

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

In the Matter of the Statement of Issues  
Against:

Case No. SI-2014-47

ROBERT JOHN GRIMES  
11772 Carmel Creek Road #306  
San Diego, CA 92130

Applicant for Certified Public Accountant  
License

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

8-31-14

It is so ORDERED

8-1-14

  
\_\_\_\_\_  
FOR THE CALIFORNIA BOARD OF  
ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS

1 KAMALA D. HARRIS  
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2 JAMES M. LEDAKIS  
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*Attorneys for Complainant*

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9 **BEFORE THE**  
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**DEPARTMENT OF CONSUMER AFFAIRS**  
10 **STATE OF CALIFORNIA**

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12 Against:

13 **ROBERT JOHN GRIMES**  
11772 Carmel Creek Road #306  
14 San Diego, CA 92130

15 **Applicant for Certified Public Accountant**  
16 **License**

17 Respondent.

Case No. SI-2014-47

**STIPULATED SETTLEMENT AND**  
**DISCIPLINARY ORDER**

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

21 PARTIES

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

26 2. Respondent Robert John Grimes ("Respondent") is representing himself in this  
27 proceeding and has chosen not to exercise his right to be represented by counsel.  
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**1. Obey All Laws**

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

**2. Submit Written Reports**

Respondent shall submit, within 10 days of completion of the quarter, written reports to the CBA on a form obtained from the CBA. The respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to respondent's compliance with all the terms and conditions of probation. Respondent shall immediately execute all release of information forms as may be required by the CBA or its representatives.

**3. Personal Appearances**

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

**4. Comply With Probation**

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

**5. Practice Investigation**

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

**6. Comply With Citations**

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

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

In the event respondent should leave California to reside or practice outside this state,

1 respondent must notify the CBA in writing of the dates of departure and return. Periods of non-  
2 California residency or practice outside the state shall not apply to reduction of the probationary  
3 period, or of any suspension. No obligation imposed herein, including requirements to file  
4 written reports, reimburse the CBA costs, and make restitution to consumers, shall be suspended  
5 or otherwise affected by such periods of out-of-state residency or practice except at the written  
6 direction of the CBA.

7 **8. Violation of Probation**

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

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

16 **9. Completion of Probation**

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

18 **10. Ethics Continuing Education**

19 Respondent shall complete four hours of continuing education during each year of  
20 probation in course subject matter pertaining to the following: a review of nationally recognized  
21 codes of conduct emphasizing how the codes relate to professional responsibilities; case-based  
22 instruction focusing on real-life situational learning; ethical dilemmas facing the accounting  
23 profession; or business ethics, ethical sensitivity, and consumer expectations. Courses must be a  
24 minimum of one hour as described in California Code of Regulations Section 88.2. This  
25 professional education shall be in addition to continuing education requirements for relicensure,  
26 and must be completed by December 31<sup>st</sup> of each year.

27 If respondent fails to complete said courses within the time period provided, respondent  
28 shall so notify the CBA and shall cease practice until respondent completes said courses, has

1 submitted proof of same to the CBA, and has been notified by the CBA that he or she may  
2 resume practice. Failure to complete the required courses shall constitute a violation of probation.

3 **11. Active License Status**

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

7 **12. Psychotherapist**

8 Respondent shall undergo and continue treatment by a licensed psychotherapist of  
9 respondent's choice and approved by the CBA or its designee until the treating psychotherapist  
10 certifies in writing in a report to the CBA or its designee that treatment is no longer necessary,  
11 Respondent shall have the treating psychotherapist submit reports to the CBA at intervals  
12 determined by the CBA or its designee. Respondent is responsible for costs of treatment and  
13 reports.

14 ACCEPTANCE

15 I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the  
16 stipulation and the effect it will have on my Certified Public Accountant License. I enter into this  
17 Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree  
18 to be bound by the Decision and Order of the California Board of Accountancy.

19  
20 DATED: 7.14.14

  
\_\_\_\_\_  
ROBERT JOHN GRIMES  
Respondent

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ENDORSEMENT

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

Dated: *July 14, 2014*

Respectfully submitted,  
KAMALA D. HARRIS  
Attorney General of California  
JAMES M. LEDAKIS  
Supervising Deputy Attorney General



CARL W. SONNE  
Deputy Attorney General  
*Attorneys for Complainant*

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**Exhibit A**

**Statement of Issues No. SI-2014-47**

1 KAMALA D. HARRIS  
Attorney General of California  
2 JAMES M. LEDAKIS  
Supervising Deputy Attorney General  
3 CARL W. SONNE  
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12 In the Matter of the Statement of Issues  
Against:

Case No. SI-2014-47

13 **ROBERT JOHN GRIMES**  
14 **Certified Public Accountant License**  
15 **Applicant**

**STATEMENT OF ISSUES**

16 Respondent.

17  
18 Complainant alleges:

19 **PARTIES**

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

23 2. On or about November 1, 2013, the California Board of Accountancy, Department of  
24 Consumer Affairs received an application for a Certified Public Accountant License from Robert  
25 John Grimes (Respondent). On or about October 21, 2013, Robert John Grimes certified under  
26 penalty of perjury to the truthfulness of all statements, answers, and representations in the  
27 application. The California Board of Accountancy denied the application on March 27, 2014.

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## JURISDICTION

3. This Statement of Issues is brought before the California Board of Accountancy (CBA), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.

4. Section 5110 of the Code states:

(a) After notice and an opportunity for a hearing, the board may deny an application to take the licensing examination, deny admission to current and future licensing examinations, void examination grades, and deny an application for a license or registration to any individual who has committed any of the following acts:

.....  
(4) Any act that if committed by an applicant for licensure would be grounds for denial of a license or registration under Section 480 or if committed by a licensee or a registrant would be grounds for discipline under Section 5100.

## STATUTORY PROVISIONS

5. Section 475 of the Code states:

(a) Notwithstanding any other provisions of this code, the provisions of this division shall govern the denial of licenses on the grounds of:

(1) Knowingly making a false statement of material fact, or knowingly omitting to state a material fact, in an application for a license.

(2) Conviction of a crime.

(3) Commission of any act involving dishonesty, fraud or deceit with the intent to substantially benefit himself or another, or substantially injure another.

(4) Commission of any act which, if done by a licensee of the business or profession in question, would be grounds for suspension or revocation of license.

(b) Notwithstanding any other provisions of this code, the provisions of this division shall govern the suspension and revocation of licenses on grounds specified in paragraphs (1) and (2) of subdivision (a).

(c) A license shall not be denied, suspended, or revoked on the grounds of a lack of good moral character or any similar ground relating to an applicant's character, reputation, personality, or habits.

6. Section 480 of the Code states:

(a) A board may deny a license regulated by this code on the grounds that the applicant has one of the following:

1 (1) Been convicted of a crime. A conviction within the meaning of this  
2 section means a plea or verdict of guilty or a conviction following a plea of nolo  
3 contendere. Any action that a board is permitted to take following the establishment  
4 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.

5 (2) Done any act involving dishonesty, fraud, or deceit with the intent to  
6 substantially benefit himself or herself or another, or substantially injure another.

7 (3)(A) Done any act that if done by a licentiate of the business or profession  
8 in question, would be grounds for suspension or revocation of license.

9 (B) The board may deny a license pursuant to this subdivision only if the  
10 crime or act is substantially related to the qualifications, functions, or duties of the  
11 business or profession for which application is made.

12 (b) Notwithstanding any other provision of this code, no person shall be denied  
13 a license solely on the basis that he or she has been convicted of a felony if he or she  
14 has obtained a certificate of rehabilitation under Chapter 3.5 (commencing with  
15 Section 4852.01) of Title 6 of Part 3 of the Penal Code or that he or she has been  
16 convicted of a misdemeanor if he or she has met all applicable requirements of the  
17 criteria of rehabilitation developed by the board to evaluate the rehabilitation of a  
18 person when considering the denial of a license under subdivision (a) of Section 482.

19 (c) A board may deny a license regulated by this code on the ground that the  
20 applicant knowingly made a false statement of fact required to be revealed in the  
21 application for the license.

22 7. Section 482 of the Code states:

23 Each board under the provisions of this code shall develop criteria to evaluate  
24 the rehabilitation of a person when:

25 (a) Considering the denial of a license by the board under Section 480; or

26 (b) Considering suspension or revocation of a license under Section 490.

27 Each board shall take into account all competent evidence of rehabilitation  
28 furnished by the applicant or licensee.

8. Section 493 of the Code states:

Notwithstanding any other provision of law, in a proceeding conducted by a  
board within the department pursuant to law to deny an application for a license or to  
suspend or revoke a license or otherwise take disciplinary action against a person who  
holds a license, upon the ground that the applicant or the licensee has been convicted  
of a crime substantially related to the qualifications, functions, and duties of the  
licensee in question, the record of conviction of the crime shall be conclusive  
evidence of the fact that the conviction occurred, but only of that fact, and the board  
may inquire into the circumstances surrounding the commission of the crime in order  
to fix the degree of discipline or to determine if the conviction is substantially related  
to the qualifications, functions, and duties of the licensee in question.

1 As used in this section, "license" includes "certificate," "permit," "authority,"  
2 and "registration."

3 9. Section 5100 states:

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

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

11 . . . .

12 10. Section 5106 states:

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

## 23 REGULATORY PROVISIONS

24 11. California Code of Regulations, title 16, section 99 states:

25 For the purposes of denial, suspension, or revocation of a certificate or permit  
26 pursuant to Division 1.5 (commencing with Section 475) of the Business and  
27 Professions Code, a crime or act shall be considered to be substantially related to the  
28 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 or  
her certificate or permit in a manner consistent with the public health, safety, or  
welfare. Such crimes or acts shall include but not be limited to those involving the  
following:

(a) Dishonesty, fraud, or breach of fiduciary responsibility of any kind;

(b) Fraud or deceit in obtaining a certified public accountant's certificate or a  
public accountant's permit under Chapter 1, Division III of the Business and  
Professions Code;

(c) Gross negligence in the practice of public accountancy or in the  
performance of the bookkeeping operations described in Section 5052 of the code;

1 (d) Violation of any of the provisions of Chapter 1, Division III of the Business  
2 and Professions Code or willful violation of any rule or regulation of the board.

3 12. California Code of Regulations, title 16, section 99.1 states:

4 When considering the denial of a certificate or permit under Section 480 of the  
5 Business and Professions Code, the suspension or revocation of a certificate or permit  
6 or restoration of a revoked certificate under Section 11522 of the Government Code,  
7 the board, in evaluating the rehabilitation of the applicant and his present eligibility  
8 for a certificate or permit, will consider the following criteria:

9 (1) Nature and severity of the act(s) or offense(s).

10 (2) Criminal record and evidence of any act(s) committed subsequent to the  
11 act(s) or offense(s) under consideration which also could be considered as grounds for  
12 denial, suspension or revocation.

13 (3) The time that has elapsed since commission of the act(s) or offense(s)  
14 referred to in subdivision (1) or (2).

15 (4) The extent to which the applicant or licensee has complied with any terms  
16 of parole, probation, restitution, or any other sanctions lawfully imposed against the  
17 applicant or licensee.

18 (5) If applicable, evidence of expungement proceedings pursuant to Section  
19 1203.4 of the Penal Code.

20 (6) Evidence, if any, of rehabilitation submitted by the applicant or licensee.

21 **CAUSE FOR DENIAL OF APPLICATION**

22 **(January 19, 2000 Criminal Conviction for Burglary & Assault on November 22, 1999)**

23 13. Respondent's application is subject to denial under sections 480, subdivisions (a)(1)  
24 and (a)(3)(A) of the Code in that he was convicted of crimes that are substantially related to the  
25 qualifications, duties, and functions of a Certified Public Accountant (CPA). Said conduct would  
26 be a ground for discipline under section 5100, subdivision (a) of the Code for a licensed CPA.

27 The circumstances are as follows:

28 a. On or about January 19, 2000, in a criminal proceeding entitled *State of  
Washington v. Robert John Grimes*, in Pierce County Superior Court, case number 99-1-05343-7,  
Respondent was convicted on his plea of guilty to burglary in the first degree (domestic violence)  
in violation of Revised Code of Washington (RCW) §§ 9A.52.020(1)(a), 10.99.020/030,  
9.41.010, 9.94A.310, and 9.94A.370, and assault in the second degree (domestic violence with  
firearm enhancement) in violation of RCW §§ 9A.36.021(1)(c), 10.99.020/030, 9.941.010,

1 9.94a.310, 9.94a.370, class A felonies. Three additional counts of assault in the second degree,  
2 and a count of unlawful imprisonment/ domestic violence were dismissed pursuant to a plea  
3 agreement.

4 b. As a result of the convictions, on or about January 19, 2000, Respondent  
5 was sentenced to a total of 62 months in state prison. Respondent was given credit for 58 days.  
6 Respondent was ordered to stay away from the victims, forfeit weapons, and pay fines, fees, and  
7 restitution.

8 c. The facts that led to the convictions are that on or about November 22,  
9 1999, the Tacoma Police Department responded to an apartment regarding a 9-1-1 hang-up call.  
10 When officers arrived, they learned that there was an armed male inside the apartment with other  
11 people inside. Three witnesses later stated that they were watching television in the apartment  
12 when Respondent entered uninvited. Respondent pointed a handgun at them and demanded to  
13 know the whereabouts of his ex-girlfriend. Respondent went to his ex-girlfriend's bedroom, and  
14 while she was asleep, put one handcuff on her wrist, and while she struggled, he cuffed her other  
15 wrist. The witnesses stated that Respondent dragged his ex-girlfriend into the living room by the  
16 handcuffs. The three witnesses were able to flee the apartment. As officers approached the  
17 apartment, they observed Respondent descending the stairs. Upon seeing the officers, he ran back  
18 upstairs, broke out a kitchen window and went inside the apartment. Respondent told the officers  
19 he would shoot his ex-girlfriend. The officers could see that Respondent was armed with a  
20 handgun. The officers negotiated with Respondent and he eventually released his ex-girlfriend  
21 from the restraints and surrendered to the officers. The officers confiscated a loaded .380 semi-  
22 automatic handgun from Respondent. Respondent's ex-girlfriend told officers she had stopped  
23 dating Respondent two days earlier when he became angry and struck her in the face with the butt  
24 of a handgun. The assault had been reported to police. The responding officers saw bruising and  
25 severe swelling to her face.

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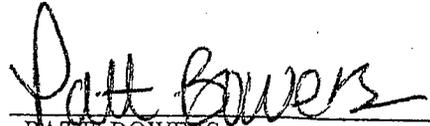
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**PRAYER**

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

1. Denying the application of Robert John Grimes for a Certified Public Accountant License;
2. Taking such other and further action as deemed necessary and proper.

DATED: June 6, 2014



PATTI BOWERS  
Executive Officer  
California Board of Accountancy  
Department of Consumer Affairs  
State of California  
*Complainant*

SD2014707328