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

12
13 In the Matter of the **Petition to Revoke Probation**) NO. D1-97-6
Against:)
14)
15 **MICHAEL DANIEL STEIN**) **DEFAULT DECISION**
16 1660 Chicago Avenue, Suite M-1) **AND ORDER**
Riverside, California 92507)
17 Certificate No. 24016) [Gov. Code, §11502]
18 Respondent.)

19
20 Respondent Michael D. Stein ("Respondent") was served with the following: the
21 Petition to Revoke Probation; Statement to Respondent; the Notice of Defense form as provided
22 by Government Code sections 11503 and 11505; the former Accusation No. AC-97-6; and
23 Stipulation, Decision and Order adopted on July 29, 1997. Respondent failed to file a Notice of
24 Defense pursuant to Government Code section 11506. Respondent is in default. The default of
25 Respondent having been duly noted, the Board of Accountancy ("Board") has determined that
26 Respondent has waived his right to a hearing to contest the merits of the Petition to Revoke
27 Probation and evidence herein without a hearing, and makes the following findings of fact:
28 ///

FINDINGS OF FACT

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2 1. On December 10, 1970, the Board of Accountancy issued Certificate No.
3 24016 to Michael Daniel Stein ("respondent"). The license was in full force and effect at all
4 times relevant herein and will expire on August 31, 1999, unless renewed. [Exhibit A - License
5 Certification]

6 2. On July 29, 1997, the Board adopted the Stipulation in Settlement and made its
7 Decision and Order with an effective date of August 28, 1997 as a result of Accusation No. AC-
8 97-6 which was filed on January 22, 1997. [Exhibit B - Decision and Order] As a result of the
9 Stipulation, respondent's license was revoked, but that revocation was stayed and the license was
10 placed on probation for three years on certain terms and conditions.

11 3. On October 28, 1998, complainant Carol B. Sigmann, in her official capacity
12 as Executive Officer of the Board of Accountancy, Department of Consumer Affairs, State of
13 California ("Board"), filed Petition to Revoke Probation No. D1-97-6 against Michael Daniel
14 Stein ("respondent"). [Exhibit C - Petition to Revoke Probation]

15 4. On November 4, 1998, respondent was served a copy of Petition to Revoke
16 Probation, together with copies of all statutorily required documents by regular mail and certified
17 mail at respondent's address of record with the Accountancy Board which was, and is, 1660
18 Chicago Avenue, Suite M-1, Riverside, California 92507. The aforementioned documents were
19 not returned by the U.S. Postal Service and the certified tag was returned signed "as received" by
20 a person unknown by the Board. On or about December 9, 1998, the aforementioned documents
21 were again mailed by regular and certified mail at 15910 Van Buren Boulevard, Suite 3287,
22 Riverside, California 92508 and 19465 Glenwood Avenue, Riverside, California 92508. The
23 certified mailing tag was returned signed "as received" by a person unknown by the Board at the
24 Van Buren address; the certified tag for the Glenwood address was returned by the U.S. Postal
25 Service to the Office of the Attorney General marked "No Response - Return to Sender -
26 Unclaimed." [Exhibit D - Certified Mailing Tag]

27 5. The above-described service was effective as a matter of law pursuant to the
28 provisions of Government Code sections 11505(a) and 11505(c).

1 6. Respondent has failed to file a Notice of Defense within 15 days after service
2 upon him of the Petition to Revoke Probation and therefore waived his right to a hearing on the
3 merits of Petition to Revoke Probation, No. D1-97-6.

4 7. Government Code section 11520 provides in pertinent part:

5 “(a) If the respondent either fails to file a notice of defense or to appear at the
6 hearing, the agency may take action based upon the respondent’s express
7 admissions or upon other evidence and affidavits which may be used as evidence
8 without notice to respondent;” (Emphasis added.)

9 8. The Board of Accountancy has determined that respondent has waived his
10 right to a hearing to contest the merits of the Petition to Revoke Probation; that respondent is in
11 default; and that the Board had jurisdiction pursuant to section 11520 of the Government Code to
12 take action against respondent based on the evidence in **Exhibits A through D**.

13 9. The Board of Accountancy is authorized to revoke respondent’s license
14 pursuant to the following statutes and regulations:

15 A. Business and Professions Code Section 5100 provides, in part, as follows:

16 “The Board may revoke, suspend or refuse to renew any permit or certificate
17 issued by the Board, or may censure the holder of any such permit or certificate.”

18 10. Respondent has subjected his license to discipline under Business and
19 Professions Code section 5100, in that respondent has violated the terms of his probation as set
20 forth in the Stipulation in Settlement and Decision, as follows:

21 A. Respondent has failed to submit written reports as directed by the Board or its
22 representatives;

23 B. Respondent has failed to make personal appearances as directed by the Board
24 or its representatives;

25 C. Respondent has failed to cooperate with probation monitoring as directed by
26 the Board or its representatives;

27 D. Respondent has failed to make any cost recovery reimbursement payments as
28 directed by the Board.

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DECISION AND ORDER OF THE BOARD

Certificate No. 42016, heretofore issued to Michael Daniel Stein, is hereby
revoked.

This decision shall become effective on APRIL 25TH, 1999.

Dated and signed MARCH 26, 1999.

H.E. Melchior

FOR THE BOARD OF ACCOUNTANCY
Department of Consumer Affairs
State of California

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

In the Matter of the Petition to Revoke Probation
Against:

MICHAEL DANIEL STEIN
1660 Chicago Avenue, Suite M-1
Riverside, California 92507

Certificate No. 24016

Respondent.

NO. D1-97-6

DEFAULT DECISION
PACKET

EXHIBITS A - D

EXHIBIT A



BOARD OF ACCOUNTANCY
 2000 EVERGREEN STREET, SUITE 250
 SACRAMENTO, CA 95815-3832
 FAX (916) 263-3674
 (916) 263-3680



May 28, 1998

STATE OF CALIFORNIA)
) ss.
 DEPARTMENT OF CONSUMER AFFAIRS)

CERTIFICATION OF LICENSE HISTORY

I, Gregory P. Newington, hereby certify that I am the Chief of the Enforcement Program of the State Board of Accountancy, Department of Consumer Affairs, State of California, and in that capacity, share in maintaining control and custody of files and records dealing with and pertaining to the duties and responsibilities of said Board. On May 28, 1998, I made or caused to be made a diligent search of the aforesaid files and records concerning the certification and license history of MICHAEL DANIEL STEIN. I determined that the official records prepared by various persons employed by the Board of Accountancy, acting within the scope of their duties, show the following license history of MICHAEL DANIEL STEIN.

1. Certificate No. 24016 (Certified Public Accountant)(the "Certificate") was issued to MICHAEL DANIEL STEIN on December 10, 1976, by the State of California.
2. The certificate is subject to renewal every two years pursuant to Business and Professions Code, Section 5070.6. The applicable renewal period for this certificate is September 1 through August 31 of odd numbered years.

3. The Board of Accountancy's licensing records were transferred to the Department of Consumer Affairs' centralized computer system in March 1989. As a result, the underlying documentation related to license history prior to that date is unavailable. The computerized records reflect that, in March 1989, Certificate No. 24016 was in a renewed status, without continuing education ("inactive").
4. The Certificate was expired during the period September 1, 1989, through June 19, 1990, for the following reasons:
 - a) The renewal fee, required by the Business and Professions Code 5070.6, was not paid;
 - b) Declaration of compliance with continuing education regulations was not submitted.
5. The Certificate was renewed effective June 20, 1990, with continuing education ("active") under the provisions of California Code of Regulations, Title 16, Section 87.1 ("reentry"). The certificate was regularly renewed in an "active" category through August 31, 1995.
6. The Certificate was renewed upon receipt of the renewal fee effective September 1, 1995, through November 24, 1995, without continuing education ("inactive").
7. The status of the Certificate was changed to "active" upon the licensee's compliance with California Code of Regulations, Title 16, Section 87.1 ("reentry") effective November 25, 1995, through August 31, 1997.
8. The Certificate was renewed effective September 1, 1997, through August 31, 1999, upon receipt of the renewal fee and declaration of compliance with the continuing education regulations, and is valid in that status through August 31, 1999.

9. Charges of unprofessional conduct were filed against MICHAEL D. STEIN, by the California State Board of Accountancy in Accusation No. AC-97-6, dated January 22, 1997. Effective August 28, 1997, the Board of Accountancy's Decision in this matter became effective and Certificate No. 24016 issued to MICHAEL DANIEL STEIN, was revoked, said revocation was stayed and the certificate was placed on probation for three years with specific terms and conditions.
10. The last address of record for MICHAEL DANIEL STEIN, Certificate No. 24016, as appearing in the records of the California State Board of Accountancy, in conformance with California Code of Regulations, Title 16, Chapter 1, Section 3 is:

MICHAEL D. STEIN
1660 CHICAGO AVENUE, STE M-1
RIVERSIDE, CA 92507

11. The Board of Accountancy has not adopted a regulation authorizing intervention. This certification is made pursuant to Evidence Code Section 1280 and the authority conferred upon me by the Board of Accountancy.


GREGORY P. NEWINGTON, Chief
Enforcement Program
State Board of Accountancy
Department of Consumer Affairs
State of California

May 28, 1998

EXHIBIT B

1 DANIEL E. LUNGREN, Attorney General
of the State of California
2 SUSAN A. RUFF, State Bar No. 115869
Deputy Attorney General
3 Department of Justice
110 West A Street, Suite 1100
4 San Diego, California 92101
Telephone: (619) 645-2077
5 Attorneys for Complainant
6

7
8 **BEFORE THE**
BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

10 In the Matter of the Petition to) NO. D1-97-6
11 Revoke Probation Against:)
)
12 MICHAEL DANIEL STEIN) PETITION TO REVOKE
1660 Chicago Ave., Suite M-1) PROBATION
13 Riverside, CA 92507)
)
14 Certificate No. 24016)
)
15 Respondent.)
16

17 Complainant Carol B. Sigmann, as cause for revoking
18 probation, alleges:

19 1. Complainant is the Executive Officer of the
20 California State Board of Accountancy ("Board") and makes and
21 files this Petition to Revoke Probation solely in her official
22 capacity.

23 2. On or about December 10, 1976, the Board issued
24 Certificate No. 24016 to Michael Daniel Stein ("respondent").
25 The certificate expired on September 1, 1989 and was renewed
26 effective June 20, 1990. The certificate was renewed without
27 continuing education (inactive) on September 1, 1995. The

1 status of the certificate was changed to "active" upon the
2 licensee's compliance with Title 16, California Code of
3 Regulations, Section 87.1 ("reentry"), effective November 25,
4 1995. The certificate is currently active and will expire on
5 August 31, 1999, unless renewed.

6 3. On January 22, 1997, Accusation number AC-97-6 was
7 filed, seeking to discipline respondent's license. On July 29,
8 1997, the Board adopted a stipulated settlement in that case,
9 effective August 28, 1997. As a result of that stipulation,
10 respondent's license was revoked, but that revocation was stayed
11 and the license was placed on probation for three years on
12 certain terms and conditions, including, but not limited to, the
13 following:

14 (2) SUBMIT WRITTEN REPORTS

15 Respondent, within 10 days of completion of the
16 quarter, shall submit quarterly written reports to the Board
17 on a form obtained from the Board. The Respondent shall
18 submit such written reports and other declarations and
19 verification of actions under penalty of perjury as are
20 required. These declarations shall contain statements
21 relative to respondent's compliance with all the terms and
22 condition of probation. Respondent shall immediately
23 execute all release of information forms as may be required
24 by the Board or its representatives.

25 (3) PERSONAL APPEARANCES

26 Respondent, during the period of probation, shall
27 appear in person at interviews/meetings as directed by the

1 Board or its designated representatives, provided
2 notification is accomplished in a timely manner.

3 (4) COOPERATE WITH PROBATION MONITORING

4 Respondent shall fully comply with the terms and
5 conditions of probation imposed by the Board and shall
6 cooperate fully with representatives of the Board of
7 Accountancy in its monitoring and investigation of the
8 respondent's compliance with probation terms and conditions.
9 Respondent shall at all times maintain current license
10 status with the Board, including during any period of
11 suspension. If the license is expired at the time the
12 Board's decision becomes effective, the license must be
13 renewed within 30 days of the effective date of the
14 decision.

15 (9) REVIEW OF AUDITS AND REVIEWS

16 During the period of probation, the related
17 reports and working papers for any audit or review
18 engagements conducted by respondent shall, at respondent's
19 expense, be reviewed by another CPA before release of the
20 audit or review. The reviewing CPA may be selected by
21 respondent but must be acceptable to the Board or its
22 designee.

23 (10) COST REIMBURSEMENT

24 Respondent shall reimburse the Board \$11,260.00
25 for its investigation and prosecution costs. The payment
26 shall be made in quarterly payments of not less than
27 \$1,176.00 each (due with quarterly written reports), the

1 final payment being due one year before probation is
2 scheduled to terminate. Failure to complete payment within
3 six (6) months of the end of the term of probation shall
4 constitute a violation of probation.

5 (13) VIOLATION OF PROBATION

6 If respondent violates probation in any respect,
7 the Board, after giving respondent notice and an opportunity
8 to be heard, may revoke probation and carry out the
9 disciplinary order that was stayed. If an accusation or
10 petition to revoke probation is filed against respondent
11 during probation, the Board shall have continuing
12 jurisdiction until the matter is final, and the period of
13 probation shall be extended until the matter is final.

14 4. Respondent has violated the terms and conditions of
15 his probation in the following respects:

16 a. On or about September 25, 1997, the Board staff sent
17 notice to respondent that he was to appear before the Board's
18 Administrative Committee on November 5, 1997 as part of his
19 probation. The certified mail return receipt showed a date of
20 delivery of that letter of October 8, 1997. Along with this
21 notice, respondent was requested to fill out Licensee Information
22 and Continuing Education Verification Reporting Forms and return
23 the forms by October 10, 1997. Respondent thereafter informed
24 the Board staff that he would appear before the Committee as
25 scheduled, but did not return the forms. Despite his
26 representation, respondent did not appear as scheduled. On or
27 about November 10, 1997, respondent contacted the Board staff,

1 claiming that he had missed the meeting because he had calendared
2 the wrong date.

3 b. On December 4, 1997, the Board staff sent notice to
4 respondent to appear at the Administrative Committee meeting on
5 January 8, 1998 and requested that he complete the Licensee
6 Information and Continuing Education Verification Reporting
7 Forms. Respondent did not respond to that correspondence or
8 complete the forms, and did not appear at the January 8 meeting.

9 c. Shortly after respondent's probation went into
10 effect, the Board staff sent correspondence to respondent
11 requesting that he submit the name of the CPA who would be
12 reviewing respondent's audits and reviews as required by the
13 probation terms. As of the date of filing this accusation,
14 respondent has never supplied that name.

15 d. As of the date of filing this accusation, respondent
16 has failed to submit any of the quarterly reports required by the
17 probation terms.

18 e. As of the date of filing this accusation, respondent
19 has not made any of the cost recovery reimbursement payments that
20 are due to the Board under the terms of probation.

21 5. Respondent has violated terms 3 and 4 of his
22 probation, as more particularly set forth in paragraphs 4(a) and
23 (b) above.

24 6. Respondent has violated terms 4 and 9 of his
25 probation as more particularly set forth in paragraph 4(c) above.

26 7. Respondent has violated term 2 of his probation as
27 more particularly set forth in paragraph 4(d) above.

