



DEPARTMENT OF CONSUMER AFFAIRS
 CALIFORNIA BOARD OF ACCOUNTANCY
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LICENSEE REPORTING FORM
CALIFORNIA BOARD OF ACCOUNTANCY REPORTABLE EVENTS
 Pursuant to California Business and Professions Code, Division 3, Chapter 1, Section 5063 and
 California Code of Regulations, Title 16, Sections 59, 60, and 61

(Please read the attached information before completing and submitting this form.)

LICENSED ACCOUNTANT AND/OR LICENSED ACCOUNTING FIRM

Licensee Name _____ License Number _____

Company Name _____ License Number _____

Address _____

Telephone () _____

TYPE OF REPORTABLE EVENT

Please check the appropriate box.

- Felony Conviction [as defined in Section 5063(a)(1)(A)]
- Criminal Conviction [as defined in Section 5063(a)(1)(B)]
- Criminal Conviction [as defined in Section 5063(a)(1)(C)]
- Cancellation, revocation, or suspension of a certificate, other authority to practice as a certified public accountant or a public accountant, by any other state or foreign country [as defined in Section 5063(a)(2)]
- Cancellation, revocation, or suspension of the right to practice as a certified public accountant or a public accountant before any governmental body or agency [as defined in Section 5063(a)(3)]
- Restatement of a financial statement [as defined in Section 5063(b)(1) and CCR Section 59]
- Civil action settlement [as defined in Section 5063(b)(2) and CCR Section 61]
- Civil action arbitration award [as defined in Section 5063(b)(2) and CCR Section 61]
- Any notice of the opening or initiation of an investigation of the licensee by the Securities and Exchange Commission [as defined in Section 5063(b)(3) and CCR Section 60]
- Any notice from the Securities and Exchange Commission requesting a Wells Submission [as defined in Section 5063(b)(4) and CCR Section 60]
- Any notice of the opening or initiation of an investigation by the Public Company Accounting Oversight Board [as defined in Section 5063(b)(5) and CCR Section 60]
- Civil action judgement [as defined in Section 5063(c)(1), (2), (3), (4) and (5) and CCR Section 61]

EXPLANATION FOR REPORTABLE EVENT

1. Summary (Attach additional sheets if necessary):

- 2. If the reportable event involves a Restatement, please submit copy of the original and restated financial statement or the portions of the original and amended Form 990 or 990PF related to the reissued financial statement.
- 3. If the reportable event involves a civil action settlement or arbitration award that is \$30,000 or greater, please provide:

Total Amount Paid by Insurer

Date Paid

Total Amount Paid by Licensee

Date Paid

- 4. If the reportable event involves an administrative agency action or court action, please provide:

Title of Matter

Docket Number

Dates of Occurrence

Court, Arbitrator, or Agency Name and Address

I certify under penalty of perjury under the laws of the state of California that to the best of my knowledge the information provided within this report and any attachments is true and correct.

Signature: _____

Date: _____

The following are excerpts from the California Business and Professions Code.

Section 5063(a). A licensee shall report to the board in writing of the occurrence of any of the following events occurring on or after January 1, 1997, within 30 days of the date the licensee has knowledge of these events:

- (1) The conviction of the licensee of any of the following:
 - (A) A felony.
 - (B) Any crime related to the qualifications, functions, or duties of a public accountant or certified public accountant, or to acts or activities in the course and scope of the practice of public accountancy.
 - (C) Any crime involving theft, embezzlement, misappropriation of funds or property, breach of a fiduciary responsibility, or the preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information.
As used in this section, a conviction includes the initial plea, verdict, or finding of guilt, pleas of no contest, or pronouncement of sentence by a trial court even though that conviction may not be final or sentence actually imposed until appeals are exhausted.
- (2) The cancellation, revocation, or suspension of a certificate, other authority to practice or refusal to renew a certificate or other authority to practice as a certified public accountant or a public accountant, by any other state or foreign country.
- (3) The cancellation, revocation, or suspension of the right to practice as a certified public accountant or a public accountant before any governmental body or agency.

Section 5063(b). A licensee shall report to the board in writing the occurrence of any of the following events occurring on or after January 1, 2003, within 30 days of the date the licensee has knowledge of the events:

- (1) Any restatement of a financial statement and related disclosures by a client audited by the licensee.
- (2) Any civil action settlement or arbitration award against the licensee relating to the practice of public accountancy where the amount or value of the settlement or arbitration award is thirty thousand dollars (\$30,000) or greater and where the licensee is not insured for the full amount of the award.
- (3) Any notice of the opening or initiation of a formal investigation of the licensee by the Securities and Exchange Commission or its designee.
- (4) Any notice from the Securities and Exchange Commission to a licensee requesting a Wells Submission.
- (5) Any notice of the opening or initiation of an investigation by the Public Company Accounting Oversight Board or its designee, as defined pursuant to subdivision (g).

Section 5063(c). A licensee shall report to the board in writing, within 30 days of the entry of the judgment, any judgment entered on or after January 1, 2003, against the licensee in any civil action alleging any of the following:

- (1) Dishonesty, fraud, gross negligence, or negligence.
- (2) Breach of fiduciary responsibility.
- (3) Preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information.
- (4) Embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses, or other errors or omissions.
- (5) Any actionable conduct by the licensee in the practice of public accountancy, the performance of bookkeeping operations, or other professional practice.

Section 5063(d). The report required by subdivisions (a), (b), and (c) shall be signed by the licensee and set forth the facts which constitute the reportable event. If the reportable event involves the action of an administrative agency or court, then the report shall set forth the title of the matter, court or agency name, docket number, and dates of occurrence of the reportable event.

Section 5063(e). A licensee shall promptly respond to oral or written inquiries from the board in conjunction with license renewal.

Section 5063(f). Nothing in this section shall impose a duty upon any licensee to report to the board the occurrence of any of the events set forth in subdivision (a), (b), or (c) either by or against any other licensee.

Section 5063(g). The board may adopt regulations to further define the reporting requirements of this section.

The following are excerpts from the California Code of Regulations, Title 16.

Section 59. (a) To comply with the requirements of paragraph (1) of subdivision (b) of Business and Professions Code Section 5063, a licensee who issues a report on a client's restated financial statement shall report to the Board:

- (1) Any restatement of a financial statement reporting the correction of any error in a previously issued financial statement of a client that is:
 - (A) A publicly traded company that is required to file a tax return with the California Franchise Tax Board; or
 - (B) A government agency located in California, when the financial restatement(s) exceeds the planning materiality used by the licensee in conjunction with the current year audit. For purposes of this paragraph, planning materiality means the planned level of misstatements, individually or in aggregate, that would cause the financial statements to not be presented fairly, in all material respects, in conformity with generally accepted account principles.
- (2) Any restatement of a financial statement of a charitable organization registered by the Office of the Attorney General's Registry of Charitable Trusts which is issued for purposes of correcting any error in a previously issued financial statement and which has resulted in the filing of an amended or superseding Internal Revenue Service Form 990 or 990PF.

(b) The report required by subsection (a) shall be made by the licensee issuing the report on the restatement even if the licensee did not perform the original audit. The report required by subsection (a) shall be provided to the Board within 30 days of issuance of the restatement, shall be signed by the licensee, and shall set forth the facts which constitute the reportable event including an explanation of the reason for the restatement. The report made under paragraph (a)(1) of this section shall include copies of the original and the restated financial statements. The report made under paragraph (a)(2) of this section shall include only those portions of the original and the amended Forms 990 and 990PF related to the reissued financial statement.

Section 60. (a) For purposes of reporting pursuant to Section 5063(b)(5), notice of the opening or initiation of an investigation by the Public Company Accounting Oversight Board shall include any notice by the Public Company Accounting Oversight Board that it is initiating an investigation of the licensee.

(b) Reports received by the Board pursuant to the requirements of subsection (a) of this section or of paragraphs (3), (4), or (5) of subdivision (b) of Business and Professions Code 5063 shall not be publicly disclosed other than (1) in the course of any disciplinary proceeding by the Board after the filing of a formal accusation; (2) in the course of any legal action to which the Board is a party; (3) in response to an official inquiry from a state or federal agency; (4) in response to a subpoena or summons enforceable by order of a court; or (5) when otherwise specifically required by law.

Section 61. (a) To meet the reporting requirements of paragraph (b)(2) of Section 5063, licensees shall report settlements and arbitration awards consistent with that provision that are the result of actions brought by persons located, residing, or doing business in California.

(b) Reports of judgments in civil actions alleging negligent conduct (but not dishonesty, fraud, or gross negligence) by a licensee pursuant to paragraph (c)(1) of Section 5063 shall be limited to those judgments in which a person located, residing in or doing business in California is a named party to the action or where the alleged conduct relates to the practice of public accountancy in California. Nothing in this subsection limits a licensee's responsibility to report under any other paragraph of subdivision (c) of Section 5063.

(c) Reports received by the Board pursuant to the requirements of subsection (a) of this section shall not be publicly disclosed other than (1) in the course of any disciplinary proceeding by the Board after the filing of a formal accusation; (2) in the course of any legal action to which the Board is a party; (3) in response to an official inquiry from a state or federal agency; (4) in response to a subpoena or summons enforceable by order of a court; or (5) when otherwise specifically required by law.

PERSONAL INFORMATION COLLECTION AND ACCESS NOTICE: The California Board of Accountancy (CBA) collects the information requested on this form as authorized by Business and Professions Code Sections 325, 326, and 5103. The personal information collected is used principally to administer and to enforce licensing standards set by law and regulation. The personal information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the CBA, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as permitted by the Information Practices Act. Each individual has the right to review his or her personal information in his or her file, except as otherwise permitted by the Information Practices Act. Certain information provided may be disclosed to a member of the public, upon request, under the California Public Records Act and Information Practices Act.