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

10 In the Matter of the Accusation Against:

11 DANIEL P. DEGNAN
12 889 W. San Carlos Street
13 San Jose, CA 95126

14 Certified Public Accountant Certificate No.
15 32446,

16 Respondent.

Case No. AC-2002-12

DEFAULT DECISION AND ORDER

[Gov. Code § 11520]

17 The Accusation in Case No. AC-2002-12, Statement to Respondent, Notice of Defense
18 forms, copies of Government Code sections 11507.5, 11507.6, and 11507.7, and Request
19 for Discovery were mailed to respondent Daniel P. Degnan ("respondent" or "Degnan")
20 by both certified mail and first class mail on May 30, 2002, at his address of record as provided
21 in Government Code sections 11503 and 11505. Thereafter, a certified mail return receipt
22 dated May 31, 2002, was received indicating receipt of the materials indicated above.

23 Respondent failed to file a Notice of Defense within the time allowed by
24 Government Code section 11506. The California Board of Accountancy has therefore
25 determined that respondent Degnan is in default and has waived his rights to a hearing to contest
26 the merits of the Accusation. The California Board of Accountancy will therefore take action
27 on the Accusation against respondent Degnan based on the declarations and other evidence
28 on file with the California Board of Accountancy, and makes the following findings of fact.

FINDINGS OF FACT

1. Carol Sigmann (Complainant) brought 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 August 1, 1981, the California Board of Accountancy
issued Certified Public Accountant Certificate No. 32446 to Daniel P. Degnan (Respondent).
The Certified Public Accountant Certificate expired on February 29, 2000, and has not been

1 renewed.

2 3. This Accusation was brought before the California Board of Accountancy
3 (Board), under the authority of the following sections of the Business and Professions Code
4 (Code).

5 4. Section 5100 of the Code provides in pertinent part that the Board may,
6 after notice and hearing, revoke, suspend or refuse to renew any permit or certificate granted
7 under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080),
8 or may censure the holder of that permit or certificate for unprofessional conduct.

9 5. Section 5100(f) of the Code provides in pertinent part that willful violation
10 of any provision of the Accountancy Act or any rule or regulation promulgated by the Board
11 constitutes unprofessional conduct.

12 6. Section 5050 of the Code, a provision of the Accountancy Act, provides
13 in pertinent part that no person shall engage in the practice of public accountancy in this State
14 unless such person is the holder of a valid permit to practice public accountancy issued by the
15 Board.

16 7. Section 5051 of the Code, a provision of the Accountancy Act,
17 provides in pertinent part that the practice of public accountancy includes, but is not limited to,
18 holding out to the public as one skilled, qualified and ready to render professional services
19 as a public accountant for compensation, maintaining an office for the transaction of business
20 as a public accountant, and preparing or signing tax returns for clients as the tax preparer.

21 8. Title 16, California Code of Regulations section 3(a)(1) provides
22 in pertinent part that each licensee shall notify the Board of any change in his or her address
23 of record within thirty (30) days of the change.

24 9. Section 118, subdivision (b), of the Code provides that the expiration of
25 a license shall not deprive the Board of jurisdiction to proceed with a disciplinary action during
26 the period within which the license may be renewed, restored, reissued or reinstated.

27 10. Section 5070.6 provides in pertinent part that an expired license may be
28 renewed at any time within five (5) years of expiration, under the conditions as set forth therein.

1 11. On or about September, 2000, despite the fact that respondent's permit
2 to practice public accountancy had expired on February 29, 2000, respondent held himself out
3 as a certified public accountant and entered into an engagement for professional accounting
4 services to prepare the personal federal and State income tax returns for tax year 2000 for client
5 number 1, a married couple. Thereafter, respondent obtained various tax records, documents,
6 and other accounting records from client number 1 for the preparation of client number 1's
7 personal income taxes, including stock certificates and other materials necessary for establishing
8 the basis for tax accounting purposes of certain stock sold by client number 1 during tax year
9 2000. Despite representations by respondent that no filing extension would be necessary,
10 respondent failed to complete client number 1's personal income tax returns prior to the April 15
11 deadline, and an extension to August 15, 2001, was obtained. Respondent ultimately presented
12 client number 1 with a prepared personal income tax return and billed client number 1
13 for professional accounting services in the amount of five hundred dollars (\$500) on or about
14 August 14, 2001.

15 12. On or about February, 2002, again, despite the fact that respondent's
16 permit to practice public accountancy had expired on February 29, 2000, respondent held himself
17 out as a certified public accountant and entered into an engagement for professional accounting
18 services to prepare the personal federal and State income tax returns for tax year 2001 for client
19 number 2, a married couple. Thereafter, respondent obtained various tax records, documents,
20 and other accounting records from client number 2 for the preparation of client number 2's
21 personal income taxes. On or about February 23, 2002, respondent provided client number 2
22 with a prepared personal federal income tax return accompanied by professional advice
23 concerning the filing of the return and the maintenance of financial records.

24 13. On or about November, 2001, respondent relocated his offices from his
25 address of record at 1975 Hamilton Avenue, No. 24, San Jose, California to 889 W. San Carlos
26 Street, San Jose, California. Thereafter, respondent failed to provide notice to the Board of his
27 new address as required by Title 16, California Code of Regulations section 3(a)(1) until on or
28 about February 27, 2002.

1 BILL LOCKYER, Attorney General
of the State of California
2 FRED A. SLIMP II, State Bar No. 118693
Deputy Attorney General
3 California Department of Justice
1515 Clay Street, 20th Floor
4 P.O. Box 70550
Oakland, CA 94612-0550
5 Telephone: (510) 622-2117
Facsimile: (510) 622-2121
6

7 Attorneys for Complainant

8
9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:
12 DANIEL P. DEGNAN
889 W. San Carlos Street
13 San Jose, CA 95126
14 Certified Public Accountant Certificate No.
32446,
15
16 Respondent.

Case No. AC-2002-12
ACCUSATION

17 Complainant alleges:

18 PARTIES

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

22 2. On or about August 1, 1981, the California Board of Accountancy
23 issued Certified Public Accountant Certificate No. 32446 to Daniel P. Degnan (Respondent).
24 The Certified Public Accountant Certificate expired on February 29, 2000, and has not been
25 renewed.

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JURISDICTION

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

5 4. Section 5100 of the Code provides in pertinent part that the Board may,
6 after notice and hearing, revoke, suspend or refuse to renew any permit or certificate granted
7 under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080),
8 or may censure the holder of that permit or certificate for unprofessional conduct.

9 5. Section 5100(f) of the Code provides in pertinent part that willful violation
10 of any provision of the Accountancy Act or any rule or regulation promulgated by the Board
11 constitutes unprofessional conduct.

12 6. Section 5050 of the Code, a provision of the Accountancy Act, provides
13 in pertinent part that no person shall engage in the practice of public accountancy in this State
14 unless such person is the holder of a valid permit to practice public accountancy issued by the
15 Board.

16 7. Section 5051 of the Code, a provision of the Accountancy Act, provides
17 in pertinent part that the practice of public accountancy includes, but is not limited to, holding
18 out to the public as one skilled, qualified and ready to render professional services as a public
19 accountant for compensation, maintaining an office for the transaction of business as a public
20 accountant, and preparing or signing tax returns for clients as the tax preparer.

21 8. Title 16, California Code of Regulations section 3(a)(1) provides
22 in pertinent part that each licensee shall notify the Board of any change in his or her address
23 of record within thirty (30) days of the change.

24 9. Section 118, subdivision (b), of the Code provides that the expiration of
25 a license shall not deprive the Board of jurisdiction to proceed with a disciplinary action during
26 the period within which the license may be renewed, restored, reissued or reinstated.

27 10. Section 5070.6 provides in pertinent part that an expired license may be
28 renewed at any time within five (5) years of expiration, under the conditions as set forth therein.

1 11. Respondent is guilty of unprofessional conduct within the meaning of
2 Code section 5100(f) as more particularly set forth herein below.

3 FIRST CAUSE FOR DISCIPLINE
4 (Practicing without Valid Permit)
5 (Bus. & Prof. Code §§ 5050, 5100(f))

6 *Client No. 1¹*

7 12. On or about September, 2000, despite the fact that respondent's permit
8 to practice public accountancy had expired on February 29, 2000, respondent held himself out
9 as a certified public accountant and entered into an engagement for professional accounting
10 services to prepare the personal federal and State income tax returns for tax year 2000 for client
11 number 1, a married couple. Thereafter respondent obtained various tax records, documents, and
12 other accounting records from client number 1 for the preparation of client number 1's personal
13 income taxes, including stock certificates and other materials necessary for establishing the basis
14 for tax accounting purposes of certain stock sold by client number 1 during tax year 2000.
15 Despite representations by respondent that no filing extension would be necessary, respondent
16 failed to complete client number 1's personal income tax returns prior to the April 15 deadline,
17 and an extension to August 15, 2001, was obtained. Respondent ultimately presented client
18 number 1 with a prepared personal income tax return and billed client number 1 for professional
19 accounting services in the amount of five hundred dollars (\$500) on or about August 14, 2001.

20 13. Respondent's conduct in holding himself out as a certified public
21 accountant, without holding a valid permit, and providing and billing for professional
22 accounting services after his permit expired on February 29, 2000, as set forth in paragraph 12,
23 above, constitutes the practice of public accountancy without a valid permit therefor in violation
24 of Code section 5050 and therefore unprofessional conduct within the meaning of Code
25 section 5100(f).

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27 1. The full names of all persons referred to herein will be made available to respondent
28 upon a timely request for discovery.

Client No. 2

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2 14. On or about February, 2002, again, despite the fact that respondent's
3 permit to practice public accountancy had expired on February 29, 2000, respondent held himself
4 out as a certified public accountant and entered into an engagement for professional accounting
5 services to prepare the personal federal and State income tax returns for tax year 2001 for client
6 number 2, a married couple. Thereafter respondent obtained various tax records, documents,
7 and other accounting records from client number 2 for the preparation of client number 2's
8 personal income taxes. On or about February 23, 2002, respondent provided client number 2
9 with a prepared personal federal income tax return accompanied by professional advice
10 concerning the filing of the return and the maintenance of financial records.

11 15. Respondent's conduct in holding himself out as a certified public
12 accountant, without holding a valid permit, and providing professional accounting services
13 after his permit expired on February 29, 2000, as set forth in paragraph 14, above, constitutes
14 the practice of public accountancy without a valid permit therefor in violation of Code section
15 5050 and therefore unprofessional conduct within the meaning of Code section 5100(f).

16 SECOND CAUSE FOR DISCIPLINE
17 (Failure to Provide Notice of Address Change)
(16 CCR § 3(a)(1), Bus. & Prof. Code § 5100(f))

18 16. On or about November, 2001, respondent relocated his offices from his
19 address of record at 1975 Hamilton Avenue, No. 24, San Jose, California to 889 W. San Carlos
20 Street, San Jose, California. Thereafter, respondent failed to provide notice to the Board of his
21 new address as required by Title 16, California Code of Regulations section 3(a)(1) until on or
22 about February 27, 2002.

23 17. Respondent's conduct as set forth in paragraph 16, above, constitutes
24 unprofessional conduct within the meaning of Code section 5100(f).

25 PRIOR DISCIPLINE

26 18. To determine the degree of discipline, if any, to be imposed on
27 Respondent, Complainant alleges that on or about February 28, 1997, in a prior action,
28 the California Board of Accountancy issued Citation No. CT-97-103 and ordered Respondent

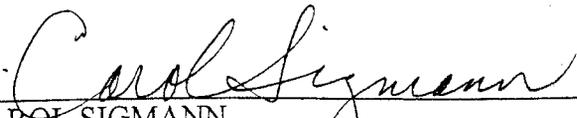
1 to cease immediately the unpermitted practice of public accountancy, provide documentary proof
2 of compliance with the Board's continuing education requirements, and pay administrative fines
3 in the amount of two thousand five hundred dollars (\$2,500). Respondent complied with the
4 requirements of Citation No. CT-97-103, which citation is now final and is incorporated by
5 reference as if fully set forth herein.

6 PRAYER

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

- 9 1. Revoking, suspending or otherwise imposing discipline on Certified
10 Public Accountant Certificate No. 32446, issued to Daniel P. Degnan; and
11 2. Taking such other and further action as may be deemed necessary
12 or proper.

13 DATED: 5/23/02

14 
15 CAROL SIGMANN
16 Executive Officer
17 California Board of Accountancy
18 Department of Consumer Affairs
19 State of California

20 Complainant
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BOARD OF ACCOUNTANCY
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3862
(916) 263-3680



Daniel Patrick Degnan
1062 Willow Street
San Jose, CA 95125

Citation No. CT-97-103
License No. CPA 32446

An investigation has been conducted by the California Board of Accountancy. This citation is hereby issued to you pursuant to the Board of Accountancy's authority under Sections 125.9 and 5100 of the Business and Professions Code and Rule 95 - 95.6 of Title 16, Chapter 1 of the California Code of Regulations (hereinafter "Board Rules") for the violation(s) which were found during the investigation.

This citation details each violation charged and orders of correction where applicable. IT IS YOUR RESPONSIBILITY TO READ THE ENTIRE CITATION.

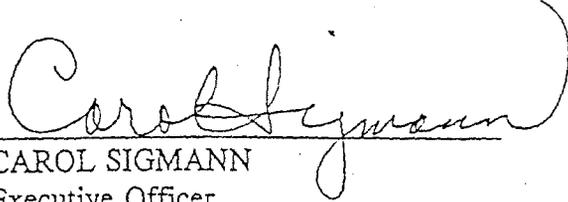
Unless contested, this citation shall become a final order of the Board on March 28, 1997; the Order of Correction is due on or before March 28, 1997, and the administrative fine totaling \$2,500 is due on or before March 28, 1997.

You are responsible for notifying the Board of Accountancy when correction is made. Proof of correction must be received at the above address no later than five (5) working days after the correction due date.

Payment of the administrative fine should be made payable to the State Board of Accountancy by cashier's check or money order. Please include the citation number on the payment and on all correspondence.

FAILURE TO RESPOND TO THIS CITATION WILL RESULT IN FURTHER DISCIPLINARY ACTION AGAINST YOUR LICENSE.

February 28, 1997
Date


CAROL SIGMANN
Executive Officer
STATE BOARD OF ACCOUNTANCY

CS:adw

Item No. 1

**Section(s)
Violated:**

Business and Professions Code, Division 3, Chapter 1, Article 3,
SECTION 5050:

"No person shall engage in the practice of public accountancy in this State unless such person is the holder of a valid permit to practice public accountancy issued by the board; provided, however, that nothing in this chapter shall prohibit a certified public accountant or a public accountant of another state, or any accountant of a foreign country lawfully practicing therein, from temporarily practicing in this State on professional business incident to his regular practice in another state or country."

**Description
of Violation:**

During the period from at least July 1995 to present, Daniel Patrick Degnan has engaged in the practice of public accountancy without a valid permit in violation of Business and Professions Code Section 5050.

**Order of
Abatement:**

Pay the administrative fine as set forth in the citation.

Cease and desist practicing as a Certified Public Accountant in California immediately.

**Order of
Correction:**

Complete and return the enclosed CE Deficiency Notice for the renewal period ending February 28, 1994.

Complete and return the enclosed renewal form with the appropriate fees for the renewal period ending February 29, 1996. Execute certification and supply evidence of completion to support 80 hours of continuing education.

**Time to
Correct:**

30 days

**Administrative
Fine:**

\$1250

Item No. 2

Section(s)
Violated:

Business and Professions Code, Division 3, Chapter 1, Article 3,
SECTION 5055:

"Any person who has received from the board a certificate of certified public accountant and holds a valid permit to practice under the provisions of this chapter shall be styled and known as a "certified public accountant" and may also use the abbreviation "C.P.A." No other person, except a partnership registered under Sections 5072 and 5073, shall assume or use that title, designation, or abbreviation or any other title, designation, sign, card or device tending to indicate that the person using it is a certified public accountant."

Description
of Violation:

During the period from at least July 1995 to present, Daniel Patrick Degnan has represented himself as a Certified Public Accountant without a valid permit in violation of Business and Professions Code Section 5055.

Order of
Abatement:

Pay the administrative fine as set forth in the citation.

Order of
Correction:

N/A

Time to
Correct:

N/A

Administrative
Fine:

\$250

Item No. 3

**Section(s)
Violated:**

California Code of Regulations, Title 16, Division 1. State Board of Accountancy, Article 12, Section 87:

"(a) 80 Hours.

A licensee shall not engage in public practice as defined in Business and Professions Code Section 5051 or any activities referred to in Rule 5, in California, unless during the two-year period immediately preceding permit renewal the licensee has completed at least 80 hours of qualifying continuing education and submitted the statement required by Section 89. No carryover is permitted from one two-year period to another. . . ."

**Description
of Violation:**

Daniel Patrick Degnan has engaged in the practice of public accounting from at least July 1995 to present without having completed the qualifying continuing education, as required by California Code of Regulations Section 87.

**Order of
Abatement:**

Pay the administrative fine as set forth in the citation.

Cease and desist practicing as a Certified Public Accountant in California immediately.

**Order of
Correction:**

Provide the Board of Accountancy acceptable documentation to support 80 hours of continuing education completed for the renewal periods ending February 28, 1994, and February 29, 1996.

Failure to submit satisfactory evidence within 30 days shall be cause for the Board to change the license status of Daniel Patrick Degnan to "inactive." Thereafter, the license of Daniel Patrick Degnan will remain "inactive," and Daniel Patrick Degnan may not practice as a Certified Public Accountant in California until such time as he has met all necessary requirements set forth in California Code of Regulations, Title 16, Article 12, Section 87.1 - Reentry.

**Time to
Correct:**

30 days

**Administrative
Fine:**

\$1000