



PRESIDENT'S MESSAGE



Jose A. Campos, CPA
President

The year is in full swing and 2015 has proven to be very busy for the California Board of Accountancy (CBA) with such activities as sunset review, mobility discussions, strategic planning, launch of the attest study, increased outreach, and evaluation of the benefit of mandatory peer review reporting.

In March, CBA Vice President Katrina Salazar and Executive Officer Patti Bowers testified before the Legislature as part of the sunset review process and received a favorable recommendation to extend the CBA's sunset review date to January 1, 2020, through the introduction of Senate Bill (SB) 467.

If passed, this important legislation will extend the CBA's sunset review date and allow the CBA to continue to serve and protect California consumers. In June, SB 467 was passed by the Senate and is now making its way through the Assembly. There is a dedicated sunset review activity section on our website (www.cba.ca.gov) that includes the CBA's 2014 *Sunset Review Report*, the Legislature's *Sunset Review Background Paper*, and the CBA's *Response to Issues Raised in the Background Paper*.

Mobility continues to be at the top of the CBA's agenda and will continue to be so for the remainder of the year. In May, the CBA found that the National Association of State Boards of Accountancy's (NASBA) *Guiding Principles of Enforcement* (Enforcement Guidelines) meet the CBA's enforcement practices. NASBA's *Enforcement Guidelines* provide guidance to states in various areas of enforcement including timeframes, resources, case management, disciplinary guidelines, and Internet disclosure.

The CBA's next undertaking is to compare how other states' enforcement programs perform relative to NASBA's *Enforcement Guidelines*. We want to make sure that California consumers are protected when they use the services of out-of-state licensees that practice under our practice privilege program. Gathering this information will allow the CBA to assess whether these out-of-state licensees are properly monitored by their licensing jurisdiction. The state comparison will take place throughout the remainder of 2015.

Another area of focus for the CBA is the attest experience requirement. This summer, the CBA will launch its attest study survey to gather input

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regarding the present 500-hour attest experience requirement. This study calls upon a wide variety of participants 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. If you are contacted to participate in the survey, I strongly encourage you to participate, as your feedback is highly valued. Since we recognize your time is valuable, we designed the survey to be a quick, easy, and seamless process.

Once the survey window closes, the CBA will gather and deliberate the results during a regularly scheduled CBA meeting, which provides an open forum for further public participation and input. Your feedback will assist the CBA in its process to determine whether any modifications should be made to the present 500-hour attest experience requirement. Any modifications to this requirement will require the passage of legislation.

Strategic planning is another key activity for us in 2015. I am proud to report that we worked diligently over the past three years and achieved a majority of the 28 objectives and seven goals outlined in the CBA's *2013–15 Strategic Plan* that address enforcement, customer service, licensing, outreach, laws and regulations, emerging technologies, and organizational effectiveness.

This summer, we will launch strategic planning activities to foster discussions surrounding the CBA's consumer protection mandate in the present and evolving climate of public accounting. These important discussions will later take shape in the form of the CBA's strategic plan for 2016–18. If you are interested in reading the CBA's *2013–15 Strategic Plan*, it can be found on our website at www.dca.ca.gov/cba/publications/stratpln2013-2015.pdf.

One particular focus of the *2013–15 Strategic Plan* relates to effective communication practices with stakeholders through outreach activities. At the CBA, this is accomplished in numerous ways ranging from conducting educational workshops at colleges and

universities to leveraging social media to reach consumers and licensees with relevant issues and key messages. In a partnership with the California Society of CPAs, we held two “So, You Want to Be a CPA?” events, the most recent one at the University of California, Berkeley, campus. Students were provided information that will assist them as they graduate, obtain CPA licensure, and seek out internships and employment.

Also this year, myself and several other members attended NASBA's Western Regional Conference outreach event in Coronado, CA. During the event, I was provided the great honor of welcoming participants to our beautiful State. I was also afforded the opportunity to speak about how the CBA maximizes its outreach activities through social media, E-News subscriptions, and by exploring ways to incorporate outreach activities into regularly scheduled CBA meetings. The NASBA meeting afforded the CBA and other state board members opportunities to deliberate key matters relevant to the CBA, including developments in continuing professional education, peer review, CPA examination, Department of Labor audit quality report and various others.

Lastly, considering ongoing changes and evolutions to generally accepted accounting principles and auditing standards, the peer review program continues to play an important consumer protection role since its inception in 2010. To further streamline the peer review reporting process for our licensees, the CBA recently transitioned the reporting requirement to coincide with license renewal. You can read more about peer review in the CBA's *2015 Peer Review Report* that was recently submitted to the Legislature and made available on our website at www.dca.ca.gov/cba/publications/peer_review_2015.pdf.

Although many activities are behind us, there is plenty of work still ahead. I look forward to working with my fellow CBA members, consumers, stakeholders, and staff in achieving our goals to make it a productive and successful year.

Jose A. Campos, CPA
President



MESSAGE FROM THE EXECUTIVE OFFICER

The California Board of Accountancy (CBA) is moving to a new location! Having outgrown our old facility, we will be relocating to 2450 Venture Oaks Way, Sacramento, CA 95833. The new facility is conveniently located close to major highways, is approximately two miles north of downtown Sacramento and nine miles southeast of Sacramento International Airport.

What does this mean for the CBA licensees, stakeholders, and the public?

The new CBA facility will have the space to accommodate Northern California CBA meetings and Committee meetings, which will reduce costs associated with facility rental and staff travel. Further, with the ability to accommodate CBA meetings at our new location, we hope to attract increased participation from the public and various stakeholders within the Northern California area who have an interest in the CPA profession.

All phone numbers for the CBA will remain the same. A notification of address change will be provided via mail shortly before the move. The CBA



anticipates being in the new location by the end of 2015 and we are hard at work to ensure the move occurs without any impact to CBA stakeholders.

Patti Bowers
Executive Officer

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
Jian Ou-Yang, CPA
Deidre Robinson
Michael M. Savoy, CPA
Mark Silverman
Kathleen 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*
Terri Dobson, *UPDATE
Production*



CBA REACHES OUT

The CBA continues to conduct outreach events throughout the State as it seeks to provide accounting students and faculty the information they need about the educational requirements for examination and licensure.

This spring the focus was on Northern California. In conjunction with the California Society of CPAs (CalCPA) and the University of California, Berkeley, Haas School of Business (UC Berkeley), the CBA held an outreach event at UC Berkeley on April 7. CBA President Jose Campos, along with Executive Officer Patti Bowers, Licensing Chief Gina Sanchez, Examination Manager Matthew Stanley, and Licensing Manager Veronica Daniel conducted a presentation that walked students through the process of becoming a CPA. President Campos and CalCPA East Bay Chapter Board Member Wilbur Chan also shared information and provided insights about what it is like to be a CPA, and Dr. Jose Plehn-Dujowich, Executive Director at the UC Berkeley Center for Financial Reporting and Management (CFRM) served as host and spoke about the services the CFRM offers accounting students. The presentation was also webcast, and questions from webcast participants were addressed during a question and answer period. The recorded webcast is available for viewing at www.cba.ca.gov/webcast. Another such presentation is tentatively planned for Southern California in September.

Also in April, Executive Officer Patti Bowers and the CBA Licensing Management team met with members of CalCPA's Accounting Educators Committee to discuss the CBA's process for reviewing education requirements for examination and CPA licensure. The CBA looks forward to future collaborations with CalCPA and higher education as we reach out to the next generation of CPAs.

BE PART OF THE ATTEST DISCUSSION!

In our last edition of *UPDATE*, we announced that the CBA would be performing a study of California's 500-hour attest experience requirement for CPA licensure. The CBA is excited to announce that the study will be launched this summer!

Once launched, the study can be accessed on the CBA website at www.cba.ca.gov.

The CBA strongly encourages you to take part in the study as the results will be used by the CBA in its future discussions in determining whether to maintain, modify, or eliminate the 500-hour attest experience requirement. This is your opportunity to help shape the future of CPA licensing!

The CBA recognizes that your time is valuable and appreciates your contributions to the profession and the consumers of California.

It is easy to stay informed of the latest developments regarding the CBA's study of California's attest experience requirement—follow us on Twitter ([@CBANews](https://twitter.com/CBANews)) and Facebook ([Facebook.com/CBANews](https://facebook.com/CBANews)), or sign up at www.cba.ca.gov/forms/enews.





THE YOUNGEST CPA



Belicia Cespedes, CPA

When 17-year-old Belicia Cespedes' application for licensure arrived at the California Board of Accountancy (CBA) last year, it gave CBA staff pause. "I remember thinking, 'Can someone this young actually become a CPA?'" said Initial Licensing Unit Manager Veronica Daniel. "After establishing that

there is no minimum age to apply for a CPA license in California and that she met all the requirements, Ms. Cespedes' application was processed and she became the youngest CPA ever to be licensed by the CBA," she said. Ms. Cespedes laughs, saying, "At some point I received a message asking to correct my birth date. They asked if I meant to enter 1979 rather than 1997."

Ms. Cespedes, of Canyon Country, was part of a home-school program that allowed her to focus on her interests and find a career path. After graduating high school at 13 years of age, she enrolled in community college and by age 17 earned her bachelor's degree in accounting, passed the Uniform CPA examination, and completed her year of work experience by working part-time for two years under a licensed CPA.

Belicia Cespedes, CPA, works as an accountant for her parents' landscaping and construction company. She is also the youngest voting member of the American Institute of CPAs.

CBA WELCOMES NEW MEMBERS



Jian Ou-Yang, CPA

Mr. Jian Ou-Yang, CPA, was appointed to the CBA in April 2015 by Governor Brown. Mr. Ou-Yang has been a partner at Brown Armstrong where he has held several positions since 2002, including audit manager, senior accountant and staff accountant. Mr. Ou-Yang is a 2002 graduate of California Polytechnic State University, a member of the California Society of Certified Public Accountants, and the American Institute of Certified Public Accountants. Mr. Ou-Yang currently serves on the CBA's Enforcement Program Oversight Committee.



Deidre Robinson

Ms. Deidre Robinson was appointed to the California Board of Accountancy in June 2015 by Governor Brown. Ms. Robinson has been director of strategic alliances at Golden Gate University since 2007. She was a manager of corporate education at the University of Phoenix, Western Region, from 2000 to 2006, a business manager at Dun and Bradstreet from 1995 to 2000, and a training manager at the Contra Costa County Sheriff's Office from 1988 to 1995. Ms. Robinson is a member of the California Advisory Council on Military Education, Society for Human Resource Management, Golden Gate University Human Resource Management Advisory Committee, the CoachArt San Francisco Board, and is vice treasurer of the Alpha Kappa Alpha Sorority Inc. Tau Upsilon Omega Chapter. Ms. Robinson earned a Master of Science degree in human resource management from Golden Gate University.





UNDER THE DOME

The new legislative year is upon us and the California Board of Accountancy (CBA) is already active in the legislative process. To date, the CBA is supporting Senate bill (SB) 467, the CBA's sunset bill, and SB 799, the annual omnibus bill.

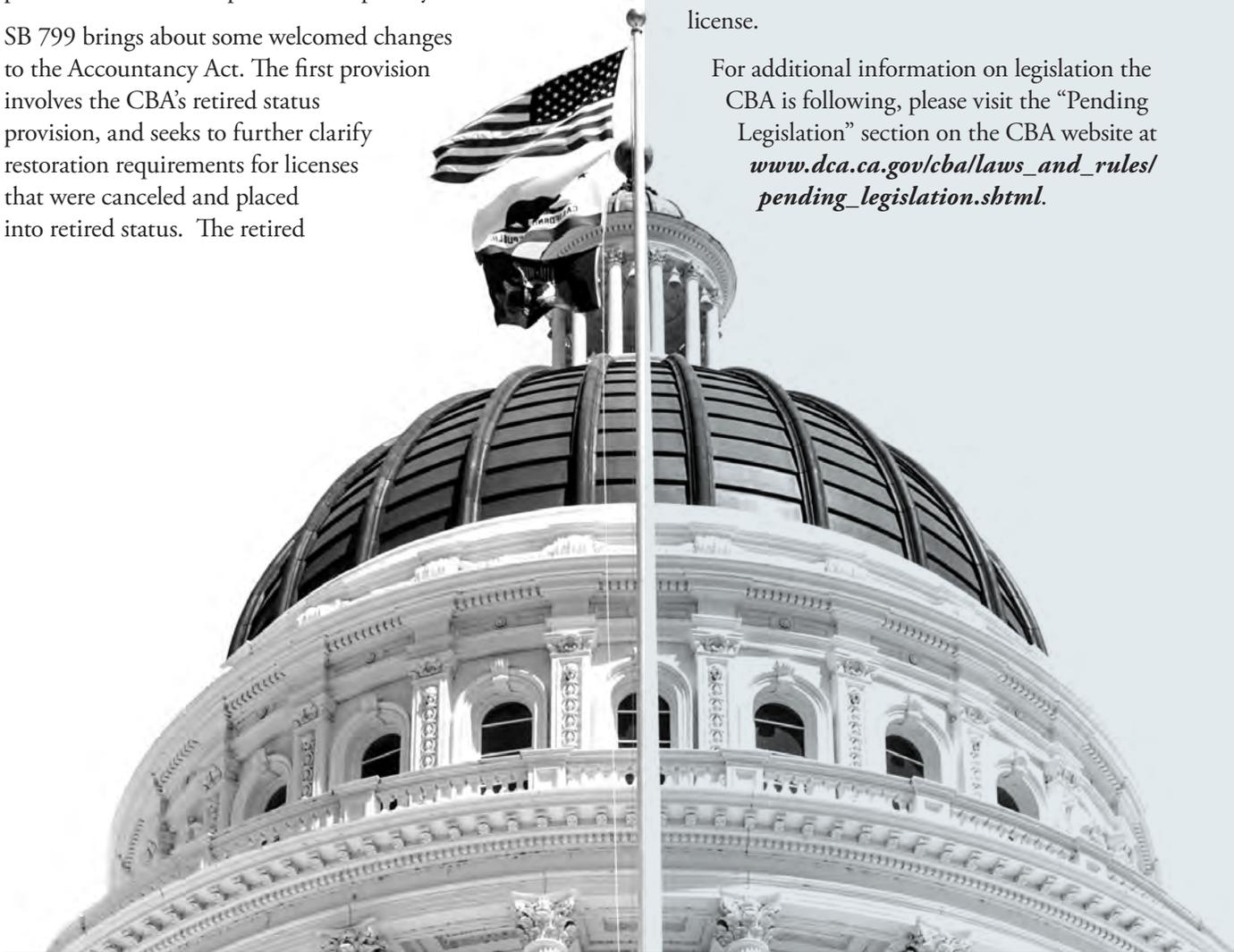
As you may be aware, the CBA is undergoing sunset review this year, a process that the Legislature uses to review the effectiveness of the Department of Consumer Affairs' various boards and bureaus. In late February, SB 467 was introduced, which seeks to extend the CBA's sunset date from January 1, 2016, to January 1, 2020. This bill also contains a provision to allow the CBA to include permanent practice restrictions as part of a disciplinary order.

SB 799 brings about some welcomed changes to the Accountancy Act. The first provision involves the CBA's retired status provision, and seeks to further clarify restoration requirements for licenses that were canceled and placed into retired status. The retired

status provision does not presently reference the limitations of canceled licenses; it states that a canceled license "may not be renewed, restored, or reinstated thereafter." This ambiguity could mislead individuals to believe that a canceled license that was placed into retired status could later be restored to an active or inactive status.

The second provision involves the requirements for an out-of-state licensee applicant seeking to obtain a California license to recast and strengthen the requirement from holds a "valid and unrevoked" license to mean "current, active, and unrestricted" license.

For additional information on legislation 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.





THE VALUE OF THE SUNSET REVIEW PROCESS

The CBA plays an important role in protecting consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards. Every four years, the Legislature performs what is known as a sunset review on the CBA, as well as other various boards within the Department of Consumer Affairs, to evaluate and discuss its value, performance, and to make recommendations for improvement. This process not only provides valuable dialogue between the CBA and the Legislature, but also promotes public participation and input regarding the CBA.

In 2014, the CBA began its sunset review process with its *2014 Sunset Review Report*. This report not only provides an overview and history of the CBA, but also highlights the many consumer protection achievements made since its last sunset review. This report answers preliminary questions, describes the CBA's actions following its last sunset review in 2011, and brings forward new issues for discussion.

The Legislature reviews and responds to this report in the *Background Paper* on the CBA for the Senate Business, Professions and Economic Development (Senate BP&ED) and Assembly Business and

Professions Committees (Assembly B&P), collectively "Committees," during their joint review of the CBA. The *Background Paper* was released in March 2015, and identifies six key issues for the CBA to address:

- The continuance of the peer review program.
- The CBA's progress in meeting the formal discipline performance measure of 540 days.
- Allowing the CBA to include permanent practice restrictions as part of a final disciplinary order.
- The adequacy of the CBA's reserve level.
- Consumer satisfaction with the CBA.
- Whether the CBA's sunset date should be extended.

The CBA believes it provides vital consumer protection by regulating the practice of public accountancy, which includes both licensing and enforcement functions of more than 97,000 licensees. On March 18, Vice President Katrina Salazar and Executive Officer Patti Bowers testified before the Committees to discuss key issues and speak to the value of the CBA in protecting California consumers.

Senator Jerry Hill, Chair of the Senate BP&ED, introduced Senate Bill 467, which seeks to extend the CBA's sunset date from January 1, 2016, to January 1, 2020. The CBA is in support of this bill as it believes its continued regulation of the accountancy profession is vital to protect consumers receiving public accounting services.

If you are interested in obtaining more information regarding the CBA's sunset review, visit our website at www.dca.ca.gov/cba/index.shtml to view the CBA's *2014 Sunset Review Report*, the Legislature's *Sunset Review Background Paper*, and the CBA's *Response to Issues Raised in the Background Paper*.





HOW TO ENSURE A SMOOTH RENEWAL

Renewal deficiencies are noted for various reasons; however, licensees most commonly experience a delay in the renewal process because they fail to do one of the following:

- Submit or properly complete the Peer Review Reporting Form (PR-1 Form).
- Submit or sign the license renewal application and answer all mandatory questions.
- Comply with and properly report all continuing education (CE) requirements.

Below are some helpful guidelines to avoid these common pitfalls and assist you in a successful license renewal.

1. **Include the PR-1 Form (Rev. 1/12)**

All licensees are now required to submit the PR-1 Form at the time of license renewal. A missing or incomplete PR-1 Form is the leading cause of renewal deficiencies and delays. Follow these simple steps to make certain you meet this renewal requirement:

- Submit the form that is provided in your license renewal packet. Regardless of whether you renew in an active, inactive, or retired status, you must report your peer review information on the PR-1 Form.
- Complete the form as it pertains to the license you are renewing. For instance, if you are a shareholder, partner, or employee of a firm and are renewing your individual CPA license, the peer review information must pertain to your individual license, not the firm. With the exception of a licensee operating as a sole proprietor, the firm will report its peer review information at the time of the firm's license renewal.

You can find complete instructions and helpful tools regarding peer review on the CBA website at www.dca.ca.gov/cba/peerreview.shtml.

2. **Complete the License Renewal Application**

When it is time to renew your license, remember to submit the signed, completed license renewal application, including the PR-1 Form, along with the required payment. Be certain to:

- Submit the entire license renewal application, regardless of the status in which you are renewing.
- Answer all mandatory questions on the license renewal application.
- Sign Part B of the license renewal application.

Instructions to assist you in completing your license renewal are included with the application and are also available on the CBA website at

www.dca.ca.gov/cba/cont_educ/ce_renew_inst.pdf

3. **Document Completed CE**

If you are renewing your license in an active status, you are required to complete 80 hours of CE. All licensees are required to complete a minimum of 20 hours of CE, of which 12 hours must be in a technical subject matter, during each year of your two-year renewal period. Keep in mind, this period is calculated based on your license expiration date. For instance, if the license expiration date is September 30, 2015, the breakdown of the two-year period is as follows:

- Year One: October 1, 2013, through September 30, 2014.
- Year Two: October 1, 2014, through September 30, 2015.

If you renew after your license expiration date, your two-year reporting period will be calculated based on the postmark date of the license renewal application.

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NASBA MEETS IN SOUTHERN CALIFORNIA

The National Association of State Boards of Accountancy (NASBA), which was established in 1908, is a voluntary organization that joins members of state boards together. NASBA's mission is to enhance the effectiveness and advance the common interests of the boards of accountancy. To achieve its mission, NASBA provides boards of accountancy with support and services that are designed to aid state boards in their goal to protect the public. Throughout the year, NASBA sponsors meetings that provide an opportunity for state board members, executive directors, and others interested in the profession to discuss relevant issues related to public accountancy.

This year, NASBA held its Western Regional Meeting on June 17–19 in Coronado, California. During the meeting, guests attended various sessions to discuss topics such as the exposure draft regarding the revised Continuing Professional Education Standards, the Uniform Accountancy Act, the Uniform CPA Examination for 2017, and peer review.

NASBA has also announced that the 108th Annual Meeting will be held in Dana Point, California, October 25–28. During the meeting, speakers will discuss major issues facing state regulation of public accountancy and guests will have the opportunity to share their views with colleagues from other jurisdictions and consider ways that state boards can be responsive to public needs.

Information regarding the Western Regional meeting and 108th Annual Meeting, including registration information and tentative agendas, can be viewed on NASBA's website at nasba.org.



IN MEMORIAM—HAROLD S. SCHULTZ, CPA



Harold S. Schultz, CPA

On March 7 of this year, former California Society of CPAs (CalCPA) President Harold (Hal) Schultz passed away.

Hal retired from PricewaterhouseCoopers (PwC) LLP in 2007 after almost 40 years with the firm. He spent the majority of his career in

the audit practice and was the managing partner of the Orange County office for 10 years. From 1999–2007 he was heavily involved in State regulatory and legislative activities on behalf of PwC.

Hal had a myriad of contributions to the accounting profession and his dedication prompted him to become involved with the California Board of Accountancy (CBA).

Hal began attending CBA meetings as a representative of CalCPA in 1998, and he attended nearly all of the CBA meetings for the last 16 years. He added meaningful viewpoints to CBA discussions from the very beginning. Over the course of his career Hal also served on a number of CBA task forces, including the Licensing Issues Task Force; Audit Standards and Practices Task Force; Peer Review Task Force; and Practice Privilege Task Force.

Hal was also selected to serve on the Taskforce to Examine Experience for CPA Licensure in 2013, and most recently served as a member and Vice Chair of the Mobility Stakeholder Group.

Hal's welcoming demeanor and lively spirit were in and of themselves contributions to the CBA meetings. He is greatly missed.





INITIAL PERMIT AND BIENNIAL RENEWAL FEES RESTORED TO 2012 LEVEL

In the Spring/Summer 2014 edition of *UPDATE*, the California Board of Accountancy (CBA) announced a second round of temporary fee reductions that would end in June 2016. The reduction in fees allowed the CBA to reduce high reserve levels. CBA licensees and firms will have saved more than \$10 million as a result of the fee reduction.

In order to sustain a fund balance reserve and provide sufficient resources for the CBA to carry out its mandate of consumer protection and cover operating costs, the CBA conducted a regulatory hearing in May 2015 that is expected to result in the CBA restoring the initial permit and biennial renewal fee to \$200. If approved by the Office of Administrative Law (OAL), the fees would be effective July 1, 2016. The reduced fees for the application for the Uniform CPA examination, the license application fee, and the fee for registration as a partnership or corporation remain unchanged by this proposal.

The fee restoration regulations are progressing through the approval process with the Department of Consumer Affairs and OAL. If you sign up for an E-News subscription on our website at www.cba.ca.gov/forms/enews, you will receive updates regarding this regulation's current status and final disposition. In addition, you can track the status of this regulatory package through the CBA website at www.dca.ca.gov/cba/laws_and_rules/pubpart.shtml, which will guide you to the current status of all pending regulations.

SMOOTH RENEWAL CONTINUED FROM PAGE 8

Additionally, as part of the 80 required hours of CE, you must complete four hours of ethics education. Be certain to complete the required hours and report only courses that qualify under the ethics education requirement.

You can find additional information regarding the ethics education requirement on the CBA website at www.dca.ca.gov/cba/laws_and_rules/regs12-s87.shtml.

Remember, before you send off your renewal application, check one last time for the following to ensure a smooth renewal:

- The appropriate fee is enclosed with the license renewal application.
- All mandatory questions are addressed and the renewal application is signed.
- All sections of the CE Reporting Worksheet are complete and all education requirements are met and reported.
- The PR-1 Form is included and completed as it pertains to the license being renewed.

If you have any questions regarding CE requirements or renewal-related matters, please contact the License Renewal and Continuing Competency Unit by phone at (916) 561-1702 or by e-mail at renewalinfo@cba.ca.gov.



FUTURE MEETINGS

JULY 22

CBA Strategic Planning Workshop

Holiday Inn Capitol Plaza
300 J Street
Sacramento, California 95814
(916) 446-0100

JULY 22-23

CBA and Committee Meetings

Holiday Inn Capitol Plaza
300 J Street
Sacramento, California 95814
(916) 446-0100

JULY 23

**Mobility Stakeholder
Group Meeting**

Holiday Inn Capitol Plaza
300 J Street
Sacramento, California 95814
(916) 446-0100

JULY 29

Qualifications Committee Meeting

Hilton Los Angeles Airport
5711 West Century Boulevard
Los Angeles, California 90045
(310) 410-4000

AUGUST 21

**Peer Review Oversight
Committee Meeting**

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

SEPTEMBER 17-18

CBA and Committee Meetings

Southern California

OCTOBER 21

Qualifications Committee Meeting

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

OCTOBER 22

**Enforcement Advisory
Committee Meeting**

Los Angeles Marriott Burbank Airport
2500 North Hollywood Way
Burbank, California 91505
(818) 843-6000

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 and will also be available by calling 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:

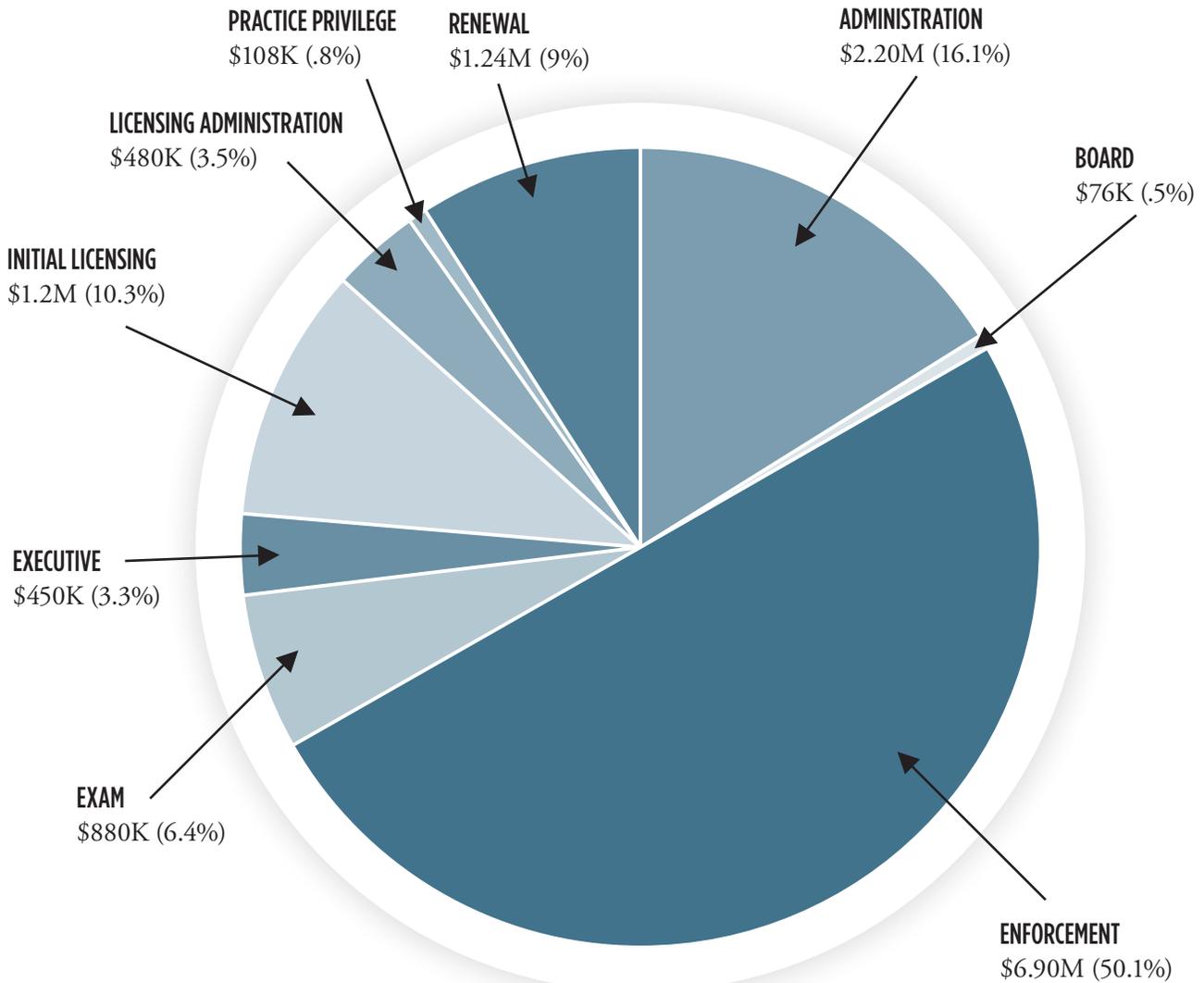
ADA Coordinator
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815-3832



WHERE THE MONEY GOES

Every year, the California Board of Accountancy (CBA) is appropriated a maximum amount of funding to carry out its mission of consumer protection. These amounts are based on the prior year's budget and are then adjusted to account for any program changes and administrative adjustments approved or ordered by the Department of Finance. The CBA's total budget is set at \$13,776,062 for Fiscal Year (FY) 2014–15.

The CBA allocates its budget to various organizational units to best attain its consumer protection goals while also striving to provide the best customer service to its stakeholders. The pie chart below depicts all of the organizational units comprising the CBA and their associated funding levels for FY 2014–15.





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 14

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 APRIL 26, 2015

HOYT, DAVID ALAN HOYT TAX & BUSINESS SOLUTIONS

Twain Harte, CA
(CPA 91391; FNP 2059)

CBA ACTIONS

Revocation of CPA Licenses, via default decision.

Effective April 26, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-11 contains the following allegations:

Mr. Hoyt committed acts of gross negligence by abandoning his client in the middle of audits being conducted by the Internal Revenue Service (IRS) and

the California Franchise Tax Board (FTB). Mr. Hoyt failed to return the client's business and personal tax records upon request by the client and the CBA. Mr. Hoyt failed to respond to the CBA's request for information and practiced public accountancy while his license was expired. Further, Mr. Hoyt failed to comply with a citation (CT-2014-624) issued for failure to respond to the CBA inquiries regarding peer review.

VIOLATION(S) CHARGED

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

ENFORCEMENT ACTIONS

OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

CASEY, DIANE MARY

Laguna Hills, CA
(CPA 59209)

CBA ACTIONS

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

Ms. Casey shall reimburse the CBA \$3,383.29 for its investigation and prosecution costs. The payment shall be made within six months of the date the CBA's decision is final.

Ms. Casey shall complete four hours of continuing education in ethics within 180 days of the effective date of the decision. The course hours are in addition to continuing education requirements for relicensing.

Ms. Casey shall complete a CBA-approved Regulatory Review course. The course shall be a minimum of two hours and be completed no later than 180 days prior to the termination of probation.

Ms. Casey shall maintain an active license.

During probation, Ms. Casey shall not engage in and shall be prohibited from performing any attestation services, including audits.

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

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OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

satisfy this condition, she agrees that the CBA can file an accusation against her for unprofessional conduct for her failure to comply with this practice restriction.

Other standard terms of probation.

Effective April 26, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-9 contains the following allegations:

Ms. Casey is subject to disciplinary action under Business and Professions Code (BPC) sections 498, and 5100(b) and (g) in that she renewed her CPA license for the renewal period ending on June 30, 2011, knowing that she had not completed the mandatory peer review due by July 1, 2011. Ms. Casey further is subject to disciplinary action under BPC section 5100(g) in that she failed to comply with the provisions of BPC section 5076 and California Code of Regulations (CCR), Title 16, section 45, which required her to obtain a peer review prior to renewal of her CPA license.

Ms. Casey is subject to disciplinary action under BPC sections 5050 and 5100(g) in that her CPA license expired on July 1, 2013, and Ms. Casey currently advertises accounting services on her website. Ms. Casey is subject to disciplinary action under BPC sections 5060 and 5100(g) in that her firm “Your Bookkeeper, Inc” is not registered with the CBA.

Ms. Casey is also subject to disciplinary action under BPC section 5100(g) and CCR section 52(a) in that she failed to respond to the CBA’s multiple requests for information regarding the status of her peer review.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 5, § 498; Division 3, Chapter 1, §§ 5050, 5060, 5076, and 5100(b) and (g). California Code of Regulations, Title 16, Division 1, §§ 45 and 52(a).

CHAN, DAVID HONG-NIN

San Marino, CA
(CPA 35013)

CBA ACTIONS

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

Mr. Chan shall reimburse the CBA \$2,796.08 for its investigation and prosecution costs. The payment shall be made in 10 quarterly payments (due with quarterly written reports), with the final payment being due six months before probation is scheduled to terminate.

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

Mr. Chan shall complete four hours of continuing education in ethics. The course hours must be completed no later than June 30, 2015. The hours shall be in addition to continuing education requirements for relicensing.

Mr. Chan shall complete a CBA-approved Regulatory Review course. The course shall be a minimum of two hours. The course hours must be completed no later than June 30, 2015. The hours are in addition to the continuing education hours required for relicensing.

Mr. Chan shall undergo and complete a peer review by June 30, 2015. Within 45 days of the peer review report being accepted by a Board-recognized peer review program provider, Mr. Chan shall submit to the CBA a copy of the peer review report, including any materials documenting the prescription of remedial or corrective action imposed by the Board-recognized peer review program provider.

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OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

Mr. Chan shall complete 16 hours of continuing education in accounting and auditing each year he is on probation for a total of 48 additional continuing education hours. The course hours shall be completed by December 31 of each year of probation. These hours are in addition to the continuing education hours required for relicensing.

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

Other standard terms of probation.

Effective April 26, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-45 contains the following allegations:

Mr. Chan engaged in unprofessional conduct by failing to submit to the CBA a completed Peer Review Reporting

Form (PR-1) and by failing to have a peer review accepted by a Board-recognized peer review program provider within 18 months of completing accounting and auditing services.

On February 23, 2012, the CBA issued a citation and fine to Mr. Chan for failure to respond to multiple requests for a completed PR-1. On or about March 26, 2012, Mr. Chan paid the fine and requested additional time to complete the peer review. He failed to provide any additional information regarding the peer review. Mr. Chan was subsequently dropped from the American Institute of Certified Public Accountants peer review program on or about December 9, 2013.

Mr. Chan also engaged in unprofessional conduct by failing to completely respond to an inquiry by the CBA within 30 days and/or by failing to provide true and accurate information in response to questions or other requests for information from the CBA.

VIOLATIONS(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5076(a) and 5100(g). California Code of Regulations, Title 16, Division 1, §§ 40(c), 41, 45(c), and 52.

HOTZ, DALE

Harpers Ferry, WV
(CPA 37091)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Mr. Hotz shall pay the CBA \$4,832.16 for its investigation and enforcement costs prior to issuance of a new or reinstated license.

Effective February 28, 2015

CAUSE FOR DISCIPLINE

Accusation number AC-2014-23 contains the following allegations:

On or about November 13, 2012, pursuant to an Order Instituting Disciplinary Proceedings, Making Findings and Imposing Sanctions in the disciplinary proceeding titled "In the Matter of Dale Arnold Hotz, CPA, Jyothi Nuthulaganti Manohar, CPA, and Michael Jared Fadner, CPA", the Public Company Accounting Oversight Board (PCAOB) censured Mr. Hotz and barred him from being an associated person of a registered public accounting

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OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

firm. The PCAOB's disciplinary action was based on Mr. Hotz's violation of PCAOB rules and auditing standards in connection with the improper creation, addition, alteration and/or backdating of audit documentation prior to a PCAOB inspection.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, § 5100(g), (h) and (l). California Code of Regulations, Title 16, Division 1, §§ 58 and 68.4.

LINDSEY, MICHAEL STEVEN

Sacramento, CA
(CPA 27246)

CBA ACTIONS

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

Mr. Lindsey shall reimburse the CBA \$3,080.25 for its investigation and prosecution costs. The payment shall be made in 10 equal quarterly payments (due with quarterly written reports), the final payment being due six months before probation is scheduled to terminate.

Mr. Lindsey shall complete four hours of continuing education in ethics. The hours must be completed within six months of the effective date of the order. These hours are in addition to the hours required for relicensing.

Mr. Lindsey shall complete a CBA-approved course on the provisions of the California Accountancy Act and the California Board of Accountancy Regulations emphasizing the provisions applicable to current practice situations. The hours must be completed within six months of the effective date of the order. The course shall be for a minimum of two hours. These hours are in addition to the hours required for relicensing.

During the period of probation, all audit, review, and compilation reports and work papers shall be subject to peer review.

Mr. Lindsey shall pay to the CBA an administrative

penalty in the amount of \$2,500. The payment shall be made within 90 days of the effective date of the order.

Mr. Lindsey shall maintain an active license.

Other standard terms of probation

Effective February 28, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-56 contains the following allegations:

On or about April 1, 2012, Mr. Lindsey's CPA license became delinquent. Mr. Lindsey is subject to disciplinary action for unprofessional conduct in that he engaged in the practice of public accountancy without holding a valid permit. On February 19, 2013, Mr. Lindsey's letterhead maintained the CPA designation. On May 30, 2013, Mr. Lindsey advertised his services as a CPA on the signage in his office building. After April 1, 2012, Mr. Lindsey prepared and signed at least four tax returns with the CPA designation. Mr. Lindsey also failed to report peer review information to the CBA as required and respond to numerous inquiries and requests from the CBA to submit a completed Peer Review Reporting Form.

CODE VIOLATIONS

Business and Professions Code, Division 3, Chapter 1, §§ 5050(a) and 5100(g). California Code of Regulations, Title 16, Division 1, §§ 45, 52, and 63.



OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

MILLER, DAVID HAROLD

Folsom, CA
(CPA 15818)

CBA ACTIONS

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

Mr. Miller's license is suspended for 120 days.

Mr. Miller shall reimburse the CBA \$2,733.01 for its investigation and prosecution costs. The payment shall be made in 10 quarterly payments due with the quarterly reports.

Mr. Miller shall complete four hours of continuing education in ethics. Courses will be completed prior to resumption of practice where license has been suspended. This course shall be in addition to continuing education requirements for relicensing.

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

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

Miller shall have the treating psychotherapist submit reports to the CBA at intervals determined by the CBA or its designee. Mr. Miller is responsible for all costs of treatment and reports.

Other standard terms of probation.

Effective February 28, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-33 contains the following allegations:

On or about July 11, 2013, in the case of People v. David Harold Miller, (Superior Court of California, 2013, County of Sacramento, Case No. 12F08231), the court convicted Mr. Miller on his plea of no contest of violating Penal Code section 288(a) (lewd or lascivious acts with a child under 14 years of age), a felony and a crime that is substantially related to the qualifications, functions, or duties of a certified public accountant.

Mr. Miller failed to notify the CBA in writing within 30 days of his July 11, 2013, felony conviction of Penal Code section 288, subdivision (a).

CODE VIOLATIONS

Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, §§ 5063(a)(1), 5100(a), and (g).

NELSON, CATHERINE S.

Playa Del Rey, CA
(CPA 66610)

CBA ACTIONS

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

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

Ms. Nelson shall reimburse the CBA \$8,269.98 for its investigation and prosecution costs. The payment shall be made in 10 quarterly payments, with the final payment being due six months before probation is scheduled to terminate.

Ms. Nelson shall complete four hours of continuing education in ethics. The course hours must be completed within 12 months of the effective date of the Decision and Order and prior to resumption of practice.

Ms. Nelson shall maintain an active license.

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OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

Other standard terms of probation.

Effective April 26, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2013-28 contains the following allegations:

Ms. Nelson is subject to disciplinary action under Business and Professions Code (BPC) sections 490(a) and 5100(a) in conjunction with California Code of Regulations, Title 16, section 99, in that Ms. Nelson committed a crime substantially related to the functions, qualifications, or duties of a CPA which to a substantial degree evidences Ms. Nelson's present or potential unfitness to perform the functions authorized by her certificate in a manner consistent with the public health, safety, or welfare.

On or about June 15, 2004, Ms. Nelson was convicted of one felony count of violating Title 18, United States Code, section 1347 [health care fraud] in the criminal proceeding entitled United States of America v. Catherine Siu Mun Nelson (U.S. District Court, Arizona, Case No. CR-04-00623-002-PHX-SRB). The Court sentenced Ms. Nelson to three years' probation and a fine was imposed.

Ms. Nelson is also subject to disciplinary action under BPC sections 5063(1)(A), (B), and (C), and 5100(g) on grounds that Ms. Nelson failed to timely disclose the conviction to the CBA.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, §§ 5063(1)(A), (B), (C) and 5100(a) and (g). California Code of Regulations, Title 16, Division 1, § 99.

RABINOVITZ, BRIAN

Westlake Village, CA
(CPA 98088)

CBA ACTIONS

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

Mr. Rabinovitz's license is suspended for seven months from the effective date of this decision.

Mr. Rabinovitz shall reimburse the CBA \$7,200.00 for its investigation and prosecution costs. Payment is required within 180 days of the date the CBA's decision is final.

Mr. Rabinovitz shall complete four hours of continuing education in ethics. These course hours must be completed within six months of the order.

Mr. Rabinovitz shall complete a CBA-approved course on the provisions of the California Accountancy Act and the California Board of Accountancy Regulations emphasizing the provisions applicable to current practice situations. These hours must be completed within six months of the

order. The course shall be for a minimum of two hours. These hours are in addition to the hours required for relicensing.

Mr. Rabinovitz shall complete eight hours of continuing education in accounting and auditing. These hours must be completed within six months of the order. These hours shall be in addition to continuing education requirements for relicensing.

Mr. Rabinovitz shall maintain an active license. Mr. Rabinovitz shall comply with any final order issued by the Securities and Exchange Commission (SEC).

Other standard terms of probation.

Effective February 28, 2015

CAUSE FOR DISCIPLINE

First Amended Accusation No. AC-2012-52 contains the following allegations:

In 2001 and 2002, Mr. Rabinovitz was employed by Merdinger, Fruchter, Rosen & Corso, P.C. (MFRC) as a non-equity partner supervising MFRC's audit and other

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OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

engagements concerning Exotics.com. On April 21, 2005, the SEC filed a civil fraud action against Exotics.com, Inc. and several individuals, including Mr. Rabinovitz, entitled Securities and Exchange Commission v. Exotics.com, Inc., et al. (D. Nev., April 25, 2005, C.V.S-05-0531-PMP-RJJ.)

The SEC’s complaint alleged that Mr. Rabinovitz and others participated in a manipulative scheme that resulted in Exotics.com filing materially false statements in its SEC filings. The complaint further alleged Mr. Rabinovitz and audit staff under his supervision committed acts and omissions, including creating some of the company’s books and records, that caused them to become non-independent during audits of Exotics.com and that Mr. Rabinovitz approved the issuance by MFRC of audit reports that falsely stated the audits had been conducted by an independent auditor and in accordance with Generally

Accepted Auditing Standards. The complaint also alleged that Mr. Rabinovitz and audit staff under his supervision engaged in a number of improper accounting practices that caused Exotics.com’s financial statements to depart from Generally Accepted Accounting Principles.

On March 15, 2010, pursuant to an Offer Settlement, a final judgment was entered against Mr. Rabinovitz permanently enjoining him from future violations of SEC Rule 2-02 of Regulation S-X (failure to function as an independent auditor). Mr. Rabinovitz was also ordered to pay a \$30,000 civil penalty and was suspended from appearing or practicing before the SEC as an accountant.

VIOLATIONS(S) CHARGED

Business and Professions Code, Division 1, Chapter 1, § 141; Division 3, Chapter 1, § 5100(h) and (I).

SNUKAL, ALEXANDRA KEEN

Santa Monica, CA
(CPA 126557)

CBA ACTIONS

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

Ms. Snukal shall comply with all the terms and conditions relating to her criminal court probation, in the matter entitled The People of the State of California v. Alexandra Keen Snukal, Los Angeles Superior Court, Case Nos. 3WA20587 (filed in 2013) and 0WA25262 (filed in 2011), and San Diego County Superior Court, Case No. M086456 (filed in 2009), including, but not limited to, her completion of the Multiple-Offender Alcohol Counseling Program. If Ms. Snukal violates probation in any respect, the CBA, after giving Ms. Snukal notice and an opportunity to be heard, may revoke probation

and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is filed against Ms. Snukal 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.

Other standard terms of probation.

Effective April 26, 2015

CAUSE FOR DENIAL

Statement of Issues No. SI-2014-35 contains the following allegations:

Ms. Snukal’s application is subject to denial under Business and Professions Code (BPC) sections 480(a)(1) and 5100(a), in that Ms. Snukal was convicted of crimes substantially related to the qualifications, functions, and duties of a CPA.

On or about June 26, 2013, Ms. Snukal was convicted of one misdemeanor count of violating Vehicle Code (VC) section 23152(a) [driving under the influence of alcohol],

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OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

in the criminal proceeding entitled *The People of the State of California v. Alexandra Keen Snukal*. The court sentenced Ms. Snukal to serve 30 days in Los Angeles County Jail and placed her on 60 months' probation, with terms and conditions.

On or about March 21, 2011, Ms. Snukal was convicted of one misdemeanor count of violating VC section 23152(b) [driving while having 0.08 percent or more, by weight, of alcohol in her blood], in the criminal proceeding entitled *The People of the State of California v. Alexandra Keen Snukal*. The court sentenced Ms. Snukal to serve 96 hours in Los Angeles County Jail and placed her on 60 months' probation, with terms and conditions.

On or about November 13, 2009, after pleading guilty, Ms. Snukal was convicted of one misdemeanor count of violating VC section 23152, subdivision (a) [driving under the influence of alcohol], in the criminal proceeding entitled *The People of the State of California v. Alexandra Keen Snukal*. The court placed Ms. Snukal on five years' probation, with terms and conditions.

Ms. Snukal's application is subject to denial under BPC sections 480(a)(3)(A) and (a)(3)(B), in that Ms. Snukal committed acts which if done by a licentiate of the business and profession in question, would be grounds for suspension or revocation of her license. Ms. Snukal was convicted of crimes substantially related to the qualifications, functions, or duties of a CPA which to a substantial degree evidence her present or potential unfitness to perform the functions authorized by her license in a manner consistent with the public health, safety, or welfare, in violation of BPC sections 5110(a)(4), in conjunction with Title 16 California Code of Regulations section 99.

VIOLATIONS(S) CHARGED

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

ST. GERMAIN, ANNE DREW

Costa Mesa, CA
(CPA 125941)

CBA ACTIONS

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

Ms. St. Germain shall complete four hours of continuing education in ethics. The hours must be completed within the first year of probation. These hours are in addition to the hours required for license renewal.

Ms. St. Germain shall complete a CBA-approved course on the provisions of the California Accountancy Act and the California Board of Accountancy Regulations emphasizing the provisions applicable to current practice situations. The hours must be completed within the first year of probation. The course shall be for a minimum

of two hours. These hours are in addition to the hours required for license renewal.

Ms. St. Germain shall maintain an active license.

Other standard terms of probation.

Effective February 28, 2015

CAUSE FOR DENIAL

Statement of Issues No. SI-2014-72 contains the following allegations:

Ms. St. Germain's application is subject to denial under Business and Professions Code sections 480, subdivisions (a)(1), (a)(2), and (a)(3)(A), and section 5100, subdivision (a), in conjunction with California Code of Regulations, Title 16, sections 99 and 99.1, in that on or about February 4, 2004, Ms. St. Germain was convicted of a crime that substantially relates to the qualifications, functions, and duties of a CPA.

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OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

On or about February 4, 2004, Ms. St. Germain pled guilty to violating Nevada Revised Statute sections 205.090, 205.110, and 193.330 (attempted forgery) in the criminal proceeding entitled State of Nevada vs. Anne D. St. Germain (Clark County District Court, Case No. C198271). The court placed Ms. St. Germain on probation for an indeterminate period, not to exceed two years, and

ordered her to pay restitution in the amount of \$1,452.12 and an administrative assessment fee of \$25.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, §480(a)(1), (a)(2), (a)(3)(A); Division 3, Chapter 1, § 5100. California Code of Regulations, Title 16, Division 1, §§ 99 and 99.1.

SZABO, CRAIG ALLEN SZABO ACCOUNTANCY CORPORATION

Calabasas, CA
(CPA 23707; COR 4143)

CBA ACTIONS

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

Respondents shall reimburse the CBA \$17,088.30 for its investigation and prosecution costs. The payment shall be made within six months of the date the CBA's decision is final.

Mr. Szabo shall complete eight hours of continuing education in ethics. Courses must be completed within six months of the order. These hours are in addition to continuing education requirements for relicensing.

Mr. Szabo shall complete a CBA-approved Regulatory Review course. The hours must be completed within six months of the order. The course shall be a minimum of two hours. These hours are in addition to the continuing education hours required for relicensing.

During probation, Respondents shall not engage in and shall be prohibited from performing any attestation services, including audits.

After the completion of probation, Respondents shall be permanently prohibited from engaging in and performing any attest engagements. This condition shall continue

until such time, if ever, respondents successfully petition the CBA for the reinstatement of their ability to perform attestation services. If respondents fail to satisfy this condition, they agree that the CBA can file an accusation against them for unprofessional conduct for their failure to comply with this practice restriction.

Other standard terms of probation.

Effective April 26, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-25 contains the following allegations:

Respondents are subject to disciplinary action in that respondents were grossly negligent in their performance of the audit of the Pacific Alliance Medical Center Safe Harbor 401(K) Profit Sharing Plan (Plan) for the year ended December 31, 2007, that contains extreme departures from professional standards. Respondents committed repeated acts of negligence in performing the audit of the Plan. Respondents failed to perform the audit in accordance with generally accepted auditing standards, and audit documentation did not support the opinion rendered in the respondents' audit report.

VIOLATIONS(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5097, 5100(c), (e), (g) and 5156. California Code of Regulations, Title 16, Division 1, §§ 58 and 68.2.



OTHER ENFORCEMENT ACTIONS THROUGH APRIL 26, 2015

YELLAND, JEFFRY R.

Santa Ana, CA
(CPA 43913)

CBA ACTIONS

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

Mr. Yelland shall reimburse the CBA \$27,457.99 for its investigation and prosecution costs paid in quarterly installments, with the last payment due six months prior to the termination of probation or such other payment plan mutually agreed to by the parties.

Mr. Yelland shall complete four hours of continuing education in ethics. These hours are in addition to continuing education requirements required for relicensing.

Mr. Yelland shall complete a CBA-approved course on the provisions of the California Accountancy Act and the California Board of Accountancy Regulations emphasizing the provisions applicable to current practice situations. The hours must be completed within 90 days of the effective date of the order. The course shall be for a minimum of two hours. These hours are in addition to continuing education requirements required for relicensing.

Mr. Yelland shall complete 16 hours of continuing education in a subject matter pertaining to retirement and defined benefit/pension plans within 18 months of the effective date of the CBA's order. These hours are in addition to continuing education requirements required for relicensing.

Other standard terms of probation.

Effective February 28, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-4 contains the following allegations:

Consumer R.K. became a client of Mr. Yelland in late 1999, for whom Mr. Yelland performed tax services. R.K. sought to create a defined benefit plan that would provide

maximum tax benefits to himself and requested Mr. Yelland to investigate the availability of an appropriate defined benefit plan. In late 2003, Mr. Yelland came across flyers at a professional seminar and trade show for 412(i) defined benefit plans and provided the information to R.K. There were meetings with J.F., a defined benefit plan provider, relating to one 412(i) plan, and R.K. agreed to the creation of a plan for himself to be provided by J.F.

In November 2003, Mr. Yelland submitted an invoice to R.K. in which he indicated that 5.75 hours of the professional services rendered by Mr. Yelland related to the new pension plan were waived as they would be billed to J.F., the plan provider, pursuant to Mr. Yelland's agreement with J.F. This was the only written notation that R.K. received memorializing an agreement between J.F. and Mr. Yelland that J.F. would pay fees or commissions to Mr. Yelland.

In December 2003, R.K. finalized his 412(i) plan through J.F. In January 2004, J.F. paid Mr. Yelland a lump-sum amount of \$119,000. Mr. Yelland characterized this payment as a flat fee for services to be performed over the next five to 10 years on behalf of both his client, R.K., and J.F., the plan provider, in relation to the 412(i) defined benefit plan and stated that both were fully aware of this arrangement. For at least three years, R.K. contributed \$400,000 per year into the 412(i) plan.

In the spring of 2006, less than two and a half years after receipt of the \$119,000 lump-sum payment, Mr. Yelland withdrew representing R.K. Mr. Yelland failed to keep time records for that time spent on services performed for the lump-sum payment.

Mr. Yelland is subject to disciplinary action in that Mr. Yelland provided products and/or services to a client for a commission without disclosing the commission as required by law.

VIOLATIONS(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5061 and 5100 (g). California Code of Regulations, Title 16, Division 1, § 56.



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Newsletter



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**.



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