



PRESIDENT'S MESSAGE



Katrina L. Salazar, CPA
President

The California Board of Accountancy (CBA) had a very productive year, and I am pleased that I had the opportunity to play a role in it. I thoroughly enjoyed my time as CBA President and want to thank Vice President Alicia Berhow and Secretary-Treasurer Michael Savoy for their leadership and support during this year.

Every year the CBA faces different issues and challenges, but there were a few that I want to focus on.

The mission and statutory purpose for the CBA 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, I wanted to make sure that this mission remained at the forefront of every discussion and action taken by the CBA and its constituent committees.

The Mobility Stakeholder Group (MSG) and the CBA focused on this very issue as we discussed whether other states' enforcement programs are adequate to protect California consumers when it comes to mobility. The CBA also completed a major study of its attest experience requirement for CPA licensure and determined that the 500-hour requirement was necessary and sufficient to protect consumers.

This year, the CBA also addressed the issue of the quality of employee benefit plan audits. After receiving testimony from representatives of the U.S. Department of Labor, the American Institute of Certified Public Accountants, and the National Association of State Boards of Accountancy (NASBA), the CBA decided to concentrate efforts on an outreach program designed to inform licensees who perform employee benefit plan audits of the need to be better educated in this particular service prior to engaging in the audit. The CBA will re-examine whether it needs to consider mandatory continuing education in this area after analyzing the results of the outreach efforts, which begin with this issue of *UPDATE*.

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And speaking of outreach, I started this year with a plan to increase our efforts to reach out to our stakeholders. I am pleased with the results, as this year the CBA launched a redesign of its website, modernizing both the look and functionality. The CBA also visited five universities during my time as president to inform students about the process of becoming a CPA. In addition, the CBA participated in outreach events to the profession and consumers as well. Finally, I had the opportunity to attend both the Eastern and Western Regional Meetings of NASBA to have a chance to explain the CBA's mobility program and its efforts in evaluating other states' enforcement programs, as required by California law.

Although 2016 was a very successful year, there will always be more work to be done. In the coming year, while the CBA will still be discussing mobility and other states' enforcement programs, other issues will also arise. One of the biggest changes next year will be the launch of the next version of the Uniform CPA Examination.

As new CBA leadership is elected by the CBA at its November 2016 meeting, I look forward to continuing to work with the new leadership team on these emerging issues.

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

Every year, the CBA prepares an annual report outlining the steps it took the prior year to fulfill its mission and statutory mandate of consumer protection, while at the same time providing excellent service to all of its stakeholders, including licensees, applicants, and consumers.

You can read the CBA's *2015–16 Annual Report* on the CBA website at www.cba.ca.gov, but I want to point out some of the highlights and accomplishments from the past fiscal year.

With the CBA's primary mission of consumer protection, one of the ways that the CBA ensures only qualified licensees practice public accountancy in accordance with established professional standards is through its enforcement activities. The CBA took disciplinary action on 82 matters in Fiscal Year 2015–16. The CBA's Enforcement Division received 2,735 complaints, and referrals to the Attorney General's Office increased by more than 15 percent over the previous fiscal year.

This past year, the CBA significantly increased its outreach efforts to all stakeholder groups, but particularly to students who want to become CPAs. In addition, the website underwent a comprehensive and complete redesign, including new features to make it more user-friendly.

The Licensing Division processed 8,381 first-time Uniform CPA Examination (CPA Exam) applications and 19,135 repeat CPA Exam applications, while issuing 3,470 CPA licenses and 432 firm registrations in Fiscal Year 2015–16. In addition, the Licensing Division processed 44,091 license renewal applications.

The Administration Division launched a "paperless CBA meeting" project and purchased tablets for use at CBA meetings to replace bulky meeting binders and reduce the monetary and ecological cost of reliance on paper. The CBA also implemented closed captioning of its CBA meetings to ensure all stakeholders can participate.

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UPDATE FALL 2016

CBA DISCIPLINARY GUIDELINES AND MODEL ORDERS

As the agency responsible for the regulation of the practice of public accountancy in California, the CBA may revoke, suspend, or refuse to renew any license for violation of applicable statutes or regulations. As part of its Enforcement Program, the CBA has adopted via regulation *Disciplinary Guidelines and Model Orders (Guidelines)* that set forth recommended discipline for violations of the current statutes and regulations. The CBA updates the *Guidelines* on a tri-annual basis to ensure that they are current and applicable.

The *Guidelines* cover the model orders, which are examples of formal written direction, including language for standard and optional terms of probation, aggravating and mitigating circumstances that should be taken into consideration, and guidelines for specific offenses. The Administrative Law judges, licensees, attorneys, and others involved in the CBA's disciplinary process use the *Guidelines* as a resource.

In March 2016, the CBA began reviewing the ninth edition of the *Guidelines* to determine if any revisions are necessary.

Over the past few meetings, the CBA discussed various topics for possible inclusion in the next edition, including proposed language for inclusion of a Model Order related to a Permanent Restricted Practice Order; necessary changes to mitigation, aggravation, or rehabilitation language; the inclusion of new law changes; changes to existing minimum penalties for violations; changes to terms and conditions of probation; and the rehabilitation criteria and evidence.

Once the CBA adopts the final version of the *Guidelines*, it will initiate the rulemaking process to amend the *Guidelines* into CBA Regulations. The revised *Guidelines* would become effective after the rulemaking process is complete. In order to stay informed regarding this and other changes to the CBA Regulations, please sign up for the CBA's E-News Subscription service at www.dca.ca.gov/cba/communications-and-outreach/news.shtml.

The *Guidelines* are available at www.dca.ca.gov/cba/licensees/dispman.pdf.





EMPLOYEE BENEFIT PLAN AUDITS

In May 2015, the U.S. Department of Labor (DOL) Employee Benefit Security Administration published its report *Assessing the Quality of Employee Benefit Plan Audits* (<https://www.dol.gov/ebsa/pdf/2014auditreport.pdf>).

Over the past several meetings, the CBA has studied and deliberated on this topic. The CBA has received testimony from representatives from the DOL, American Institute of Certified Public Accountants (AICPA), and National Association of State Boards of Accountancy.

According to the DOL, it found that 39 percent of employee benefit plan (EBP) audits contained major deficiencies with respect to one or more relevant generally accepted auditing standards. Further, the DOL found that “CPAs who performed only one or two employee benefit plan audits annually had a 76% deficiency rate.”

CPAs who perform or plan to perform EBP audits should take due care in ensuring that they understand and comply with the professional standards associated with EBP audits. Several organizations offer continuing education specific to performing these types of audits, which are designed to provide CPAs with updates on standards and regulations

that impact CPAs’ EBP audit practice, identify risks for plan failures and fraud, avoid common errors, and aid in financial statement presentation and disclosures.

CPAs who perform EBP audits are also subject to peer review. It is important when scheduling your peer review that you disclose whether you perform any EBP audits as these are a “must-select” engagement. Failure to disclose that you performed an EBP audit could result in the peer review report being rejected and expose you to possible enforcement action by the CBA.

If you perform or plan to perform EBP audits, you can find important and useful information at the following websites:

DOL Employee Benefits Security Administration:
<https://www.dol.gov/ebsa/>

AICPA: www.aicpa.org

The AICPA maintains an Employee Benefit Plan Audit Quality Center designed to help CPAs meet the challenges of performing audits in the unique and complex area of employee benefit plans.

CBA MEMBERS

Katrina L. Salazar, CPA,
President
Alicia Berhow, *Vice President*
Michael M. Savoy, CPA,
Secretary/Treasurer
Jose A. Campos, CPA
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*
Aaron Bone, *UPDATE Managing Editor*
Terri Dobson, *UPDATE Production*



INTERVIEW WITH JOSEPH ROSENBAUM, CPA, CHAIR OF THE ENFORCEMENT ADVISORY COMMITTEE



Joseph Rosenbaum, CPA

Mr. Joseph Rosenbaum, the Chair of the CBA's Enforcement Advisory Committee (EAC), has more than 27 years of experience in complex litigation and investigation matters, provided expert testimony at trial, and conducted numerous forensic accounting investigations. Mr. Rosenbaum discusses his experiences working in the EAC.

What spurred your interest in the EAC?

Volunteering and community service were instilled in me early on by my father. I followed his example and have been involved in community and youth sports activities for most of my life. When I read about an opening on the EAC, I realized it was a perfect opportunity to serve the profession that gave so much to me. As a forensic accountant for my entire career, the EAC is the perfect committee for me, too.

How long have you served on the EAC?

I was first appointed to the Committee in May 2012 and became the Chair in December 2015.

Was there anything that stood out as different from your expectations as you began working with the CBA?

I'm not sure I had specific expectations at that time, but I have been impressed by the effort and dedication of everyone I've encountered who work to make our profession better.

What does the EAC do? What's your favorite part?

The EAC assists the CBA in an advisory capacity with its enforcement activities and works closely with the Enforcement Division. Part of the Enforcement Division's charge is to investigate complaints and allegations against

CPAs. Our committee offers technical guidance on an as-needed basis on open investigations and reviews closed investigation files. For me, the most interesting part of our work is our participation in investigative hearings. These are formal proceedings conducted with a court reporter and sworn witnesses to assist the investigators in gathering additional information.

What prompted you to seek the Chair position?

I think it was a natural progression as I became familiar with the EAC and its efforts; it seemed like I should step up and help new members. I also get to be more involved with the CBA itself, as the Chair of each committee regularly reports on its activities at CBA meetings.

How has serving on the EAC helped you grow as a CPA?

I've now seen such a broad range of complaints against CPAs—ranging from misunderstandings that somehow spiral out of control to truly egregious behavior. I think it's been beneficial to see the range and how actions can be interpreted differently by different people. Plus, I can pass the ethics exam on the first try!

What are the biggest challenges facing the EAC?

Right now, the EAC has a great group of members with diverse backgrounds and experiences to bring expertise to just about any issue that might arise in the enforcement arena. The challenge will always be to attract dedicated and qualified CPAs to volunteer their time to serve on the EAC.

What would you say to someone thinking of applying for a committee position with the CBA?

Serving on any of the committees of the CBA will be a rewarding and enhancing opportunity for one to grow in their profession. Sure, it is a time commitment, but you will encounter situations you likely wouldn't encounter in your normal practice, you will meet other dedicated professionals, and you will be helping the profession.



MESSAGE FROM THE EXECUTIVE OFFICER

CONTINUED FROM PAGE 2

The CBA's mission of consumer protection guides every activity undertaken by CBA members and staff. We strive to assist all stakeholders and provide the highest level of customer service possible. The Fiscal Year 2015–16 has proven to be very successful and that success and vigor will continue into Fiscal Year 2016–17.

Patti Bowers
Executive Officer

CBA OUTREACH PROGRAM

This past year, as CBA President Katrina L. Salazar, CPA, indicated in her message in this issue of *UPDATE*, the CBA increased its ability to reach out to stakeholders to deliver a variety of messages. The CBA anticipates that this growth in its outreach program will continue, as it has spent significant time developing its outreach plan to support future efforts.

This new plan includes visual aids to give the CBA's information booths and presentations a more professional look. The CBA is constantly developing a bank of presentations that can be used as needed. In addition, the CBA will continue to modify its website by developing a new page of consumer information that will eventually include helpful videos.

The CBA anticipates the expansion of its outreach efforts in 2017, and, thanks to the groundwork laid in 2016, is in a very good position to do so.

THE MOVE

The CBA is continuing its relocation efforts and anticipates being settled into its new facility in 2017. Updates on our relocation and notifications to our licensees will be provided on the CBA's website, via E-News, and on its social media websites.



MOBILITY

The CBA continues to focus on several important issues related to practice privilege, commonly referred to as mobility. The CBA is focusing its attention on the enforcement programs of other state boards of accountancy to determine whether allowing a licensee from a particular state to practice under a no-notice, no-fee mobility program in California violates the CBA's duty to protect the public. The Mobility Stakeholder Group advises and assists the CBA on maintaining the consumer protection provisions of the mobility program.

Earlier this year, the National Association of State Boards of Accountancy (NASBA) held its Eastern Regional Meeting in Asheville, NC; and its Western Regional Meeting in Denver, CO. CBA President Katrina L. Salazar, CPA, attended both regional meetings and did a joint presentation with Stacey Grooms, Manager of Regulatory Affairs for NASBA, on the CBA's comparison of other states' enforcement programs to the NASBA Guiding Principles of Enforcement.

The CBA will continue these efforts into 2017 to ensure California consumers are protected under the no-notice, no-fee mobility program.



UNDER THE DOME

This year, the CBA took positions on legislation aimed at assisting veterans and CPA applicants, and protecting consumers. Among the bills that the CBA tracked, which reached the Governor's desk, were Assembly Bill (AB) 2560, Senate Bill (SB) 1479, and SB 1348.

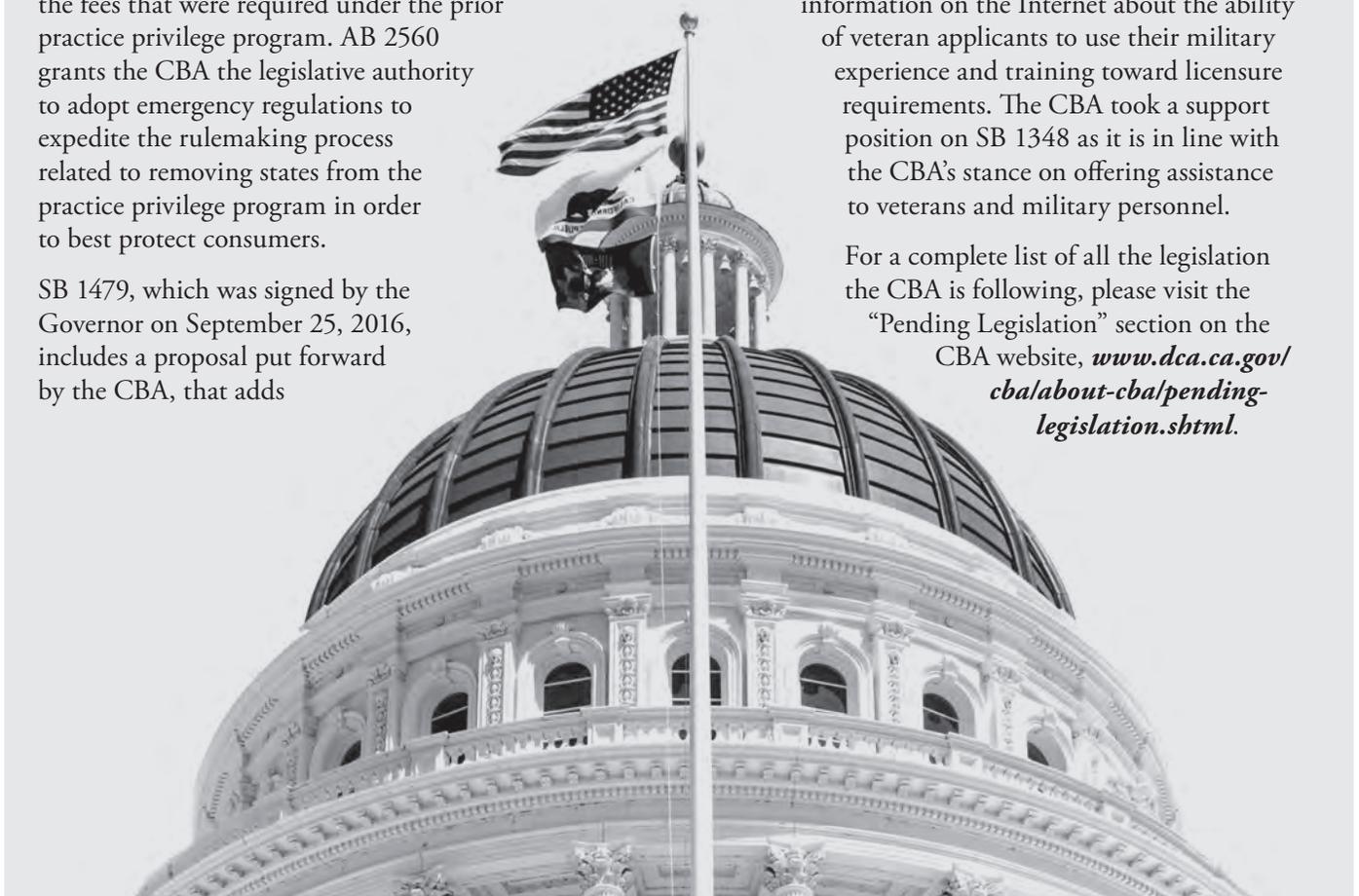
The CBA sponsored AB 2560 (Oberholte), which relates to the CBA's practice privilege program. AB 2560 was signed by the Governor on September 12, 2016. Under current law, if the CBA determines that allowing individuals from a particular state to practice in California under a no-notice, no-fee practice privilege violates its duty to protect the public, it must require out-of-state individuals licensed from that state, to file the notification form and pay the fees that were required under the prior practice privilege program. AB 2560 grants the CBA the legislative authority to adopt emergency regulations to expedite the rulemaking process related to removing states from the practice privilege program in order to best protect consumers.

SB 1479, which was signed by the Governor on September 25, 2016, includes a proposal put forward by the CBA, that adds

flexibility to the ethics study requirement by changing it from a specific title requirement to a subject requirement, but it does not expand the disciplines in which the ethics education may be earned. Many of California's colleges and universities have made changes to their course titles to assist their students in complying with the ethics requirement; however, the requirement of specific terms in the course title may be too restrictive for applicants who received their college education outside of California or prior to the law becoming effective.

SB 1348 (Cannella) was signed by the Governor on August 22, 2016. It requires each board that authorizes veterans to apply military experience and training toward licensure requirements to post information on the Internet about the ability of veteran applicants to use their military experience and training toward licensure requirements. The CBA took a support position on SB 1348 as it is in line with the CBA's stance on offering assistance to veterans and military personnel.

For a complete list of all the legislation the CBA is following, please visit the "Pending Legislation" section on the CBA website, www.dca.ca.gov/cba/about-cba/pending-legislation.shtml.





THE CBA WANTS YOU!

The CBA is actively recruiting licensees with diverse backgrounds who have the technical skills, the interest, and the commitment to serve on one of the CBA's advisory committees. Being a committee member is an opportunity to actively participate in consumer protection and the regulation of the accountancy profession. Your service benefits both the consumer and the profession.

The CBA is currently accepting applications for the Peer Review Oversight Committee (PROC), the Enforcement Advisory Committee (EAC), and the Qualifications Committee (QC). A committee appointment is for a term of two years, and appointed individuals may serve a maximum of four terms.

The PROC assists the CBA through its oversight of the peer review program and by providing recommendations to ensure the effectiveness of mandatory peer reviews. This responsibility includes overseeing the activities of Board-recognized peer review program providers related to how the reviews are processed and evaluated. The oversight ensures that peer reviewers are properly qualified, providers are administering the reviews in accordance with CBA standards, peer reviews are accepted in a consistent manner by providers, and there is proper evaluation of organizations that apply to become CBA-recognized providers. In addition to meeting four to five times per year, members also conduct site visits of providers and their peer review committees, review a sample of peer review reports, and represent the CBA at providers' peer review meetings.

The EAC assists the CBA in an advisory capacity with enforcement activities. The committee reviews closed investigation files, offers technical guidance on open investigations, and participates in investigative hearings. The committee also considers, formulates, and proposes policies and procedures related to the CBA's Enforcement Program. This committee is limited by statute to a membership of not more than 13 licensees and meets

four to five times a year, generally for one-day meetings, alternating between a northern and southern California city.

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 the applicant or the employer 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. The committee meets four to five times a year, generally for one-day meetings, alternating between a northern and southern California city.

All applicants for appointment must have maintained a California CPA license in an active status for a minimum of two years prior to the appointment and, if appointed, must maintain the license in an active status during tenure on the committee. Candidates' records will also be reviewed for any results of QC work paper reviews and continuing education audits. In addition, there can be no pending enforcement actions against the license.

Committee members receive a per diem of \$100 for each day spent in the discharge of official duties and are reimbursed under state policies for travel and other expenses incurred in the performance of committee duties.

If you believe you qualify and are interested in membership in one of these important CBA committees, please submit a letter of interest with a résumé or curriculum vitae (CV), including your CPA license number, to:

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

Or you may submit your letter of interest and resume or CV as e-mail attachments to patti.bowers@cba.ca.gov.



THE CBA WANTS YOU! CONTINUED FROM PAGE 8

The applications will be reviewed, and each committee chair will interview qualified applicants and make appointment recommendations to the Vice President of the CBA.

If you have additional questions about committee responsibilities, committee member qualifications, or the appointment process, please contact Patti Bowers by phone at (916) 561-1718 or e-mail at patti.bowers@cba.ca.gov.

WE WANT TO HEAR FROM YOU!

The CBA continually strives to make the *UPDATE* newsletter a useful resource for stakeholders, especially those in the CPA profession. Since the *UPDATE* is your publication, what types of articles would you like to see in upcoming issues? Please submit article ideas for consideration to outreach@cba.ca.gov. We look forward to hearing from you!



CBA MEMBERS HONORED

The CBA is proud to report that two of its members have recently received awards recognizing their important contributions in their fields.

Katrina Salazar, CBA President, received the *Sacramento Business Journal's* Nonprofit CFO of the Year award. President Salazar received this award because of the outstanding work she has done as controller for the California Correctional Peace Officers Association (CCPOA). One of President Salazar's biggest projects since becoming controller of the CCPOA, has been her work with CCPOA's defined-benefit and 401(k) plans.

Michael Savoy, CBA Secretary/Treasurer, received the National Jewish Health and Los Angeles Professional Services Humanitarian Award on June 4, 2016. The award recognizes those individuals who have made significant civic and charitable contributions to the community and are distinguished leaders in their field of practice.

The CBA is proud to have both of these award recipients as CBA members and part of its leadership.

WEBCAST CLOSED CAPTIONING

The CBA and committee meetings are open to the public. Should anyone wish to attend but cannot be physically present at any of the locations, live webcasts are available on our website at www.dca.ca.gov/cba/communications-and-outreach/webcasts.shtml.

As of May 2016, live webcasts will now have a closed captioning feature for the hearing impaired. This is another level of accessibility the CBA has provided to allow any individual to attend meetings in real time.

To view the captioned text, select the "CC" button below the Live Webcast window and a text field will appear below the video that shows the words spoken at the meeting.



FUTURE MEETINGS

OCTOBER 19, 2016

Qualifications Committee Meeting

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

NOVEMBER 17, 2016

Mobility Stakeholder Group Meeting

Tsakopoulous Library Galleria
828 I Street
Sacramento, California 95814
(916) 264-2700

NOVEMBER 17-18, 2016

CBA and Committee Meetings

Tsakopoulous Library Galleria
828 I Street
Sacramento, California 95814
(916) 264-2700

DECEMBER 8, 2016

Enforcement Advisory Committee Meeting

DoubleTree by Hilton Hotel
San Diego Downtown
1646 Front Street
San Diego, California 92101
(619) 239-6800

DECEMBER 9, 2016

Peer Review Oversight Committee Meeting

DoubleTree by Hilton Hotel
San Diego Downtown
1646 Front Street
San Diego, California 92101
(619) 239-6800

JANUARY 25, 2017

Qualifications Committee Meeting

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

JANUARY 26, 2017

Mobility Stakeholder Group Meeting

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

JANUARY 26-27, 2017

CBA and Committee Meetings

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

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.

CBA ANNUAL REPORT FOR FISCAL YEAR 2015-16

The *CBA Annual Report*, highlighting the CBA's accomplishments and ongoing efforts during Fiscal Year 2015-16, is now available on the CBA website at

www.dca.ca.gov/cba/communications-and-outreach/annual_rpt_2016.pdf

ANNUAL
REPORT



GENERAL FUND LOAN REPAYMENT

In prior years, when the State of California's General Fund was in a deficit, money was borrowed from special funded agencies, including the CBA. The loans, which at one time totaled \$31.27 million, were identified to be repaid once surplus money became available. The Department of Finance monitored the loans and identified target dates for repayment.

In June 2016, the CBA received \$10.27 million in General Fund loan repayments (plus interest), and it is anticipated that the remaining \$21 million will be repaid later this fiscal year.

It is important for the CBA to have sufficient reserve funds to ensure the ongoing operations of the CBA and likewise to have a balance between incoming revenue and expenditures. With this in mind, the CBA will be reviewing its fund condition this fiscal year to determine whether any changes need to be made with its existing fee structure.

CHANGES TO ETHICS STUDY REQUIREMENT IN 2017

As of January 1, 2017, the existing 10 semester (or 15 quarter) units ethics study educational requirement for CPA licensure will change to include a minimum of three semester (or four quarter) units in courses devoted to accounting ethics or accountants' professional responsibilities. The course(s) must be completed at an upper-division level or higher, unless the course was completed at a community college.

There is still time for you to apply for CPA licensure under the existing ethics study educational requirement if you submit your completed licensure application as soon as possible. The changes take effect on January 1, 2017.

An informational sheet, "Educational Requirements for CPA Licensure," with details regarding the ethics study educational requirement may be found on the CBA website at www.dca.ca.gov/cba/applicants/tip_sheet2017.pdf. For questions, please contact us by e-mail at licensinginfo@cba.ca.gov or by phone at (916) 561-1701.

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



2015 CPA EXAM PERFORMANCE

Each year, the National Association of State Boards of Accountancy provides the candidate performance information for the Uniform CPA Examination for all 55 jurisdictions. The data are collected through the voluntary participation of candidates and their

individual boards, and the cooperation of the American Institute of Certified Public Accountants. The table below depicts how California candidates compared to all jurisdictions during the 2015 calendar year.

ALL JURISDICTIONS

OVERALL PERFORMANCE

- Unique Candidates: 93,693
- Total Sections: 240,886
- Passing 4th Section: 25,643

SECTION PERFORMANCE			
	Sections	Score	Pass
First-Time:	140,101	72.6	55%
Re-Exam:	100,785	70.9	42.5%

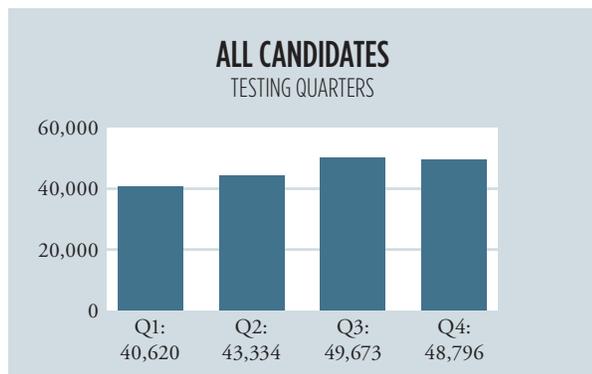
DEMOGRAPHICS

- Male: 47,693
- Female: 44,250
- Not Reported: 1,750

PASS RATE
49.8%

RESIDENCY

- U.S. Address: 69,324
- International Address: 8,645



CALIFORNIA

OVERALL PERFORMANCE

- Unique Candidates: 12,847
- Total Sections: 31,909
- Passing 4th Section: 3,008

SECTION PERFORMANCE			
	Sections	Score	Pass
First-Time:	17,860	71.2	50.8%
Re-Exam:	14,049	70.5	41.3%

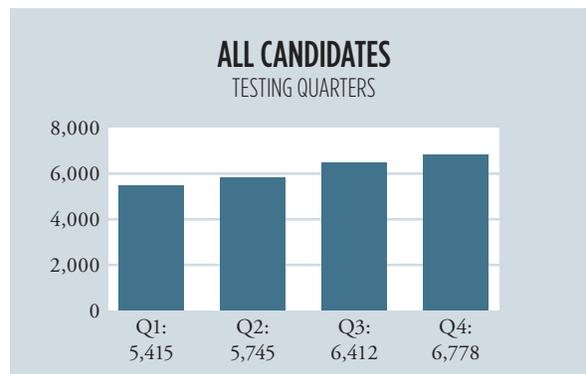
DEMOGRAPHICS

- Male: 6,642
- Female: 5,594
- Not Reported: 611

PASS RATE
46.6%

RESIDENCY

- U.S. Address: 12,144
- International Address: 703





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 13

return. Periods of non-California residency or practice outside the State shall not apply to reduction of the probationary period, or of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse the CBA costs, or make restitution to consumers, shall be suspended or otherwise affected by such periods of out-of-state residency or practice, except at the written direction of the CBA.

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

ENFORCEMENT DEFINITIONS

Accusation

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

Cost Recovery

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

Default Decision

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

Effective Date

The date the disciplinary decision becomes operative.

Probation

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

Reinstatement

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

Revocation

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

Stayed

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

Stipulation

The matter is negotiated and settled without going to hearing.

Surrendered

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

Suspension

The licensee is prohibited for a specific period of time from engaging in activities for which licensure is required.



ENFORCEMENT ACTIONS

CPA REVOCATIONS THROUGH AUGUST 28, 2016

BOGAKOS, GEORGE NICHOLAS

Topanga, CA
(CPA 44475)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-65 contains the following allegations:

Mr. Bogakos is subject to disciplinary action in that he committed repeated negligent acts when he failed to respond to the Internal Revenue Service inquiry and

notice on behalf of his client, which resulted in the assessment of additional estate taxes.

Mr. Bogakos is subject to disciplinary action in that he failed to report to the CBA within 30 days of the entry of a \$94,630.46 default judgment alleging negligence that had been obtained by his client.

Mr. Bogakos is subject to disciplinary action in that he failed to respond to CBA inquiries within 30 days of the request.

VIOLATION(S) CHARGED

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

CARLETON, ROBERT HENRY

Huntington Beach, CA
(CPA 28051)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-46 contains the following allegations:

Mr. Carleton is subject to disciplinary action in that he failed to enroll in and obtain a peer review as required.

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

VIOLATION(S) CHARGED

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

DOYLE, VINCENT J.

Syracuse, IN
(CPA 58591)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-65 contains the following allegations:

Mr. Doyle is subject to disciplinary action in that on or about April 29, 2015, in the case *United States of America v. Vincent J. Doyle*, in the United States District



ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Court, Eastern District of California, Case number 2:12-CR-0443-KJM, he was convicted by his plea of guilty of violating 18 U.S.C. section 1341 (mail fraud), a Class C felony.

The circumstances of the crime were that on or about and between 2001 and February of 2009, Mr. Doyle was the Chief Financial Officer (CFO) for Victim A. During this time, Mr. Doyle used his position as CFO to write unauthorized checks off of Victim A's bank accounts to himself, to his girlfriend, and for payment of his illicit use of Victim A's credit cards. Mr. Doyle caused a loss of \$3,345,000 for Victim A. As part of Mr. Doyle's sentence, he was ordered to serve 51 months in federal prison and pay \$2,540,765.41 in restitution to Victim A.

Mr. Doyle is subject to disciplinary action in that on or about and between 2001 and February 2009, he

committed fiscal dishonesty and breach of his fiduciary responsibility.

Mr. Doyle is subject to disciplinary action in that on or about and between 2001 and February 2009, he committed acts of embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses.

Mr. Doyle is subject to disciplinary action in that he failed to report in writing to the CBA within 30 days all felony convictions.

VIOLATION(S) CHARGED

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

EARLY, ROBERT PATRICK

Hayward, CA
(CPA 92666)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-15 contains the following allegations:

Mr. Early is subject to disciplinary action because he committed gross negligence or repeated negligent acts in the practice of public accountancy. The acts that were alleged to individually constitute repeated negligent acts, or in the aggregate constitute gross negligence, included:

A. In October of 2011, Mr. Early signed, and had client M.V. sign, Form 8879 for tax year 2010, told M.V. that

he would e-file the tax return, and had M.V. provide payment, but Mr. Early neglected to file M.V.'s return, as indicated by an IRS notice to M.V. dated December 24, 2012;

- B. Mr. Early never informed M.V. that he had not successfully filed her tax return; and
- C. Mr. Early abandoned his client M.V. without recourse when work performed by him came under question by the taxing authority and M.V. was being assessed penalties and interest due to Respondent's negligence.

Mr. Early is subject to disciplinary action because he violated CBA Regulations by failing to respond to a CBA inquiry.

Mr. Early is subject to disciplinary action because he violated CBA Regulations by failing to notify the CBA of his change of address.



ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

VIOLATION(S) CHARGED

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

FRY, WILLIAM JOHN

Los Angeles, CA
(CPA 56199)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-29 contains the following allegations:

Mr. Fry is subject to disciplinary action for practicing public accountancy without a valid certificate in that he prepared and filed income tax returns in 2011 and 2012 on behalf of a client for the years 2010 and 2011, using the CPA designation, and without any other authority to prepare income tax returns.

Mr. Fry is subject to disciplinary action for unprofessional conduct when he willfully violated the law by holding himself out to the public as a CPA and for preparing and filing income tax returns using the CPA designation when his Certificate had been canceled.

Mr. Fry is subject to disciplinary action in that he did not respond to the January 8, 2015, and April 8, 2015, letters the CBA sent to him, requesting a response from him in regards to his practicing without a valid Certificate.

VIOLATION(S) CHARGED

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

KASTNER, GERALD J.

South Pasadena, CA
(CPA 10670)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-53 contains the following allegations:

Mr. Kastner is subject to disciplinary action for failing to obtain a peer review prior to renewing his CPA

license. Mr. Kastner was required to enroll with a Board-recognized peer review program provider and cooperate with the program to arrange, schedule, and complete a peer review no later than July 1, 2013.

Mr. Kastner is subject to disciplinary action for failing to respond to letters sent by the CBA, dated August 15, 2014, and December 31, 2014.

Mr. Kastner is subject to disciplinary action for willful violation of the Accountancy Act and CBA Regulations in that he submitted his License Renewal Application without completion of the mandatory peer review, and failed to respond to the CBA's inquiry on multiple occasions.

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ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

VIOLATION(S) CHARGED

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

KILIAN, MICHAEL JEPSON KILIAN & CO CPAS A PROF CORP

Oakland, CA
(CPA 48414; COR 4474)

CBA ACTIONS

Revocation of CPA and COR Licenses, via proposed decision.

Respondents are jointly and severally liable to the CBA for its costs of investigation and enforcement in the amount of \$25,157.51. Payment shall be made within 120 days of the effective date of the CBA's decision.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-50 contains the following allegations:

Mr. Kilian and his accountancy corporation, Kilian & Co. CPAs, are subject to discipline because Respondents

were grossly negligent and/or committed repeated negligent acts in the performance of an audit engagement for the years ending June 30, 2011, and June 30, 2012, and performance of a review engagement for the year ending January 31, 2011.

Mr. Kilian and his accountancy corporation are subject to discipline because Respondents' reports in the audit and review failed to conform to professional standards. The opinions issued in the audit and in the review are not supported by the underlying documentation.

Mr. Kilian and his accountancy corporation are subject to discipline because Respondents failed to comply with audit documentation requirements.

VIOLATION(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.

KLEIN, ERIC MARK

Encino, CA
(CPA 46150)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-75 contains the following allegations:

Mr. Klein is subject to disciplinary action for unprofessional conduct in that he breached his fiduciary duty while serving in various capacities, including Chief Financial Officer and Treasurer, for an insurance company.

Mr. Klein is subject to disciplinary action for knowing preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information.

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ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Mr. Klein is subject to disciplinary action in that he obtained money, property, or other valuable consideration by fraudulent means or false pretenses.

Mr. Klein is subject to disciplinary action in that he engaged in repeated negligent acts in the practice of public accountancy or in the performance of bookkeeping operations.

Mr. Klein is subject to disciplinary action for willfully violating the Accountancy Act and rules and regulations promulgated by the CBA under the authority of the Act.

Mr. Klein is subject to disciplinary action in that he failed to be truthful at the CBA's investigative hearing on October 23, 2014.

VIOLATION(S) CHARGED

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

NEIL, STEVEN MEAD

Los Altos Hills, CA
(CPA 26670)

CBA ACTIONS

Revocation of CPA License, via proposed decision.
Within 30 days of the effective date of this decision, Mr. Neil is to pay the CBA \$5,445.37, for reasonable and appropriate costs of investigation and prosecution.

Effective July 16, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-6 contains the following allegations:

Mr. Neil is subject to disciplinary action in that he was disciplined by the United States Securities and Exchange Commission.

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

VIOLATION(S) CHARGED

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

**STEMPEK, RONALD FOSTER
STEMPEK ASSOCIATES, CPA**

San Rafael, CA
(CPA 17863; FNP 1767)

CBA ACTIONS

Revocation of CPA License, via default decision.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-75 contains the following allegations:

Mr. Stempek is subject to discipline because he practiced public accountancy without a valid permit. Mr. Stempek practiced public accountancy while his CPA certificate was expired.



ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Mr. Stempek is subject to discipline because he engaged in misleading advertising when he identified himself as a CPA when his license had been expired.

Mr. Stempek is subject to discipline because he failed to comply with a CBA citation order regarding compliance with Peer Review reporting.

Mr. Stempek is subject to discipline because he failed to respond to CBA inquiries regarding renewal deficiencies and a consumer complaint.

Mr. Stempek is subject to discipline because he failed to comply with continuing education requirements.

Mr. Stempek is subject to discipline because he willfully failed to comply with the Accountancy Act and CBA Regulations.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5050 and 5100 (g). California Code of Regulations, Title 16, Division 1, §§ 52, 63, 81, 87, and 95.4.

ENFORCEMENT ACTIONS

OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

BENADON, JACOB

Burbank, CA
(CPA 24099)

CBA ACTIONS

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

Mr. Benadon shall reimburse the CBA \$5,000 for its investigation and prosecution costs. The payment shall be made in 10 equal payments (due with the quarterly written reports); the final payment being due six months before probation is scheduled to terminate.

Mr. Benadon shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE hours required for relicensing.

Mr. Benadon shall complete a CBA-approved Regulatory Review course. The course shall be completed within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Mr. Benadon shall complete eight hours of CE related to Internal Revenue Service (IRS) Circular 230 requirements and eight hours of CE related to Individual Federal and California State Tax Return Preparation. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE hours required for relicensing.

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

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-90 contains the following allegations:

Mr. Benadon is subject to disciplinary action in that he breached fiduciary obligations to client K.K. with respect to the advice and services he provided to client K.K. in preparing and filing her 2006, 2007, and 2008 tax returns.

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OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Mr. Benadon is subject to disciplinary action in that he engaged in unprofessional conduct with respect to the advice and services he provided to client K.K. and client B.L. in preparing and filing their 2006, 2007, and 2008 tax returns.

Mr. Benadon is subject to disciplinary action in that, with respect to tax services provided to clients K.K. and B.L., he failed to comply with applicable professional standards.

Mr. Benadon is subject to disciplinary action in that, with respect to the advice and services provided to client K.K. and client B.L., he engaged in repeated acts of negligence by: not appropriately analyzing and discussing with each client pertinent filing status issues and considerations for Fiscal Years 2006 and

2007; not obtaining written consent from the clients regarding the conflict of interest inherent in his representation of both during their separation; by filing head of household returns for both clients in 2008 and splitting the two dependents between the clients in contradiction of client K.K.'s request and without regard for client's B.L.'s eligibility as head of household; and by allocating capital loss deductions for a business venture solely to B.L. without taking appropriate measures to determine whether it was a joint asset.

VIOLATIONS(S) CHARGED

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

CAMPBELL, MARSHALL CHARLES JR.

Century City, CA
(CPA 65889)

CBA ACTIONS

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

Mr. Campbell shall reimburse the CBA \$4,518 for its investigation and prosecution costs. The payment shall be made in quarterly payments (due with the quarterly written reports); the final payment being due three months before probation is scheduled to terminate.

Mr. Campbell shall pay all costs associated with probation monitoring as determined by the CBA. Such costs shall be payable to the CBA within 30 days of invoice. Failure to pay such costs by the deadline(s) as directed shall be considered a violation of probation. If costs are billed after the completion of the probationary period, the obligation to pay the costs shall continue, but the probation shall not be extended.

Mr. Campbell shall complete four hours of continuing education (CE) in ethics. The hours shall be completed no later than February 6, 2017. Failure to complete the required courses within the time period provided shall constitute a violation of probation. The hours shall be in addition to the CE required for relicensing.

Mr. Campbell shall complete a CBA-approved Regulatory Review course. The hours shall be completed no later than February 6, 2017. Failure to complete the required courses within the time period provided shall constitute a violation of probation. The hours shall be in addition to the CE required for relicensing.

Mr. Campbell shall maintain an active license status. In orders that provide for a cessation or suspension of practice, Mr. Campbell must comply with procedures provided by the CBA or its designee regarding notification to, and management of, clients.

Other standard terms of probation.



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Petition to Revoke Probation No. DI-2013-1 contains the following allegations:

Mr. Campbell's probation is subject to revocation because he failed to comply with Probation Term and Condition No. 2 that required him to reimburse the CBA \$4,518 for its investigation and prosecution costs.

Mr. Campbell's probation is subject to revocation because he failed to comply with Probation Term and Condition No. 3 that required him to submit quarterly reports within 10 days of the completion of the quarter.

Mr. Campbell's probation is subject to revocation because he failed to comply with Probation Term and Condition No. 12 that required him to complete within six months of the effective date of the CBA's Decision four hours of CE in course subject matter pertaining to the following: a review of nationally recognized codes of conduct emphasizing how the orders relate to professional responsibilities; case based instruction focusing on real-life situational learning; ethical dilemmas facing the accounting profession; or business

ethics, ethical sensitivity, and consumer expectations.

Mr. Campbell's probation is subject to revocation because he failed to comply with Probation Term and Condition No. 13 that required him to complete within nine months of the effective date of the CBA's Decision a CBA-approved course on the provisions of the California Accountancy Act and the CBA Regulations specific to the practice of public accountancy in California emphasizing the provisions applicable to current practice situations.

Mr. Campbell's probation is subject to revocation because he failed to comply with Probation Term and Condition No. 14 that required him to at all times maintain an active license status with the CBA, including during any period of suspension.

Mr. Campbell's probation is subject to revocation because he failed to comply with Probation Term and Condition No. 5 that required Respondent to fully comply with the terms and conditions of probation imposed by the CBA and cooperate fully with representatives of the CBA in its monitoring and investigation of Respondent's compliance with probation terms and conditions.

DIVER, DENNIS DUANE DENNIS D. DIVER & ASSOC, CPAS

Oroville, CA
(CPA 21362; FNP 1175)

CBA ACTIONS

Surrender of CPA license and FNP, via stipulated settlement.

Mr. Diver shall pay the CBA for its costs of investigation and enforcement in the amount of \$5,617.76 prior to issuance of a new or reinstated license.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

First Amended Accusation No. AC-2015-97 contains the following allegations:

Mr. Diver 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 or a public accountant. On or about August 5, 2015, in the case of *People v. Dennis D. Diver* (Butte County Superior Court Case No. CM043296), the court convicted Mr. Diver on his plea of no contest of two counts of violating Penal Code (PC) Section 487(a)/506/514 (grand theft by embezzlement),

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OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

felonies, with an admission to PC Section 186.11(a) (aggravated white collar crime – taking more than \$100,000).

Mr. Diver is subject to disciplinary action in that he engaged in conduct constituting embezzlement, theft, and/or misappropriation of funds or property toward his client entities.

Mr. Diver is subject to disciplinary action in that he engaged in conduct constituting knowing preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information, when he omitted records of his electronic transfers from the financial papers he submitted to the Shasta County Superior Court for the F.C. Estate.

Mr. Diver is subject to disciplinary action in that he engaged in conduct constituting fraud and/or dishonesty toward his client entities.

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

Mr. Diver is subject to disciplinary action in that he engaged in conduct constituting willful violation of the Accountancy Act.

VIOLATIONS(S) CHARGED

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

GRIDIRON, DONALD RICHARD, JR.

Walnut, CA
(CPA 55635)

CBA ACTIONS

Surrender of CPA Certificate, via stipulated settlement.

Mr. Gridiron shall pay the CBA for its costs of investigation and enforcement in the amount of \$4,330.33 prior to issuance of a new or reinstated license.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-44 contains the following allegations:

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

On or about September 1, 2015, after pleading guilty, Mr. Gridiron was convicted of one count of violating 18 U.S.C. section 1343 [wire fraud] and 26 U.S.C. section 7206, subdivision (1) [false and fraudulent tax return] in the criminal proceeding entitled *The United States of America v. Donald Gridiron, Jr.* (United States District Court, District of New Jersey, Crim. No. 15-435). The court sentenced Mr. Gridiron to an imprisonment for a term of 57 months on count one, 36 months on count two, to be served concurrently; three years supervised release on count one and one year on count two; all such terms to run concurrently; restitution: \$5,164,413.09 and Special Assessment of \$200.

Mr. Gridiron is subject to disciplinary action in that he prepared false, fraudulent, or materially misleading financial reports.

Mr. Gridiron is subject to disciplinary action in that he committed acts of dishonesty, fraud, gross negligence, or repeated negligent acts in the practice of public accountancy.



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

VIOLATION(S) CHARGED

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

HARRIS, CINDY J.

Santa Clarita, CA
(CPA 43312)

CBA ACTIONS

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

Ms. Harris shall reimburse the CBA \$3,000 for its investigation and prosecution costs. The payment shall be made in monthly payments, the final payment being due six months before probation is scheduled to terminate.

During the period of probation, Ms. Harris shall be prohibited from engaging in and performing audits, reviews, compilations, or other attestation services.

Ms. Harris shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE hours required for relicensing.

Ms. Harris shall complete a CBA-approved Regulatory Review course. The course shall be completed within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Ms. Harris shall maintain an active license status.

After the completion of probation, Ms. Harris shall be permanently restricted from engaging in and performing audits, reviews, compilations, or attestation services. This condition shall continue until such time,

if ever, she successfully petitions the CBA for the reinstatement of the ability to engage in and perform audits, reviews, compilations, or other attestation services.

Other standard terms of probation.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-24 contains the following allegations:

Ms. Harris committed repeated acts of negligence when performing accountancy work. Ms. Harris prepared a compilation engagement letter and a compilation report that failed to include all current elements required by professional standards. She was negligent in her compilation of financial statements. Ms. Harris issued a compilation report that reported two different balance sheet dates for an entity. The financial statements were not prepared in a comparative form. She failed to disclose amounts of interest paid and income taxes paid during the period of the report on cash flow statements. When considered together, these acts constitute gross negligence.

Ms. Harris is subject to disciplinary action in that she issued a report that was not in compliance with professional standards.

Ms. Harris is subject to disciplinary action in that she performed compilation engagements and prepared

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OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

financial statements that failed to comply with all applicable professional standards, including but not limited to generally accepted accounting principles, and generally accepted auditing standards.

Ms. Harris is subject to disciplinary action in that her license was delinquent from March 1, 2011, to July 6, 2011, and from March 1, 2013, to July 29, 2013. Ms. Harris practiced accountancy with an expired license by signing tax returns in April 2011 and April 2013.

Ms. Harris is subject to disciplinary action in that she signed a compilation report on August 15, 2011. Ms. Harris was thereby required to register and complete a peer review of her accounting and auditing practice but failed to do so.

Ms. Harris is subject to disciplinary action in that she failed to have a peer review report accepted by a Board-recognized peer review program.

Ms. Harris is subject to disciplinary action in that she failed to enroll in a Board-recognized peer review program.

Ms. Harris is subject to disciplinary action in that she failed to provide true and accurate information in response to a CBA inquiry.

VIOLATIONS(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5062, 5076, 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, §§ 40, 41, 52 (d), and 58.

HORN, JACK IRWIN

Canoga Park, CA
(CPA 30748)

CBA ACTIONS

Surrender of CPA License, via stipulated settlement.

Mr. Horn shall pay the CBA for its costs of investigation and enforcement in the amount of \$3,320 prior to issuance of a new or reinstated license.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-57 contains the following allegations:

Mr. Horn is subject to disciplinary action in that he knowingly and falsely made representations of material fact on his 2013 Certified Public Accountant (CPA) License Renewal Application stating, under penalty of perjury, that he had completed the required hours of continuing education (CE) when he had not.

Mr. Horn is subject to disciplinary action in that he willfully practiced and held himself out as a CPA in 2013 at a time when he failed to have a valid license.

Mr. Horn is subject to disciplinary action in that he failed to complete CE requirements for his license renewal.

Mr. Horn is subject to disciplinary action for failing to truthfully respond to the CBA inquiry regarding completion of his CE requirements.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5050 (a), 5100 (b) and (g). California Code of Regulations, Title 16, Division 1, §§ 52 (a) and (d), 87, 87.8, and 89 (l).



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

KLEIN MANDELBLATT & COMPANY LLP

Los Angeles, CA
(PAR 5764)

CBA ACTIONS

Surrender of PAR license, via stipulated settlement.

The firm, Klein Mandelblatt & Company, LLP, shall pay the CBA for its costs of investigation and enforcement in the amount of \$7,017.50 prior to issuance of a new or reinstated license.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-84 contains the following allegations:

The firm is subject to disciplinary action in that the firm failed to obtain a peer review prior to renewing the partnership license.

The firm is subject to disciplinary action in that the firm made false statements or omissions in the application for or renewal of its license in 2012 and 2014.

The firm is subject to disciplinary action in that the firm failed to respond to letters sent by the CBA, dated July 22, 2013, March 6, 2014, and to an e-mail sent by the CBA on June 11, 2014.

VIOLATION(S) CHARGED

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

LOMBARD, CAROL

San Dimas, CA
(CPA 91450)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Ms. Lombard shall pay the CBA for its costs of investigation and enforcement in the amount of \$16,579.10 prior to issuance of a new or reinstated license.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-66 contains the following allegations:

Ms. Lombard is subject to disciplinary action in that she breached her fiduciary duty as trustee of the Cottey Family Trust.

Ms. Lombard is subject to disciplinary action for failure to comply with applicable professional standards. Ms. Lombard used trust property for her own profit and

failed to make the trust property productive when she lived in her parents' house, a trust asset, following their death and used it for her own benefit without paying market value rent. Ms. Lombard failed to exercise general supervision over delegated matters in that she failed to review all accountings in their entirety.

Ms. Lombard is subject to disciplinary action in that she failed to report the court judgment against her after trial dated May 23, 2013, to the CBA within the required 30 days.

Ms. Lombard is subject to disciplinary action in that she willfully violated provisions of the Accountancy Act and its related regulations.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5063, 5100 (g) and (i). California Code of Regulations, Title 16, Division 1, § 58.



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

MONTERO, ROGELIO P.

Yorba Linda, CA
(CPA 35228)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Mr. Montero shall pay the CBA for its costs of investigation and enforcement in the amount of \$13,302.31 prior to issuance of a new or reinstated license.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-93 contains the following allegations:

Mr. Montero is subject to disciplinary action in that he committed repeated negligent acts that in the aggregate rise to gross negligence when he performed audits for the OLMPEC for the years ending 2010 and 2011, which departed from applicable professional standards and indicate a lack of competency in the practice of public accountancy.

Mr. Montero is subject to disciplinary action in that he issued reports with an unqualified opinion, which were

unsupported by audit documentation and which failed to conform to professional standards upon completion of a compilation, review, or audit of financial statements.

Mr. Montero is subject to disciplinary action in that he failed to document the procedures applied, test performed, evidence obtained, and relevant conclusions reached in an engagement, which raises a presumption that the procedures were not applied, tests were not performed, information was not obtained, and relevant conclusions were not reached.

Mr. Montero is subject to disciplinary action in that he failed to comply with all applicable professional standards, including but not limited to generally accepted accounting principles and generally accepted auditing standards.

Mr. Montero is subject to disciplinary action in that he failed to enroll in and obtain a peer review as required.

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 (b), 41, 45, 58, and 68.2.

NGUYEN, MICHAEL QUAN LE

Aliso Viejo, CA
(CPA 76615)

CBA ACTIONS

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

Mr. Nguyen shall reimburse the CBA \$2,057.50 for its investigation and prosecution costs. Payments shall be made on a quarterly basis, due at the same time as the quarterly written reports. The final payment is due six months before the probation is scheduled to terminate.

Mr. Nguyen shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Nguyen shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

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OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Mr. Nguyen shall maintain an active license status.

During the period of probation, Mr. Nguyen shall not engage in and shall be prohibited from performing any audits, reviews, compilations, or other attestation services.

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

Other standard terms of probation.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-87 contains the following allegations:

Mr. Nguyen is subject to disciplinary action in that Mr. Nguyen failed to submit to the CBA a completed Peer Review Reporting Form and failed to complete a peer review by an accepted CBA-recognized peer review program within 18 months of completing accounting and/or auditing services, and when he renewed his license in October 2011, October 2013, and December 2015 without completing a mandatory peer review.

Mr. Nguyen is subject to disciplinary action in that he used the CPA designation when he signed tax returns in April 2012 and April 2013, when his license was expired.

Mr. Nguyen is subject to disciplinary action in that he failed to submit to the CBA a Peer Review Reporting Form (PR-1) by the July 1, 2011, deadline.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5050 (a), 5076 (a), and 5100 (g). California Code of Regulations, Title 16, Division 1, §§ 40 (c), 41, 45, and 45 (c).

NITTA, THOMAS AKIO

Cupertino, CA
(CPA 29521)

CBA ACTIONS

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

Mr. Nitta shall reimburse the CBA \$5,068.15 for its investigation and prosecution costs. The payment shall be made in quarterly payments (due with the quarterly written reports); the final payment being due six months before probation is scheduled to terminate.

During the period of probation, Mr. Nitta shall be prohibited from engaging in and performing audit services.

Mr. Nitta shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE hours required for relicensing.

Mr. Nitta shall complete a CBA-approved Regulatory Review course. The course shall be completed within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

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

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OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Code Section 5076 and California Code of Regulations, Title 16, Division 1, Article 6 at Mr. Nitta's expense. The specific engagements shall be at the discretion of the peer reviewer.

Mr. Nitta shall complete 24 hours of CE as specified by the CBA or its designee. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE hours required for relicensing.

Mr. Nitta shall maintain an active license status.

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

Mr. Nitta shall pay the CBA an administrative penalty in the amount of \$2,500. The payment shall be made within 90 days of the date the CBA's decision is final.

After the completion of probation, Mr. Nitta shall be permanently restricted from engaging in and performing audit services. This condition shall continue until such time, if ever, he successfully petitions the CBA for the reinstatement of the ability to perform audit services.

Other standard terms of probation.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-39 contains the following allegations:

Mr. Nitta is subject to disciplinary action in that he performed an audit of a profit sharing plan for the years ending December 31, 2011, and 2010, that departed from the professional standards.

Mr. Nitta is subject to disciplinary action in that his audit report for the plan is not in compliance with professional standards.

Mr. Nitta is subject to disciplinary action in that his audit documentation failed to contain sufficient documentation 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 procedures performed, evidence obtained, conclusions reached, and to determine the identity of the persons who performed and reviewed the work.

Mr. Nitta is subject to disciplinary action in that he failed to complete a peer review for the period ended December 31, 2014.

Mr. Nitta is subject to disciplinary action in that he willfully failed to comply with professional standards, the Accountancy Act, and CBA Regulations.

VIOLATION(S) CHARGED

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



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

PAK, JAMES JUNKUL JPAK & ASSOCIATES, ACCOUNTANCY CORP.

Garden Grove, CA (CPA 54929; COR 5987)

CBA ACTIONS

Surrender of CPA and COR licenses, via stipulated settlement.

Mr. Pak shall pay the CBA for its costs of investigation and enforcement in the amount of \$1,479.53 prior to issuance of a new or reinstated license.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-95 contains the following allegations:

Mr. Pak 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 or a public accountant.

Mr. Pak was convicted of a felony by guilty plea for violating Penal Code Section 487 (b)(3), grand theft

by employee, in Orange County Superior Court on February 18, 2016.

Mr. Pak is subject to disciplinary action in that he engaged in conduct constituting theft and/or misappropriation of funds or property.

Mr. Pak is subject to disciplinary action in that he engaged in conduct constituting knowing preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information, when he filed fraudulent quarterly sales tax reporting forms for approximately six years (January 1, 2009 to December 31, 2014).

Mr. Pak is subject to disciplinary action in that he engaged in conduct constituting fraud and/or dishonesty.

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

VIOLATION(S) CHARGED

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

PUFFER, ROBERT NEIL

Turlock, CA (CPA 48522)

CBA ACTIONS

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

Mr. Puffer shall reimburse the CBA \$5,000 for its investigation and prosecution costs. Payments shall be made in 10 equal payments, on a quarterly basis, due at the same time as the quarterly written reports. The final payment is due six months before the probation is scheduled to terminate.

Mr. Puffer shall be prohibited from performing audits, reviews, compilations, or other attestation engagements.

Mr. Puffer shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Puffer shall complete a CBA-approved Regulatory Review course. The course shall be completed within 180 days of the effective date of the CBA's decision



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

and order and is in addition to the CE requirements for relicensing.

Mr. Puffer shall maintain an active license status.

Mr. Puffer 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 CBA's decision and order.

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

Other standard terms of probation.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-14 contains the following allegations:

Mr. Puffer is subject to disciplinary action for gross negligence and repeated negligent acts in that he departed from professional standards during his performance and issuance of the review of financial statements for a Common Interest Realty Association client for the fiscal year ending December 31, 2010.

Mr. Puffer is subject to disciplinary action in that he failed to provide a report for the 2010 review engagement that conforms to professional standards.

Mr. Puffer is subject to disciplinary action in that he failed to comply with the CBA's peer review program.

Mr. Puffer is subject to disciplinary action in that he falsely reported to the CBA that he was not subject to peer review.

Mr. Puffer is subject to disciplinary action in that he failed to respond to CBA inquiries within 30 days.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076, 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, §§ 40, 41, 45, 52, and 58.

**TAKAHASHI, CHRISTOPHER SATOSHI
TAKAHASHI ACCOUNTANCY
CORPORATION**

Torrance, CA
(CPA 59017, COR 2206)

CBA ACTIONS

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

Respondents' CPA License and COR License are suspended for 90 days.

Respondents shall reimburse the CBA \$11,602.67 for its investigation and prosecution costs. The payments

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

During the period of probation, Respondents shall be prohibited from engaging in and performing audit services.

Mr. Takahashi shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE hours required for relicensing.



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Mr. Takahashi shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the CBA's decision and order.

During the period of probation, all review and compilation reports and work papers shall be subject to peer review by a Board-recognized peer review program provider. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. The peer review shall be completed within a period of time designated and specified in writing by the CBA or its designee, which time frame shall be incorporated as a condition of this probation. Within 45 days of the peer review report being accepted by a Board-recognized peer review program provider, Respondents shall submit to the CBA a copy of the peer review report.

During the period of suspension, Mr. Takahashi shall complete 24 hours of CE of professional education courses. The hours are in addition to the CE requirements for relicensing.

Respondents shall maintain an active license status.

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

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 June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2014-71 contains the following allegations:

Mr. Takahashi is subject to disciplinary action in that he performed a review engagement that constituted an extreme departure from the standard of care that, under similar circumstances, would have ordinarily been exercised by a certified public accountant.

Mr. Takahashi is subject to disciplinary action in that he performed compilation engagements that contained an extreme departure from the standard of care that, under similar circumstances, would have ordinarily been exercised by a certified public accountant.

Mr. Takahashi is subject to disciplinary action in that he performed and issued accountant's compilation and review reports that did not conform to Statements on Standards for Accounting and Review Services (SSARS).

Mr. Takahashi is subject to disciplinary action in that he performed and issued accountant's compilation and review engagements. Mr. Takahashi's reports and working papers failed to comply with SSARS.

Mr. Takahashi is subject to disciplinary action in that he practiced public accountancy with an expired license and through a corporation with an expired registration.

Mr. Takahashi is subject to disciplinary action in that Mr. Takahashi through his Accountancy Corporation, performed SSARS engagements and issued reports that subjected them to peer review requirements. Mr. Takahashi did not obtain a peer review.

Mr. Takahashi is subject to disciplinary action in that he failed to respond to the CBA.

Mr. Takahashi is subject to disciplinary action in that he had not obtained a peer review, continued to practice public accountancy without a valid permit, and failed to respond to the CBA.

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OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Mr. Takahashi's Accountancy Corporation is subject to disciplinary action in that his violations of the Accountancy Act and CBA Regulations for acts under his Accountancy Corporation subject the corporation to disciplinary action.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5050 (a), 5051, 5062, 5076 (a), 5100 (c), (g), and 5156. California Code of Regulations, Title 16, Division 1, §§ 41, 52, and 58.

WINTERBURN, JON STEPHEN

Redding, CA
(CPA 49935)

CBA ACTIONS

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

Mr. Winterburn shall reimburse the CBA \$4,521.90 for its investigation and prosecution costs.

Mr. Winterburn shall be prohibited from acting as a trustee for any Trust, engaging in services as a trustee, or being appointed as a trustee by the probate court.

Mr. Winterburn shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 180 days of the effective date of the CBA's decision and order and are in addition to the CE hours required for relicensing.

Mr. Winterburn shall complete a CBA-approved Regulatory Review course. The course shall be completed within 180 days of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Mr. Winterburn shall maintain an active license status.

After the completion of probation, Mr. Winterburn shall be permanently prohibited from acting as a trustee for any trust, engaging in services as a trustee, or being appointed as a trustee by the probate court.

This condition shall continue until such time, if ever, Mr. Winterburn successfully petitions the CBA for the reinstatement of the ability to act or be appointed as a trustee in his official capacity.

Other standard terms of probation.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-48 contains the following allegations:

Mr. Winterburn is subject to disciplinary action for breach of his fiduciary responsibility as it pertains to his actions as a trustee for the Gertrude Darling Testamentary Trust between August 14, 2002, and May 31, 2013.

In mitigation, it was found that Mr. Winterburn did not receive financial benefit from the actions alleged in the Accusation, and he reimbursed the Trust with his personal funds prior to the CBA filing the Accusation.

VIOLATION(S) CHARGED

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



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

WOODHULL, DANIEL E.

Citrus Heights, CA
(CPA 32343)

CBA ACTIONS

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

Mr. Woodhull's license is suspended for 90 days.

Mr. Woodhull shall reimburse the CBA \$3,425.70 for its investigation and prosecution costs. The payment shall be made in quarterly payments (due with the quarterly written reports), the final payment being due one year before probation is scheduled to terminate.

Mr. Woodhull shall complete eight hours of continuing education (CE) in ethics. The hours shall be completed during the period of suspension and are in addition to the CE hours required for relicensing.

Mr. Woodhull shall complete a CBA-approved Regulatory Review course. The course shall be completed during the period of suspension and is in addition to the CE requirements for relicensing.

Mr. Woodhull shall maintain an active license status.

During the period of probation, Mr. Woodhull shall engage in no activities that require receiving or disbursing funds for or on behalf of any client whether a person, company, partnership, association, corporation, or other business entity.

Mr. Woodhull shall comply with procedures provided by the CBA or its designee regarding notification to, and management of, clients.

Other standard terms of probation.

Effective August 28, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-35 contains the following allegations:

Mr. Woodhull is subject to disciplinary action on the grounds that he committed a crime that is substantially related to the qualifications, functions, and duties of a licensed accountant.

On or about January 16, 2014, in a criminal proceeding entitled *People v. Daniel E. Woodhull et al.*, Superior Court of California, County of Placer, Case No. 13-02-070073, Mr. Woodhull was convicted by the court on his plea of no contest to violating Penal Code Section 487(a) Grand theft, a felony.

Mr. Woodhull is subject to disciplinary action on the grounds that he committed acts of embezzlement, theft, and misappropriation of funds.

In mitigation, on or about January 16, 2014, Mr. Woodhull paid full restitution in the amount of \$200,000 to the victim in the underlying conviction. On or about October 1, 2015, the Sacramento County Superior Court granted a dismissal pursuant to Penal Code Section 1203.4.

VIOLATION(S) CHARGED

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



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

YANG, HYUNKOO SEAN

Los Angeles, CA
(CPA 71316)

CBA ACTIONS

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

Mr. Yang shall reimburse the CBA \$22,680.03 for its investigation and prosecution costs. Payments shall be made on a quarterly basis, due at the same time as the quarterly written reports. The final payment is due six months before the probation is scheduled to terminate.

Mr. Yang shall complete four hours of continuing education (CE) in ethics. The hours shall be completed within 12 months of the effective date of the CBA's decision and order and are in addition to the CE requirements for relicensing.

Mr. Yang shall complete a CBA-approved Regulatory Review course. The course shall be completed within 12 months of the effective date of the CBA's decision and order and is in addition to the CE requirements for relicensing.

Mr. Yang shall complete eight hours of CE related to Internal Revenue Service (IRS) Circular 230 requirements and eight hours of CE related to Individual Federal and California State Tax Return Preparation. The hours shall be completed within 180 days of the effective date of the CBA's decision and order.

Mr. Yang shall maintain an active license status.

During the period of probation, all audit, review, and compilation reports and work papers shall be subject to peer review by a Board-recognized peer review program provider. The specific engagements to be reviewed shall be at the discretion of the peer reviewer.

The peer review shall be completed within a period of time designated and specified in writing by the CBA or its designee, which time frame shall be incorporated as a condition of this probation. Within 45 days of the peer review report being accepted by a Board-recognized peer review program provider, Mr. Yang shall submit to the CBA a copy of the peer review report.

Mr. Yang shall pay to the CBA an administrative penalty in the amount of \$1,000. The payment shall be made within 180 days of the effective date of the CBA's decision and order.

Other standard terms of probation.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2015-20 contains the following allegations:

Mr. Yang is subject to disciplinary action in that he violated Title 26 U.S. Tax Code sections 7201 and 6721; IRS Circular 230, section 10.51(a)(6); California Revenue and Taxation Code section 40186; California Employer's Guide 2011; American Institute of Certified Public Accountants Code of Professional Conduct: Principles of Professional Conduct sections 54.01 and 54.03; and Other Responsibilities and Practices .01 Rule 501 and .08 501-7, when he provided false information to the IRS, Franchise Tax Board, and the California Employment Development Department regarding his payments to Seok Young Jung, whom he claimed was an independent contractor.

Mr. Yang is subject to disciplinary action in that he performed two compilation engagements, one for SK Dyeing & Washing Co. (Year Ended December 31, 2010) and one for Yang Heon Kim DDS Inc. (Year Ended June 30, 2011), both of which did not comply with professional standards.



OTHER ENFORCEMENT ACTIONS THROUGH AUGUST 28, 2016

Mr. Yang is subject to disciplinary action for failure to comply with applicable professional standards.

Mr. Yang is subject to disciplinary action in that he practiced under the unregistered firm name of Hyunkoo Sean Yang, Inc., since May 1, 2000.

Mr. Yang is subject to disciplinary action in that he made false statements to the CBA regarding his practice on CBA forms and in his response to CBA inquiries.

Mr. Yang is subject to disciplinary action in that he did not comply timely with Peer Review reporting requirements.

Mr. Yang is subject to disciplinary action in that he willfully violated provisions of the Accountancy Act and its related regulations.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5060, 5100, 5100 (c), (g), and (j). California Code of Regulations, Title 16, Division 1, §§ 40 (a), 45 (b), 52 (d), and 58.

YOSHIDA, AKIYO

Tokyo, Japan
(CPA 64454)

CBA ACTIONS

Surrender of CPA license, via stipulated settlement.

Mr. Yoshida shall pay the CBA for its costs of investigation and enforcement in the amount of \$4,395.04 prior to issuance of a new or reinstated license.

Effective June 25, 2016

CAUSE FOR DISCIPLINE

Accusation No. AC-2016-17 contains the following allegations:

Mr. Yoshida is subject to disciplinary action in that on or about December 17, 2014, in the case entitled *In the Matter of Akiyo Yoshida, CPA*, Release number 105-2014-024, the Public Company Accounting Oversight Board (PCAOB) imposed discipline on him under the Sarbanes-Oxley Act of 2002.

Mr. Yoshida is subject to disciplinary action in that he failed to report in writing to the CBA within 30 days the occurrence of any notice of the opening or initiation of an investigation by the PCAOB.

Mr. Yoshida is subject to disciplinary action in that his right to practice before a governmental body or agency was suspended.

VIOLATION(S) CHARGED

Business and Professions Code, Division 3, Chapter 1, §§ 5063 (b)(5), 5100 (g), (h), and (l).



CBA

CALIFORNIA BOARD OF
ACCOUNTANCY

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



UPDATE FALL 2016

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/consumers/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 (Individuals)	<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
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