BILL LOCKYER, Attorney General
of the State of California
BARRY G. THORPE, State Bar No. 126422
Deputy Attorney General
California Department of Justice
300 So. Spring Street, Suite 1702
Los Angeles, CA 90013
Telephone: (213) 897-5845
Facsimile: (213) 897-2804

Attorneys for Complainant

BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: THOMAS D. LEAPER Respondent.	Case No. AC-2001-2 OAH No. L-2001110281 **STIPULATED SETTLEMENT AND DISCIPLINARY ORDER**

IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-entitled proceedings that the following matters are true:

PARTIES

1. Carol Sigmann (Complainant) is the Executive Officer of the California Board of Accountancy. She brought this action solely in her official capacity and is represented in this matter by Bill Lockyer, Attorney General of the State of California, by Barry G. Thorpe, Deputy Attorney General.

2. Respondent Thomas D. Leaper (Respondent) is represented in this proceeding by attorney Craig T. Wormley, whose address is Miller & Associates L.L.P., 2530 Wilshire Blvd 1 FL, Santa Monica, CA 90403.

3. On or about October 9, 1987, the California Board of Accountancy issued Certified Public Accountant License (Certificate) No. 49063 to Thomas D. Leaper, 10061 Riverside Drive, #1010, Toluca Lake, CA 91602 (Respondent). The Certificate was last

renewed on or around July 31, 2001, and remains in active status until its next scheduled renewal on July 31, 2003.

JURISDICTION

4. Accusation No. AC-2001-2 was filed before the California Board of Accountancy (Board), Department of Consumer Affairs,, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on June 5, 2001. Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation No. AC-2001-2 is attached as exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. AC-2001-2. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

6. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at his own expense; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

8. Respondent admits the truth of each and every charge and allegation in Accusation No. AC-2001-2.

9. Respondent agrees that his Certificate is subject to discipline and he agrees to be bound by the Board's imposition of discipline as set forth in the Disciplinary Order below.

CONTINGENCY

10. This stipulation shall be subject to approval by the California Board of Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of the California Board of Accountancy may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondent or his counsel. By signing the stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.

11. The parties understand and agree that facsimile copies of this Stipulated Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same force and effect as the originals.

12. In consideration of the foregoing admissions and stipulations, the parties agree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Certified Public Accountant License No. 49063 issued to Respondent Thomas D. Leaper is revoked. However, the revocation is stayed and Respondent is placed on probation for three (3) years on the following terms and conditions.

1. **Actual Suspension.** Certified Public Accountant License No. 49063 issued to Thomas D. Leaper is suspended for 180 days. During the period of suspension the Respondent shall engage in no activities for which certification as a Certified Public Accountant or Public Accountant is required as described in Business and Professions Code, Division 3, Chapter 1, Section 5051.

2. **Obey All Laws.** Respondent shall obey all federal, California, other states' and local laws, including those rules relating to the practice of public accountancy in

California.

3. **Submit Written Reports.** Respondent shall submit, within ten (10) days of completion of the quarter, written reports to the Board on a form obtained from the Board. 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 Board or its representatives.

4. **Personal Appearances.** Respondent shall, during the period of probation, appear in person at interviews/meetings as directed by the Board or its designated representatives, provided such notification is accomplished in a timely manner.

5. **Comply With Probation.** Respondent shall fully comply with the terms and conditions of the probation imposed by the Board and shall cooperate fully with representatives of the Board of Accountancy in its monitoring and investigation of the Respondent's compliance with probation terms and conditions.

6. **Comply With Citations.** Respondent shall comply with all final orders resulting from citations issued by the Board of Accountancy.

7. **Tolling of Probation For Out-of-State Residence/Practice.** In the event Respondent should leave California to reside or practice outside this state, Respondent must notify the Board in writing of the dates of departure and return. Periods of non-California residency or practice outside the state shall not apply to reduction of the probationary period, or of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse the Board 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 Board.

8. **Violation of Probation.** If Respondent violates probation in any respect, the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke

probation is filed against Respondent during probation, the Board shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.

9. **Completion of Probation.** Upon successful completion of probation, Respondent's license will be fully restored.

10. **Continuing Education Courses.** Respondent shall complete and provide proper documentation of 24 hours of continuing education as part of the regular 80-hour requirement for license renewal by August 1, 2003, as directed by the Board or its representative.

Failure to satisfactorily complete the required courses as scheduled or failure to complete same no later than 100 days prior to the termination of probation shall constitute a violation of probation.

11. **Active License Status.** Respondent shall at all times maintain an active license status with the Board, including during any period of suspension. If the license is expired at the time the Board's decision becomes effective, the license must be renewed within 30 days of the effective date of the decision.

12. **Cost Reimbursement.** Respondent shall reimburse the Board $5,000.00 for its investigation and prosecution costs. The payment shall be made within one (1) year of the date the Board's decision is final.

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ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Craig T. Wormley. I understand the stipulation and the effect it will have on my Certified Public Accountant License No. 49063. I enter into this

Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the California Board of Accountancy.

DATED: 7-24-02.

THOMAS D. LEAPER
Respondent

I have read and fully discussed with Respondent Thomas D. Leaper the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: 7-24-02.

CRAIG T. WORMLEY
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Board of Accountancy of the Department of Consumer Affairs.

DATED: 7-24-02.

BILL LOCKYER, Attorney General
of the State of California

BARRY G. THORPE
Deputy Attorney General

Attorneys for Complainant

DOJ Docket Number: 03541110-LA2000AD1677
Stipulation 8/31/01

BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: THOMAS D. LEAPER Respondent.	Case No. AC-2001-2 OAH No. L-2001110281

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on October 25, 2002.

It is so ORDERED September 25, 2002.

FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

Exhibit A

Accusation No. AC-2001-2

BILL LOCKYER, Attorney General
of the State of California
MICHAEL A. SHEKEY, State Bar No. 143436
Deputy Attorney General
California Department of Justice
300 South Spring Street, Suite 1702
Los Angeles, California 90013
Telephone: (213) 897-2520
Facsimile: (213) 897-2804

Attorneys for Complainant

BEFORE THE
BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: THOMAS D. LEAPER 10061 Riverside Drive, No. 1010 Toluca Lake, California 91602 Certificate No. 49063 Respondent.	Case No. AC-2001-2 **A C C U S A T I O N**

Complainant alleges:

PARTIES

1. Carol B. Sigmann ("Complainant") brings this Accusation solely in her official capacity as the Executive Officer of the Board of Accountancy, Department of Consumer Affairs.

2. On or about October 9, 1987, the Board of Accountancy issued Certificate Number 49063 to Thomas D. Leaper ("Respondent"). The Certificate will expire on July 31, 2001, unless renewed.

JURISDICTION

3. This Accusation is brought before the Board of Accountancy ("Board"), under the authority of the following sections of the Business and Professions Code ("Code").

4. Section 5100 of the Code states that after notice and hearing the board may revoke, suspend or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct which includes, but is not limited to, one or any combination of the following causes:

(f) Willful violation of this chapter or any rule or regulation promulgated by the board under the authority granted under this chapter.

(g) Suspension or revocation of the right to practice before any governmental body or agency.

5. Title 16, California Code of Regulations, section 65 states that a licensee shall be independent in the performance of services in accordance with professional standards.

6. Section 118(b) of the Code states that the suspension, expiration, or forfeiture by operation of law of a license issued by a board in the department, or its suspension, forfeiture, or cancellation by order of the board or by order of a court of law, or its surrender without the written consent of the board, shall not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the board of its authority to institute or continue a disciplinary proceeding against the licensee upon any ground provided by law or to enter an order suspending or revoking the license or otherwise taking disciplinary action against the licensee on any such ground.

CAUSE FOR DISCIPLINE

7. Respondent is subject to disciplinary action by the Board pursuant to section 5100(g) for unprofessional conduct by reason of the following facts:

A. On or about June 17, 1998, the United States Securities and Exchange Commission ("SEC") issued an order suspending Respondent to practice before the SEC for five years as stated in the Administrative Proceeding, Case No. 3-9627 entitled In the Matter of Thomas D. Leaper, CPA, et al.

B. The suspension was based on findings that Respondent failed to perform an audit of the 1993 financial statements of Styles on Video, Inc. in accordance with Generally Accepted Auditing Standards.

8. Respondent is subject to disciplinary action by the Board pursuant to section 5100(f) by failing to comply with Title 16, California Code of Regulations, section 65 in that Respondent was not independent in the performance of an audit of Styles on Video, Inc. in which he had a material interest.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Board of Accountancy issue a decision:

1. Revoking, suspending or otherwise imposing discipline upon Certificate Number 49063, issued to Thomas D. Leaper;

2. Taking such other and further action as the Board deems proper.

DATED: May 1, 2001.

CAROL B. SIGMANN
Executive Officer
Board of Accountancy
Department of Consumer Affairs
State of California
Complainant

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11/16/00 - LBF