Code of Regulations, Title 16, Division 1, §§ 52 (a), 63.
OTHER ENFORCEMENT ACTIONS THROUGH OCTOBER 26, 2014

ZHONG, JOHN ZILEI

JOHN ZHONG CPA & COMPANY

HACIENDA ACCOUNTING & MGMT INC.

Hacienda Heights, CA

(CPA 97729; COR 6463; COR 6485)

CBA ACTIONS

Surrender of CPA and COR Licenses, via stipulated settlement.

Respondents shall pay the CBA its costs of investigation and prosecution in the amount of $36,263.70 within ninety (90) days of the effective date of the Decision and Order.

Respondents shall be prohibited from filing an application for licensure or a petition for reinstatement with the CBA for a period of three (3) years following the effective date of the Decision and Order.

The full administrative record shall be considered by the CBA when determining whether to grant or deny the petition.

Respondents shall have no contact with the Licensing Section of the California Department of Justice or its personnel, the Department of Consumer Affairs, and the CBA or its personnel unless and until such time as Respondents file an application for licensure or a petition for reinstatement after a period of three (3) years. Respondents may communicate with the CBA and its employees, through their attorney as necessary to effect compliance with the terms of the stipulation.

Effective August 31, 2014

CAUSE FOR DISCIPLINE

Accusation No. AC-2013-35 contains the following allegations:

Mr. Zhong and Hacienda engaged in unprofessional conduct by preparing an amended tax return and/or performing other similar tax services for a client on a contingency fee basis. Mr. Zhong and Zhong Firm failed to obtain a peer review report and have it accepted by a Board-recognized peer review program within 18 months of completing accounting/auditing services (compilation report). Respondents obstructed a CBA investigation and/or failed to provide true and accurate information in response to questions or other requests for information from the CBA. Respondents advertised and/or used other forms of solicitation in a manner that was false, fraudulent and/or misleading. Mr. Zhong and Hacienda practiced public accountancy under an unregistered, false and/or misleading name. Mr. Zhong and Zhong Firm were negligent in the preparation of compilation reports for clients and/or failed to issue compilation reports in conformity with applicable professional standards. Respondents failed to provide true and accurate information and responses to duly issued investigative subpoenas and/or engaged in conduct that obstructed a CBA investigation.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5060, 5062, 5100 (c), (g), 5108, and 5156. California Code of Regulations, Title 16, Division 1, §§ 40 (b), 52 (d), 58, 62, 63, 67.
The CBA is committed to providing the highest level of customer service, and staff are here to help answer questions you may have regarding our programs. We strive to answer all incoming calls live, but during peak periods you may get a voicemail instead of a live person. If you leave us a voicemail message, staff will return your call within one business day or, if you prefer to contact us via e-mail, all e-mail messages are returned on average within three business days. For your convenience, we have provided contact information below for the different organizational units and functions at the CBA.

<table>
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<th>CBA UNIT</th>
<th>AREAS OF EXPERTISE</th>
<th>CONTACT INFORMATION</th>
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<tbody>
<tr>
<td>Administration</td>
<td>License status check, General questions</td>
<td>(916) 263-3680, <a href="http://www.dca.ca.gov/cba/lookup.shtml">www.dca.ca.gov/cba/lookup.shtml</a></td>
</tr>
<tr>
<td>Examination</td>
<td>Examination applications, Educational requirements, Exam scores, Name changes (exam candidates), Transcripts</td>
<td>(916) 561-1703, (916) 263-3677 Fax, <a href="mailto:examinfo@cba.ca.gov">examinfo@cba.ca.gov</a></td>
</tr>
<tr>
<td>Initial Licensing (Individuals)</td>
<td>Licensing application process for individual licenses, Name changes (CPAs and licensing applicants), Wall/pocket certificate replacement, Certification of records</td>
<td>(916) 561-1701, (916) 263-3676 Fax, <a href="mailto:licensinginfo@cba.ca.gov">licensinginfo@cba.ca.gov</a></td>
</tr>
<tr>
<td>Initial Licensing (Firms, Partnerships, Fictitious Names)</td>
<td>Licensing application for partnerships, corporations, and fictitious name permits</td>
<td>(916) 561-4301, (916) 263-3676 Fax, <a href="mailto:firminfo@cba.ca.gov">firminfo@cba.ca.gov</a></td>
</tr>
<tr>
<td>License Renewal</td>
<td>License renewal, continuing education requirements, Changing license status, Fees due</td>
<td>(916) 561-1702, (916) 263-3672 Fax, <a href="mailto:renewalinfo@cba.ca.gov">renewalinfo@cba.ca.gov</a></td>
</tr>
<tr>
<td>Practice Privilege</td>
<td>Out-of-state licensees wishing to practice in California</td>
<td>(916) 561-1704, (916) 263-3675 Fax, <a href="mailto:pracprivinfo@cba.ca.gov">pracprivinfo@cba.ca.gov</a></td>
</tr>
<tr>
<td>Enforcement</td>
<td>Filing a complaint, Disciplinary actions, Ethical questions regarding CPA practice</td>
<td>(916) 561-1729, (916) 263-3673 Fax, <a href="mailto:enforcementinfo@cba.ca.gov">enforcementinfo@cba.ca.gov</a></td>
</tr>
<tr>
<td>Peer Review</td>
<td></td>
<td>(916) 561-1706, <a href="mailto:peerreviewinfo@cba.ca.gov">peerreviewinfo@cba.ca.gov</a></td>
</tr>
<tr>
<td>Outreach Event Scheduling</td>
<td></td>
<td><a href="mailto:outreach@cba.ca.gov">outreach@cba.ca.gov</a></td>
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</tbody>
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We are always looking for ways to improve our customer service practices. Please let us know how we served you by taking our online Customer Stakeholder Survey at www.cba.ca.gov/forms/survey.

If you are unsure where to direct your questions, please call our main phone number at (916) 263-3680.
The CBA’s newsletter, *UPDATE*, is digital. You can sign up for E-News and be notified by e-mail when the newest edition of *UPDATE* is posted to the CBA website, [www.cba.ca.gov](http://www.cba.ca.gov).

LIST OF CONTRIBUTORS

<table>
<thead>
<tr>
<th>Patti Bowers</th>
<th>April Freeman</th>
<th>Rafael Ixta</th>
<th>Deanne Pearce</th>
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<tr>
<td>Terri Dobson</td>
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