



PRESIDENT'S MESSAGE



Jose A. Campos, CPA
President

It is an honor to address you as President of the California Board of Accountancy (CBA), and I look forward to the opportunities 2015 will hold. I would like to congratulate my fellow officers, Vice President Katrina Salazar, CPA, and Secretary/Treasurer Alicia Berhow, whom I look forward to working with in what I anticipate will be a busy and successful year. I would also like to thank our immediate Past President, Michael M. Savoy, CPA, for his leadership, and am glad he will be continuing his service as a member of the CBA.

Mobility in California is not new for 2015, but there is much work that needs to continue this year and beyond. Although California and 51 other U.S. jurisdictions have mobility, the CBA also reaffirmed its mission to protect consumers in this area with the establishment of the Mobility Stakeholder Group (MSG). Intended to be representative of stakeholders of the accounting profession in this State, including consumers, the MSG advises the CBA on mobility-related issues, including whether the practice privilege law meets the objectives of consumers and other stakeholders in this State and is consistent with the CBA's duty to protect the public. The MSG will be issuing its annual report to the CBA in spring 2015 and its final report to the CBA in 2017.

The future of the attest requirement is another issue we are addressing in 2015. Currently, licensees must have a minimum of 500 hours of attest experience to sign reports on attest engagements in California. Is that necessary or sufficient to support the CBA's mission to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with professional standards?

To answer that question, the CBA will launch a study this year on both the national and State levels to assist in determining whether to maintain, modify, or eliminate the 500-hour attest experience requirement. We will be surveying a wide range of groups in California, including consumers, applicants, new and experienced licensees, hiring managers, licensees who supervise and sign-off on

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attest experience, as well as accounting department faculty at various colleges and universities. If you are contacted, I would encourage you to respond to the study. We recognize your time is valuable and will make every effort to minimize the impact on your practice. At this time, we anticipate releasing the study in mid-2015.

Another important issue we will be working on is bringing the CBA's reserve fund to reasonable levels. The CBA's mandate is to ensure consumer protection, and having sufficient resources is necessary in carrying out this mandate. Although the CBA operates within its legislatively established budget, it must maintain a sufficient reserve in the event the CBA needs to augment its budget. Following an analysis of our revenue, expenditures, and reserve fund late last year, the CBA decided to adopt a plan that will maintain reasonable reserve fund levels, provide the necessary resources in future years, and still allow us to maintain reduced examination and licensing application registration fees for prospective licensees.

In March 2015, CBA Executive Officer Patti Bowers and I will testify on behalf of the CBA at a Sunset Review Hearing before the Senate Business, Professions and Economic Development and Assembly Business and Professions Committees (Committees). The sunset review

process is meant to assist the Legislature with its oversight responsibilities, allowing the Legislature to determine if the various boards and commissions are performing as they were intended. As part of the process, the CBA was asked to submit a Sunset Review Report, which details the CBA's activities in each of the four fiscal years since the CBA's last Sunset Review in 2010. You can read the CBA's 2014 *Sunset Review Report* on our website at www.dca.ca.gov/cba/publications/sunset_review_2014.pdf.

Following the hearing, the Committees will then prepare its findings and recommendations in a Final Report that is made available to the public. This report typically includes a recommendation of whether the CBA should be continued, reestablished, or sunsetted; and also recommendations on whether the CBA functions should be revised. If appropriate, the Final Report can also include proposed legislation to carry out the Legislature's recommendations.

As you can see, there is much work to be done. I look forward to working with my fellow CBA members, advisory committee members, stakeholders, and staff in making 2015 a productive and successful year in support of consumers and the California licensees who serve them.

Jose A. Campos, CPA
President

CBA MEMBERS

- Jose A. Campos, CPA, *President*
- Katrina Salazar, CPA,
Vice President
- Alicia Berhow, *Secretary/Treasurer*
- Sarah (Sally) Anderson, CPA
- Herschel T. Elkins, Esq.
- Laurence (Larry) Kaplan
- Louise Kirkbride
- Kay Ko
- Xochitl León
- Leslie J. LaManna, CPA

- Michael M. Savoy, CPA
- Mark Silverman, Esq.
- Kathleen K. Wright, JD,
CPA, LLM, MBA

COMMITTEE CHAIRS

- Jeffrey De Lyser, CPA
Enforcement Advisory Committee
- Robert Lee, CPA
Peer Review Advisory Committee
- Robert Ruehl, CPA
Qualifications Committee

CBA STAFF

- Patti Bowers, *Executive Officer*
- Deanne Pearce, *Assistant
Executive Officer*
- Dominic Franzella,
Enforcement Chief
- Gina Sanchez, *Licensing Chief*
- Lauren Hersh, *UPDATE
Managing Editor*
- Terri Dobson, *UPDATE
Production*



MESSAGE FROM THE EXECUTIVE OFFICER

Welcome to the winter 2015 edition of *UPDATE*. This newsletter includes information that we think will help you stay informed about issues that face the California Board of Accountancy (CBA) and you, our licensees. You will find quick access to the CBA's Annual Report (www.dca.ca.gov/cba/publications/annual_rpt_2014.pdf), information from the State Controller's Office about unclaimed property reporting, and the CBA's continued work on mobility. I hope you find the information and resources in this issue helpful.

I would also like to remind you of some additional ways you can keep current with what is happening at the CBA. If you use social media, please follow us on Twitter (twitter.com/CBANews). Our "handle" is @CBANews and you will find up-to-date information as it happens, as well as links to news that impacts the CPA profession and consumer protection. If you are on Facebook, take a moment to "like" our Facebook page (www.facebook.com/CBANews). We offer tips to speed your application through the renewal process and avoid commonly made mistakes, and helpful hints and reminders regarding our many programs. We also offer "Ask the Expert" live events, where you can ask questions and get answers in real time.

We have found that many of our licensees and other professionals appreciate connecting with us via LinkedIn. In addition to news and information regarding the CBA, we focus on issues that affect consumers and the CPA profession, career decisions, and the workplace.

Of course, you don't have to be on social media to keep up to date. Our website is kept current and available 24 hours a day, seven days a week. CBA meetings and CBA Committee meetings are webcast live on our website, and recordings of past meetings are

also archived there. Subscribe to the CBA's E-News, and choose from a variety of interest areas to have e-mail alerts sent to your inbox. Whether you like to keep apprised of legislative information, want all developments that pertain to licensees, or prefer to receive a digital version of *UPDATE*, E-News allows you access to the information you want at your convenience.

Communication goes both ways, and I would like to invite you to contact us. Whether you fill out our Stakeholder Survey (www.cba.ca.gov/forms/survey), comment on social media, send us an e-mail or letter, or call us, we value your feedback. Let us know how we are doing. Have a question or suggestion? We would like to hear that, too.

I have heard from many of you who responded to our CBA and committee recruitment letter last fall. We had a wonderful response and are looking forward to having new members on the CBA and its committees in 2015 and beyond. May this be another productive and successful year together.

Patti Bowers
Executive Officer





NEW LEADERSHIP AT THE HELM



Jose A. Campos, CPA
President

At its meeting on November 20, 2014, the California Board of Accountancy (CBA) elected new leadership: Mr. Jose Campos, CPA, was elected President of the CBA; Ms. Katrina Salazar, CPA, as Vice President; and Ms. Alicia Berhow, as Secretary/Treasurer.

Mr. Campos was appointed to the CBA in December 2012

by Governor Brown and served as Vice President prior to his election as President. He is currently a partner at Deloitte and Touche LLP. Mr. Campos serves on the Board of Advisors of the Robert Day School of Finance and Economics at Claremont McKenna College and previously served as Chairman of the Finance Committee of the Board of Directors of AltaMed Health Services. Mr. Campos is a member of the California Society of Certified Public Accountants, the American Institute of Certified Public Accountants, and the Association of Latino Professionals in Finance and Accounting.

Community College District. Ms. Salazar is a member of the California Society of Certified Public Accountants and the American Institute of Certified Public Accountants.



Alicia Berhow
Secretary/Treasurer

Ms. Berhow was appointed to the CBA by the Speaker of the Assembly in February 2011 and elected as Secretary/Treasurer in November 2014. She has served as the Vice President of Workforce Development and Advocacy for the Orange County Business Council since April of 2007. Previously, she served for five years as Senior Field Representative for Congresswoman Loretta

Sanchez, working on education and health care issues. Ms. Berhow currently serves as a board member, chairing Economic Development for the Anaheim Workforce Investment Board; an Ambassador for the Delhi Center in Santa Ana; and as a board member for the Community Action Partnership-Orange County.



Katrina Salazar, CPA
Vice President

Ms. Salazar was appointed to the CBA in December 2012 by Governor Brown and served as Secretary/Treasurer prior to her election as Vice President. She has also served as the Executive Director of the Rotary Club of Sacramento, and Chief Financial Officer at the Academic Senate for California Community Colleges and the American Red Cross Sacramento Sierra

Chapter. Ms. Salazar previously held several positions at Reznick Group, including senior audit manager, and has been an adjunct accounting professor with the Los Rios



ACADEMIA EXPERIENCE FOR LICENSURE

On September 17, 2014, Governor Brown signed Senate Bill 1467 (see “Under the Dome” article on page 6 for more information) into law, which gave the California Board of Accountancy (CBA) the authority to enact regulations that would allow experience in academia to satisfy the one-year general accounting experience requirement for CPA licensure. The general accounting experience requirement includes any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills.

This year, the CBA will undergo the rulemaking process to implement the change and set forth the specific requirements regarding how academia experience will qualify. The CBA had a public hearing at the January 22, 2015, CBA meeting to provide an opportunity for public comment on the draft regulations.

If you would like to stay informed of the latest developments regarding the CBA’s rulemaking process related to academia and the experience requirement, follow us at *twitter.com/CBAnews* and *www.facebook.com/CBAnews*, or sign up to receive E-News alerts at *www.cba.ca.gov/forms/news*.



WELCOME TO OUR NEW CBA MEMBERS



Xochitl León

The California Board of Accountancy (CBA) is pleased to welcome new CBA members Xochitl A. León and Kathleen K. Wright, JD, CPA, LLM, MBA.

Ms. León, of Oakland, is Vice President of Hispanic Segment Marketing at Wells Fargo Bank. Before joining Wells Fargo, she was responsible for market research

and economic forecasting at Standard & Poor’s DRI, and for Latin American economies and commercial real estate at CB Richard Ellis. She has worked at the Inter-American Development Bank and has done field research in Oaxaca, Mexico.

Ms. León is also a member of the Hispanas Organized for Political Equality (HOPE) Leadership Institute 2014 and Latinas in STEM2 to Achieve Success (LISTAS), and serves as a board member of Arise High School in Oakland.

Ms. León fills a public seat on the 15-member CBA, which is comprised of eight public members and seven who are CPAs. She was appointed by the Senate Rules Committee on January 7, 2015.



Kathleen K. Wright, JD, CPA, LLM, MBA

Ms. Wright, of San Francisco, is a professor at Golden Gate University School of Taxation where she is the Director of the State and Local Tax Program. Ms. Wright has a private tax practice focusing on representation and small business tax planning and consulting. She earned a Master of Laws



UNDER THE DOME

NEW LAWS IMPACT THE ACCOUNTING PROFESSION IN 2015

Several laws took effect January 1, 2015, which impact the accounting profession in California. Among the changes:

SB 1467 MAKES THE FOLLOWING CHANGES

Academia: Authorizes the California Board of Accountancy (CBA), by regulation, to allow experience in academia to qualify as general accounting experience for the one-year general accounting experience requirement necessary for CPA licensure.

CBA Members: The bill removes the prior requirement that two members of CBA be from a small public professional firm.

E-mail: The CBA may ask for a valid e-mail address on an application for or renewal of a CPA license, but may not compel an applicant or licensee to give such e-mail address. The law also protects the e-mail addresses from certain public disclosures, absent a court order.

Mobility (Practice Privilege): Requires that an individual who holds and is exercising a practice privilege in California must notify the CBA of any pending criminal charges other than a minor traffic violation, in any jurisdiction, in writing within 30 days of the date the individual has knowledge of those charges.

Other laws for 2015 include:

Assembly Bill 1702

Prohibits a delay in processing of an application or

a denial of a license of an individual who has satisfied any of the requirements needed to obtain a license while incarcerated, who applies for that license upon release from incarceration, and who is otherwise eligible for the license on the sole basis that some or all of the licensure requirements were completed while the individual was incarcerated.

AB 2720

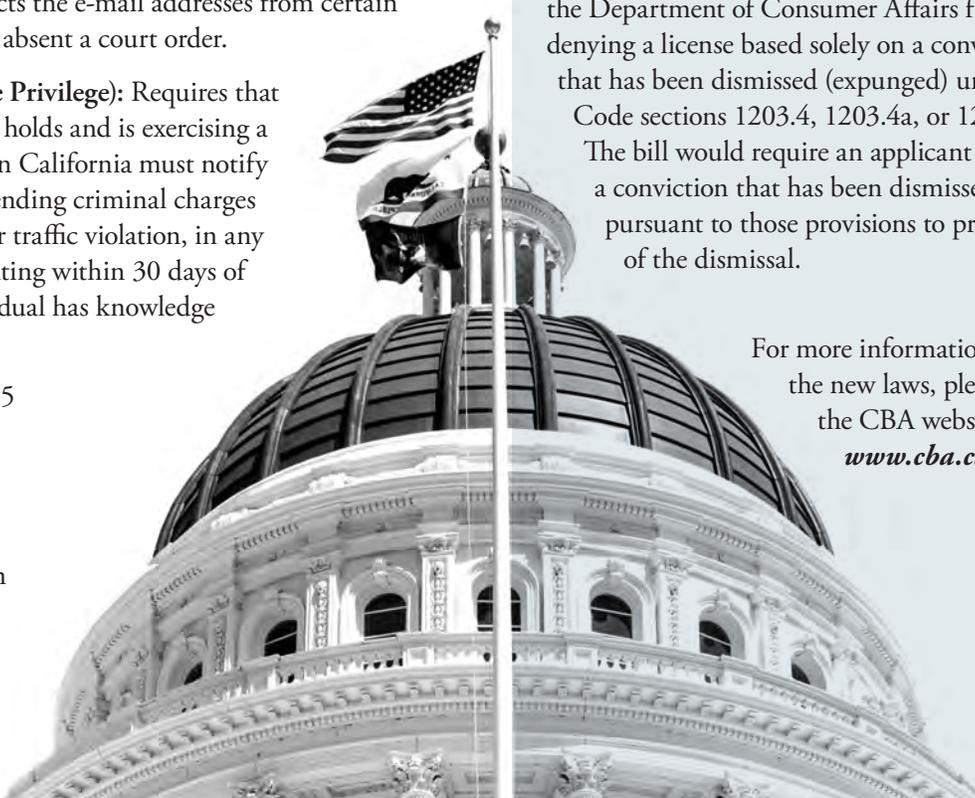
Requires the CBA and all other entities governed by the Bagley-Keene Open Meeting Act to publicly report any action taken in open session, as well as report how each member voted, members who abstained, and members who were not present for the vote on the action taken.

AB 2396

Prohibits the CBA and any other board within the Department of Consumer Affairs from denying a license based solely on a conviction that has been dismissed (expunged) under Penal Code sections 1203.4, 1203.4a, or 1203.41.

The bill would require an applicant who has a conviction that has been dismissed by a court pursuant to those provisions to provide proof of the dismissal.

For more information on the new laws, please visit the CBA website, www.cba.ca.gov.





CPAS CAN HELP CLIENTS MEET UNCLAIMED PROPERTY REPORTING REQUIREMENTS

Written by the State Controller's Office for use by the California Board of Accountancy

Do you have clients who are holding unclaimed property? Perhaps it is a returned security deposit or refund check. Or, it could be stocks, bonds, safe deposit box contents, or other property. With \$7.6 billion in unclaimed property received by the State Controller's Office (SCO) and an estimated 28.6 million owner accounts available to be claimed, chances are, you may have clients who need your guidance in this area.

Under California's Unclaimed Property Law (California Code of Civil Procedure section 1500 et seq.), unclaimed property escheats to the State if it has remained dormant for a period of time specified in the law—generally, three years. The SCO holds the property in perpetuity until a verified claim is filed by the true owner and approved. All businesses are required to annually report any unclaimed property they hold that has escheated. In order to comply with this requirement, businesses need to review their books and records annually to determine if they hold any escheated property. Unclaimed property includes, but is not limited to, payroll checks, accounts payable checks, refunds, accounts receivable, credit balances, bank accounts, customer overpayments, money orders, traveler's checks, and insurance proceeds.

Once property has remained unclaimed for the required dormancy period and has escheated, it becomes reportable to the SCO. **If a business fails to report, pay, or deliver unclaimed property within the time prescribed by law, it is liable for penalty and/or interest at the rate of 12 percent per annum.**

The following steps outline the mandated reporting process:

1. **Identify Unclaimed Property.** Holders of escheated unclaimed property can include business associations, banking and financial organizations, life insurance

corporations, nonprofits, sole proprietorships, partnerships, and other entities holding property belonging to another. Businesses need to review their books and records annually to determine if they hold any property, whether tangible or intangible, that has remained unclaimed or in inactive accounts for the required dormancy period.

2. **Perform Holder Due Diligence.** Due diligence is the process of locating apparent owners of property that has remained dormant or inactive on a holder's books and records. Holders are required to send notices to owners of property with a value of \$50 or more prior to reporting the accounts to the SCO. Due diligence gives the holder the opportunity to re-establish contact with their customers.
3. **Submit a Holder Notice Report.** California has a two-report process. The Holder Notice Report is the first step in the two-report process. The Holder Notice Report is due before November 1 of each year (May 1 for life insurance companies). Properties should not be remitted or delivered with the Holder Notice Report.
4. **Respond to Owner Claims Resulting from SCO Notices.** Upon receiving the Holder Notice Report, the SCO sends out its own due diligence notices to reported owners of property valued at \$50 or more. These notices will instruct property owners to contact the holder to claim their unclaimed property before it is sent to the SCO.
5. **Submit a Holder Remit Report and Remittance.** The Holder Remit Report is the second step in the two-report process. The Holder Remit Report is normally due between June 1 and June 15 of each year (December 1 and December 15 for life insurance companies). Property not claimed by the owner must be remitted with the Holder Remit Report.



UNCLAIMED PROPERTY REPORTING REQUIREMENTS CONTINUED FROM PAGE 7

For complete reporting instructions and links to required forms and free reporting software, please visit the SCO website at www.sco.ca.gov/upd_rptg.html. If you would like to receive notification of upcoming workshops, law changes and updates to forms, or other publications, subscribe to the SCO e-mail list at www.sco.ca.gov/ucp_holder_notification_email.html

If you require additional reporting assistance, you may reach the Outreach and Compliance Unit, within the Unclaimed Property Division, at (916) 464-6088 or e-mail UPDHolderOutreach@sco.ca.gov.

To find out if the SCO is holding unclaimed property belonging to you, go to www.claimit.ca.gov.

ARE YOU PLANNING ON PRACTICING IN ANOTHER STATE?

Mobility is a big deal these days for many boards of accountancy throughout the United States. The California Board of Accountancy (CBA) wants to remind all its licensees that if you intend to practice outside of California under the mobility privilege, please be sure that you check for the most current information regarding that state's mobility rules. These can typically be found on the state's board of accountancy website, but you may need to make a phone call as well. In addition, you can check on www.cpamobility.org, which is a site maintained by the National Association of State Boards of Accountancy. The mobility laws for states can widely vary, and the CBA does not want to see its licensees face issues that could have been avoided by being informed and prepared.

Just as California licensees can find information on out-of-state practice from other state boards of accountancy websites, out-of-state CPAs can find information regarding California's mobility law on the CBA website (www.cba.ca.gov). The CBA website mobility pages includes the *Practice Privilege Handbook* and a License Lookup feature. The License Lookup feature provides access to the California mobility database, CPAVerify, and the License Lookup tools for most other board of accountancy jurisdictions.

CALIFORNIA'S MOBILITY LAW

California's practice privilege, or mobility, law went into effect on July 1, 2013. The laws governing this privilege can be found on the California Board of Accountancy (CBA) website (www.cba.ca.gov), and include Business and Professions Code, Division 3, Chapter 1, Section 5096. Since then, CPAs licensed in other U.S. jurisdictions who meet certain requirements have been able to practice in California without providing notice and paying a fee, as was required under the previous law.

To date, the mobility pages on the the CBA website have received thousands of hits. Those coming to the CBA website's mobility section include:

- Individuals researching the new mobility requirements
- CPAs reporting specific information to the CBA
- Consumers checking the license status of their CPA or prospective CPA

Although the mobility law has been implemented, the work of the CBA is not complete. It is still charged with the duty of ensuring the consumers of California are protected. To ensure that the mobility law is sufficiently protecting consumers and meeting stakeholder objectives, the CBA, under CBA statute 5096.21, has created a Mobility Stakeholder Group (MSG). The MSG is charged with reviewing the law to determine if its provisions are working to protect Californians. This work will take place throughout the next few years with the MSG issuing its final report to the CBA in 2017.



PLANNING TO RETIRE?

When you retire, the retired status license acknowledges your years of professional service to consumers and your commitment to the accounting profession.

If you are planning on retiring, there is important information you need to know about placing your CPA license in retired status. Although you may restore your license from retired status to active status up to two times (see Title 16, California Code of Regulations section 15.4), keep in mind that each time you do so you will need to meet the eligibility requirements for restoration in place at that time. That includes submitting the Application Requesting Restoration to Active Status Prior to License Renewal or, alternatively, a written submission requesting restoration to active status; fulfilling the continuing education provisions; paying the fees necessary to restore your license to active status; and meeting all other requirements pursuant to sections 15.1 and 15.3 of the California Code of Regulations.

For more information, please visit
www.cba.ca.gov/cba/licensee/retired.shtml.

NEW CBA MEMBERS CONTINUED FROM PAGE 5

degree in taxation from Golden Gate University, a Juris Doctor degree from Fordham University School of Law, and a Master of Business Administration degree in taxation from New York University.

Ms. Wright is a CPA licensed in California and New York and admitted to practice law in New York. She is also a member of the California Society of Certified Public Accountants, American Institute of Certified Public Accountants, and the American Bar Association. Ms. Wright was appointed by Governor Brown on February 2, 2015.



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.

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 St., Suite 250
Sacramento, CA 95815





'YOU WILL BE ENRICHED'

WHY MEMBERSHIP ON A CBA ADVISORY COMMITTEE MAY BE PERFECT FOR YOU



Nancy Corrigan, CPA

Nancy Corrigan, CPA, has a long history of service to the California Board of Accountancy (CBA) as a member of its advisory committees. She was instrumental in the establishment of the Peer Review Oversight Committee (PROC) in 2010 and served as its Chair from 2010–2014. She remains a member of the PROC

and has also been serving as a member of the Enforcement Advisory Committee (EAC) since 2012. Ms. Corrigan graciously agreed to share her experiences with us.

Q. What got you interested in serving on a CBA advisory committee?

A. I really wanted to give back, and I first served on the Qualifications Committee for 11 years before taking a bit of a break to care for a family member. When I was ready to return, I spoke with Patti [Bowers] about possibly joining the EAC. She said they were starting a new committee, the PROC, which she thought I would be perfect for.

Q. You served as the PROC Chair for nearly four years—what kept you coming back?

A. To have input into the practice and profession; to be involved in that way is very rewarding. If we [practitioners] don't get involved, who will?

Q. In addition to chairing the PROC, you also joined the EAC. What motivated you to get involved on a second committee?

A. Once the PROC was established and operating as a regular advisory committee, I decided to satisfy my original interest. As a member of the EAC, I get to see what others are doing. It is a good way to monitor quality in the profession and an important reminder to make certain we conduct ourselves with honesty and integrity in our own practices.

Q. What would you like to say to licensees who are considering advisory committee membership but may be undecided?

A. Step out and take an interest in our wonderful profession. The work is so rewarding—you will be enriched.

THE NEW CONSUMER ASSISTANCE BOOKLET

There is a new California Board of Accountancy (CBA) resource available for you to share with your clients. The newly updated *Consumer Assistance Booklet (Booklet)* provides the latest information to assist consumers in selecting a CPA and using the services offered. The *Booklet* explains who can provide public accounting services in California, the services that CPAs provide,

and how to select a CPA. It also discusses the need for engagement letters, the differences between the "A" and "G" completed experience, and peer review.

The new *Consumer Assistance Booklet* can be downloaded from the CBA website at www.dca.ca.gov/cba/publications/pamphlet.pdf.



FUTURE MEETINGS

MARCH 19, 2015

Mobility Stakeholder Group Meeting
Wyndham Irvine-Orange County Airport
17941 Von Karman Avenue
Irvine, California 92614
(949) 863-1999

MARCH 19-20, 2015

CBA and Committee Meetings
Wyndham Irvine-Orange County Airport
17941 Von Karman Avenue
Irvine, California 92614
(949) 863-1999

APRIL 22, 2015

Qualifications Committee Meeting
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, California 95815
(916) 263-3680

APRIL 30, 2015

Enforcement Advisory Committee Meeting
Hilton Los Angeles Airport
5711 West Century Boulevard
Los Angeles, CA 90045
(310) 410-4000

MAY 1, 2015

Peer Review Oversight Committee Meeting
Hilton Los Angeles Airport
5711 West Century Boulevard
Los Angeles, CA 90045
(310) 410-4000

MAY 28-29, 2015

CBA and Committee Meetings
Southern California

CBA and committee meetings are open to the public. Consumers, licensees, and all interested persons are encouraged to attend. As meeting locations become known, they will be posted on the CBA website at www.cba.ca.gov or you can call the CBA office at (916) 263-3680. Public notices and agendas are posted to the website at least 10 days prior to meetings. All CBA meetings are available to the public via live webcast at www.cba.ca.gov.

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



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 10 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 10 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



ENFORCEMENT PROCESS CONTINUED FROM PAGE 13

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.

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 JANUARY 1, 2015

TERUEL, ROBBIE

San Jose, CA
(CPA 104234)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective January 1, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-58 contains the following allegations:

Mr. Teruel was convicted of crimes substantially related to the qualifications, functions, and duties of a certified public accountant. On or about October 29, 2012, in the case of *People v. Teruel*, Santa Clara Superior Court case No. C1224839, Mr. Teruel was convicted of violating Vehicle Code sections 23103/23103.5, reckless driving

involving the consumption of alcohol. On or about December 30, 2011, Mr. Teruel drove a motor vehicle after consuming alcohol.

On or about May 9, 2013, in the case of *People v. Teruel*, Santa Clara Superior Court case No. F1346157, Mr. Teruel was convicted of violating Vehicle Code section 23152(b), driving with a blood alcohol level of .08 percent or higher. On or about January 25, 2013, Mr. Teruel drove a motor vehicle with a blood alcohol level of .08 percent or higher.

On June 29, 2013, the CBA sent Mr. Teruel a letter to his address of record via regular and certified mail. The letter requested a response from Mr. Teruel. Mr. Teruel failed to respond to the CBA's letter within 30 days.

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 JANUARY 1, 2015

CHRISTIANSSEN, TROY MICHAEL

Alameda, CA
(CPA 125158)

CBA ACTIONS

A CPA Certificate will be issued to Mr. Christiansen and immediately revoked. The revocation will be stayed and Mr. Christiansen will be placed on five years' probation, which includes the following terms and conditions:

Mr. Christiansen shall complete or shall have successfully completed a rehabilitation program for chemical dependence that the CBA or its designee approves and shall have reports submitted by the program.

Other standard terms of probation.

Decision via stipulated settlement.

Effective October 26, 2014

CAUSE FOR DENIAL

Statement of Issues No. SI-2014-3 contains the following allegations:

On or about April 27, 2011, Mr. Christiansen was convicted of driving while his license was invalidated, a gross misdemeanor. On or about July 9, 2010, Mr. Christiansen drove a vehicle while his license was suspended.

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OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

On or about August 1, 2007, Mr. Christiansen was convicted of driving under the influence of alcohol, a misdemeanor. On or about February 25, 2007, Mr. Christiansen drove a motor vehicle under the influence of alcohol.

On or about April 8, 2008, Mr. Christiansen was convicted of driving under the influence of alcohol,

a misdemeanor. On or about April 25, 2002, Mr. Christiansen drove a motor vehicle under the influence of alcohol.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 480.

**DUBAN, DENNIS LAWRENCE
DUBAN ACCOUNTANCY CORPORATION
DUBAN ACCOUNTANCY LLP**

Los Angeles, CA
(CPA 22749; COR 1115; PAR 6850)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Respondents shall pay the CBA \$9,590.73 for its investigation and enforcement costs prior to issuance of a new or reinstated license.

Respondents shall not apply for licensure or petition for reinstatement for three years from the effective date of the Decision and Order.

Effective January 1, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-27 contains the following allegations:

On or about October 1, 2012, after pleading guilty, Mr. Duban was convicted of one felony count of violating 18 U.S.C. section 371 [conspiracy to defraud] and one felony count of 26 U.S.C. section 7206, subdivision (1) [subscribing to a false income tax return] in the criminal

proceeding entitled *United States of America v. Dennis Lawrence Duban* (U.S. Dist. Hawaii, 2012, No. 10-00631-LEK). On or about May 29, 2014, the Court sentenced Mr. Duban to serve 24 months in State Prison and placed him on three years' supervised release. Mr. Duban was also ordered to pay a fine of \$30,000 and perform 600 hours of community service.

On or about January 2003, and continuing thereafter, Mr. Duban and others did unlawfully, voluntarily, intentionally, and knowingly conspired, combined and agreed together and with each other to defraud the United States by deceitful and dishonest means for the purpose of impeding, impairing, obstructing and defeating the lawful Government functions of the Internal Revenue Service in the ascertainment, computation, assessment and collection of revenue, to wit: federal income taxes.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, §§ 5100 (a), (c), (g), (i) and (j) and 5106. California Code of Regulations, Title 16, Division 1, § 99.



OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

GRIMES, ROBERT JOHN

San Diego, CA
(CPA 124983)

CBA ACTIONS

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

Mr. Grimes shall complete four hours of continuing education in ethics each year of probation. These course hours shall be in addition to continuing education requirements for license renewal and must be completed by December 31st of each year.

Mr. Grimes shall maintain an active license.

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

Other standard terms of probation.

As part of the settlement agreement, Mr. Grimes admits the truth of each and every charge and allegation in the Statement of Issues No. SI-2014-47.

Effective August 31, 2014; Pre-licensure requirements were met and a license was issued on September 25, 2014.

CAUSE FOR DENIAL

Statement of Issues No. SI-2014-47 contains the following allegations:

Mr. Grimes' application is subject to denial under Business and Professions Code (BPC) sections 480, subdivision (a)(1) and (a)(3)(A) in that he was convicted of crimes that are substantially related to the qualifications, duties, and functions of a CPA. Said conduct would be a ground for discipline under BPC sections 5100, subdivision (a) for a licensed CPA.

On or about January 19, 2000, in a criminal proceeding entitled *State of Washington v. Robert John Grimes*, in Pierce County Superior Court, case number 99-1-05343-7, Mr. Grimes was convicted on his plea of guilty to burglary in the first degree (domestic violence) in violation of Revised Code of Washington (RCW) §§ 9A.52.020(1)(a), 10.99.020/030, 9.41.010, 9.94A.310, and 9.94A.370, and assault in the second degree (domestic violence with firearm enhancement) in violation of RCW §§ 9A.36.021(1)(c), 10.99.020/030, 9.941.010, 9.94a.310, 9.94a.370, class A felonies.

As a result of the convictions, on or about January 19, 2000, Mr. Grimes was sentenced to a total of 62 months in state prison. Mr. Grimes was given credit for 58 days, Mr. Grimes was ordered to stay away from the victims, forfeit weapons, and pay fines, fees, and restitution.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 480 (a)(1), (a)(3)(A); Division 3, Chapter 1, § 5100 (a).



OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

HANNIGAN, JAMES

San Jose, CA
(CPA 125123)

CBA ACTIONS

Mr. Hannigan will be issued a CPA license and it will be immediately revoked. The revocation will be stayed and Mr. Hannigan will be placed on five years' probation, which includes the following terms and conditions:

Should Mr. Hannigan become self-employed or engage in a solo accountancy practice, within 30 days of that change, Mr. Hannigan shall submit to the CBA or its designee for its prior approval a plan of practice that shall be monitored by another CPA who provides periodic reports to the CBA or its designee. Mr. Hannigan shall pay all costs for such monitoring.

Mr. Hannigan shall complete four hours of continuing education in ethics. These course hours shall be in addition to continuing education requirements for license renewal and must be completed by December 31, 2014.

Mr. Hannigan shall complete a Board-approved two hour regulatory review course. These course hours shall be in addition to continuing education requirements for license renewal and must be completed by December 31, 2014.

Mr. Hannigan shall maintain an active license.

Other standard terms of probation.

Decision via stipulated settlement.

Effective October 26, 2014

CAUSE FOR DENIAL

Statement of Issues No. SI-2013-62 includes the following allegations:

On or about April 9, 2002, the Santa Clara County Superior Court convicted Mr. Hannigan by a plea of nolo contendere of one misdemeanor count of violating Penal Code 647(a) – soliciting or engaging in lewd conduct in public. Mr. Hannigan was sentenced to two days in county jail and placed on 24 months of probation.

On or about October 11, 2006, the United States District Court, District of Nevada convicted Mr. Hannigan by a plea of guilty of one felony count of violating Title 18 United States Code, section 1959(b)(2) – violent crime in aid of racketeering. Mr. Hannigan was sentenced to 24 months in prison, three years' probation, and ordered to pay a \$100.00 felony assessment.

Also on or about October 11, 2006, the District Court, Clark County, Nevada, convicted Mr. Hannigan by guilty plea of one felony count of violating Nevada Revised Statute 200.481 – battery causing substantial bodily harm. Mr. Hannigan was sentenced to 30 months in prison, to run concurrent with his federal sentence, one year probation, and ordered him to pay a \$175.00 court fee.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, §§ 480 (a)(1)(2), (a)(2), (3)(B), (a)(3)(A), (a)(3)(B), 490; Division 3, Chapter 1, §§ 5100 (a), and 5110(a)(4).
California Code of Regulations, Title 16, Division 1, § 99.



OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

JACKSON, RICHARD EDSON

Fresno, CA
(CPA 36244)

CBA ACTIONS

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

Mr. Jackson shall reimburse the CBA \$16,200.46 for its investigation and prosecution costs.

Mr. Jackson shall annually provide the CBA with a listing of all audit and review engagements he will undertake in the subsequent 12-month period. Along with the list of audit and review engagements, Mr. Jackson shall provide the CBA with the final audit and review report due dates for each audit and review engagement. From the list, the CBA will select 25 percent but no more than 15 audit and review engagements whose work papers and final reports shall be reviewed by a qualified outside CPA approved by the CBA. Mr. Jackson shall maintain all work papers and final reports for all audit and review engagements undertaken during the course of probation, enabling inspection by the CBA or qualified outside CPA. Upon completion of the review of the work papers and final reports for each selected audit or review engagement, Mr. Jackson shall submit a copy of the report with the reviewer's conclusions and findings to the CBA. Review by the qualified outside CPA shall be at Mr. Jackson's expense.

During the period of probation, Mr. Jackson shall complete eight hours of an audit documentation course, 24 hours of accounting and auditing training, and eight hours of audit of 401(k) Plans. Within 120 days from the effective date of the Order, Mr. Jackson shall complete four hours in ethics continuing education. These course hours shall be in addition to continuing education required for relicensing.

During the period of probation, if Mr. Jackson undertakes an audit, review, or compilation engagement, Mr. Jackson shall submit to the CBA as an attachment to the required

quarterly report a listing of the same. The CBA or its designee may select one or more from each category and the resulting report and financial statement and all related working papers must be submitted to the CBA or its designee upon request.

Mr. Jackson shall maintain an active license.

Other standard terms of probation.

Effective January 1, 2015

CAUSE FOR DISCIPLINE

Accusation Case Nos. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46 contain the following allegations:

Mr. Jackson committed gross negligence and/or repeated negligent acts in the issuance of the Ridgecrest Regional Hospital audit report for the year ended January 31, 2012, and the performance of audit procedures. The audit procedures departed extremely from professional standards. Mr. Jackson failed to properly plan the audit, failed to obtain a sufficient understanding of the entity and its environment necessary to assess risks, failed to obtain sufficient appropriate evidential matter to support his audit opinion on the financial statements, and failed to exercise due professional care in the performance and reporting on the audit.

Mr. Jackson failed to comply with the CBA's audit documentation requirements.

Mr. Jackson failed to comply with applicable professional standards, including but not limited to, Generally Accepted Government Auditing Standards and Generally Accepted Auditing Standards, regarding the audit documentation and performance of the audit. Mr. Jackson's audit report did not conform to professional standards on the grounds that the audit documentation did not support the opinion rendered in the audit report.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5097, and 5100 (c), (e) and (g). California Code of Regulations, Title 16, Division 1, §§ 58 and 68.2.



OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

MITCHELL, MICHAEL STEPHEN MICHAEL S. MITCHELL CPA, INC.

San Luis, AZ
(CPA 20146; COR 6159)

CBA ACTIONS

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

Respondent shall reimburse the CBA \$4,000.00 for its investigation and prosecution costs.

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

After the completion of probation, Respondent shall be permanently prohibited from engaging in and performing any audits, reviews, compilations, or attest engagements. This condition shall continue until such time, if ever, Respondent successfully petition the CBA for reinstatement of his ability to perform audits, reviews, compilations or attest engagements.

Respondent shall maintain an active license.

Effective January 1, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-11 contains the following allegations:

Respondents Michael S. Mitchell, CPA and Michael S. Mitchell CPA, Inc. engaged in grossly negligent conduct by departing from accepted professional standards to an extreme degree with respect to their audit of the San Antonio Community Hospital – Health Plan for the year ended December 31, 2009.

Respondents' acts included failures to properly plan the audit and to obtain a sufficient understanding of the entity and its environment to assess risks. Respondents failed to establish an audit plan that reflected a description of the nature, timing and extent of planned risk assessment procedures to assess the risks of material misstatement.

Respondents failed to exercise due professional care with respect to documenting their audit work. Respondents failed to apply auditing procedures to the individual participant accounts, resulting in a lack of necessary information with respect to participant data and employer contributions. Respondents failed to obtain a signed management representation letter from the client. The above acts also constitute repeated acts of negligence.

Respondents' audit report failed to conform to professional standards in that Respondents' unqualified opinion was not supported due to Respondents' failure to conduct the audit in accordance with Generally Accepted Auditing Standards. Respondents failed to produce and/or retain audit documentation regarding the procedures applied, tests performed, evidence obtained and relevant conclusions reached sufficient to enable a qualified reviewer with no prior connection with the audit to understand the nature, timing, extent, results of the auditing procedures performed, evidence obtained, and conclusions reached.

Respondent Michael S. Mitchell CPA, Inc. failed to obtain a peer review report accepted by a CBA-recognized peer review program within 18 months of completing its audit for the San Antonio Community Hospital Health Plan for the year ending December 31, 2009. Respondent Michael S. Mitchell, CPA falsely stated to the CBA that his firm had not engaged in any auditing services that would require a peer review.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076, 5097, 5100 (c), (e) and (g). California Code of Regulations, Title 16, Division 1, §§ 40 (b), 52 (d), 58 and 68.2.



OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

REPUBLICANO, VICTOR PHILIP

Alameda, CA
(CPA 55813)

CBA ACTIONS

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

Mr. Republicano shall reimburse the CBA \$10,000.00 for its investigation and prosecution costs.

Mr. Republicano shall make restitution to P.D. in the amount of \$10,000.00, and shall provide the CBA with a written receipt from P.D. attesting that restitution in the amount of \$10,000.00 has been paid. Mr. Republicano shall prepare and submit a repayment plan to the CBA for approval. Restitution shall be completed six months before the termination of probation.

Mr. Republicano shall use engagement letters with each engagement accepted during probation and shall provide copies of same to the CBA or its designee upon request.

Mr. Republicano shall complete four hours of continuing education in ethics within 12 months of the effective date of the Order. These hours are in addition to the hours required for relicensing.

Mr. Republicano shall complete a CBA-approved course on the provisions of the California Accountancy Act and the CBA Regulations within 12 months of the effective date of the Order. The course shall be a minimum of two hours and shall be in addition to the continuing education requirements for relicensing.

Mr. Republicano shall complete 16 hours of professional education courses in the subjects of forensic accounting and valuation. These hours shall be in addition to continuing education requirements for relicensing.

Mr. Republicano shall maintain an active license.

Other standard terms of probation.

Effective January 1, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2013-30 contains the following allegations:

Mr. Republicano engaged in the practice of public accountancy while Mr. Republicano was not the holder of a valid permit to practice public accountancy issued by the CBA. Mr. Republicano's license expired on September 1, 2009, and was not renewed until September 1, 2011. On or about December 17, 2011, and on or about January 20, 2011, Mr. Republicano was notified of his expired license and thereafter, on or about April 1, 2011, entered into a contract to perform accounting services and did perform accounting services after being notified that his license was expired.

Mr. Republicano committed dishonest and/or fraudulent acts, and advertised and/or solicited in a manner which was false, fraudulent, or misleading. On or about May 19, 2011, and August 18, 2011, Mr. Republicano's website stated that Mr. Republicano was a CPA and that he is a practitioner of accounting while his license was in an expired status. Mr. Republicano also stated in a contract with clients that he employed staff, senior associates, managers, principals and directors, who worked at various rates. In actuality, Mr. Republicano employed no such persons.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5050 (a) and 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, § 63.



OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

SULLENGER, INGER ALICE

Plain City, UT
(CPA 88971)

CBA ACTIONS

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

Ms. Sullenger shall reimburse the CBA \$15,000.00 for its investigation and prosecution costs. The payment shall be made in 18 quarterly payments due with quarterly written reports.

Ms. Sullenger shall annually provide the CBA with a listing of all audit and review engagements she will undertake in the subsequent 12-month period. Along with the list of audit and review engagements, Ms. Sullenger shall provide the CBA with the date on which the final audit and review report for each audit and review engagement is due. From the list, the CBA will select 25 percent but no more than 15 audit and review engagements whose work papers and final reports shall be reviewed by a qualified outside CPA approved by the CBA. Ms. Sullenger shall maintain all work papers and final reports for all audit and review engagements undertaken during the course of probation, enabling inspection by the CBA or qualified outside CPA. Upon completion of the review of the work papers and final reports for each selected audit or review engagement, Ms. Sullenger shall submit a copy of the report with the reviewer's conclusions and findings to the CBA. Review by the qualified outside CPA shall be at Ms. Sullenger's expense.

During the period of probation, Ms. Sullenger shall complete eight hours of an audit documentation course and 24 hours of accounting and auditing training. Within 120 days from the effective date of the Order, Ms. Sullenger shall complete four hours in ethics continuing education. These course hours shall be in addition to continuing education required for relicensing.

During the period of probation, if Ms. Sullenger undertakes an audit, review, or compilation engagement, Ms. Sullenger 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. Sullenger shall maintain an active license.

Other standard terms of probation.

Effective January 1, 2015

CAUSE FOR DISCIPLINE

Accusation Case Nos. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46 contain the following allegations:

Ms. Sullenger committed gross negligence and/or repeated negligent acts in the issuance of the San Diego American Indian Health Center audit report for the year ended June 30, 2011, and the performance of audit procedures. The audit procedures departed extremely from professional standards. Ms. Sullenger failed to properly plan the audit, failed to obtain sufficient appropriate evidential matter to support the audit opinion on the financial statements, and failed to exercise due professional care in the performance and reporting on the audit. Ms. Sullenger's documentation lacked evidence to support her understanding of the status and effectiveness of internal controls.

Ms. Sullenger failed to comply with the CBA's audit documentation requirements. Ms. Sullenger failed to comply with applicable professional standards, including but not limited to Generally Accepted Government Auditing Standards and Generally Accepted Auditing Standards, regarding the audit documentation and performance of the audit. Ms. Sullenger's audit report did not conform to professional standards on the grounds that the audit documentation did not support the opinion rendered in the audit report.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5097 and 5100 (c), (e) and (g). California Code of Regulations, Title 16, Division 1, §§ 58 and 68.2.



OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

TCA PARTNERS, LLP

Fresno, CA
(PAR 6980)

CBA ACTIONS

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

Respondent TCA Partners, LLP shall annually provide the CBA with a listing of all audit and review engagements Respondent will undertake in the subsequent 12-month period. Along with the list of audit and review engagements, Respondent TCA Partners, LLP shall provide the CBA with the date on which the final audit and review report for each audit and review engagement is due. From the list, the CBA will select 25 percent but no more than 15 audit and review engagements whose work papers and final reports shall be reviewed by a qualified outside CPA approved by the CBA. Respondent TCA Partners, LLP shall maintain all work papers and final reports for all audit and review engagements undertaken during the course of probation, enabling inspection by the CBA or qualified outside CPA. Upon completion of the review of the work papers and final reports for each selected audit or review engagement, Respondent TCA Partners, LLP shall submit a copy of the report with the reviewer's conclusions and findings to the CBA. Review by the qualified outside CPA shall be at TCA Partner's expense.

All audit, review, and compilation reports and work papers shall be subject to peer review by a Board-recognized peer review program provider. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. Within 45 days of the peer review report being accepted by a CBA-recognized peer review program provider, Respondent TCA Partners, LLP shall submit to the CBA a copy of the peer review report, including any materials documenting the prescription of remedial or corrective actions imposed.

Respondent TCA Partners, LLP shall have all audit staff practicing in Respondent's audit practice complete 16 hours of professional continuing education courses. The courses shall be completed within 120 days of the effective date of this Order. The courses shall be completed at the expense of Respondent TCA Partners, LLP.

Respondent TCA Partners, LLP agrees that the CBA's total investigation and prosecution costs in this matter are \$62,601.32 and that such costs will not be reimbursed by Respondent TCA Partners, LLP, but will be separately reimbursed by each individual Respondent.

Respondent TCA Partners, LLP shall pay to the CBA an administrative penalty in the amount of \$125,000.00. The payment shall be made within six months of the date the CBA's decision is final.

Within 15 days of the effective date of the CBA's Order, Respondent TCA Partners, LLP shall disseminate this Stipulated Settlement and Disciplinary Order to all of its professional staff officed in California and shall confirm such dissemination in writing to the CBA.

Respondent TCA Partners, LLP shall maintain and use published materials and/or checklists consistent with its practice. Such materials and checklists shall be produced for on-site review by the CBA or its designee upon reasonable notice.

Other standard terms of probation.

Effective January 1, 2015

CAUSE FOR DISCIPLINE

Accusation Case Nos. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46 contain the following allegations:

Respondent TCA Partners, LLP committed gross negligence and/or repeated negligent acts in the issuance of the North Hawaii Community Hospital, Inc. 401(k) Plan audit report for the year ended December 31, 2010, and the performance of audit procedures, the issuance of the

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OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

San Diego American Indian Health Center audit report for the year ended June 30, 2011, and the performance of audit procedures, and the issuance of the Ridgecrest Regional Hospital audit report for the year ended January 31, 2012, and the performance of audit procedures. The audit procedures in all of the audits departed extremely from professional standards. Respondent TCA Partners, LLP, through its licensed CPA partners who performed the audits, failed to properly plan the audits, failed to obtain a sufficient understanding of two of the auditees necessary to assess risk, failed to obtain sufficient appropriate evidential matter to support the audit opinion on the financial statements in all of the audits, and failed to exercise due professional care in the performance and reporting on all of the audits.

Respondent TCA Partners, LLP failed to comply with the CBA's audit documentation requirements. Respondent TCA Partners, LLP failed to comply with applicable professional standards, including but not limited to Generally Accepted Government Auditing Standards and Generally Accepted Auditing Standards, regarding the audit documentation and performance of the audit. Respondent TCA Partners, LLP's audit reports did not conform to professional standards on the grounds that the audit documentation did not support the opinion rendered in the audit reports.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5097 and 5100 (c), (e) and (g). California Code of Regulations, Title 16, Division 1, §§ 58 and 68.2.

TUCKER, JERREL LEE

Fresno, CA
(CPA 72045)

CBA ACTIONS

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

Mr. Tucker shall reimburse the CBA \$21,536.20 for its investigation and prosecution costs.

Mr. Tucker shall annually provide the CBA with a listing of all audit and review engagements he will undertake in the subsequent 12-month period. Along with the list of audit and review engagements, Mr. Tucker shall provide the CBA with the date on which the final audit and review report for each audit and review engagement is due. From the list, the CBA will select 25 percent but no more than 15 audit and review engagements whose work papers and final reports shall be reviewed by a qualified outside CPA approved by the CBA. Mr. Tucker shall maintain

all work papers and final reports for all audit and review engagements undertaken during the course of probation, enabling inspection by the CBA or qualified outside CPA. Upon completion of the review of the work papers and final reports for each selected audit or review engagement, Mr. Tucker shall submit a copy of the report with the reviewer's conclusions and findings to the CBA. Review by the qualified outside CPA shall be at Mr. Tucker's expense.

During the period of probation, Mr. Tucker shall complete eight hours of an audit documentation course, 24 hours of accounting and auditing training, and eight hours of audit of 401(k) Plans. Within 120 days from the effective date of the Order, Mr. Tucker shall complete four hours in ethics continuing education. These course hours shall be in addition to continuing education required for relicensing.

During the period of probation, if Mr. Tucker undertakes an audit, review, or compilation engagement, Mr. Tucker shall submit to the CBA as an attachment to the required quarterly report a listing of the same. The CBA or its

CONTINUED ON PAGE 25



OTHER ENFORCEMENT ACTIONS THROUGH JANUARY 1, 2015

designee may select one or more from each category and the resulting report and financial statement and all related working papers must be submitted to the CBA or its designee upon request.

Mr. Tucker shall maintain an active license.

Other standard terms of probation.

Effective January 1, 2015

CAUSE FOR DISCIPLINE

Accusation Case Nos. AC-2013-43, AC-2013-44, AC-2013-45, AC-2013-46 contain the following allegations:

Mr. Tucker committed gross negligence and/or repeated negligent acts in the issuance of the North Hawaii Community Hospital, Inc. 401(k) Plan audit report for the year ending December 31, 2010, and the performance of audit procedures. Mr. Tucker failed to properly plan the audit, failed to obtain a sufficient understanding of the nature of North Hawaii and its environment necessary to assess risks, failed to obtain sufficient appropriate evidential matter to support his audit opinion on the financial statements, failed to apply auditing procedures to individual participant accounts, participant loans, and other participant data to comply with ERISA requirements, and failed to exercise due professional care in the performance and reporting on the audit.

Mr. Tucker failed to comply with the CBA's audit documentation requirements. Mr. Tucker failed to comply with applicable professional standards, including but not limited to Generally Accepted Government Auditing Standards and Generally Accepted Auditing Standards, regarding the audit documentation and performance of the audit. Mr. Tucker's audit report did not conform to professional standards on the grounds that the audit documentation did not support the opinion rendered in the audit report.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5097 and 5100 (c), (e) and (g). California Code of Regulations, Title 16, Division 1, §§ 58 and 68.2.



CALIFORNIA BOARD OF ACCOUNTANCY DIRECTORY www.cba.ca.gov

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.

CBA UNIT	AREAS OF EXPERTISE	CONTACT INFORMATION
Administration	<ul style="list-style-type: none"> = License status check = General questions 	(916) 263-3680 www.dca.ca.gov/cba/lookup.shtml
Examination	<ul style="list-style-type: none"> = Examination applications = Educational requirements = Exam scores = Name changes (exam candidates) = Transcripts 	(916) 561-1703 (916) 263-3677 Fax examinfo@cba.ca.gov
Initial Licensing <i>(Individuals)</i>	<ul style="list-style-type: none"> = Licensing application process for individual licenses = Name changes (CPAs and licensing applicants) = Wall/pocket certificate replacement = Certification of records 	(916) 561-1701 (916) 263-3676 Fax licensinginfo@cba.ca.gov
Initial Licensing <i>(Firms, Partnerships, Fictitious Names)</i>	<ul style="list-style-type: none"> = Licensing application for partnerships, corporations, and fictitious name permits 	(916) 561-4301 (916) 263-3676 Fax firminfo@cba.ca.gov
License Renewal	<ul style="list-style-type: none"> = License renewal, continuing education requirements = Changing license status = Fees due 	(916) 561-1702 (916) 263-3672 Fax renewalinfo@cba.ca.gov
Practice Privilege	<ul style="list-style-type: none"> = Out-of-state licensees wishing to practice in California 	(916) 561-1704 (916) 263-3675 Fax pracprivinfo@cba.ca.gov
Enforcement	<ul style="list-style-type: none"> = Filing a complaint = Disciplinary actions = Ethical questions regarding CPA practice 	(916) 561-1729 (916) 263-3673 Fax enforcementinfo@cba.ca.gov To access a complaint form, go to www.dca.ca.gov/cba/consumers/complain.shtml
Peer Review		(916) 561-1706 (916) 263-3673 Fax peerreviewinfo@cba.ca.gov
Outreach Event Scheduling		outreach@cba.ca.gov

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**.



CBA

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