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

In the Matter of the Accusation Against:	Case No. AC-2008-10
ARMANDO C. IBARRA, C.P.A. A PROFESSIONAL CORPORATION 371 E Street Chula Vista, CA 91910 Certified Public Accountancy Corporation Certificate No. 4318, ARMANDO C. IBARRA, aka ARMANDO IBARRA, SR. 371 E Street Chula Vista, CA 91910 Certified Public Accountant Certificate No. 41710, ARMANDO IBARRA, aka ARMANDO IBARRA, JR. 371 E Street Chula Vista, CA 91910 Certified Public Accountant Certificate No. 68766, Respondents.	

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 December 26, 2008.

It is so ORDERED November 26, 2008.

FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

EDMUND G. BROWN JR., Attorney General
of the State of California
JAMES M. LEDAKIS
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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:	Case No. AC-2008-10
ARMANDO C. IBARRA, C.P.A. A PROFESSIONAL CORPORATION 371 E Street Chula Vista, CA 91910 Certified Public Accountancy Corporation Certificate No. 4318, ARMANDO C. IBARRA, aka ARMANDO IBARRA, SR. 371 E Street Chula Vista, CA 91910 Certified Public Accountant Certificate No. 41710, ARMANDO IBARRA, aka ARMANDO IBARRA, JR. 371 E Street Chula Vista, CA 91910 Certified Public Accountant Certificate No. 68766, Respondents.	**STIPULATED SETTLEMENT AND DISCIPLINARY ORDER**

In the interest of a prompt and speedy settlement of this matter, consistent with the public interest and the responsibility of the California Board of Accountancy of the Department of Consumer Affairs, the parties hereby agree to the following Stipulated Settlement and Disciplinary Order which will be submitted to the Board for approval and adoption as the final disposition of the Accusation with respect to Respondents.

PARTIES

1. Daniel Rich (Complainant) is the Acting Executive Officer of the California Board of Accountancy (Board). He brings this action solely in his official capacity, and is represented in this matter by Edmund G. Brown Jr., Attorney General of the State of California, by Ron Espinoza, Deputy Attorney General.

2. On or about May 11, 1996, the California Board of Accountancy issued Certified Public Accountancy Corporation Certificate No. 4318 to Armando C. Ibarra C.P.A., a Professional Corporation (Respondent Ibarra Corporation). The certificate was in full force and effect at all times relevant to the charges brought in this matter, and will expire on June 1, 2010, unless renewed.

3. On or about December 7, 1984, the California Board of Accountancy issued Certified Public Accountant Certificate No. 41710 to Armando C. Ibarra, also known as (aka) Armando Ibarra, Sr. (Respondent Armando Ibarra, Sr.) The certificate was in full force and effect at all times relevant to the charges brought in this matter, and will expire on April 1, 2009, unless renewed.

4. On or about May 12, 1995, the California Board of Accountancy issued Certified Public Accountant Certificate No. 68766 to Armando Ibarra, aka Armando Ibarra, Jr. (Respondent Armando Ibarra, Jr.) The certificate was in full force and effect at all times relevant to the charges brought in this matter, and will expire on December 1, 2008, unless renewed.

5. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., are represented in this proceeding by attorney Stephanie Perkins of Chapman, Glucksman, Dean, Roeb & Barger, whose address is 7509 Madison Avenue, Suite 112, Citrus Heights, CA 95610.

6. Respondent Armando Ibarra, Sr., President and principal shareholder of Respondent Ibarra Corporation, has been authorized to enter into this stipulated settlement on behalf of Respondent Ibarra Corporation.

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JURISDICTION

7. Accusation No. AC-2008-10 was filed before the California Board of Accountancy, Department of Consumer Affairs, and is currently pending against Respondents. The Accusation and all other statutorily required documents were properly served on Respondents on June 3, 2008. Respondents timely filed their Notices of Defense contesting the Accusation. A copy of Accusation No. AC-2008-10 is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

8. Respondents Armando Ibarra, Sr., and Armando Ibarra, Jr., have carefully read, fully discussed with counsel, and understand the charges and allegations in Accusation No. AC-2008-10. Respondents Armando Ibarra, Sr., and Armando Ibarra, Jr., have also carefully read, fully discussed with counsel, and understand the effects of this Stipulated Settlement and Disciplinary Order.

9. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., are fully aware of their legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on their 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.

10. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., voluntarily, knowingly, and intelligently waive and give up each and every right set forth above.

CULPABILITY

11. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., admit the truth of each and every charge and allegation in Accusation No. AC-2008-10.

12. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., agree that their licenses (Certificate Nos. 4318, 41710, 68766, respectively) are

subject to discipline, and agree to be bound by the Board's imposition of discipline as set forth in the Disciplinary Order below.

CONTINGENCY

13. This stipulation shall be subject to approval by the California Board of Accountancy. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., understand and agree 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 Respondents or their counsel. By signing the stipulation, Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., understand and agree that they may not withdraw their 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.

14. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., 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.

15. In consideration of the foregoing admissions and stipulations, Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., 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 Accountancy Corporation Certificate No. 4318 issued to Respondent Ibarra Corporation, Certified Public Accountant Certificate No. 41710 issued to Respondent Armando Ibarra, Sr., and Certified Public Accountant Certificate No. 68766 issued to Respondent Armando Ibarra, Jr., are revoked. However, the revocations are stayed, and Respondents are placed on probation for three (3) years on the following terms and conditions.

1. **Obey All Laws.** Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., shall obey all federal, California, other states' and local laws, including those rules relating to the practice of public accountancy in California.

2. **Submit Written Reports.** Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., shall submit, within ten (10) days of completion of the quarter, written reports to the Board on a form obtained from the Board. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., 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 Respondents' compliance with all the terms and conditions of probation. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., shall immediately execute all release of information forms as may be required by the Board or its representatives.

3. **Personal Appearances.** Respondents Armando Ibarra, Sr., and Armando Ibarra, Jr., 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.

4. **Comply With Probation.** Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., 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 Respondents' compliance with probation terms and conditions.

5. **Practice Investigation.** Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., shall be subject to, and shall permit, practice investigation of the Respondents' 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.

6. **Comply With Citations.** Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., 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 Ibarra Corporation, Respondent Armando Ibarra, Sr., or Respondent Armando Ibarra, Jr., should leave California to reside or practice outside this state, said 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. **Supervised Practice.** Within thirty (30) days of the effective date of this decision, Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., shall submit to the Board or its designee for its prior approval a plan of practice that shall be monitored by an outside, independent CPA or PA approved by the Board, who provides periodic reports to the Board or its designee. Supervised practice of the Respondents shall include independent reviews of all audits and reviews prior to their issuance. Respondents shall pay all costs for such monitoring.

9. **Active License Status.** Respondents Armando Ibarra, Sr., and Armando Ibarra, Jr., 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.

10. **Library Reference Materials.** Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., shall have immediate access to, shall use, and shall maintain published materials and/or checklists which are consistent with the practice. Such materials and checklists shall be produced on-site for review by the Board or its designee upon reasonable notice.

11. **Continuing Education Courses.** Respondent Armando Ibarra, Sr., shall complete and provide proper documentation of 16 hours of professional education courses, as

specified by the Board or its designee, by March 31, 2009. The 16 hours of professional education courses shall consist of 8 hours in accounting and auditing subjects, and 8 hours in a fraud-related subject. These 16 hours shall be in addition to continuing education requirements for relicensing.

12. **Cost Reimbursement.** Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., shall reimburse the Board $10,205.58 for its investigation and prosecution costs. The payment shall be made within 90 days of the date the Board's decision is final.

13. **Violation of Probation.** If Respondent Ibarra Corporation, Respondent Armando Ibarra, Sr., or Respondent Armando Ibarra, Jr., violate probation in any respect, the Board, after giving said Respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed as to said Respondent. If an accusation or a petition to revoke probation is filed against Respondent Ibarra Corporation, Respondent Armando Ibarra, Sr., or Respondent Armando Ibarra, Jr., 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.

14. **Completion of Probation.** Upon successful completion of probation by each Respondent, said Respondent's license will be fully restored.

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ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Stephanie Perkins. I understand the stipulation and the effect it will have on my license with the Board. 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: 9-30-08.

Armando C. Ibarra, aka Armando Ibarra, Sr.,
President of and authorized representative for,
ARMANDO C. IBARRA, C.P.A.,
A PROFESSIONAL CORPORATION

DATED: 9-30-08.

ARMANDO C. IBARRA, aka,
ARMANDO IBARRA, SR.

DATED: 9-30-08.

ARMANDO IBARRA, aka,
ARMANDO IBARRA, JR.

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I have read and fully discussed with Respondents Armando Ibarra, Sr., and Armando Ibarra, Jr., the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: 10-2-08

STEPHANIE PERKINS
Attorney for Respondents

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: 10-15-08

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

JAMES M. LEDAKIS
Supervising Deputy Attorney General

RON ESPINOZA
Deputy Attorney General

Attorneys for Complainant

DOJ Matter ID: SD2008800179
80272941 wpd

Exhibit A

Accusation No. AC-2008-10

EDMUND G. BROWN JR., Attorney General
of the State of California
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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:	Case No. AC-2008-10
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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, State of California.

ARMANDO IBARRA, SR.

2. On or about December 7, 1984, the California Board of Accountancy issued Certified Public Accountant Certificate No. 41710 to Armando C. Ibarra, aka Armando Ibarra, Sr. (Respondent Armando Ibarra, Sr.) The certificate was in full force and effect at all times relevant to the charges brought herein, and will expire on April 1, 2009, unless renewed.

ARMANDO IBARRA, JR.

3. On or about May 12, 1995, the California Board of Accountancy issued Certified Public Accountant Certificate No. 68766 to Armando Ibarra, aka Armando Ibarra, Jr. (Respondent Armando Ibarra, Jr.) The certificate was in full force and effect at all times relevant to the charges brought herein, although it was expired from December 1, 2006, through December 8, 2006, and will expire on December 1, 2008, unless renewed.

ARMANDO C. IBARRA CORPORATION

4. On or about May 11, 1996, the California Board of Accountancy issued Certified Public Accountancy Corporation Certificate No. 4318 to Armando C. Ibarra C.P.A., a Professional Corporation (Respondent Ibarra Corporation). The certificate was in full force and effect at all times relevant to the charges brought herein, and will expire on June 1, 2010, unless renewed.

JURISDICTION

5. 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 (Code) unless otherwise indicated.

6. Code section 5063 states:

"(a) A licensee shall report to the board in writing of the occurrence of any of the following events occurring on or after January 1, 1997, within 30 days of the date the licensee has knowledge of these events:

". . . .

"(3) The cancellation, revocation, or suspension of the right to practice as a certified public accountant or a public accountant before any governmental body or agency.

"(b) A licensee shall report to the board in writing the occurrence of any of the following events occurring on or after January 1, 2003, within 30 days of the date the licensee has knowledge of the events:

"(1) Any restatement of a financial statement and related disclosures by a client audited by the licensee.

". . . .

"(5) Any notice of the opening or initiation of an investigation by the Public Company Accounting Oversight Board or its designee, as defined pursuant to subdivision (g).

". . . .

"(d) The report required by subdivisions (a), (b), and (c) shall be signed by the licensee and set forth the facts which constitute the reportable event. If the reportable event involves the action of an administrative agency or court, then the report shall set forth the title of the matter, court or agency name, docket number, and dates of occurrence of the reportable event.

". . . .

"(g) The board may adopt regulations to further define the reporting requirements of this section."

7. Code 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:

". . . .

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

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

". . . .

"(l) The imposition of any discipline, penalty, or sanction on a registered public accounting firm or any associated person of such firm, or both, or on any other holder of a permit, certificate, license, or other authority to practice in this state, by the Public Company Accounting Oversight Board or the United States Securities and Exchange Commission, or their designees under the Sarbanes-Oxley Act of 2002 or other federal legislation.

"....."

8. Code section 5156 states:

"An accountancy corporation shall not do or fail to do any act the doing of which or the failure to do which would constitute unprofessional conduct under any statute, rule or regulation now or hereafter in effect. In the conduct of its practice, it shall observe and be bound by such statutes, rules and regulations to the same extent as a person holding a permit under Section 5070 of this code. The board shall have the same powers of suspension, revocation and discipline against an accountancy corporation as are now or hereafter authorized by Section 5100 of this code, or by any other similar statute against individual licensees, provided, however, that proceedings against an accountancy corporation shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall have all the powers granted therein.

9. California Code of Regulations, title 16, section 59, provides:

"(a) To comply with the requirements of paragraph (1) of subdivision (b) of Business and Professions Code Section 5063, a licensee who issues a report on a client's restated financial statement shall report to the Board:

"(1) Any restatement of a financial statement reporting the correction of any error in a previously issued financial statement of a client that is:

"(A) a publicly traded company that is required to file a tax return with the California Franchise Tax Board; or

"(B) a government agency located in California, when the financial restatement(s) exceeds the planning materiality used by the licensee in conjunction with the current year audit. For purposes of this paragraph, planning materiality means the planned level of misstatements,

individually or in aggregate, that would cause the financial statements to not be presented fairly, in all material respects, in conformity with generally accepted accounting principles

10. California Code of Regulations, title 16, section 87, provides:

"(a) 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.

". . . .

"(c) Accounting and Auditing Continuing Education Requirement.

A licensee who engages in planning, directing, performing substantial portions of the work, or reporting on an audit, review, compilation, or attestation service, shall complete 24 hours of the 80 hours of continuing education required pursuant to subsection (a) in the course subject matter specified in this subsection. Course subject matter must pertain to financial statement preparation and/or reporting (whether such statements are prepared on the basis of generally accepted accounting principles or other comprehensive bases of accounting), auditing, reviews, compilations, industry accounting, attestation services, or assurance services. This continuing education shall be completed in the same two-year license renewal period as the report is issued. If no report is issued because the financial statements are not intended for use by third parties, the continuing education shall be completed in the same two-year license renewal period as the financial statements are submitted to the client.

"(d) A licensee who must complete continuing education pursuant to subsections (b) and/or (c) of this section shall also complete an additional eight hours of continuing education specifically related to the detection and/or reporting of fraud in financial statements. This continuing education shall be part of the 80 hours of continuing education required by subsection

(a), but shall not be part of the continuing education required by subsections (b) or (c). This requirement applies to licensees who renew their licensee on or after July 1, 2005.

". . . ."

11. California Code of Regulations, title 16, section 89, provides:

"(a) Upon renewal, a licensee who is required, pursuant to Section 87, to obtain continuing education must provide a written statement, signed under penalty of perjury, certifying that the requisite number of continuing education hours has been obtained. The licensee shall disclose the following information concerning courses or programs claimed as qualifying continuing education:

"(1) Course title or description

"(2) Date of completion

"(3) Name of school, firm or organization providing the course or program

"(4) Method of study, i.e., whether course or program is self-study, live presentation or Group Internet-Based Program (Webcast)

"(5) Number of hours earned.

". . . .

"(c) If continuing education credit for attending a continuing education course is claimed, the licensee shall obtain and retain for four years after renewal a certificate of completion or its equivalent disclosing the following information:

"(1) Name of licensee in attendance

"(2) School, firm or organization conducting course

"(3) Location of course attended

"(4) Title of course or description of content

"(5) Dates of attendance except when the licensee attended a course for academic credit given by a college, university, or other institution of higher learning accredited by an association recognized by the Secretary of the United States Department of Education, in which case the applicant may provide evidence of a grade of pass or "credit" to satisfy this requirement.

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"(6) Number of hours of actual attendance except when the licensee attended a course for academic credit given by a college, university, or other institution of higher learning accredited by an association recognized by the Secretary of the United States Department of Education, in which case the applicant may provide evidence of a grade of pass or "credit" to satisfy this requirement.

". . . ."

COST RECOVERY

12. Section 5107, subdivision (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."

FIRST CAUSE FOR DISCIPLINE

(Revocation of Right to Practice Before Governmental Body)

13. Respondent Ibarra Corporation is subject to disciplinary action under Business and Professions Code section 5100, subdivision (h), in that on or about December 19, 2006, the Public Company Accounting Oversight Board (PCAOB), a governmental agency or body, revoked said corporation's registration with PCAOB. The circumstances are as follows:

14. On or about December 19, 2006, PCAOB entered its Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions with the consent of Respondent Ibarra Corporation and Respondents Armando Ibarra, Jr., and Armando Ibarra, Sr. In its Order, PCAOB found that Respondents had violated PCAOB auditing standards in regard to four issuer clients. As a result, PCAOB ordered that Respondent Ibarra Corporation's registration with it was revoked; that Respondent Armando Ibarra, Sr., was barred from being an associated person of a registered public accounting firm; and that Respondent Armando Ibarra, Jr., was barred from being an associated person of a registered public accounting firm.

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SECOND CAUSE FOR DISCIPLINE

(Imposition of Discipline by PCAOB)

15. Respondents Ibarra Corporation, Armando Ibarra, Sr., and Armando Ibarra, Jr., are subject to disciplinary action under Business and Professions Code section 5100, subdivision (l), in that on or about December 19, 2006, PCAOB imposed discipline on said Respondents, as set forth in the First Cause for Discipline above, which is hereby incorporated by reference.

THIRD CAUSE FOR DISCIPLINE

(Failure to Disclose Reportable Events)

16. Respondent Ibarra Corporation is subject to disciplinary action under Business and Professions Code section 5063, subdivisions (a), (b), and (g), and California Code of Regulations, title 16, section 59, in that said corporation failed to report to the Board certain events related to the investigation conducted by PCAOB, as well as restated financial statements for an audited client. The circumstances are as follows:

A. Code Section 5063, subdivision (b)(5)

On or about September 27, 2005, PCAOB opened a formal investigation of Respondent Ibarra Corporation and provided written notice to said corporation of the investigation. However, Respondent Ibarra Corporation failed to notify the Board in writing within 30 days of the notice of the investigation by PCAOB.

B. Code Section 5063, subdivision (a)(3)

On or about December 19, 2006, PCAOB entered its Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions with the consent of Respondent Ibarra Corporation in which it revoked said corporation's registration. However, Respondent Ibarra Corporation failed to notify the Board in writing within 30 days of notice of the revocation by PCAOB.

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C. Code Section 5063, subdivision (b)(1)/California Code of Regulations, title 16, section 59:

On or about March 31, 2006, and May 22, 2006, Respondent Ibarra Corporation issued restated financial statements in regard to an audited client, BoysToys.com, Inc. However, Respondent Ibarra Corporation failed to notify the Board in writing within 30 days of the restatement of said financial statements.

FOURTH CAUSE FOR DISCIPLINE

(Failure to Disclose Reportable Events)

17. Respondent Armando Ibarra, Sr., is subject to disciplinary action under Business and Professions Code section 5063, subdivisions (a), (b), and (g), and California Code of Regulations, title 16, section 59, in that he failed to report to the Board certain events related to the investigation conducted by the Public Company Accounting Oversight Board (PCAOB), as well as restated financial statements for an audited client. The circumstances are as follows:

A. Code Section 5063, subdivision (b)(5)

On or about September 27, 2005, PCAOB opened a formal investigation of Respondent Ibarra Corporation and provided written notice to said corporation of the investigation. However, Respondent Armando Ibarra, Sr., failed to notify the Board in writing within 30 days of the notice of the investigation by PCAOB.

B. Code Section 5063, subdivision (a)(3)

On or about December 19, 2006, PCAOB entered its Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions with the consent of Respondent Armando Ibarra, Sr., in which it barred him from being an associated person of a registered public accounting firm. However, Respondent Armando Ibarra, Sr., failed to notify the Board in writing within 30 days of notice of the discipline by PCAOB.

C. Code Section 5063, subdivision (b)(1)/California Code of Regulations, title 16, section 59

On or about March 31, 2006, and May 22, 2006, Respondent Ibarra Corporation issued restated financial statements in regard to an audited client, BoysToys.com, Inc. However,

Respondent Armando Ibarra, Sr., failed to notify the Board in writing within 30 days of the restatement of said financial statements.

FIFTH CAUSE FOR DISCIPLINE

(Failure to Disclose Reportable Events)

18. Respondent Armando Ibarra, Jr., is subject to disciplinary action under Business and Professions Code section 5063, subdivisions (a), (b), and (g), and California Code of Regulations, title 16, section 59, in that he failed to report to the Board certain events related to the investigation conducted by the Public Company Accounting Oversight Board (PCAOB), as well as restated financial statements for an audited client. The circumstances are as follows:

A. Code Section 5063, subdivision (b)(5)

On or about September 27, 2005, PCAOB opened a formal investigation of Respondent Ibarra Corporation and provided written notice to said corporation of the investigation. However, Respondent Armando Ibarra, Jr., failed to notify the Board in writing within 30 days of the notice of the investigation by PCAOB.

B. Code Section 5063, subdivision (a)(3)

On or about December 19, 2006, PCAOB entered its Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions with the consent of Respondent Armando Ibarra, Jr., in which it barred him from being an associated person of a registered public accounting firm. However, Respondent Armando Ibarra, Jr., failed to notify the Board in writing within 30 days of notice of the discipline by PCAOB.

C. Code Section 5063, subdivision (b)(1)/California Code of Regulations, title 16, section 59:

On or about March 31, 2006, and May 22, 2006, Respondent Ibarra Corporation issued restated financial statements in regard to an audited client, BoysToys.com, Inc. However, Respondent Armando Ibarra, Jr., failed to notify the Board in writing within 30 days of the restatement of said financial statements.

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SIXTH CAUSE FOR DISCIPLINE

(Failure to Complete Continuing Education Requirements)

19. Respondent Armando Ibarra, Sr., is subject to disciplinary action under Business and Professions Code section 5100, subdivision (g), and California Code of Regulations, title 16, section 87, in that he failed to complete his continuing education requirements for the applicable renewal period. The circumstances are as follows:

A. For the period April 1, 2005, to March 31, 2007, Respondent Armando Ibarra, Sr., did not complete 24 hours of the required continuing education in the subject areas of accounting and auditing, nor 8 hours of continuing education in the subject area related to fraud. Instead, Respondent only completed 21 hours of continuing education in accounting and auditing, and completed no hours of continuing education in fraud-related courses.

SEVENTH CAUSE FOR DISCIPLINE

(Failure to Retain Continuing Education Certificates)

20. Respondent Armando Ibarra, Sr., is subject to disciplinary action under Business and Professions Code section 5100, subdivision (g), and California Code of Regulations, title 16, section 89, in that he failed to retain continuing education certificates of completion or their equivalent for four years after renewal. The circumstances are as follows:

A. For the period April 1, 2005, to March 31, 2007, Respondent Armando Ibarra, Sr., provided to the Board a listing from the California Education Foundation to support completion of 72 hours of continuing education. Respondent did not retain and submit continuing education certificates of completion or their equivalent supporting the completion of the remaining 8 hours of continuing education necessary for the renewal period.

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. 41710 issued to Armando C. Ibarra, aka Armando Ibarra, Sr.;

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2. Revoking or suspending or otherwise imposing discipline upon Certified Public Accountant Certificate No. 68766 issued to Armando Ibarra, aka Armando Ibarra, Jr.;

3. Revoking or suspending or otherwise imposing discipline upon Certified Public Accountancy Corporation Certificate No. 4318 issued to Armando C. Ibarra C.P.A., a Professional Corporation;

4. Ordering Respondents 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;

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

DATED: May 21, 2008

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

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