

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

In the Matter of the Accusation Against:

CATHERINE S. NELSON
8173 Billowvista Drive
Playa Del Rey, CA 90293

Case No. AC-2013-28

OAH No. 2014020855

Certified Public Accountant Certificate No. 66610

Respondent.

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

April 26, 2015.

It is so ORDERED

March 27, 2015.



FOR THE CALIFORNIA BOARD OF
ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

1 KAMALA D. HARRIS
Attorney General of California
2 LINDA L. SUN
Supervising Deputy Attorney General
3 KEVIN J. RIGLEY
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4 State Bar No. 131800
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Attorneys for Complainant
7

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

11 In the Matter of the Accusation Against:

Case No. AC-2013-28

12 **CATHERINE S. NELSON**
8173 Bellowvista Drive
13 Playa Del Rey, CA 90293

OAH No. 2014020855

**STIPULATED SETTLEMENT
AND DISCIPLINARY ORDER**

14 Certified Public Accountant Certificate No. 66610

15 Respondent.
16

17
18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
19 entitled proceedings that the following matters are true:

20 PARTIES

21 1. Patti Bowers (Complainant) is the Executive Officer of the California Board of
22 Accountancy. She brought this action solely in her official capacity and is represented in this
23 matter by Kamala D. Harris, Attorney General of the State of California, by Kevin J. Rigley,
24 Deputy Attorney General.

25 2. Respondent Catherine S. Nelson (Respondent) is represented in this proceeding by
26 attorney Stephanie Perkins, whose address is: Chapman, Glucksman, Dean, Roeb & Barger, 925
27 Highland Pointe Drive, Suite 450, Roseville, CA 95678.
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CULPABILITY

9. Respondent admits that she was convicted of felony health care fraud and that she failed to timely disclose this conviction to the Board.

10. Respondent agrees that her Certified Public Accountant Certificate is subject to discipline and she agrees to be bound by the CBA's probationary terms as set forth in the Disciplinary Order below.

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 CBA regarding this stipulation and settlement, without notice to or participation by Respondent or her counsel. By signing the stipulation, Respondent understands and agrees that she may not withdraw her agreement or seek to rescind the stipulation prior to the time the CBA considers and acts upon it. If the CBA 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 CBA shall not be disqualified from further action by having considered this matter.

12. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Settlement and Disciplinary Order, including Portable Document Format (PDF) and facsimile signatures thereto, shall have the same force and effect as the originals.

13. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

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1 **5. Personal Appearances**

2 Respondent shall, during the period of probation, appear in person at interviews/meetings as
3 directed by the CBA or its designated representatives, provided such notification is accomplished
4 in a timely manner.

5 **6. Comply With Probation**

6 Respondent shall fully comply with the terms and conditions of the probation imposed by
7 the CBA and shall cooperate fully with representatives of the California Board of Accountancy in
8 its monitoring and investigation of the respondent's compliance with probation terms and
9 conditions.

10 **7. Practice Investigation**

11 Respondent shall be subject to, and shall permit, a practice investigation of the respondent's
12 professional practice. Such a practice investigation shall be conducted by representatives of the
13 CBA, provided notification of such review is accomplished in a timely manner.

14 **8. Comply With Citations**

15 Respondent shall comply with all final orders resulting from citations issued by the
16 California Board of Accountancy.

17 **9. Tolling of Probation for Out-of-State Residence/Practice**

18 In the event Respondent should leave California to reside or practice outside this state,
19 Respondent must notify the CBA in writing of the dates of departure and return. Periods of non-
20 California residency or practice outside the state shall not apply to reduction of the probationary
21 period, or of any suspension. No obligation imposed herein, including requirements to file
22 written reports, reimburse the CBA costs, and make restitution to consumers, shall be suspended
23 or otherwise affected by such periods of out-of-state residency or practice except at the written
24 direction of the CBA.

25 **10. Violation of Probation**

26 If Respondent violates probation in any respect, the CBA, after giving respondent notice
27 and an opportunity to be heard, may revoke probation and carry out the disciplinary order that
28 was stayed. If an accusation or a petition to revoke probation is filed against respondent during

1 probation, the CBA shall have continuing jurisdiction until the matter is final, and the period of
2 probation shall be extended until the matter is final.

3 The CBA's Executive Officer may issue a citation under California Code of Regulations,
4 Section 95, to a licensee for a violation of a term or condition contained in a decision placing that
5 licensee on probation.

6 **11. Completion of Probation**

7 Upon successful completion of probation, respondent's license will be fully restored.

8 **12. Ethics Continuing Education**

9 Respondent shall complete four (4) hours of continuing education in course subject matter
10 pertaining to the following: a review of nationally recognized codes of conduct emphasizing how
11 the codes relate to professional responsibilities; case-based instruction focusing on real-life
12 situational learning; ethical dilemmas facing the accounting profession; or business ethics, ethical
13 sensitivity, and consumer expectations within twelve (12) months of the effective date of the
14 Decision and Order and prior to resumption of practice. Courses must be a minimum of one hour
15 as described in California Code of Regulations Section 88.2, and must be passed prior to
16 resumption of practice.

17 If Respondent fails to complete said courses within the time period provided, Respondent
18 shall so notify the CBA and shall be unable to resume practice until Respondent completes said
19 courses, has submitted proof of same to the CBA, and has been notified by the CBA that she may
20 resume practice. Failure to complete the required courses no later than 100 days prior to the
21 termination of probation shall constitute a violation of probation.

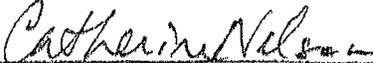
22 **13. Active License Status**

23 Respondent shall at all times maintain an active license status with the CBA, including
24 during any period of suspension. If the license is expired at the time the CBA's decision becomes
25 effective, the license must be renewed within 30 days of the effective date of the decision.

26 ACCEPTANCE

27 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
28 discussed it with my attorney, Stephanie Perkins, Esq. I understand the stipulation and the effect

1 it will have on my Certified Public Accountant Certificate. I enter into this Stipulated Settlement
2 and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the
3 Decision and Order of the California Board of Accountancy.

4
5 DATED: 2/19/2015 
6 CATHERINE S. NELSON
7 Respondent

8 I have read and fully discussed with Respondent Catherine S. Nelson the terms and
9 conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.
10 I approve its form and content.

11
12 DATED: 2/20/2015 
13 Stephanie Perkins, Esq.
14 Attorney for Respondent

15 ENDORSEMENT

16 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
17 submitted for consideration by the California Board of Accountancy.

18
19 Dated: Respectfully submitted,
20 KAMALA D. HARRIS
21 Attorney General of California
22 LINDA L. SUN
23 Supervising Deputy Attorney General
24 KEVIN J. RIGLEY
25 Deputy Attorney General
26 *Attorneys for Complainant*

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28 Stipulation.rtf

1 it will have on my Certified Public Accountant Certificate. I enter into this Stipulated Settlement
2 and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the
3 Decision and Order of the California Board of Accountancy.

4
5 DATED: _____
6 CATHERINE S. NELSON
7 Respondent

8 I have read and fully discussed with Respondent Catherine S. Nelson the terms and
9 conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.
10 I approve its form and content.

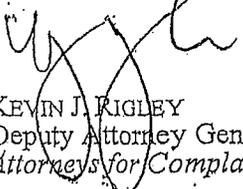
11
12 DATED: _____
13 Stephanie Perkins, Esq.
14 Attorney for Respondent

15 ENDORSEMENT

16 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
17 submitted for consideration by the California Board of Accountancy.

18
19 Dated: 2/20/15

Respectfully submitted,
KAMALA D. HARRIS
Attorney General of California
LINDA L. SUN
Supervising Deputy Attorney General

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KEVIN J. RIGLEY
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. AC-2013-28

1 KAMALA D. HARRIS
Attorney General of California
2 GREGORY J. SALUTE
Supervising Deputy Attorney General
3 KEVIN J. RIGLEY
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9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. AC-2013-28

12 **CATHERINE SIU-MUN NELSON**
8173 Billowvista Drive
13 Playa Del Rey, CA 90293

A C C U S A T I O N

14
15 Certified Public Accountant Certificate No. 66610

16 Respondent.

17
18 Complainant alleges:

19 **PARTIES**

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

22 2. On or about May 13, 1994, the California Board of Accountancy issued Certified
23 Public Accountant Certificate Number 66610 to Catherine Siu-Mun Nelson ("Respondent"). The
24 Certified Public Accountant Certificate is currently inactive and will expire on April 30, 2015,
25 unless renewed.

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1 crime, if the crime is substantially related to the qualifications, functions, or duties of the business
2 or profession for which the license was issued.

3 "(b) Notwithstanding any other provision of law, a board may exercise any authority to
4 discipline a licensee for conviction of a crime that is independent of the authority granted under
5 subdivision (a) only if the crime is substantially related to the qualifications, functions, or duties
6 of the business or profession for which the licensee's license was issued.

7 "(c) A conviction within the meaning of this section means a plea or verdict of guilty or a
8 conviction following a plea of nolo contendere. Any action that a board is permitted to take
9 following the establishment of a conviction may be taken when the time for appeal has elapsed, or
10 the judgment of conviction has been affirmed on appeal, or when an order granting probation is
11 made suspending the imposition of sentence, irrespective of a subsequent order under the
12 provisions of Section 1203.4 of the Penal Code."

13 12. Section 5100 of the Code states, in pertinent part:

14 "After notice and hearing the board may revoke, suspend, or refuse to renew any permit or
15 certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing
16 with Section 5080), or may censure the holder of that permit or certificate for unprofessional
17 conduct that includes, but is not limited to, one or any combination of the following causes:

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

20

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

23 13. Section 5063, subdivision (a), of the Code states, in the pertinent part:

24 "A licensee shall report to the board in writing of the occurrence of any of the following
25 events . . . within 30 days of the date the licensee has knowledge of these events:

26 "(1) The conviction of the licensee of any of the following:

27 "(A) A felony.

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1 "(B) Any crime related to the qualifications, functions, or duties of a public accountant or
2 certified public accountant, or to acts or activities in the course and scope of the practice of public
3 accountancy.

4 "(C) Any crime involving theft, embezzlement, misappropriation of funds or property,
5 breach of a fiduciary responsibility, or the preparation, publication, or dissemination of false,
6 fraudulent, or materially misleading financial statements, reports, or information.

7 As used in this section, a conviction includes the initial plea, verdict, or finding of guilt,
8 pleas of no contest, or pronouncement of sentence by a trial court even though that conviction
9 may not be final or sentence actually imposed until appeals are exhausted.

10 14. Section 5106 of the Code states:

11 "A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to
12 be a conviction within the meaning of this article. The record of the conviction shall be
13 conclusive evidence thereof. The board may order the certificate or permit suspended or revoked,
14 or may decline to issue a certificate or permit, when the time for appeal has elapsed, or the
15 judgment of conviction has been affirmed on appeal or when an order granting probation is made,
16 suspending the imposition of sentence, irrespective of a subsequent order under the provisions of
17 Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter
18 a plea of not guilty, or setting aside the verdict of guilty or dismissing the accusation, information
19 or indictment."

20 15. Section 99 of title 16 of the California Code of Regulations states, in pertinent part:

21 For the purposes of denial, suspension, or revocation of a certificate or permit pursuant to
22 Division 1.5 (commencing with Section 475) of the Business and Professions Code, a crime or act
23 shall be considered to be substantially related to the qualifications, functions or duties of a
24 certified public accountant or public accountant if to a substantial degree it evidences present or
25 potential unfitness of a certified public accountant or public accountant to perform the functions
26 authorized by his or her certificate or permit in a manner consistent with the public health, safety,
27 or welfare. Such crimes or acts shall include but not be limited to those involving the following:

28 "(a) Dishonesty, fraud, or breach of fiduciary responsibility of any kind[.]"

1 account which involved theft, embezzlement and/or misappropriation of funds. The
2 circumstances are as follows:

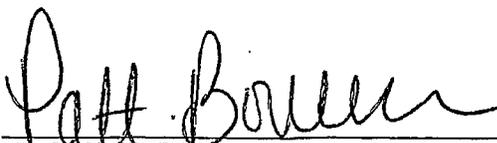
3 20. On or about June 15, 2004, after pleading guilty, Respondent was convicted of one
4 felony count of violating Title 18, United States Code, section 1347 [health care fraud] in the
5 criminal proceeding entitled *United States of America v. Catherine Siu Mun Nelson* (U.S. Dist.
6 Ct. Ariz., Case No. CR-04-00623-002-PHX-SRB). Respondent failed to timely disclose the
7 conviction to the CBA.

8 PRAYER

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

- 11 1. Revoking or suspending or otherwise imposing discipline upon Certified Public
12 Accountant Certificate Number 66610, issued to Catherine Siu-Mun Nelson;
- 13 2. Ordering Catherine Siu-Mun Nelson to pay the California Board of Accountancy the
14 reasonable costs of the investigation and enforcement of this case, pursuant to Business and
15 Professions Code section 5107; and
- 16 3. Taking such other and further action as deemed necessary and proper.

17
18 DATED: June 27, 2013



19 PATTY BOWERS
20 Executive Officer
21 California Board of Accountancy
22 Department of Consumer Affairs
23 State of California
24 Complainant

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