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Attorneys for Complainant

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

In the Matter of the Accusation Against: ERIC MARK KLEIN 4924 Balboa Blvd., Suite 271 Encino, CA 91316 Certified Public Accountant License Certificate No. 46150 Respondent.	Case No. AC-2007-5 **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 Edmund G. Brown Jr., Attorney General of the State of California, by Jami L. Cantore, Deputy Attorney General.

2. Eric Mark Klein (Respondent) is representing himself in this proceeding and has chosen not to exercise his right to be represented by counsel.

3. On or about October 10, 1986, the California Board of Accountancy issued Certified Public Accountant License Certificate No. 46150 to Eric Mark Klein. The

Certificate was in full force and effect at all times relevant to the charges brought in Accusation No. AC-2007-5 and will expire on October 31, 2007, unless renewed.

JURISDICTION

4. Accusation No. AC-2007-5 was filed on January 9, 2007, 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 January 22, 2007. Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation No. AC-2007-5 is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, and understands the charges and allegations in Accusation No. AC-2007-5. Respondent has also carefully read, and fully 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-2007-5.

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

RESERVATION

10. The admissions made by Respondent herein are only for the purposes of this proceeding, or any other proceedings in which the California Board of Accountancy or other professional licensing agency is involved, and shall not be admissible in any other criminal or civil proceeding.

CONTINGENCY

11. 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. 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.

OTHER MATTERS

12. 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.

DISCIPLINARY ORDER

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:

IT IS HEREBY ORDERED that Certified Public Accountant License Certificate No. 46150 issued to Respondent Eric Mark Klein 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 Certificate No. 46150 issued to Eric Mark Klein is suspended for six (6) months. During the period of suspension 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. **Practice Investigation.** Respondent shall be subject to, and shall permit, a practice investigation of the Respondent's professional practice. Such a practice investigation shall be conducted by representatives of the Board, provided notification of such review is accomplished in a timely manner.

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

8. **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 probat[illegible] 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.

9. **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.

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

11. **Ethics Course/Examination.** Respondent shall take and pass with a score of 90 percent or better a Board approved ethics examination prior to the resumption of practice.

If Respondent fails to pass said examination within the time period provided or within two attempts, Respondent shall so notify the Board and shall cease practice until Respondent takes and successfully passes said exam, has submitted proof of same to the Board, and has been notified by the Board that he may resume practice. Failure to pass the required examination no later than 100 days prior to the termination of probation shall constitute a violation of probation.

12. **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.

13. **Cost Reimbursement.** Respondent shall reimburse the Board six thousand seventy-three dollars and fifty-seven cents ($6073.57) for its investigation and prosecution costs. The payment shall be made in quarterly payments (due with quarterly written reports), the final payment being due 100 days before probation is scheduled to terminate.

ACCEPTANCE

I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the stipulation and the effect it will have on my Certified Public Accountant License Certificate. 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: 4/16/07

ERIC MARK KLEIN
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: 4/16/07

EDMUND G. BROWN JR., Attorney General
of the State of California

MARC D. GREENBAUM
Supervising Deputy Attorney General

JAMI L. CANTORE
Deputy Attorney General

Attorneys for Complainant

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

In the Matter of the Accusation Against: ERIC MARK KLEIN 4924 Balboa Blvd., Suite 271 Encino, CA 91316 Certified Public Accountant License Certificate No. 46150 Respondent.	Case No. AC-2007-5

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 June 17, 2007.

It is so ORDERED May 18, 2007.

FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

Exhibit A

Accusation No. AC-2007-5

BILL LOCKYER, Attorney General
of the State of California
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Supervising Deputy Attorney General
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BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: ERIC MARK KLEIN 4924 Balboa Blvd., Suite 271 Encino, CA 91316 Certified Public Accountant Certificate No. 46150 Respondent.	Case No. AC-2007-5 **ACCUSATION**

Complainant alleges:

PARTIES

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

2. On or about October 10, 1986, the California Board of Accountancy issued Certified Public Accountant Certificate No. 46150 to Eric Mark Klein (Respondent). The Certificate expired and was not valid during the period November 1, 1989 through December 3, 1989, for the following reasons:

a. The renewal fee required by California Business and Professions Code section 5070.5 was not paid; and

b. Declaration of compliance with continuing education requirements was not submitted.

Effective December 4, 1989, the Certificate was renewed through October 31, 1991, upon receipt of the renewal fee and declaration of compliance with continuing education requirements ("active"). The Certificate was expired and was not valid during the period November 1, 1991 through November 4, 1992, for the reasons set forth in subparagraphs (a) and (b), above.

Effective November 5, 1992, the Certificate was renewed through October 31, 1993, upon receipt of the renewal fee and declaration of compliance with continuing education requirements ("active"). The Certificate was expired and was not valid during the period November 1, 1993 through January 4, 1994, for the reasons set forth in subparagraphs (a) and (b), above.

Effective January 5, 1994, the Certificate was renewed through October 31, 1995, upon receipt of the renewal fee and declaration of compliance with continuing education requirements ("active"). The Certificate was expired and was not valid during the period November 1, 1995 through March 17, 1996, for the reasons set forth in subparagraphs (a) and (b), above.

Effective March 18, 1996, the Certificate was renewed through October 31, 1997, upon receipt of the renewal fee and declaration of compliance with continuing education requirements ("active"). The Certificate was expired and was not valid during the period November 1, 1997 through November 21, 1997, for the reasons set forth in subparagraphs (a) and (b), above.

Effective November 22, 1997, the Certificate was renewed through October 31, 1999, upon receipt of the renewal fee and declaration of compliance with continuing education requirements ("active"). The Certificate was renewed for the period November 1, 1999 through October 31, 2001, however, compliance with continuing education requirements was not met until March 20, 2000.

The Certificate was renewed for the period November 1, 2001 through

October 31, 2003; however, compliance with continuing education requirements was not met until September 17, 2002. The Certificate was renewed for the period November 1, 2003 through October 31, 2005, with continuing education ("active"). The Certificate has been renewed for the period November 1, 2005 through October 31, 2007, with continuing education ("active").

JURISDICTION

3. This Accusation is brought before the California Board of Accountancy (Board), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

4. Section 118, subdivision (b) states:

"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 ore revoking the license or otherwise."

5. Section 5100 states:

"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 that includes, but is not limited to, one or any combination of the following causes:

. . . .

"(b) A violation of Section 478, 498, or 499 dealing with false statements or omissions in the application for a license, in obtaining a certificate as a certified public accountant, in obtaining registration under this chapter, or in obtaining a permit to practice

public accountancy under this chapter.

. . . .

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

BOARD RULES[1]

6. California Code of Regulations, title 16, section 87, subdivision (a), states, in pertinent part:

"80 Hours.

"As a condition of active status license renewal, a licensee shall complete at least 80 hours of qualifying continuing education as described in Section 88 in the two-year period immediately preceding license expiration and meet the reporting requirements specified in subsection (a) of Section 89.

"A licensee engaged in the practice of public accountancy as defined in Section 5051 of the Business and Professions Code is required to hold a license in active status. No carryover of continuing education is permitted from one two-year license renewal period to another."

7. Section 5107(a) of the Code states:

"The executive officer of the board may request the administrative law judge, as part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate found to have committed a violation or violations of this chapter to pay to the board all reasonable costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees. The board shall not recover costs incurred at the administrative hearing."

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1. Board of Accountancy Rules and Regulations are codified in Title 16, California Code of Regulations beginning with Division 1, Section 1, under corresponding numbers and are hereinafter referenced as "Board Rules".

FIRST CAUSE FOR DISCIPLINE

(Failure to Complete Minimum Continuing Education Requirements)

8. Respondent is subject to disciplinary action under section 5100, subdivision (g), of the Code for violating California Code of Regulations, title 16, section 87, in that Respondent failed to complete the minimum number of required hours of Continuing Education in order to renew his Certified Public Accountant license. The circumstances are as follows:

a. On or about April 24, 2006, May 24, 2006, and June 29, 2006, the Board requested Respondent to submit copies of certificates of completion for the Continuing Education courses reported on Respondent's October 2005 license renewal form. On or about June 28, 2006, during a telephonic conference with the Board's investigative CPA, Respondent admitted that he had not completed all of the courses reported on his license renewal form.

b. In July 2006, Respondent provided completion certificates for the courses reported on his 2005 renewal worksheet. The certificates of completion submitted by Respondent establish that all of the Continuing Education courses were completed outside of the October 2005 license renewal cycle.

SECOND CAUSE FOR DISCIPLINE

(Unprofessional Conduct: False Statements In Obtaining License)

9. Respondent is subject to disciplinary action under section 5100, subdivisions (b) and (g), of the Code on the grounds of unprofessional conduct in that Respondent knowingly made false statements on his October 2005 renewal application. The circumstances are as follows:

a. On or about October 22, 2005, the Board received Respondent's Certified Public Accountant/Public Accountant Renewal Form. On the form, Respondent checked "Yes" to the question: "Did you complete the required total number of hours of continuing education (CE) during the two years preceding your license expiration date?"

b. Respondent in fact did not complete the required Continuing

Education courses within the relevant renewal cycle, as fully set forth above in paragraph 8 and incorporated herein by reference.

FACTORS IN AGGRAVATION

10. On or about April 22, 2003, Respondent was issued Citation No. CT-2003-21 and fined $1,000.00 for violating section 5050, subdivision (a), of the Code. The circumstances surrounding the citation are that Respondent engaged in the practice of public accounting during the period of November 1, 2001, through September 16, 2002, while his license was in an expired status.

PRAYER

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

1. Revoking or suspending or otherwise imposing discipline upon Certified Public Accountant Certificate No. 46150 issued to Eric Mark Klein;

2. Ordering Eric Mark Klein to pay the California Board of Accountancy the reasonable costs of the investigation and enforcement of this case pursuant to Business and Professions Code section 5107, subdivision (a);

3. Taking such other and further action as deemed necessary and proper.

DATED: January 9, 2007

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