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

In the Matter of the Accusation Against: BARRY IAN LUBLIN 17064 Mooncrest Drive Encino, California 91436 Certified Public Accountant Certificate No. RY 22198 Respondent.	)	No. AC-89-1

ORDER OF REVOCATION

Pursuant to the Decision and Order of the Board effective May 15, 1992, respondent having failed to comply with all requirements for re-entry into the active practice of public accountancy within twenty-four months of said effective date,

IT IS HEREBY ORDERED that certified public accountant certificate number RY 22198 issued to Barry Ian Lublin is revoked.

This Order shall be effective on December 1, 1994.

DATED: November 1, 1994

AVEDICK B. POLADIAN
President
Board of Accountancy

DANIEL E. LUNGREN, Attorney General
of the State of California
ANTONIO J. MERINO,
Deputy Attorney General
California Department of Justice
300 South Spring Street, Suite 500
Los Angeles, California 90013
Telephone: (213) 897-2540

Attorneys for Complainant

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

In the Matter of the Accusation Against: BARRY IAN LUBLIN 17064 Mooncrest Drive Encino, California 91436 Certified Public Accountant Certificate No. RY 22198 Respondent.	NO. AC-89-1 STIPULATED SETTLEMENT AND DISCIPLINARY ORDER

IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-entitled proceedings as follows:

1. An accusation is to be filed, assigned a case number and a decision issued simultaneously with the adoption of this stipulated settlement involving Barry Ian Lublin (hereinafter the "respondent" or "respondent Lublin").

2. The accusation attached hereto will be deemed to have been duly filed and served upon respondent Lublin. A copy of said accusation is attached hereto as "Attachment A," and hereby incorporated by reference as if fully set forth at this point.

3. The complainant, Carol Sigmann, is the Executive Officer of the Board of Accountancy (hereinafter the "Board") and brought this action solely in her official capacity.

4. Respondent Lublin has been licensed by the Board of Accountancy under certified public accountant certificate no. RY 22198. Said certificate expired on December 1, 1985, in the absence of payment of the renewal fee and in the absence of evidence of compliance with continuing education and was not valid during the period of December 1, 1985, through October 23, 1990. Said certificate was renewed effective October 23, 1990, upon receipt of all outstanding renewal fees. Said certificate is current, but not active to permit the practice of public accounting in this state in the absence of the required continuing education.

5. Respondent Lublin has retained Christensen, White, Miller, Fink & Jacobs by James S. Schreier, Esq., to act as his legal counsel in this matter.

6. Respondent Lublin and his attorney have fully discussed the charges contained in the attached accusation and respondent Lublin has been fully advised regarding his legal rights and the effects of this stipulation.

7. Respondent Lublin understands that the charges alleged in the accusation constitute causes for imposing discipline upon certified public accountant certificate no. RY 22198. Respondent Lublin is fully aware of his right to a hearing on the charges contained in said accusation, his right to confront and cross-examine witnesses against him, his right to

reconsideration, appeal and any and all other rights which may be accorded him under the California Administrative Procedure Act and, with this in mind, freely, voluntarily and irrevocably waives and give up such rights.

8. Rather than contesting the charges and for the purposes of settlement of the within action, respondent Lublin stipulates that the Board has jurisdiction to impose discipline on his license based on the violations of Business and Professions Code section 5100(c) as set forth in the accusation and that he has thereby subjected his license to disciplinary action. Respondent Lublin agrees to be bound by the Board's Disciplinary Order as set out below. Respondent Lublin further stipulates that in the event of any future proceedings before the Board or in any proceedings to review or enforce the stipulation, the allegations set forth in the accusation shall be deemed to be true without any further proof required. The stipulations made herein are solely for the purposes of settling this action without a hearing and may not be used in any other actions or proceedings other than in actions between the parties or before the Board.

9. In consideration of the foregoing stipulations, the parties stipulate and agree that the Board shall, without further notice or formal proceeding, issue and enter the following order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that certified public accountant certificate number RY 22198 issued to Barry Ian Lublin is

revoked. However, said revocation is stayed, respondent's certificate is suspended for twelve months and respondent is placed on probation for a period of five years, both to commence on the date when respondent complies with all requirements for re-entry into the active practice of accountancy.

1. The certificate shall be suspended for a period of twelve months commencing on the date when respondent complies with all requirements for re-entry into the active practice of accountancy, during which twelve month suspension period respondent shall engage in no activities for which certification as a certified public accountant is required.

2. Respondent shall comply with all requirements for re-entry into the active practice of public accountancy within the first twenty-four months after the effective date of this decision. Failure to comply with said requirements for re-entry within twenty-four months of the effective date of this decision shall result in the automatic revocation of his license without further proceedings.

3. Respondent shall be enjoined from practice before the Securities and Exchange Commission and from audits of financial statements until he has successfully completed his probation.

4. Respondent shall take and pass a Board approved ethics examination within twenty-four months of the effective date of this decision.

5. In addition to all continuing education course work required for re-entry and for renewal, respondent shall be

required to complete up to a maximum of 80 hours of continuing professional education in course work as may be deemed appropriate by the Administrative Committee after consultation with respondent pursuant to title 16, California Code of Regulations, section 87.5. Said professional education courses shall be completed during the term of probation.

6. During the term of probation, respondent shall demonstrate to the satisfaction of the Administrative Committee that he is competent to perform an audit.

7. The continuing professional education courses referenced in paragraph 5 above shall not apply to satisfy the continuing professional education courses required for re-entry or for subsequent renewal by respondent as a certified public accountant actively engaged in practice pursuant to title 16, California Code of Regulations, section 87.

8. Respondent shall obey all federal, California, other U.S. states and local laws including those rules relating to the practice of public accountancy in California.

9. Respondent shall submit quarterly written reports to the Board on a form provided by the Board.

10. Respondent shall make personal appearances and report to the Administrative Committee at the Board's notification, provided such notification is accomplished in a timely manner.

11. Respondent shall cooperate fully with the Board and any of its agents or employees in their supervision and investigation of his compliance with the terms and conditions of

this probation, including the Board's Probation Surveillance Compliance Program.

12. Respondent shall reimburse the Board for investigation and prosecution costs in the amount of $20,000.00, which figure represents a portion of the costs incurred by the Board involving its investigation of Mann Judd Landau, Brian Morgan and respondent, with respondent's payment to be completed no later than December 31, 1993.

13. 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 residency or practice outside the state shall not apply to reduction of the probationary period.

14. 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 which 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.

15. Respondent shall be subject to, and shall permit, a general review of the respondent's professional practice. Such review shall be conducted by representatives of the Board whenever designated by the Administrative Committee, provided notification of such review is accomplished in a timely manner.

16. Respondent's practice of accountancy shall be

subject to review by the Board pursuant to the terms of this decision during the term of his probation.

CONTINGENCY

This stipulation shall be subject to the approval of the Board. If the Board fails to adopt this stipulation as its Order, the stipulation shall be of no force or effect for either party, nor shall it be mentioned or referred to in any legal action between the parties.

ACCEPTANCE

I have read the above Stipulation and Disciplinary Order, understand their terms, and agree to be bound thereby.

DATED: 5/11/92.

BARRY IAN LUBLIN
Respondent

* * * * *

APPROVED AS TO FORM:

DATED: 5/12/92.

CHRISTENSEN, WHITE, MILLER,
FINK & JACOBS

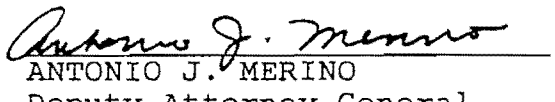
by JAMES S. SCHREIER
Attorneys for Respondent

ENDORSEMENT

The attached stipulation is hereby respectfully submitted for the consideration of the Board.

DATED: 5-14-92.

DANIEL E. LUNGREN, Attorney General
of the State of California



ANTONIO J. MERINO
Deputy Attorney General

Attorneys for Complainant

DECISION AND ORDER
OF THE BOARD

The foregoing Stipulation and Order is hereby adopted as the Order of the California Board of Accountancy . An effective date of June 15, 1992, has been assigned to this Decision and Order.

Made this 15th day of May, 1992.

Ira M. Landis
FOR THE BOARD

Attachment: accusation

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DANIEL E. LUNGREN, Attorney General
of the State of California
ANTONIO J. MERINO,
Deputy Attorney General
California Department of Justice
300 South Spring Street, Suite 500
Los Angeles, California 90013
Telephone: (213) 346-2540

Attorneys for Complainant

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

In the Matter of the Accusation Against: BARRY IAN LUBLIN 17064 Mooncrest Drive Encino, California 91436 Certified Public Accountant Certificate No. RY 22198, Respondent.	NO. AC-89-1 A C C U S A T I O N

The Complainant alleges:

1. Complainant, Carol Sigmann, is the Executive Officer of the California State Board of Accountancy (hereinafter the "Board") and brings this accusation solely in her official capacity.

2. On or about September 26, 1975, certified public accountant certificate No. RY 22198 was issued by the Board to Barry Ian Lublin (hereinafter "respondent Lublin"). Said certificate expired on December 1, 1985, in the absence of payment of the renewal fee and in the absence of evidence of

compliance with continuing education and was not valid during the period of December 1, 1985, through October 23, 1990. Said certificate was renewed effective October 23, 1990, upon receipt of all outstanding renewal fees. Said certificate is current through December 1, 1991, but not active to permit the practice of public accounting in this state in the absence of the required continuing education.

3. This accusation is brought under the authority of sections 5100 and 5101 of the California Business and Professions Code (hereinafter the "Code").

4. Pursuant to section 118(b) of the Code, the suspension, expiration or forfeiture by operation of law of a license issued by the Board shall not during any period during 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.

5. Section 5100(c) of the Code provides in part that the Board may take disciplinary action against a licensee for dishonesty, fraud or gross negligence in the practice of public accountancy.

6. Respondent Lublin is subject to disciplinary action under section 5100(c) of the Code for gross negligence in the practice of public accountancy. The circumstances are as follows:

A. Mann Judd Landau, a certified public accountancy partnership licensed by the Board (hereinafter "Mann Judd Landau"), performed the audits of the financial statements of The Cannon Group (hereinafter "Cannon"), a film production and distribution company, for Cannon's fiscal year's 1979 through 1985. For each of these audits, Mann Judd Landau issued unqualified opinions. Commencing approximately with the 1979 through the 1984 audit, respondent Lublin was the engagement partner of Mann Judd Landau for the Cannon audits. Approximately in July 1985, respondent Lublin terminated his relationship with Mann Judd Landau and became the chief financial officer of Cannon.

B. For the 1982 through 1984 audits, respondent Lublin failed to properly plan and design an adequate approach for the audit of Cannon as follows:

(1) Failed to focus audits on key audit areas and failed to properly consider the audit risk and materiality and the custom and practice in the industry;

(2) Failed to properly use all necessary analytical review procedures as an audit planning tool;

(3) Failed to identify and communicate material weaknesses in internal control and design other tests accordingly; and

(4) Failed to obtain sufficient

understanding of Financial Accounting Standard No. 53, "Financial Reporting by Producers and Distributors of Motion Picture Films."

C. For the 1982 through 1984 audits, respondent Lublin failed to conduct adequate audits as follows:

(1) Failed to exercise all appropriate care in the area of supervision, use sufficient analytical review procedures and gather sufficient competent evidential matter;

(2) Lacked sufficient professional skepticism in performing the audits;

(3) Working papers were insufficient;

(4) Failed to detect Cannon's partial misapplication of Financial Accounting Standard No. 53 in areas of revenue recognition, film cost amortization (including projected revenues and future costs) and accruals for participation and residual liabilities; and

(5) Failed to require adequate disclosure of changes in accounting estimates.

D. In connection with a review by the Securities and Exchange Commission (hereinafter the "SEC") of Cannon's S-1 filing in approximately April 1986, the SEC requested Cannon to provide schedules and documentation related to films on a quarterly basis from previous quarters. Cannon and Mann Judd Landau prepared or caused to be prepared and submitted false

amortization schedules. The SEC declared Cannon's Registration Statement for $220 million in debentures to be effective.

E. Thereafter, the SEC, in analyzing the information furnished by Cannon, requested additional information and documentation. Cannon and Mann Judd Landau prepared or caused to be prepared and submitted additional false information to attempt to substantiate the previous false schedules. Respondent Lublin knew or should have known that the information furnished to the SEC was false and failed to exercise sufficient oversight.

F. Said failures and conduct constitute gross negligence by respondent Lublin in the practice of public accountancy.

WHEREFORE, the complainant requests that a hearing be held on the matters herein alleged and that following said

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hearing, the Board issue a decision:

1. Revoking or suspending Certified Public Accountant Certificate Number RY 22198 heretofore issued to Barry Ian Lublin; and

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

DATED: May 15, 1992.

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

Complainant

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