BILL LOCKYER, Attorney General
of the State of California
SUSAN A. RUFF, State Bar No. 115869
Deputy Attorney General
Department of Justice
Post Office Box 85266
San Diego, California 92186-5266
Telephone: (619) 645-2077

Attorneys for Complainant

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

In the Matter of the Accusation Against: MICHAEL D. STAVA 3304 E. Yorba Linda Blvd., Suite 398 Fullerton, CA 92631 Certificate No. 63847 Respondent.	NO. AC-96-35 STIPULATION FOR REVOCATION AND DECISION

In the interest of a prompt and speedy settlement of this matter, consistent with the public interest and the responsibility of the Board of Accountancy ("Board"), the parties submit this Stipulation and Decision to the Board for its approval and adoption as the final disposition of the Amended Accusation.

The parties stipulate the following is true:

1. Accusation Case No. AC-96-35 is currently pending against Michael D. Stava ("respondent") before the Board. The Accusation, together with all other statutorily required documents, was duly served on respondent, and respondent filed a

Notice of Defense contesting the Accusation. On or about February 23, 1999, the Amended Accusation was filed and thereafter served on respondent, superseding the previous Accusation in this case. A copy of the Amended Accusation in Case No. AC-96-35 is attached as Exhibit "A" and incorporated by reference as if fully set forth at this point.

2. At all times relevant herein, respondent has been licensed by the Board under Certificate number 63847.

3. Respondent understands the nature of the charges alleged in the Amended Accusation and that the charges and allegations constitute cause for imposing discipline upon his license to practice accountancy. Respondent is aware of his right to a hearing on the charges and allegations contained in the Amended Accusation, his right to petition for reconsideration, his right to appeal and all other rights accorded pursuant to the California Business and Professions Code and Government Code. Respondent freely and voluntarily waives such rights.

4. Respondent admits that the charges and allegations set forth paragraphs 1 through 8 of Amended Accusation No. AC-96-35 are true and that his license is subject to discipline thereby. Respondent denies the charges and allegations set forth paragraphs 9 through 16 of the Amended Accusation and those paragraphs are dismissed. Respondent agrees to the Board's imposition of penalty as set out in the Order below.

5. The parties agree that the Stipulation recited herein shall be null and void and not binding upon the parties

unless approved by the Board, except for this paragraph, which shall remain in effect. Respondent understands and agrees that in deciding whether or not to adopt this Stipulation the Board may receive oral and written communications from its staff and the Attorney General's Office. Communications pursuant to this paragraph shall not disqualify the Board or other persons from future participation in this or any other matter affecting respondent. In the event the Board in its discretion does not approve this settlement, this Stipulation, with the exception of this paragraph, is withdrawn and shall be of no evidentiary value and shall not be relied upon or introduced in any disciplinary action by either party hereto. Respondent agrees that should the Board reject this Stipulation and if this case proceeds to hearing, respondent will assert no claim that the Board was prejudiced by its review and discussion of this Stipulation or of any records related hereto.

6. The parties agree that facsimile copies of this Stipulation, including facsimile signatures of the parties, may be used in lieu of original documents and signatures. The facsimile copies will have the same force and effect as originals.

7. In consideration of the foregoing admissions and findings, the parties agree that the Board may, without further notice of formal proceeding, issue and enter an Order as follows:

ORDER

A. IT IS HEREBY ORDERED that Certificate number 63847 issued to respondent Michael D. Stava is revoked.

B. IT IS FURTHER ORDERED that respondent will not petition for reinstatement of his license, reapply for licensure, or petition for reduction of penalty for at least five years from the effective date of this decision

C. It is further ordered that, should respondent ever at any point in the future petition for reinstatement of his license, reapply for licensure or petition for reduction of penalty, as a condition of any reinstatement, relicensure, or reduction of penalty respondent will be required to pay $15,294.00 to the Board as reimbursement for the Board's costs of investigating and prosecuting this case.

D. This Stipulation shall be subject to the approval of the Board. If the Board fails to adopt this Stipulation as its Decision in this matter, the Stipulation shall be of no force or effect for either party.

DATED: 6/23/99

BILL LOCKYER, Attorney General
of the State of California

Susan A. Ruff
Deputy Attorney General

Attorneys for Complainant

I have carefully read and fully understand the Stipulation and Order set forth above. I understand that in signing this Stipulation, I am waiving my right to a hearing on the charges set forth in the Amended Accusation on file in this

matter. I further understand that in signing this Stipulation the Board may enter the foregoing order revoking my right to practice accountancy in the State of California. I agree that a facsimile copy of this Stipulation, including a facsimile copy of my signature may be used with the same force and effect as the originals.

Dated: 5/17/19

MICHAEL D. STAVA

Respondent

DECISION AND ORDER
OF THE BOARD OF ACCOUNTANCY

The foregoing Stipulation and Order, in No. AC-96-35, is hereby adopted as the Order of the California Board of Accountancy. An effective date of August 26th, 1999, has been assigned to this Decision and Order.

Made this 27th day of July, 1999.

FOR THE BOARD OF ACCOUNTANCY

SAR:sr

BILL LOCKYER, Attorney General
of the State of California
SUSAN A. RUFF, State Bar No. 115869
Deputy Attorney General
Department of Justice
Post Office Box 85266
San Diego, California 92186-5266
Telephone: (619) 645-2077

Attorneys for Complainant

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

In the Matter of the Accusation Against: MICHAEL D. STAVA 3304 E. Yorba Linda Blvd., Suite 398 Fullerton, CA 92631 Certificate No. 63847 Respondent.	NO. AC-96-35 AMENDED ACCUSATION

Complainant Carol B. Sigmann, as cause for disciplinary action, alleges:

PARTIES

1. Complainant is the Executive Officer of the California State Board of Accountancy ("Board") and makes and files this Amended Accusation solely in her official capacity.

License Status

2. On or about February 12, 1993, the Board issued Certificate No. 63847 to Michael D. Stava ("respondent"). The certificate expired on March 1, 1997, and had not been renewed as of the date of filing this Amended Accusation.

Exhibit "A"

JURISDICTION

3. This Amended Accusation is made in reference to the following statutes of the California Business and Professions Code ("Code"):

a. Section 5100 provides, in part, that the Board may revoke, suspend or refuse to renew any permit or certificate issued by the Board, or may censure the holder of any such permit or certificate for unprofessional conduct. Unprofessional conduct includes, but is not limited to:

(a) "Conviction of any crime substantially related to the qualifications, functions and duties of a certified public accountant or a public accountant."

(c) "Dishonesty, fraud, or gross negligence in the practice of public accountancy or in the performance of the bookkeeping operations described in Section 5052."

(h) "Fiscal dishonesty or breach of fiduciary responsibility of any kind."

(i) "Knowing preparation, publication or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information."

(j) "Embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses."

///

b. Section 5107 provides, in part, that 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 guilty of unprofessional conduct in violation of subdivisions (b), (c), (i) or (j) of Code section 5100, or involving a felony conviction in violation of Code section 5100(a) or involving fiscal dishonesty in violation of Code section 5100(h), 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.

c. Section 490 provides that: "A board may suspend or revoke a license on the ground that the licensee has been convicted of a crime, if the crime is substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which a board is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code."

d. Section 5070.6 provides, in part, that an expired permit may be renewed at any time within five years after the date of expiration provided that certain conditions are met.

e. Section 118(b) provides 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."

4. This Amended Accusation is made in reference to Section 99 of Title 16 of the California Code of Regulations ("CCR"), which provides, in part:

> "For the purposes of denial, suspension, or revocation of a certificate or permit pursuant to Division 1.5 (commencing with Section 475) of the Business and Professions Code, a crime or act shall be considered to be substantially related to the qualifications, functions or duties of a certified public accountant or public accountant if to a

substantial degree it evidences present or potential unfitness of a certified public accountant or public accountant to perform the functions authorized by his certificate or permit in a manner consistent with the public health, safety, or welfare."

CHARGES AND ALLEGATIONS

5. Respondent is subject to disciplinary action pursuant to Code section 5100 based on the following:

CRIMINAL CONVICTION

6. On or about October 2, 1996, respondent was convicted after a jury trial of one count of carjacking in violation of Penal Code section 215(a) and one count of robbery in violation of section 211, with a firearm use enhancement pursuant to Penal Code section 12022.5. Respondent was sentenced to 6 years in prison with credit for 277 days actually served. The conviction was affirmed on appeal on October 2, 1998 and the remittitur issued on December 24, 1998.

7. The facts underlying the conviction are as follows: On or about May 8, 1996, respondent approached a stranger in a parking lot, stole her car at gunpoint and took money from her purse.

8. Respondent's conduct, as more particularly set forth in paragraphs 6 and 7 above, violated Code sections 5100(a) and 490 in that respondent was convicted of crimes substantially related to the qualifications, functions and duties of an accountant pursuant to Title 16 CCR section 99.

///

EMBEZZLEMENT/TAX FRAUD

9. In or about at least 1993 and 1994, respondent worked as the controller for Celebrity Prime Foods (hereinafter "Celebrity") and performed bookkeeping and accounting work for the company. During the time respondent worked in that capacity, respondent did one or both of the following:

a. Respondent embezzled money from Celebrity by setting up false businesses and channeling corporate money through those businesses for his personal use. In connection with this scheme, respondent falsified entries in Celebrity financial documents;

b. Respondent perpetuated and/or assisted others at Celebrity in perpetuating a scheme to falsify income tax information by pretending that compensation paid to respondent and others was really reimbursement for business expenses. To facilitate this scheme, respondent set up false businesses and falsified entries in Celebrity's financial records.

10. Respondent's conduct, as more particularly alleged in paragraph 9 above, violated Code Section 5100(c) in that respondent committed dishonesty or fraud in the practice of public accountancy or bookkeeping operations.

11. Respondent's conduct, as more particularly alleged in paragraph 9 above, violated Code section 5100(h) in that respondent committed fiscal dishonesty or breach of fiduciary responsibility by embezzling money from Celebrity.

///

12. Respondent's conduct, as more particularly alleged in paragraph 9 above, violated Code section 5100(h) in that respondent committed fiscal dishonesty by participating in a scheme to commit tax fraud and assist others in committing tax fraud.

13. Respondent's conduct, as more particularly alleged in paragraph 9 above, violated Code section 5100(i) in that respondent knowingly prepared, published or disseminated false documentation and financial records in order to perpetuate the tax fraud and/or embezzlement scheme.

14. Respondent's conduct, as more particularly alleged in paragraph 9 above, violated Code Section 5100(j) in that respondent embezzled or misappropriated money from Celebrity.

15. Respondent's conduct, as more particularly alleged in paragraph 9 above, constituted unprofessional conduct in violation of Code Section 5100 in that respondent participated in a scheme to commit tax fraud and assist others in committing tax fraud.

16. Respondent's conduct, as more particularly alleged in paragraph 9 above, constituted unprofessional conduct in violation of Code Section 5100 in that respondent embezzled from Celebrity.

PRAYER

WHEREFORE, complainant requests that the Board hold a hearing on the matters alleged herein, and that following said hearing, the Board issue a decision:

1. Revoking, suspending or otherwise imposing

discipline upon Certified Public Accountant Certificate Number 63847 issued to Michael D. Stava;

2. Awarding the Board costs as provided by statute; and

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

DATED: February 23, 1999

Carol B. Sigmann
Executive Officer
Board of Accountancy
Department of Consumer Affairs
State of California

Complainant

03541110-SD96AD0385