



PRESIDENT'S MESSAGE



Katrina L. Salazar, CPA
President

It is my honor to have been elected to serve as the President of the California Board of Accountancy (CBA) for 2016. I look forward to serving the people of California in this capacity. I also want to congratulate the other officers with whom I will have the pleasure of serving, Vice-President Alicia Berhow and Secretary/Treasurer Michael M. Savoy, CPA. I also want to thank immediate past President Jose A. Campos, CPA for his leadership and dedication.

As it does every year, the CBA will face different issues and challenges, some of which we are already aware and others that will arise throughout the year. I want to take a moment to discuss a few of those that we will be emphasizing in 2016.

The statutory purpose for the CBA, and its mission, is to protect the public. The CBA does this by ensuring only qualified licensees practice public accountancy in California through its regulatory, licensing, and enforcement responsibilities. As the CBA President, it is my duty to ensure that the CBA, as well as its constituent committees, keep consumer protection in mind as it carries out those responsibilities.

This year, the CBA will be addressing the issue of the quality of employee benefit plan audits. In 2015, the United States Department of Labor released a report finding 39 percent of these audits showed some form of deficiency. In California, there are 965 firms that audited 7,453 employee benefit plans with 9,648,455 plan participants with \$581 billion in assets. The CBA will be focusing on whether changes in this area are necessary and what those changes may be.

The CBA has always had an eye towards outreach, but this year I want to increase our efforts to reach out to our stakeholders. In the coming year, the CBA will be launching a redesign of its website, which will modernize both the look and functionality. This is key to our outreach efforts as the website is the cornerstone of the CBA's ability to reach stakeholders. In addition, the CBA will have a more active presence on social media in order to share its message through these popular outlets. The CBA will also be actively seeking out opportunities for presentations to stakeholder groups.

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CALIFORNIA
BOARD OF
ACCOUNTANCY
Newsletter



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These issues are merely the beginning. I look forward to working with my fellow CBA members on a full slate of topics the CBA will be addressing throughout the coming year. I invite you to participate in or follow these discussions by attending one of our

meetings or by viewing the webcasts of our meetings on the CBA website at www.cba.ca.gov.

Katrina L. Salazar, CPA
President

MESSAGE FROM THE EXECUTIVE OFFICER

This issue of UPDATE highlights several exciting, new changes here at the CBA, including the CBA's new leadership team, consisting of President Katrina L. Salazar, CPA; Vice-President Alicia Berhow; and Secretary/Treasurer Michael M. Savoy, CPA, which is discussed in the "President's Message." In addition, you can read about new laws that took effect on January 1, 2016. Finally, you can also read about the CBA office relocation, which will allow us to better serve stakeholders.

One of the changes that I want to highlight is the redesign of the CBA website. On the surface, the CBA website is being updated to improve navigation and to make it more visually appealing. Meanwhile, behind the scenes, we have also added several new features using current technology that will make the website more powerful and more user-friendly. It is planned that the new website will debut this spring.

The adaptive technology being implemented will allow stakeholders to use the website on any screen size—from large wide-screen formats all the way down to cellphone-size screens. In addition, a new search feature will allow consumers the ability to search for any public enforcement documents related to a licensee. Also, the new homepage is being redesigned so that the newest important information will be prominently displayed, making it one of the first things you will see.

While these new features are exciting, the CBA website will continue to host the valuable content stakeholders have come to expect from the CBA. The website is the home of all of the reports produced by the CBA over the past several years. These reports include information on the CBA's sunset reviews, peer review program, practice privilege program, strategic plans, and annual reports, which contain detailed information about its programs and accomplishments each fiscal year.

Most importantly, the website provides the public an opportunity to participate. Whenever the CBA initiates a new rulemaking, the public can view the details and justification on the CBA's website. Anyone may submit comments on any of the proposals during the public comment periods. In addition, the CBA typically webcasts every CBA meeting live on its website and then archives the broadcast for future viewing. Again, the public is encouraged to watch these broadcasts (or attend in person) and follow along with the meeting materials that are also provided through the CBA website.

I am excited for all of these new changes that are happening in 2016. It is going to be a busy year, so please, take advantage of the resources the CBA is providing and get involved today!

Patti Bowers
Executive Officer



WE'RE STILL MOVING

A few delays have set construction to the CBA's new building back a few months; however, we hope to be settled into our new facility in the summer 2016. The new and improved CBA facility is located at 2450 Venture Oaks Way, Sacramento, CA 95833. The newly renovated, state-of-the-art facility will allow CBA staff to be housed in one location, improve communication, increase functionality and productivity, and will allow for growth as the CPA profession continues to expand. This will, in turn, allow for better and timelier services provided to the public, licensees, and stakeholders.

The new CBA facility is conveniently located close to major highways, is approximately two miles north of downtown Sacramento, and nine miles southeast of Sacramento International Airport. The new facility will have the space to accommodate Northern California CBA meetings and Committee meetings. With the ability to



accommodate CBA meetings in Northern California, we hope to attract increased participation from the public and various stakeholders who have an interest in the CPA profession within the Northern California area.

CBA MEMBERS

Katrina L. Salazar, CPA,
President
Alicia Berhow, *Vice President*
Michael M. Savoy, CPA,
Secretary/Treasurer
Jose A. Campos, CPA
Hershel T. Elkins, Esq.
George Famalett, CPA
Karriann Farrell Hinds, Esq.
Laurence (Larry) Kaplan
Kay Ko
Leslie J. LaManna, CPA

Xochitl A. Leon
Jian Ou-Yang, CPA
Deidre Robinson
Mark J. Silverman, Esq.
Kathleen K. Wright, JD, CPA,
LLM, MBA

COMMITTEE CHAIRS

Joseph Rosenbaum, CPA
Enforcement Advisory Committee
Robert Lee, CPA
Peer Review Oversight Committee

Joanna Bolsky, CPA
Qualifications Committee

CBA STAFF

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



THE CBA WELCOMES NEW MEMBERS



George Famalett, CPA

The CBA is pleased to welcome George Famalett, CBA. Mr. Famalett has been a tax partner at PricewaterhouseCoopers LLP since 2005, where he has held several positions since 1996, including U.S. indirect tax practice leader and specialty partner tax team leader for the San Jose tax practice.

Mr. Famalett was an adjunct professor for the California Polytechnic State University Masters Program in Taxation from 2008 to 2010. He earned a Juris Doctor degree from the University of California, Hastings College of the Law, and a Master of Science degree in taxation from Golden Gate University.

Mr. Famalett is a member of the American Institute of Certified Public Accountants, California Society of Certified Public Accountants, and the Association of Latino Professionals in Finance and Accounting.



Karriann Hinds, Esq.

The CBA is pleased to also welcome Karriann Hinds, Esq., of Los Angeles. Ms. Hinds has been a consultant to the Public Policy Institute of Santa Monica College since 2015. She was consultant to the Academic Support Department at Abraham Lincoln University School of Law from 2006 to 2007, a solo practitioner at the Law Office of Karriann Farrell Hinds from 2002 to 2005, an associate at

Sedgwick, Detert, Moran and Arnold from 2003 to 2004 and director of development and attorney at the Harriett Bahai Center for Family Law from 2001 to 2002. She was an associate at Robie and Matthai from 1999 to 2001, where she was a law clerk from 1998 to 1999.

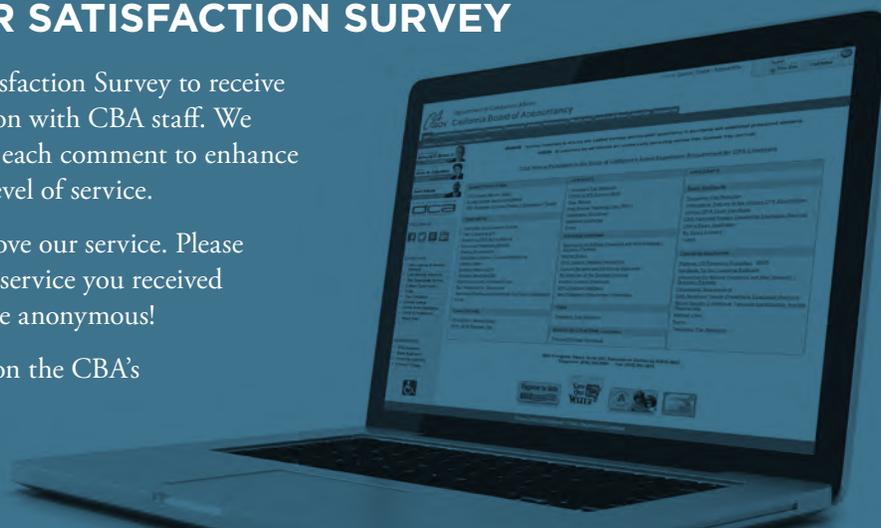
Ms. Hinds is a member of the Los Angeles County Commission for Women. She earned a Juris Doctor degree from Loyola Law School, Los Angeles.

CBA STAKEHOLDER SATISFACTION SURVEY

The CBA uses the Stakeholder Satisfaction Survey to receive feedback on stakeholders' interaction with CBA staff. We value your input and read through each comment to enhance our ability to provide the highest level of service.

We want to hear how we can improve our service. Please take a moment to tell us about the service you received from the CBA. All responses can be anonymous!

A link to the survey can be found on the CBA's homepage at www.cba.ca.gov.





AN INTERVIEW WITH ROBERT LEE, CPA, CHAIR OF THE PEER REVIEW OVERSIGHT COMMITTEE



Robert Lee, CPA
Chair, PROC

Robert (Bob) Lee is the Managing Partner and CEO of a leading Silicon Valley public accounting firm. He has more than 30 years of public accounting experience. Bob is a member of the CBA's Enforcement Advisory Committee (EAC) and is the Chair of the CBA's Peer Review Oversight Committee (PROC). We asked Bob a few questions about his service on the PROC.

What prompted you to apply for the PROC?

At the time that I applied to be a committee member of the PROC, I was serving on the EAC for the CBA. My experience with the EAC was, and continues to be, a very rewarding experience. I thought it would be a great opportunity to continue to serve, and at the same time, be involved in the formation of a new committee.

When did you begin your first term?

My first term started in September of 2010.

What surprised you most when you started working with the CBA, or was everything how you expected it to be?

I have enjoyed working on both committees for the CBA. I would say the most pleasant surprise of serving on the committees has been the educational aspect. While I believe that I have been able to bring value to the committees, I definitely feel that I have personally benefited more from serving than I ever anticipated possible. I continue to learn new things

that I believe make me a better CPA, and many of the things I have learned are not typically taught at continuing professional education (CPE) classes.

What do you enjoy most about serving on the PROC?

I have been able to meet many new people and professional colleagues as a result of being on the PROC. There are so many people that truly care about our profession and they give countless hours of their time to help improve the profession on a regular basis. Having the opportunity to serve alongside these very smart and passionate professionals has been very rewarding. I know that when my service ends I will have lasting friendships with professional colleagues that I would have never had the opportunity to meet without serving at the CBA.

How does the PROC look different in five years?

The early days of the California PROC required a lot of heavy lifting by all of the members. We really started with nothing as we set out to establish the committee. With the hard work of all of the PROC members combined and help from states that had working PROCs, the California PROC has been well established. In fact, under the leadership of Nancy Corrigan, founding Chair of the PROC, the California PROC received national recognition for the quality of the work that was performed as well as the materials that were developed. The California PROC has also been instrumental in strengthening the working relationships with other national industry-related organizations for the benefit of all PROCs across the country. Today we are continuing to build on this work as the landscape for peer review is changing rapidly.

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AN INTERVIEW WITH ROBERT LEE, CPA CONTINUED FROM PAGE 5

What prompted you to seek the Chair position?

Nancy Corrigan did such a great job of getting the PROC started, I really felt like it would be an honor to succeed her and to help continue to build the PROC. It continues to be a personally rewarding opportunity and an honor to serve on the committee and as the Chair.

Describe serving on the PROC in your own words.

As mentioned, the opportunity to serve has been educational and rewarding. I would strongly encourage others to get involved with the CBA committees. I'm confident their experience will be very similar. Don't miss out!

GIVING BACK—SERVING ON A COMMITTEE

Do you have the technical skills, interest, and commitment to make a difference? Do you take pride in your work and your profession? Serving on a CBA advisory committee may be for you!

Being a member of a CBA advisory committee provides you with an opportunity to actively participate in the CBA's mission of consumer protection. You can be an important part of an organization charged with providing consumer protection and regulating the practice of public accountancy.

The CBA is always recruiting to fill positions on its three statutorily created advisory committees: the Enforcement Advisory Committee (EAC), Peer Review Oversight Committee (PROC), and Qualifications Committee (QC).

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 investigation files. This committee is limited by statute to a membership of 13 licensees.

The PROC is comprised of seven CPAs. The purpose of the PROC is to provide recommendations to the CBA on any matter upon which it is authorized to act to ensure the effectiveness of mandatory peer review.

The QC assists the CBA in its licensure activities by reviewing the experience of applicants for licensure and making recommendations to the CBA. This responsibility

includes conducting 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 a membership of 16 licensees who have expertise in the preparation of audit and review reports.

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

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 or current disciplinary actions against your license.

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

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



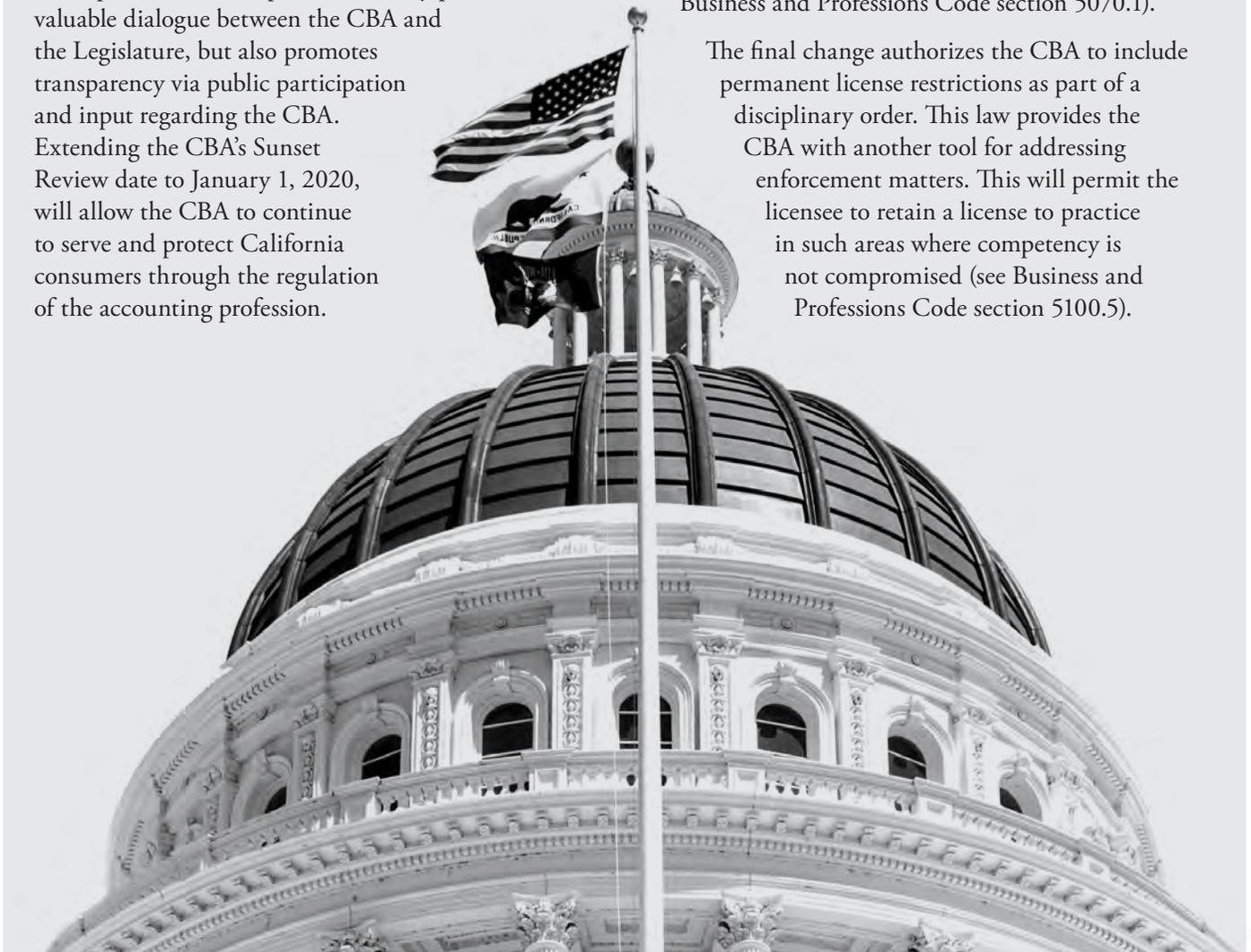
UNDER THE DOME

Several laws took effect January 1, 2016, that impact the CBA and the accounting profession in California. Here are three changes and a brief overview of what they mean to the CBA and the profession:

The first change extended the CBA's sunset date from January 1, 2016, to January 1, 2020. Every four years, the Legislature performs what is known as a Sunset Review of the CBA, as well as other boards within the Department of Consumer Affairs, to evaluate and discuss its performance and to make recommendations for improvement. This process not only provides valuable dialogue between the CBA and the Legislature, but also promotes transparency via public participation and input regarding the CBA. Extending the CBA's Sunset Review date to January 1, 2020, will allow the CBA to continue to serve and protect California consumers through the regulation of the accounting profession.

The second change clarifies restoration requirements for licenses that were previously cancelled and subsequently placed into retired status. The retired status law did not previously reference the limitation on cancelled licenses, which states that a cancelled license "may not be renewed, restored, or reinstated thereafter." This could have caused confusion, leading individuals to believe that a cancelled license placed into retired status could later be restored to active or inactive status. This change clarified that such restoration cannot be done (see Business and Professions Code section 5070.1).

The final change authorizes the CBA to include permanent license restrictions as part of a disciplinary order. This law provides the CBA with another tool for addressing enforcement matters. This will permit the licensee to retain a license to practice in such areas where competency is not compromised (see Business and Professions Code section 5100.5).





STRATEGIC PLAN: IDENTIFYING GOALS AND OBJECTIVES

Every three years, the CBA undertakes a process to review, update, and develop its Strategic Plan. The Strategic Plan serves as a guide in identifying goals and objectives to complete for future years in accordance with its consumer protection mandate.

In 2015, the CBA developed its 2016–2018 Strategic Plan with the following goals:

- **Goal 1: Enforcement**
Maintain an active, effective, and efficient program to maximize consumer protection.
- **Goal 2: Licensing**
Maintain an active, effective, and efficient program that maximizes customer service to Uniform CPA Examination candidates, applicants for CPA licensure, and licensees.
- **Goal 3: Customer Service**
Deliver the highest level of customer service.
- **Goal 4: Outreach**
Provide and maintain effective and timely outreach to all CBA stakeholders.
- **Goal 5: Laws and Regulations**
Maintain an active presence and leadership role that efficiently leverages the CBA's position of legislative influence.
- **Goal 6: Emerging Technologies**
Improve efficiency and information security through use of existing and emerging technologies.
- **Goal 7: Organizational Effectiveness**
Maintain an efficient and effective team of leaders and professionals by promoting staff development and retention.

Over the next three years, the CBA will be working to ensure the successful implementation of the 2016-2018 Strategic Plan.

You can find a copy of the 2016–2018 Strategic Plan on the CBA website at <http://www.dca.ca.gov/cba/publications/stratpln2016-2018.pdf>.

THE 20/12 REQUIREMENT: DON'T GET CAUGHT SHORT

In 2012, the CBA implemented a regulation change requiring licensees renewing in an active status to complete a minimum of 20 hours of continuing education (CE) in each year of their two-year license renewal period, with a minimum of 12 hours in technical subject matter. This regulation is more commonly referred to as the “20/12 requirement.”

The 20/12 requirement is often misinterpreted. Many licensees calculate the 20/12 requirement by calendar year, when in fact it is calculated based on your two-year renewal reporting period.

For example, if your license expires on March 31, 2016, you are required to have completed at least 20 hours of CE, with 12 of these hours in technical subject matter, during each of the following time periods:

- **First Year:** April 1, 2014, through March 31, 2015.
- **Second Year:** April 1, 2015, through March 31, 2016.

It is imperative you complete the appropriate minimum CE hours in each year of your license renewal period in order to avoid a renewal deficiency and/or enforcement action. A sample worksheet is available on the CBA website at www.dca.ca.gov/cba/cont_edu/excewrksh.pdf that may serve as a useful tool to assist you in planning and distributing your CE courses over your two-year renewal period.

If you have any questions concerning the 20/12 CE requirement or the license renewal process, please contact the License Renewal/ Continuing Competency Unit at (916) 561-1702 or by e-mail at renewalinfo@cba.ca.gov.



AVOIDING THE COMMON PITFALLS THAT MAY HINDER A SUCCESSFUL LICENSE RENEWAL

The CBA wants to help you avoid the common pitfalls that could delay your next license renewal. Pitfalls often come in the form of deficiencies when your license renewal application is not filled out properly. Most deficiencies can be avoided if you just take a few moments to ensure your license renewal application is complete and you have met all renewal requirements. If a deficiency is found, the CBA will send you a letter outlining the deficiency, how to rectify the deficiency, and the time frame in which to do it. These notices should be taken seriously. CBA staff will work collaboratively with you to achieve a successful license renewal.

The top three renewal deficiencies identified by the CBA's License Renewal/Continuing Competency (RCC) Unit are:

1. Peer Review Reporting.

You are required to submit the Peer Review Reporting Form (PR-1 Form) at the time of license renewal regardless of whether you renew in an active, inactive, or retired status. Complete the PR-1 Form as it pertains to the license that is being renewed. If you are renewing a CPA license, fill out the form as it pertains to you or your sole proprietorship. If you are renewing an accountancy partnership or accountancy corporation firm license, fill out the form as it pertains to the firm. A good rule of thumb to remember is to complete the PR-1 Form only for the license renewal application you are preparing to submit.

2. Failure to submit the License Renewal Application or incomplete renewal.

You must submit the license renewal application regardless of the license status in which you are renewing, along with the PR-1 Form and any required payment. Be sure to sign the license renewal application and answer all mandatory questions. When completing the Continuing Education (CE) Reporting Worksheet, ensure course titles are complete; subject codes are properly identified; dates of completion include the

month, day, and year; CE hours, provider name, and the method of presentation are entered. 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. Failure to complete the required four hours of ethics CE.

To renew your license in an active status, you must complete four hours of ethics education as part of the required 80 hours of CE. 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.

The CBA is dedicated to ensuring a successful renewal and helping you avoid these common pitfalls. CBA staff are pleased to answer any questions you may have regarding the license renewal process or renewal-related matters. If you have any questions, please contact the RCC Unit at (916) 561-1702 or by e-mail at renewalinfo@cba.ca.gov.

JUST A REMINDER

The CBA still uses the U.S. Postal Service as its primary method of communicating with licensees. Until such time as we are able to process transactions online, please take care to open all mail from the CBA and thoroughly read the documents sent to you. If you receive mail from the CBA, it is important! Also, please take time to ensure your address of record is up to date. If you need to change your address of record, please complete the Address Change form on page 29.



AT A GLANCE: TOP THREE CAUSES OF DISCIPLINE

In an effort to help licensees understand the most common ways in which CPA licenses are jeopardized, the CBA is providing an overview of the top three causes of discipline.

For fiscal year 2014-15, the most common cause of discipline was violation of the California Accountancy Act, Business and Professions Code (BPC) section 5100 (h). Under BPC section 5100, the CBA “may revoke, suspend, or refuse to renew any permit or certificate ... for unprofessional conduct.” Unprofessional conduct includes “the suspension or revocation of the right to practice before any governmental body or agency.” This includes actions taken by the U.S. Securities and Exchange Commission and the Public Company Accounting Oversight Board.

The second most common cause of discipline was violation of BPC section 5100 (a). This section refers to “conviction of any crime substantially related to the qualifications, functions and duties of a certified public accountant or a public accountant.” There is often confusion by licensees regarding what is “substantially related.” BPC section 5063 and Title 16, California Code of Regulations (CBA Regulations) section 99 are often interpreted by licensees as requiring that they must only report a conviction if it occurs in the actual practice of public accountancy. The courts have ruled, however, that a single misdemeanor

DUI conviction may be deemed substantially related and a basis for disciplining for “unprofessional conduct.” Thus, the CBA urges licensees to self-report all convictions, including misdemeanors. The CBA investigates all convictions on a case-by-case basis.

The third most common reason CPAs were disciplined in the last fiscal year was for violating CBA Regulations section 58. A violation of this regulation occurs when a licensee does not “comply with all applicable professional standards, including but not limited to generally accepted accounting principles and generally accepted auditing standards.” With the ever-changing nature of the accounting profession, especially as it relates to professional standards, it is important that licensees take the necessary steps to maintain a currency of knowledge to competently provide services to their clients.

Keep informed of your duties and obligations as a certified public accountant in California and protect your hard-earned license.

The California Accountancy Act, CBA Regulations, and other related California Codes are available on the CBA website under the “Laws and Rules” tab, located 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



A FOCUS ON OUTREACH

The CBA is increasing its outreach efforts and will be taking a more proactive approach towards outreach and communications efforts. One of our largest efforts is the redesign of the CBA website, which is discussed in the “Executive Officer’s Message” in this issue of *UPDATE*.

One of the ways outreach will be increased is through the use of videos. The CBA will be developing short educational videos to assist stakeholders with various tasks such as filling out forms or using the License Lookup feature on the CBA website. While such videos are still in the planning stages, these videos may be hosted on the CBA’s website or shared through YouTube or Vimeo. You will see more information about this in the future as the project moves forward.

Finally, the CBA will begin using social media as a major component of its outreach plans. The CBA has a presence on LinkedIn, Facebook, Twitter, and Pinterest. If you want to stay up to date with the latest from the CBA, you may find us on all of these social media platforms through the links provided on the homepage of the CBA website.

FUTURE MEETINGS

MARCH 17, 2016

Mobility Stakeholder Group Meeting

Anaheim, CA

MARCH 17-18, 2016

CBA and Committee Meetings

Anaheim, CA

APRIL 27, 2016

Qualifications Committee Meeting

Northern California

MAY 5, 2016

Enforcement Advisory Committee Meeting

Southern California

MAY 6, 2016

Peer Review Oversight Committee Meeting

Southern California

MAY 19, 2016

Mobility Stakeholder Group Meeting

Southern California

MAY 19-20, 2016

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 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.



ENFORCEMENT PROCESS

When the 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 12

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 DECEMBER 30, 2015

MCGUINNESS, MOLLY ERIN AKA MACARTHUR, MOLLY MCGUINNESS

Newport Beach, CA
(CPA 74486)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective December 30, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-94 contains the following allegations:

Ms. McGuinness has subjected her certificate to disciplinary action in that she was convicted of crimes substantially related to the qualifications, functions, or duties of a certified public accountant, as follows:

On or about April 4, 2007, Ms. McGuinness was convicted on her plea of guilty to violating Penal Code (PC) section 602.5, criminal trespass, a misdemeanor count added by interlineation to the original complaint.

On or about April 4, 2007, Ms. McGuinness was convicted on her plea of guilty to violating PC section 273a (a), child abuse, a felony reduced to a misdemeanor under PC section 17 (b).

On or about April 19, 2007, Ms. McGuinness was convicted on her plea of guilty to violating Vehicle Code (VC) section 23152 (b) driving with a blood alcohol concentration (BAC) of .08 percent or more, a misdemeanor.

On or about May 26, 2006, Ms. McGuinness was convicted on her plea of guilty to violating VC section 23152 (b), driving with a BAC of .08 percent or more, a misdemeanor.

On or about April 4, 2007, Ms. McGuinness was convicted on her plea of guilty to violating VC section 23153 (a), driving under the influence of alcohol causing bodily injury, and VC section 20002 (a), hit and run driving with property damage, a misdemeanor.

On or about January 30, 2008, Ms. McGuinness was convicted on her plea of guilty to violating PC section 647 (f), public intoxication, a misdemeanor.

On or about January 6, 2015, Ms. McGuinness was convicted on her plea of guilty to violating VC section 23152 (a), driving under the influence of alcohol/drugs, with three or more prior convictions for violating VC section 23152, pursuant to VC 23550, a felony; VC section 23152 (b), driving with a BAC of .08 percent or more with prior DUI convictions, a felony; and VC section 23573 (i), failure to install an ignition interlock device on her vehicle, a misdemeanor.

Ms. McGuinness has subjected her certificate to disciplinary action in that she failed to report her convictions to the CBA within 30 days.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 490; Division 3, Chapter 1, § 5100 (a) and (g).



ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

**MOSLEY, CARMEN DENISE
C. MOSLEY & ASSOCIATES,
AN ACCOUNTANCY CORPORATION**

Granada Hills, CA
(CPA 75691, COR 5242)

CBA ACTIONS

Revocation of CPA Licenses, via default decision.

Effective October 25, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-43 contains the following allegations:

Ms. Mosley is subject to disciplinary action in that she was convicted of crimes substantially related to the qualifications, functions, or duties of a certified public accountant or public accountant, as follows:

On or about May 6, 2014, Ms. Mosley was convicted of one felony count of violating Title 18, United States Code, section 1349 (conspiracy to commit bank fraud and wire fraud), and two felony counts of violating Title

18, United States Code, section 1344 (bank fraud). Ms. Mosley was sentenced to 57 months in federal prison and ordered to pay \$1,172,000 in restitution.

Ms. Mosley is subject to disciplinary action in that from November 2006 to November 2007 respondent Mosley knowingly prepared false, fraudulent, or materially misleading financial statements, reports, or information.

Ms. Mosley is subject to disciplinary action in that from November 2006 to November 2007 she committed acts involving fiscal dishonesty.

Ms. Mosley is subject to disciplinary action in that she failed to comply with CBA Citation Order CT-2014-551 in that she failed to submit a Peer Review Reporting Form (PR-1), as required.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 490; Division 3, Chapter 1, § 5100 (a), (g), (i) and (j). California Code of Regulations, Title 16, Division 1, §§ 95.4 and 99.

RIENERTH, ANNE MARIE

Lake Elsinore, CA
(CPA 103053)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective October 25, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-56 contains the following allegations:

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

On or about January 28, 2014, Ms. Rienerth was convicted on her plea of violating Vehicle Code (VC) section 23152 (b) [driving a vehicle with 0.08 percent or more, by weight, of alcohol in her blood], a felony, with enhancements for violating VC sections 23578 [enhanced penalties for excessive blood alcohol or refusal to take a chemical testing when a person is convicted of a violation of VC sections 23152 or 23153], and 23153 (b), and of violating that probation imposed following her May 31, 2012, conviction in a prior Riverside County Superior Court case.

On or about May 31, 2012, Ms. Rienerth was convicted on her plea of violating VC section 23153 (b) [driving under the influence of an alcoholic beverage or drug, and in so driving did an act forbidden by law and

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ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

neglected a duty imposed by the law in the driving of said vehicle, which act or neglect caused bodily injury], with enhancements under VC sections 23578 and 23577 [enhanced penalties for refusing a police officer’s request to submit to, or willfully failed to complete, the chemical test or tests].

Ms. Rienenrth is subject to disciplinary action in that she failed to report her convictions to the CBA within 30 days after she entered her guilty pleas made on or about May 31, 2012, and January 28, 2014.

Ms. Rienenrth is subject to disciplinary action in that she failed to respond to the CBA’s inquiry dated October 30, 2014.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 490; Division 3, Chapter 1, §§ 5063 (a)(1)(A-B), 5100 (a) and (g). California Code of Regulations, Title 16, Division 1, § 52.

SHIRLEY, RONALD CAREY

Simi Valley, CA
(CPA 32646)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective October 25, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-105 contains the following allegations:

Mr. Shirley is subject to disciplinary action in that he was convicted of a substantially related crime as follows:

On or about April 10, 2015, Mr. Shirley was convicted of two felony counts of violating 18.U.S.C. section 2252A (a)(2)(A), (b)(1) [knowingly attempted to receive child

pornography]. On or about June 30, 2015, Mr. Shirley was sentenced to serve 240 months in federal prison, and upon release from imprisonment, he will be placed on supervised release for a term of life.

Mr. Shirley is subject to disciplinary action in that he failed to report his two felony convictions within 30 days after he entered his guilty pleas on or about April 10, 2015.

Mr. Shirley is subject to disciplinary action in that he willfully violated the Accountancy Act and the rules and regulations promulgated by the CBA under the authority of the Act.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 490; Division 3, Chapter 1, §§ 5063 (a)(1)(A-B), 5100 (a) and (g), and 5106. California Code of Regulations, Title 16, Division 1, § 99(a).

SONNEY, JAKE ROY

Los Angeles, CA
(CPA 107129)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective October 25, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-51 contains the following allegations:

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



ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

accountant or public accountant, as follows:

On or about June 13, 2012, after pleading nolo contendere, Mr. Sonney was convicted of one misdemeanor count of violating Vehicle Code (VC) section 23152, subdivision (b) [driving while having a 0.08 percent or more blood alcohol content (BAC), by weight] in the criminal proceeding entitled The People of the State of California v. Jake Roy Sonney (Super. Ct. L.A. County, 2012, No. 1SY09349).

On or about June 13, 2012, after pleading nolo contendere, Mr. Sonney was convicted of one misdemeanor count of violating VC section 23152,

subdivision (b) [driving while having a 0.08 percent or more BAC, by weight] in the criminal proceeding entitled The People of the State of California v. Jake Roy Sonney (Super. Ct. L.A. County, 2012, No. 2SY01367).

Mr. Sonney is subject to disciplinary action in that he failed to notify the CBA in writing within 30 days of sustaining two convictions.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 490; Division 3, Chapter 1, §§ 5063, 5100 (a) and (g). California Code of Regulations, Title 16, Division 1, § 99.

**TEDDER, GARY JEAN
AKA GAROLD J. TEDDER**

Bakersfield, CA
(CPA 26742)

CBA ACTIONS

Revocation of CPA License, via proposed decision.

In the event Mr. Tedder applies for a new license or petitions for reinstatement and the license is issued, he shall reimburse the CBA \$4,502.50 for its reasonable costs of enforcement.

Effective October 25, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-67 contains the following allegations:

Mr. Tedder is subject to disciplinary action in that the Internal Revenue Service (IRS) imposed discipline, penalty, or sanction on his practice of accounting and suspended his right to practice before the IRS effective October 25, 2012.

Mr. Tedder is subject to disciplinary action in that he failed to report in writing to the CBA within 30 days the suspension of the right to practice as a certified public accountant before the IRS.

Mr. Tedder is subject to disciplinary action in that he operated under the unregistered firm of "Gary Tedder, CPA, A Professional Corporation."

Mr. Tedder is subject to disciplinary action in that he failed to respond to the CBA's inquiry, dated October 24, 2013, regarding his sanction by the IRS.

Mr. Tedder is subject to disciplinary action in that he changed his address of record and failed to update his address with the CBA as required.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5060, 5063 (a)(3), 5100 (g) and (h). California Code of Regulations, Title 16, Division 1, §§ 3 and 52.



ENFORCEMENT ACTIONS

OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

AMMANN, JENNIFER LEE

Torrance, CA
(CPA 99695)

CBA ACTIONS

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

Ms. Ammann shall reimburse the CBA \$4,017.50 for its investigation and prosecution costs. The payment shall be made in quarterly payments, the final payment being due six months before probation is scheduled to terminate.

Ms. Ammann shall complete four hours of continuing education (CE) in ethics. The course hours shall be completed within 12 months of the effective date of the Decision and Order and are in addition to the CE hours required for relicensing.

Ms. Ammann shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the Decision and Order and are in addition to the CE hours required for relicensing.

Ms. Ammann shall comply with terms and conditions related to her criminal court probation.

Ms. Ammann shall maintain an active license status.

Other standard terms of probation.

Effective December 30, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-35 contains the following allegations:

Ms. Ammann is subject to disciplinary action on the grounds of unprofessional conduct in that she was convicted of crimes substantially related to the qualifications, functions, or duties of a certified public accountant or public accountant.

On or about November 25, 2013, after pleading nolo contendere, Ms. Ammann was convicted of one felony count of violating Penal Code section 245 (a) (1) [assault with deadly weapon or instrument]. The court sentenced Ms. Ammann to 326 days in jail, placed her on five years' formal probation, ordered her to complete a one-year residential women's recovery program, ordered her to complete a substance abuse program, ordered her to complete a 52-week domestic violence program, and ordered termination of the protective order issued.

On or about November 17, 2014, after violating probation, the court sentenced Ms. Ammann to 76 days in jail, and ordered her to complete a six-month sober living program.

On or about November 25, 2013, after pleading guilty and failing the deferred entry of judgment program, Ms. Ammann was convicted of one felony count of violating Health and Safety Code section 11377 (a) [unlawful possession of a controlled substance].

On or about November 25, 2013, after pleading guilty, Ms. Ammann was convicted of two felony counts, Count 1, violating Health and Safety Code section 11351 [unlawful possession of a controlled substance for sale], and Count 4, violating Health and Safety Code section 11377 (a) [unlawful possession of a controlled substance].

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OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

Ms. Ammann is subject to disciplinary action on the grounds of unprofessional conduct in that she failed to notify the CBA in writing within 30 days of sustaining a felony conviction.

Ms. Ammann is subject to disciplinary action on the grounds of unprofessional conduct in that she failed to respond within 30 days to the CBA's June 26, 2014, inquiry.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 490; Division 3, Chapter 1, §§ 5063, 5100 (a), (g) and 5110 (g). California Code of Regulations, Title 16, Division 1, §§ 52 (a) and 99.

CHAN, ALAN

Irvine, CA
(CPA 32184)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Mr. Chan shall pay the CBA \$11,642.09 for its investigation and enforcement costs prior to issuance of a new or reinstated license.

Effective December 30, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-43 contains the following allegations:

Mr. Chan is subject to disciplinary action for fiscal dishonesty in that for the tax years 2011 and 2012, he allocated a portion of his client's tax refund into his own bank account, without the knowledge or consent of his client.

Mr. Chan is subject to disciplinary action for gross negligence in that for the tax years 2011 and 2012, he improperly used United States Internal Revenue Service Form 8888 in order to obtain payment of his fees, by allocating a portion of his client's tax refund into his own bank account.

Mr. Chan is subject to disciplinary action for the unlicensed practice of public accountancy, in that for the tax year 2011, he held himself out as a Certified Public Accountant (CPA) in correspondence directed to his client even though his CPA license expired in 1992.

Mr. Chan is subject to disciplinary action in that he practiced public accountancy under a name ("CNC International Inc., CPA's") for which he did not hold a valid permit to practice by the CBA.

Mr. Chan is subject to disciplinary action for false advertising, in that in or about March and July 2014, he held himself out to the public as a CPA on Facebook via the Internet, soliciting accounting and tax work, even though his CPA license expired in 1992.

Mr. Chan is subject to disciplinary action for failing to respond to the CBA's inquiry regarding a consumer complaint filed with the CBA by his client.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5050 (a), 5051, 5060 (b), 5100 (c), (g) and (i). California Code of Regulations, Title 16, Division 1, §§ 52, 58 and 63.



OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

CHASE, PETER BRADFORD

San Francisco, CA
(CPA 128032)

CBA ACTIONS

Upon meeting all pre-licensure requirements, a Certified Public Accountant license will be issued to Mr. Chase and immediately revoked. However, the revocation will be stayed and Mr. Chase will be placed on three years' probation with standard terms and conditions.

Effective January 12, 2015, pre-licensure requirements were met and a license was issued on October 23, 2015.

CAUSE FOR DENIAL

Statement of Issues No. SI-2014-42 contains the following allegations:

On or about July 25, 2003, in a matter entitled State of Georgia v. Peter Chase, Clarke County Court Case No. ST-03-CR-0809, Mr. Chase was convicted of driving under the influence of alcohol, driving with an unlawful blood alcohol concentration, and driving with no headlights. On or about November 16, 2009, in Solano County Superior Court Case No. FCR270950, Mr. Chase was convicted of violating Penal Code section 23152(b), driving with a blood alcohol concentration of .08 percent or higher.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, §§ 480 (a)(1), (a)(3)(A), and 490; Division 3, Chapter 1, §§ 5100 (a)(1) and 5110 (a)(4).

CHRISTIE, THOMAS A.

Long Beach, CA
(CPA 70718)

CBA ACTIONS

Revocation stayed with 18 months' probation, via stipulated settlement.

Mr. Christie shall complete four hours of continuing education (CE) in ethics. The hours shall be completed by June 30, 2016, and are in addition to the CE hours required for relicensing.

Mr. Christie shall complete a CBA-approved Regulatory Review course. The hours shall be completed by June 30, 2016, and are in addition to the CE hours required for relicensing.

Mr. Christie shall maintain an active license status.

Other standard terms of probation.

Effective December 30, 2015

CAUSE FOR DISCIPLINE

Accusation No. A-2014-21 contains the following allegations:

Mr. Christie is subject to disciplinary action in that on or about February 8, 2012, the Public Company Accounting Oversight Board (PCAOB) imposed disciplinary sanctions against Mr. Christie. The PCAOB censured Mr. Christie on the basis of finding that he violated PCAOB rules and auditing standards as the second partner on Ernst & Young's audit team related to his audit of the December 31, 2007, financial statements of Medicis Pharmaceutical Corporation.

VIOLATIONS(S) CHARGED

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



OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

COLEY, REED A.

Irvine, CA
(CPA 83666)

CBA ACTIONS

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

Mr. Coley shall reimburse the CBA \$16,488.92 for its investigation and prosecution costs.

Mr. Coley shall complete four hours of continuing education (CE) in ethics. The hours shall be completed by June 30, 2016, and are in addition to the CE hours required for relicensing.

Mr. Coley shall complete a CBA-approved Regulatory Review course. The hours shall be completed by June 30, 2016, and are in addition to the CE hours required for relicensing.

Mr. Coley shall complete and provide proper documentation of 16 hours of CE in courses in the subject matter of tax, such as tax preparation, tax regulations, and practice before the Internal Revenue Service. The hours shall be completed by June 30, 2016, and are in addition to the CE hours required for relicensing.

Mr. Coley shall maintain an active license status.

Other standard terms of probation.

Effective December 30, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-59 contains the following allegations:

Mr. Coley is subject to disciplinary action in that he committed gross negligence, and/or repeated acts of negligence, as follows:

(a) In Mr. Coley's preparation of the IRS Forms 1099-MISC, nonemployee compensation for tax years 2009, 2010, and 2011 for M.O. and O.O., when M.O. and O.O. did not provide services to Posterra Energy, LLC; and,

(b) In the preparation of tax year 2009 IRS Form 1065 for Mr. Coley's company Posterra Energy, LLC, which included a Schedule K-1, which incorrectly reported that M.O. was a general member and domestic partner of Posterra Energy, LLC.

Mr. Coley is subject to disciplinary action in that he knowingly prepared and disseminated the foregoing false information.

Based on the foregoing facts, Mr. Coley is subject to disciplinary action in that he willfully violated professional standards.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, § 5100 (c), (g) and (j). California Code of Regulations, Title 16, Division 1, §§ 41, 45 (c), and 58.



OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

COMSTOCK, JAMES MILTON

Carlsbad, CA
(CPA 63952)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Mr. Comstock shall pay the CBA \$1,577.21 for its investigation and enforcement costs prior to the issuance of a new or reinstated license.

Effective December 30, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-58 contains the following allegations:

Mr. Comstock is subject to disciplinary action in that he was convicted of a crime substantially related to the qualifications, functions, and duties of a Certified Public Accountant. On or about April 17, 2014, the court convicted Mr. Comstock on his plea of guilty to two counts of violating Penal Code (PC) section 506 (fraudulent appropriation by an administrator, executor or trustee), with an enhancement charge under PC

section 12022.6 (a)(2) for causing aggregate losses exceeding \$200,000, which are felonies.

Mr. Comstock is subject to disciplinary action in that he engaged in conduct constituting fraud and dishonesty toward his client and employer.

Mr. Comstock is subject to disciplinary action in that he engaged in conduct constituting fiscal dishonesty or breach of fiduciary responsibility toward his client and employer.

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

Mr. Comstock is subject to disciplinary action in that he failed to report his conviction within 30 days of its occurrence.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 490; Division 3, Chapter 1, §§ 5063, 5100 (a), (c), (g), (i) and (k).

DIVER, DENNIS DUANE

Oroville, CA
(CPA 21362)

CBA ACTIONS

Dennis Duane Diver is suspended from acting as a CPA or performing any activities for which a CPA license is required. This interim suspension order remains in effect until such time as modified or lifted by the CBA, in its discretion, or the conclusion of proceedings as provided in Business and Professions Code section 494, subdivision (f).

Mr. Diver was convicted of two felony offenses: grand theft by embezzlement and an enhancing allegation for a great-taking/white-collar theft. Judge Stephen J. Smith, Administrative Law Judge, Office of Administrative Hearings, issued the Interim Suspension Order in Case No. 2015100893.

Effective November 19, 2015



OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

FIERRO JR., ALFONSO

San Diego, CA
(CPA 77331)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Mr. Fierro shall pay the CBA \$1,959.14 for its investigation and enforcement costs prior to the issuance of a new or reinstated license.

Effective December 30, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-4 contains the following allegations:

Mr. Fierro is subject to disciplinary action for fiscal dishonesty in that he was convicted of a crime that is substantially related to the qualifications, functions, and duties of a Certified Public Accountant. On or about March 11, 2014, Mr. Fierro entered a plea of guilty to Count 1 of a federal indictment for violating Title 18 United States Code section 1341, mail fraud, a felony. As a result of Mr. Fierro's guilty plea, on May 30, 2014, the court entered judgment sentencing him to serve a term of 15 months in federal prison, followed by three years of supervised release on standard conditions, and special conditions that require he submit to a Fourth Amendment waiver, report all vehicles owned/

operated, and provide complete disclosure of personal and business financial records to his probation officer. Mr. Fierro was ordered to pay restitution in the amount of \$2,480,967.11 to WSA Distributing, Inc.

Mr. Fierro is subject to disciplinary action for unprofessional conduct in that while entrusted with the duties of corporate comptroller and chief financial officer (CFO), he committed acts of fiscal dishonesty.

Mr. Fierro is subject to disciplinary action for unprofessional conduct in that while he was entrusted with the duties of corporate comptroller and CFO, he obtained money from his employer through embezzlement, theft, misappropriation of funds, and/or obtained money by fraudulent means or false pretenses.

Mr. Fierro is subject to disciplinary action in that he failed to report his felony conviction with 30 days of its occurrence.

Mr. Fierro is subject to disciplinary action in that he failed to respond to an inquiry by the CBA.

VIOLATION(S) CHARGED

Business and Professions Code, Division 1.5, Chapter 2, § 490; Division 3, Chapter 1, §§ 5050, 5051, 5076 and 5100 (g). California Code of Regulations, Title 16, Division 1, §§ 41, 45, and 52.

LOPEZ, MARIO
L&L ACCOUNTING AND TAX

Cathedral City, CA
(CPA 83229; FNP 2018)

CBA ACTIONS

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

Mr. Lopez shall pay the CBA for its costs of investigation and enforcement in the amount of \$10,000. An initial payment of \$2,000 shall be paid within 60 days of the effective date of this Decision and Order. The remaining balance shall be made in quarterly payments, due with Mr. Lopez's quarterly written reports to the CBA, with the final payment being due six months before probation is scheduled to terminate.

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OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

Mr. Lopez shall complete four hours of CE in ethics. The course hours shall be completed within 180 days of the effective date of this Decision and Order and are in addition to the CE hours required for relicensing.

Mr. Lopez shall complete a CBA-approved Regulatory Review course. The course shall be completed within 180 days of the effective date of this Decision and Order and is in addition to the CE hours required for relicensing.

Mr. Lopez shall complete 24 hours of CE in the subject matter of tax, such as tax preparation, tax regulation, and practice before the IRS. A minimum of eight hours must be in the subject matter of IRS tax filing. These course hours shall be completed within one year of the effective date of this Decision and Order and are in addition to the CE hours required for relicensing.

Mr. Lopez must maintain an active license.

Other standard terms of probation.

Effective October 25, 2015

CAUSE FOR DISCIPLINE

Petition to Revoke Probation, and Accusation No. AC-2015-4 contains the following allegations:

Mr. Lopez is subject to disciplinary action in that he committed acts of gross negligence and repeated acts of negligence in the preparation of tax returns that constitute extreme departures from applicable professional standards.

Mr. Lopez is subject to disciplinary action in that he committed an act of unprofessional conduct by the knowing preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information.

Mr. Lopez’s probation is subject to revocation in that he failed to submit eight quarterly reports in a timely manner to the CBA as required in Decision and Order No. AC-2010-17.

Mr. Lopez’s probation is subject to revocation in that he failed to complete his eight hours of ethics continuing education he was ordered to do within 18 months of the effective date of the CBA’s order as required in Decision and Order No. AC-2010-17.

VIOLATION(S) CHARGED

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

**MANN, PETER ISAAC
MANN ACCOUNTANCY CORPORATION**

San Diego, CA
(CPA 26652; COR 982)

CBA ACTIONS

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

Respondents shall reimburse the CBA \$6,000 for its investigation and prosecution costs. The payment shall

be made in quarterly payments (due with quarterly written reports) with the final payment being due six months before probation is scheduled to terminate.

Mr. Mann shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 12 months of the effective date of this Decision and Order and are in addition to the CE hours required for relicensing.

Mr. Mann shall complete a CBA-approved Regulatory Review course. The course shall be completed within

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OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

12 months of the effective date of this Decision and Order and is in addition to the CE hours required for relicensing.

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

Respondents must maintain an active license.

During probation, respondents shall not engage in and shall be prohibited from performing any audit services.

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

Other standard terms of probation.

Effective October 25, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-18 contains the following allegations:

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

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

Respondents are subject to disciplinary action in that they failed to comply with all applicable professional standards, including but not limited to generally accepted accounting principles and generally accepted auditing standards.

Respondents are subject to disciplinary action in that they failed to maintain audit documentation sufficient to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, extent, and results of the auditing or other procedures performed, evidence obtained, and conclusions reached, and to determine the identity of the persons who performed and reviewed the work. Additionally, respondents failed to retain a copy of audit documentation pertaining to the audit for the year ended December 31, 2010.

Respondents are subject to disciplinary action in that they made misleading statements as part of, or in support of, Mr. Mann's peer review reporting.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076 (a), 5097, 5100 (c), (e), and (g). California Code of Regulations, Title 16, Division 1, §§ 40, 41, 58 and 68.2.



OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

MARCUS, RONALD A.

Woodland Hills, CA
(CPA 26338)

CBA ACTIONS

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

Mr. Marcus shall reimburse the CBA \$1,250 for its investigation and prosecution costs.

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

Mr. Marcus shall complete four hours of continuing education (CE) in ethics. The course hours shall be completed within 12 months of the effective date of the Decision and Order and are in addition to the CE hours required for relicensing.

Mr. Marcus shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the Decision and Order and are in addition to the CE hours required for relicensing.

Mr. Marcus shall pay 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 Decision and Order.

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

Mr. Marcus shall maintain an active license status.
Other standard terms of probation.

Effective December 30, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-81 contains the following allegations:

Mr. Marcus is subject to disciplinary action on the grounds of unprofessional conduct in that Mr. Marcus failed to conduct a required peer review, failing to retain enrollment in a Board-approved peer review program, and failing to report in a timely manner to the CBA regarding his compliance with the peer review requirement.

Mr. Marcus is subject to disciplinary action on the grounds of unprofessional conduct in that he practiced public accountancy without a permit, as follows:

- (a) On or about November 30, 2011, Mr. Marcus issued a compiled financial statement for a law firm client.
- (b) On or around April 10, 2013, Mr. Marcus prepared a 2012 federal tax return for a client "Travis K."
- (c) As of November 20, 2014, Mr. Marcus had continued to use the "CPA" designation on LinkedIn, a professional networking website.

Mr. Marcus is subject to disciplinary action on the grounds of unprofessional conduct in that he failed to respond to the CBA's inquiries in a timely manner.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5051, 5076 and 5100 (g). California Code of Regulations, Title 16, Division 1, §§ 41, 45, and 52.



OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

PAPPIN, RICHARD GORDON

Rocklin, CA
(CPA 13522)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Mr. Pappin shall pay the CBA \$5,912.21 for its investigation and enforcement costs prior to issuance of a new or reinstated license.

Effective October 25, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-39 contains the following allegations:

Mr. Pappin is subject to disciplinary action in that he willfully violated the Accountancy Act, and Rules and Regulations promulgated by the CBA related to his compliance with the CBA's peer review program requirements.

Mr. Pappin is subject to disciplinary action in that he committed fraud or deceit on his license renewal for the renewal period that ended on May 31, 2012. Mr. Pappin signed his license renewal form for the renewal period that ended on May 31, 2012, affirming under penalty of perjury that he had complied with the CBA's peer review requirements. In fact, he had not done so.

Mr. Pappin is subject to disciplinary action in that he has been practicing public accountancy under the name "Pappin & Pappin," which is not registered by the CBA.

VIOLATIONS(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5060 (b), 5076 (a), 5100 (b), and (g). California Code of Regulations, Title 16, Division 1, §§ 40 (b) and 41.

**SAEED, REHAN
ACCTAX ACCOUNTANTS AND
CONSULTANTS, REHAN SAEED**

Walnut, CA
(CPA 59167; FNP 1696)

CBA ACTIONS

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

Mr. Saeed shall reimburse the CBA \$3,352.10 for its investigation and prosecution costs.

Mr. Saeed shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 180 days of the order, and are in addition to the CE hours required for relicensing.

Mr. Saeed shall complete a CBA-approved Regulatory Review course. The hours shall be completed within 180 days of the order and are in addition to the CE hours required for relicensing.

Mr. Saeed shall complete and provide proper documentation of 16 hours of CE in audit-related subjects. The hours shall be completed within 12 months of the effective date of the order and are in addition to the hours required for relicensing.

Mr. Saeed shall maintain an active license status.

Other standard terms of probation.

Effective December 30, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-69 contains the following allegations:

CONTINUED ON PAGE 28



OTHER ENFORCEMENT ACTIONS THROUGH DECEMBER 30, 2015

Mr. Saeed is subject to disciplinary action in that his right to practice before a governmental body or agency was suspended or revoked for failing to perform a timely concurring review after release of the firm's audit report filed with the SEC and backdating of concurring review documentation.

Mr. Saeed is subject to disciplinary action in that on or about May 21, 2013, the Public Company Accounting Oversight Board (PCAOB) imposed discipline, penalty, or sanctions on Mr. Saeed. The PCAOB censured and barred him from being an associated person of a registered public accounting firm.

Mr. Saeed is subject to disciplinary action in that he failed to report in writing within 30 days of cancellation, revocation, or suspension of the right to practice as a Certified Public Accountant before the PCAOB.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5063, 5100 (h) and (l).

TURNBLAD, RICHARD ALLEN

Murrieta, CA
(CPA 21107)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Mr. Turnblad shall pay the CBA \$3,284.69 for its investigation and enforcement costs prior to issuance of a new or reinstated license.

Effective October 25, 2015

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-46 contains the following allegations:

Mr. Turnblad is subject to disciplinary action in that he failed to submit a completed peer review form to the CBA and failed to complete peer review by an accepted CBA-recognized peer review program by July 1, 2011.

Mr. Turnblad is subject to disciplinary action in that he failed to respond in writing to inquiries by the CBA within 30 days of the CBA's request for information.

VIOLATION(S) CHARGED

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

ADDRESS CHANGE FORM

A separate address change notice must be submitted for each license type.

PLEASE PRINT

Name of Applicant for Licensure

Last	First	Middle

Name of Licensee Individual (CPA/PA) - License No. _____

Last	First	Middle

Name of Firm Corporation Partnership Fictitious Name License No. _____

Firm Name

NEW Address of Record *(An Address of Record is Required)*

Home Business (check one)

Be advised that if you are a licensed CPA/PA or firm, your address of record is public information, and all CBA correspondence will be sent to this address.

Business Name (if different from name above)

Street	<input type="checkbox"/> Apt. # <input type="checkbox"/> Suite # (check one)

City	State	Zip

Former Address of Record

Street	<input type="checkbox"/> Apt. # <input type="checkbox"/> Suite # (check one)

City	State	Zip

Alternate Address for Mail Drops and P.O. Boxes

If your address of record is a P.O. Box or Mail Drop, you are required to provide a street address. **This address will not be posted on the CBA's Web License Lookup.**

Street	<input type="checkbox"/> Home <input type="checkbox"/> Business (check one) <input type="checkbox"/> Apt. # <input type="checkbox"/> Suite # (check one)

City	State	Zip

Daytime Phone Number

-	-
Area Code	

You may confirm your change of address on License Lookup at www.cba.ca.gov.

I certify the truth and accuracy of all of these statements and representations.

Signature _____ Date _____

Print your name _____

A licensee who fails to notify the California Board of Accountancy within 30 days of a change of address of record may be subject to citation and fine (fines ranging from \$100-\$1,000) under the California Code of Regulations, Title 16, Division 1, Sections 3, 95 and 95.2.

The CBA maintains a list of all licensees. This list is sold to requestors for mailing list purposes. Check here only if you do not want your name included on this list. *Please Note: Your name and address of record is public information and can be accessed through our website at www.cba.ca.gov.*

This form is being provided for your convenience. Other forms of written notice may be accepted by the CBA.

MAIL TO: California Board of Accountancy, 2000 Evergreen Street, Suite 250, Sacramento, CA 95815-3832 or **FAX TO:** (916) 263-3675



CALIFORNIA
BOARD OF
ACCOUNTANCY
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**.



CBA

CALIFORNIA BOARD OF
ACCOUNTANCY

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UPDATE

WINTER 2016—ISSUE NO. 80

The CBA's newsletter, *UPDATE*, is digital. You can sign up for E-News and be notified by e-mail when the newest edition of *UPDATE* is posted to the CBA website, www.cba.ca.gov.

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