

**DEPARTMENT OF CONSUMER AFFAIRS
TITLE 16. PROFESSIONAL AND VOCATIONAL REGULATIONS
DIVISION 1. CALIFORNIA BOARD OF ACCOUNTANCY**

PROPOSED REGULATORY LANGUAGE

Legend: Added text is indicated with an <u>underline</u> . Deleted text is indicated by strikeout .
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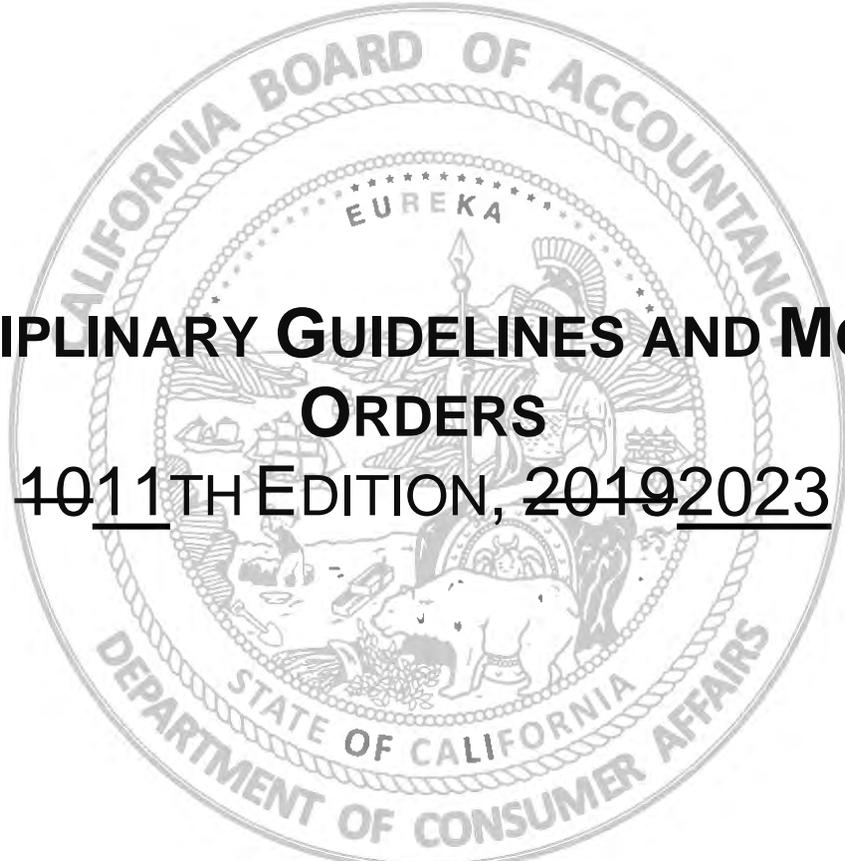
Amend Section 98 of Article 13 of Title 16, California Code of Regulations to read as follows:

§ 98. Disciplinary Guidelines.

In reaching a decision on a disciplinary action under the Administrative Procedure Act (Government Code Section 11400 et seq.), the Board shall consider the disciplinary guidelines entitled “Disciplinary Guidelines and Model Orders” (~~40th~~11th Edition, ~~2019~~2023), which are hereby incorporated by reference. Deviation from these guidelines and orders, including the standard terms of probation, is appropriate where the Board in its sole discretion determines that the facts of the particular case warrant such a deviation, for example: the presence of mitigating factors; the age of the case; evidentiary problems.

Note: Authority cited: Sections 5010, 5018 and 5116, Business and Professions Code; and Section 11400.20, Government Code. Reference: Sections 5018, 5096, 5096.5, 5096.12, 5100 and 5116-5116.6, Business and Professions Code; and Section 11425.50(e), Government Code.

CALIFORNIA BOARD OF ACCOUNTANCY

The seal of the California Board of Accountancy is a circular emblem. It features a central figure of a woman in classical attire holding a scale and a sword, with a bear at her feet. The text "CALIFORNIA BOARD OF ACCOUNTANCY" is arched across the top, and "DEPARTMENT OF CONSUMER AFFAIRS" is arched across the bottom. The words "STATE OF CALIFORNIA" are written in the center. Above the central figure, the word "EUREKA" is written in a semi-circle, flanked by stars.

DISCIPLINARY GUIDELINES AND MODEL ORDERS

1011TH EDITION, 2019-2023

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I. INTRODUCTION

The California Board of Accountancy (CBA) regulates the practice of public accountancy in the State of California and may revoke, suspend, or refuse to renew any permit or certificate for violation of applicable statutes or regulations. The CBA examines applicants, sets education requirements, and may deny licensure and the authority to practice under practice privilege (California Business and Professions Code (BPC) section 5096 et seq.). The CBA may, by regulation, prescribe, amend, or repeal rules of professional conduct appropriate to the establishment and maintenance of a high standard of integrity and competency in the profession.

The CBA, through its Enforcement Division, assisted by its statutorily established Enforcement Advisory Committee, receives and investigates complaints; initiates and conducts investigations or hearings, with or without the filing of a complaint; and obtains information and evidence relating to any matter involving the conduct of Certified Public Accountants (CPA), Public Accountants (PA) and Accountancy Firms. The California Accountancy Act and the CBA regulations provide the basis for CBA disciplinary action. (See BPC sections 5000 et seq., and Title_16 of the California Code of Regulations (CCR) sections 1 through 99.1.)

The expiration, cancellation, forfeiture, or suspension of a license, practice privilege, or other authority to practice public accountancy in California, or the voluntary surrender of a license by a licensee shall not deprive the CBA of the authority to proceed with an investigation, action, or disciplinary proceeding against the licensee or to render a decision suspending or revoking the license. (See BPC section 5109.)

These disciplinary guidelines, designed for the use of Administrative Law Judges (ALJ), attorneys, CBA licensees, and others involved in the CBA's disciplinary process, are revised from time to time. The guidelines cover model orders, including factors to be considered in aggravation and mitigation; standard probationary terms; and guidelines for specific offenses. The guidelines for specific offenses reference the statutory and regulatory provisions violated.

These disciplinary guidelines set forth recommended discipline for the violation of current statutes and regulations; include a provision for community service; and provide additional guidance regarding disciplinary and model orders.

The CBA recognizes that these recommended penalties and conditions of probation are merely guidelines and that mitigating or aggravating ~~circumstance~~ circumstances and other factors may necessitate deviations, as discussed herein.

II. GENERAL CONSIDERATIONS

The CBA requests that **Proposed Decisions** following administrative hearings include the following:

- a. Specific code sections violated with their definitions.
- b. Clear description of the violation.
- c. Respondent's explanation of the violation if ~~he or she is~~ they are present at the hearing.
- d. Findings regarding aggravation, mitigation, and rehabilitation where appropriate. (See factors set forth in CCR section 99.1, under section V. Rehabilitation Criteria).
- e. When suspension or probation is recommended, the CBA requests that the disciplinary order include terms within the recommended guidelines for that offense unless the reason for departure ~~there from~~ is clearly set forth in the findings and supported by the evidence.

If the Respondent fails to appear for the scheduled hearing, such action shall result in a **default decision** to revoke their license.

When the CBA, at a **reinstatement hearing**, denies a petitioner's request for reinstatement, the CBA requests that the ALJ provide technical assistance in formulating language clearly setting forth the reasons for denial. Such a **statement** should include, for example, a statement on rehabilitation, including suggestions for further approaches by the petitioner to demonstrate rehabilitation, where appropriate.

- f. **Reimbursement** to the CBA for costs of investigation and prosecution as warranted by BPC section 5107.
- g. Imposition of an **Administrative Penalty** if warranted. See section VII for guidance.

The CBA will consider **stipulated settlements** to promote cost effectiveness and to expedite disciplinary decisions if such agreements achieve its disciplinary objectives. Deputy Attorneys General should inquire as to Respondent's interest in stipulated settlement promptly after receipt of a notice of defense. If stipulated settlement appears unlikely, the case should be set for hearing.

The CBA's policy is that all disciplinary actions will be published.

It is also the CBA's policy that matters resolved by stipulation include **cost recovery**.

The CBA's Executive Officer is authorized by statute to request an ALJ, as part of any proposed decision in a disciplinary proceeding, to order the recovery of reasonable costs of investigation and prosecution (BPC section 5107). This statute does not preclude the CBA from seeking recovery of costs through stipulations; thus, it does not change the CBA's policy of requesting and recovering costs where appropriate in stipulated settlements. Restitution to victims and/or administrative penalties should not be reasons to reduce, eliminate, or stay full recovery of all reasonable costs of investigation and prosecution.

In stipulated ~~decisions~~settlements involving **revocation** (no revocation stayed), the order will generally include the requirement that Respondent must reimburse the CBA for all reasonable costs of investigation and prosecution prior to or upon reinstatement of Respondent's revoked certificate under BPC section 5115.

The period of **probation** is generally three years. During the probation period, licensees are required to appear in person at interviews/meetings as directed by the CBA or its designated representatives to report on probation compliance.

Where an actual **suspension** is imposed, the order shall include the requirement that the Respondent engage in no activities for which certification is required (see model disciplinary orders) during the period of suspension. In addition, the Respondent shall relinquish the certificate in question to the CBA and, if directed to do so by the CBA, shall notify clients regarding the suspended status of the certificate.

When discipline includes a violation that can be corrected, **correction of the violation** should be included as the basis for any discipline.

Restitution should be considered for all cases in which harm is demonstrated against the complainant. However, restitution should consider the actual harm to a complainant; it is not intended to award damages.

III. EVIDENCE IN AGGRAVATION OF PENALTY

The following are among aggravating circumstances to be considered by ALJs in providing for penalties in proposed decisions:

1. Evidence that the violation was knowingly committed and/or was premeditated.
2. ~~Licensee~~The licensee has a history of prior discipline, particularly where the prior discipline is for the same or similar type of conduct.
3. ~~Licensee's~~The licensee's actions resulted in financial damage to ~~his or her~~their clients or other consumers. The amount of loss may be an additional aggravating factor.
4. Violation of CBA probation.
5. Failure to comply with a final citation order.
6. Failure to comply with a notice to appear before the CBA or its designated representatives.
7. Failure to comply with continuing education requirements as ordered by the CBA or its designated representatives pursuant to CCR section 87.5.
8. Evidence that the licensee has not cooperated with the CBA's investigation.
9. Misappropriation of entrusted funds or other breach of fiduciary responsibility.
10. Duration of violation(s).
11. Evidence that the licensee knew or should have known that ~~his or her~~their actions could harm ~~his or her~~their clients or other consumers.
12. Evidence that the licensee took advantage of ~~his or her~~their client for personal gain, especially if the licensee was able to take advantage due to the ignorance, age, or lack of sophistication of the client.

IV. EVIDENCE IN MITIGATION OF PENALTY

The following are among mitigating circumstances that may be taken into account by ALJs in providing for penalties in proposed decisions:

1. The licensee has cooperated with the CBA's investigation, other law enforcement or regulatory agencies, and/or the injured parties.
2. The passage of considerable time since an act of professional misconduct occurred with no evidence of recurrence or evidence of any other professional misconduct.
3. Convincing proof of rehabilitation, including the factors in CCR section 99.1 ~~as well as~~ and other relevant considerations.
4. Demonstration of remorse by the licensee.
5. Recognition by the licensee of ~~his or her~~ their wrongdoing and demonstration of corrective action to prevent recurrence.
6. Violation was corrected without monetary losses to consumers and/or restitution was made in full.
7. If the violation involved multiple licensees, the relative degree of culpability of the subject licensee should be considered.

V. REHABILITATION CRITERIA

When considering the denial of a certificate or permit or the restoration of a revoked certificate, or the reduction of penalty, the burden of proof lies with the individual to demonstrate sufficient competent evidence of rehabilitation to establish fitness to perform public accounting services in a manner consistent with professional standards and public protection.

The CBA's rehabilitative criteria, set forth in CCR section 99.1, are as follows:

- (a) When considering the denial of a certificate or permit under Section 480 of the Business and Professions Code, the suspension or revocation of a certificate or permit under Business and Professions Code Section 5100, or restoration of a revoked certificate or reduction of penalty under Section 5115 of the Business and Professions Code, the board will consider the following criteria:
- (1) Nature and gravity of the act(s) or offense(s).
 - (2) Criminal record and evidence of any act(s) committed subsequent to the act(s) or offense(s) under consideration which also could be considered as grounds for denial, suspension or revocation.
 - (3) The time that has elapsed since commission of the act(s) or offense(s) referred to in ~~subdivisions~~ subdivisions (1) or (2).
 - (4) The extent to which the applicant or licensee has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant or licensee.
 - (5) If applicable, evidence of expungement proceedings pursuant to Section 1203.4 of the Penal Code.
 - (6) Nature and extent of actual and potential consumer harm.
 - (7) The individual's attitude toward ~~his or her~~ their commission of the violations.
 - (8) The individual's recognition of wrongdoing.
 - (9) The individual's history of violations.
 - (10) Nature and extent to which the applicant or licensee has taken corrective action to ensure the violation will not recur.
 - (11) Nature and extent of restitution to consumers harmed by violations.
 - (12) Other aggravating or mitigating factors.

- (13) Evidence, if any, of rehabilitation submitted by the applicant or licensee; however, evidence of rehabilitation does not necessarily result in a finding that the licensee is rehabilitated.
- (b) For purposes of issuing a license to an applicant that has been convicted of a crime, the board will consider the applicant to have made a showing of rehabilitation if the applicant has completed the criminal sentence at issue without a violation of parole or probation.
- (c) If the applicant has been convicted of a crime and did not complete the criminal sentence at issue without a violation of parole or probation, and/or if the applicant has been subject to formal discipline by a licensing board in or outside the State within the seven years preceding the application that was based on professional misconduct that is substantially related to the qualifications, functions or duties of a certified public accountant or public accountant, and that would have been cause for discipline by the Board, unless the discipline was based on a conviction that has been dismissed as specified in Section 480(a)(2) of the Business and Professions Code, the Board will find the applicant to have made a showing of rehabilitation if, in applying its criteria for rehabilitation, set forth in (a)(1)-(13) above, the board finds that the applicant is rehabilitated.
- (d) For purposes of suspending, revoking, or restoring a license, or the reduction of penalty, the Board will consider whether the licensee made a showing of rehabilitation, if the licensee:
- (1) has completed the criminal sentence at issue without a violation of parole or probation, and/or
 - (2) has demonstrated rehabilitation using criteria set forth in (a)(1)-(13).

VI. REHABILITATION EVIDENCE

The following are examples of types of evidence which the licensee/applicant (Respondent) may submit to CBA demonstrate ~~his or her~~their rehabilitative efforts and competency:

- a. Letter from the Respondent describing underlying circumstances of arrest and conviction record as well as any rehabilitation efforts or changes in life since that time to prevent future problems.
- b. Recent, dated written statements or performance evaluations from past and/or current employers or persons in positions of authority who have on-the-job knowledge of the Respondent's current competence in the practice of public accountancy, including the period of time and capacity in which the person worked with the Respondent.
- c. Recent, dated letters or a current mental status examination by a clinical psychologist or psychiatrist regarding the Respondent's participation in a rehabilitation, therapy or recovery program, which should include a diagnosis of the condition or any impairment, current state of recovery, and the psychologist's or psychiatrist's basis for determining rehabilitation. The evaluation should also address the likelihood of similar acts occurring in the future, and should speak to the Respondent's mental capacity and ability to practice public accountancy safely.
- d. Letters of reference from other knowledgeable professionals, such as probation or parole officers regarding the Respondent's participation in and/or compliance with terms and conditions of probation or parole, which should include at least a description of the terms and conditions of probation or parole, and the officer's basis for determining compliance.
- e. Recent, dated letters from outside individuals describing the Respondent's community or volunteer participation in civic activities or support groups (e.g., Alcoholics Anonymous, Narcotics Anonymous, other professional or community-based-support groups).
- f. Documentary or other evidence showing continuing education related to the practice of public accountancy.
- g. Documentary or other evidence showing enrollment in or completion of an advanced degree program. In instances where an individual is petitioning for the reinstatement of a revoked certificate or the reduction of penalty, the enrollment in or completion of an advanced degree program should have occurred after the effective date of the disciplinary order.
- h. Documents that support their financial inability to pay costs, including, but not limited to, financial statements, bank statements and bills when the Respondent is petitioning for a reduction of penalty associated with reducing costs or an administrative penalty.

The CBA will evaluate the sufficiency of the evidence submitted on a case-by-case basis. Any evidence submitted to the CBA will be subject to verification by CBA staff.

VII. ADMINISTRATIVE PENALTIES

BPC section 5116 et seq. allows the CBA to order any licensee or applicant for licensure or examination to pay an administrative penalty as part of any disciplinary proceeding. In matters that go through the administrative hearing process, the CBA's Executive Officer may request an ALJ to impose an administrative penalty as part of any proposed decision.

The administrative penalty assessed shall be in addition to any other penalties or sanctions imposed on the licensee or other person, including but not limited to, license revocation, license suspension, denial of the application for licensure, or denial of admission to the licensing examination. When probation is ordered, an administrative penalty may be included as a condition of probation.

For any violation, with the exception of violation of subdivisions (a), (c), (i), (j), or (k) of BPC section 5100, any licensee may be assessed an administrative penalty of not more than \$5,000 for the first violation and not more than \$10,000 for each subsequent violation.

For violation of subdivisions (a), (c), (i), (j), or (k) of BPC section 5100, licensed firms may be assessed an administrative penalty of not more than \$1,000,000 for the first violation and not more than \$5,000,000 for any subsequent violation. The administrative penalty that may be assessed an individual licensee who violates these sections is limited to not more than \$50,000 for the first violation and not more than \$100,000 for any subsequent violation.

Administrative penalties may be assessed under one or more violations; however, the total administrative penalty shall not exceed the amount of the highest administrative penalty allowed.

The term "violation" used in BPC sections 5116.1, 5116.2, and 5116.3 is intended to include the total violations in the disciplinary proceeding. Accordingly, "first violation" refers to the Respondent's first disciplinary action and "subsequent violations" refers to any subsequent disciplinary actions.

Cost recovery ordered under BPC section 5107 should not be a reason to reduce or eliminate the amount of administrative fines.

The following criteria should be considered in assessing administrative penalties.

1. Nature and extent of actual and potential consumer harm.
2. Nature and extent of actual and potential harm to clients.
3. Nature and severity of the violation.
4. The role of the person in the violation.
5. The person's attitude toward ~~his or her~~their commission of the violations.
6. Recognition of wrongdoing.

7. Person's history of violations.
8. Nature and extent of cooperation with the CBA's investigation.
9. The person's ability to pay the administrative penalty.
10. The level of administrative penalty necessary to deter future violations.
11. Nature and extent to which the person has taken corrective action to ensure the violation will not recur.
12. Nature and extent of restitution to consumers harmed by violations.
13. The violations involve sanctions by other government agencies or other regulatory licensing bodies, i.e. Internal Revenue Service, Securities and Exchange Commission, and Public Company Accounting Oversight Board.
14. Other aggravating or mitigating factors.

VIII. DISCIPLINARY GUIDELINES

The offenses and penalties are listed chronologically by statute number in the Business and Professions Code (BPC) and by regulation number in Title 16 of the California Code of Regulations (CCR). The number in brackets following each condition of probation refers to the model order so numbered (See **Model Orders**). The probation terms listed under "if warranted" for each violation are to be considered, and imposed, if facts and circumstances warrant.

CALIFORNIA ACCOUNTANCY ACT: BUSINESS AND PROFESSIONS CODE, DIVISION 3, CHAPTER 1

ARTICLE 2

Section 5037(a) OWNERSHIP OF ACCOUNTANTS' WORKPAPERS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
2. Supervised Practice [28]
3. Probation Monitoring Costs [30]
4. Restricted Practice [31]
5. Continuing Education Courses [36]
6. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference CCR section 54.1)

Section 5037(b)(1)(2) RETURN OF CLIENT DOCUMENTS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
2. Supervised Practice [28]
3. Restitution [29]
4. Probation Monitoring Costs [30]
5. Restricted Practice [31]
6. Engagement Letters [32]
7. Continuing Education Courses [36]
8. Community Service – Free Services [40]

9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
10. Conditions as appropriate relating to physical or mental disability or condition [44-49]

(Reference CCR section 68)

ARTICLE 3

Section 5050(a) PRACTICE WITHOUT PERMIT; TEMPORARY PRACTICE

Except as provided for in sections 5050(c), 5054, and 5096.12, this section applies to a Respondent who practices for a time without a valid license to practice or to a Respondent who practices without obtaining a practice privilege.

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required:

1. If revocation stayed [4], 3 years probation
2. Standard Conditions of Probation [16-27]

If warranted:

1. Suspension [3] with/without stay [4]
2. Probation Monitoring Costs [30]
3. Restricted Practice [31]
4. Continuing Education Courses [36]
5. Active License Status [37]
6. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
7. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5050(c) PRACTICE WITHOUT PERMIT; TEMPORARY PRACTICE; FOREIGN ACCOUNTANTS

Applies to Respondents licensed in a foreign country who are temporarily practicing in California and hold out as California licensees.

Minimum Penalty – Cease and Desist Letter

Maximum Penalty – Refer to Prosecutorial Agency for Unlicensed Practice

(Reference section on Unlicensed Activities.)

Section 5055
Section 5056

**TITLE OF CERTIFIED PUBLIC ACCOUNTANT/
TITLE OF PUBLIC ACCOUNTANT**

(Applies to Respondent who assumes or uses the title certified public accountant, CPA, public accountant, or PA without having an appropriate permit to practice.)

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Continuing Education Courses [36]
 5. Active License Status [37]
 6. Administrative Penalty not to exceed maximum set forth in
 BPC section 5116 [43]

Section 5058 USE OF CONFUSING TITLES OR DESIGNATIONS PROHIBITED

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation stayed, 3 Years Probation, with actual suspension [1-4]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Continuing Education Courses [36]
 5. Administrative Penalty not to exceed maximum set forth in
 BPC section 5116 [43]

(Reference CCR section 2)

**Section 5058.1 TITLES IN CONJUNCTION WITH
CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT**

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation stayed, 3 Years Probation, with actual suspension [1-4]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Continuing Education Courses [36]
 5. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5058.2 INACTIVE DESIGNATION

Minimum Penalty – Continuing Education Courses [36]
Maximum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5058.3 RETIRED DESIGNATION

Minimum Penalty – Continuing Education Courses [36]
Maximum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

ARTICLE 3.5

Section 5060 NAME OF FIRM

Minimum Penalty – Continuing Education Courses [36] for licensee, licensee partners, licensee directors, shareholders, and/or officers of corporation
Maximum Penalty – Revocation stayed, 3 Years Probation, with actual suspension [1-4]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Continuing Education Courses [36]
 5. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BPC section 5072)

Section 5061 COMMISSIONS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Restitution [29]
 4. Probation Monitoring Costs [30]
 5. Restricted Practice [31]
 6. Engagement Letters [32]
 7. Continuing Education Courses [36]
 8. Community Service – Free Services [40]
 9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 10. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5062 REPORT CONFORMING TO PROFESSIONAL STANDARDS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]
 3. Continuing Education Courses [36]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Restitution [29]
 4. Probation Monitoring Costs [30]
 5. Restricted Practice [31]
 6. Engagement Letters [32]
 7. Peer Review [34]
 8. CPA Exam [35]

9. Samples – Audit, Review or Compilation [38]
10. Community Service – Free Services [40]
11. Notice to Clients [42]
12. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BPC section 5100(j))

Section 5062.2 RESTRICTIONS ON ACCEPTING EMPLOYMENT WITH AN AUDIT CLIENT

Minimum Penalty – Revocation stayed, 30 day suspension, 3 years probation [1-4]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3]
 3. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Community Service – Free Services [40]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 4. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5063 REPORTABLE EVENTS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Continuing Education Courses [36]
 6. Samples – Audit, Review or Compilation [38]
 7. Prohibition from Handling Funds [39]
 8. Community Service – Free Services [40]
 9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 10. Conditions as appropriate relating to physical or mental disability or condition [44-49]
 11. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

(Reference CCR sections 59, 60, 61)

Section 5063.3 CONFIDENTIAL INFORMATION DISCLOSURE

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Continuing Education Courses [36]
 6. Samples – Audit, Review or Compilation [38]
 7. Prohibition from Handling Funds [39]
 8. Community Service – Free Services [40]
 9. Notice to Clients [42]
 10. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 11. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

ARTICLE 4

Section 5070.1(b) PRACTICE WITH A RETIRED LICENSE STATUS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Continuing Education Courses [36]
 5. Active License Status [37]
 6. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5070.2(b) PRACTICE WITH A MILITARY LICENSE STATUS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Continuing Education Courses [36]
 5. Active License Status [37]
 6. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5072(a) REQUIREMENTS FOR REGISTRATION AS A PARTNERSHIP

Applies to licensee(s) in a partnership who practices for a time without partnership license (BPC section 5073) and subsequently renews, or to a partnership in practice without a license.

Minimum Penalty – Continuing Education Courses for Licensee Partners [36]

Maximum Penalty – Revocation of partnership/individual licenses [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Continuing Education Courses [36]
 5. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference section on Unlicensed Activities.)

**Section 5073(d) PARTNERSHIP APPLICATIONS
(ADMISSION OR WITHDRAWAL OF PARTNER)**

Minimum Penalty – Continuing Education Courses for Licensee Partners [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5076(a) PEER REVIEW

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Peer Review [34]
 6. Continuing Education Courses [36]
 7. Samples – Audit, Review or Compilation [38]
 8. Notification to Clients/Cessation of Practice [42]
 9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference CCR sections 40, 32, 43)

Section 5076(f) PEER REVIEW – DOCUMENT SUBMISSION REQUIREMENT

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Peer Review [34]
 6. Continuing Education Courses [36]
 7. Samples – Audit, Review or Compilation [38]
 8. Notification to Clients/Cessation of Practice [42]
 9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference CCR section 46)

Section 5078 OFFICES NOT UNDER PERSONAL MANAGEMENT OF CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT; SUPERVISION

Minimum Penalty – Continuing Education Courses for Licensee Owners [36] and/or require CPA or PA to develop standards for supervision, and implement a practice plan; permit practice investigation within 3 months to insure compliance [21]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Continuing Education Courses [36]
 6. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5079(a)(b)(d) NONLICENSEE OWNERSHIP OF FIRMS

Minimum Penalty – Continuing Education Courses [36] for California licensee partners or for licensee shareholders of corporation

Maximum Penalty – Revocation of partnership or corporate registration and individual licenses [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference CCR section 51.1)

ARTICLE 5

Section 5081(a) REQUIREMENTS FOR ADMISSION TO CERTIFIED PUBLIC ACCOUNTANT EXAMINATION (ACTS DENYING ADMISSION TO EXAM)

Minimum Penalty – Probationary conditions on initial license (if not yet licensed) or revocation, stayed with probation (if already licensed); reference appropriate subsection of BPC section 5100 for applicable provisions

Maximum Penalty – Denial of admission to examination or revocation of license if issued

(Reference relevant section for discipline based upon nature of act.)

If warranted: 1. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5081(b)(c) REQUIREMENTS FOR ADMISSION TO CERTIFIED PUBLIC ACCOUNTANT EXAMINATION

Minimum/Maximum Penalty – Denial of admission to examination, or revocation of license if issued.

If warranted: 1. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5088 INTERIM PRACTICE RIGHTS: OUT-OF-STATE CPA

Minimum/Maximum Penalty – If CBA rejects application, cease practice immediately. If practice continues, see provisions on **Unlicensed Activities** and **Practice Privilege**.

Section 5095(a) MINIMUM NUMBER OF ATTEST SERVICES HOURS; ATTEST EXPERIENCE

Minimum Penalty – Revocation stayed and 3 years probation (if license was issued). Cannot apply for license for 12 months (if not yet licensed), and, if application is subsequently approved, conditional license with probation for 3 years.

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
2. Probation Monitoring Costs [30]
3. Restricted Practice [31]
4. CPA Exam [35]
5. Continuing Education Courses [36]
6. Active License Status [37]

7. Notification to Clients/Cessation of Practice [42]
8. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
9. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

ARTICLE 5.1: Practice Privilege

Section 5096(d) PRACTICING THROUGH AN UNREGISTERED FIRM

Minimum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Suspension [3]
 2. Probation Monitoring Costs [30]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 4. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5096(e)(2) COMPLY WITH RULES, LAWS, AND STANDARDS

Minimum Penalty – One year suspension [3]

Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3] (BPC section 5096(g))-
 3. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 3. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5096(e)(3) PRACTICE FROM AN UNAUTHORIZED OFFICE IN THIS STATE

Minimum Penalty – One year suspension [3]

Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3] (BPC section 5096(g))
 3. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5096(e)(5) COOPERATE WITH BOARD

Minimum Penalty – One year suspension [3]

Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3] (BPC section 5096(g))-
 3. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 5096(e)(6), (7), (8), (9) FAILURE TO CEASE EXERCISING THE PRACTICE PRIVILEGE

Minimum Penalty – One year suspension [3]

Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3] (BPC section 5096(g))-
 3. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 2. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

If it is determined that the failure to cease practice or provide the notice was intentional, that individual's practice privilege shall be revoked and there shall be no possibility of reinstatement for a minimum of two years pursuant to Section 5096(g).

Section 5096(e)(10) FAILURE TO REPORT PENDING CRIMINAL CHARGES

Minimum Penalty – One year suspension [3]

Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3] (BPC section 5096(g))-
 3. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 3. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5096(f) FAILURE TO NOTIFY THE BOARD/CEASE PRACTICE

Minimum Penalty – One year suspension [3]
Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3] (BPC section 5096(g))-
 3. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 3. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

If it is determined that the failure to cease practice or provide the notice was intentional, that individual's practice privilege shall be revoked and there shall be no possibility of reinstatement for a minimum of two years pursuant to Section 5096(g).

Section 5096(i) FAILURE TO FILE PRE-NOTIFICATION FORM

Minimum Penalty – One year suspension [3]
Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3] (BPC section 5096(g))-
 3. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 3. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

If it is determined that the failure to cease practice or provide the notice was intentional, that individual's practice privilege shall be revoked and there shall be no possibility of reinstatement for a minimum of two years.

Section 5096.5 UNAUTHORIZED SIGNING OF ATTEST REPORTS

Minimum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3] (BPC section 5096(g))-
 3. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 3. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5096.12 FIRM PRACTICING WITHOUT A PRACTICE PRIVILEGE HOLDER

Minimum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

Maximum Penalty – Revoke Practice Privilege [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Standard Conditions of Probation [16-22, 24-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Suspension [3] (BPC section 5096(g))-
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

ARTICLE 5.5

Section 5097 AUDIT DOCUMENTATION

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]

5. Library Reference Materials [33]
6. Peer Review [34]
7. CPA Exam [35]
8. Continuing Education Courses [36]
9. Samples – Audit, Review or Compilation [38]
10. Community Service – Free Services [40]
11. Notice to Clients [42]
12. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
13. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

(Reference CCR sections 68.2, 68.3, 68.4, 68.5)

ARTICLE 6

**Section 5100 DISCIPLINE IN GENERAL,
(including but not limited to that set forth in
subsections (a) through (l) of this section)**

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Optional conditions which relate to underlying facts and circumstances; reference conditions listed in BPC sections 5100 (a)-(j)
 4. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 5. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

**Section 5100(a) CONVICTION OF ANY CRIME SUBSTANTIALLY RELATED TO THE
QUALIFICATIONS, FUNCTIONS AND DUTIES OF A CPA/PA**

**FOR FELONY CONVICTIONS OR MULTIPLE MISDEMEANOR CONVICTIONS, WITH THE
EXCEPTION OF MISDEMEANOR ALCOHOL/DRUG CONVICTIONS FOR VEHICLE CODE
SECTION 23152 AND DRUG CONVICTIONS FOR POSSESSION FOR PERSONAL USE:**

Minimum Penalty – Revocation stayed. Actual suspension from practice 120 days.
Three years probation [1-4]

Maximum Penalty – Revocation [1, 2]

FOR MULTIPLE MISDEMEANOR ALCOHOL/DRUG CONVICTIONS FOR VEHICLE CODE SECTION 23152 AND DRUG CONVICTIONS FOR POSSESSION FOR PERSONAL USE:

Minimum Penalty – 120-day suspension stayed, and 1 year probation [1-4]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation/suspension stayed [4], probation 1 to 5 years
 2. Suspension [3]
 3. Standard Conditions of Probation [16-27]

- If warranted:
1. Supervised Practice [28]
 2. Restitution [29]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Engagement Letters [32]
 6. CPA Exam [35]
 7. Continuing Education Courses [36]
 8. Samples – Audit, Compilation or Review [38]
 9. Prohibition from Handling Funds [39]
 10. Community Service – Free Services [40]
 11. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 12. Conditions as appropriate relating to physical or mental disability or condition [44-49]
 13. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

IN THE CASE OF A SINGLE MISDEMEANOR VIOLATION, TAILOR PROBATION TO CIRCUMSTANCES, ADJUSTING THE REQUIRED CONDITIONS ACCORDINGLY AND CHOOSING APPROPRIATE WARRANTED CONDITIONS FROM THE ABOVE LIST.

Section 5100(b) FRAUD OR DECEIT IN OBTAINING LICENSE/PERMIT/REGISTRATION

Minimum Penalty – Revocation stayed with 180 days actual suspension and 3 years probation (if license was issued). Cannot apply for license for 12 months (if not yet licensed), and, if application is subsequently approved, conditional license with probation for 3 years.

Maximum Penalty – Revocation or application denied. [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3]
 3. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 4. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5100(c) DISHONESTY, FRAUD, GROSS NEGLIGENCE, OR REPEATED ACTS OF NEGLIGENCE IN THE PRACTICE OF PUBLIC ACCOUNTANCY OR THE PERFORMANCE OF BOOKKEEPING

Minimum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Supervised Practice [28]
 2. Restitution [29]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Peer Review [34]
 6. CPA Exam [35]
 7. Continuing Education Courses [36]
 8. Samples – Audit, Review or Compilation [38]
 9. Prohibition from Handling Funds [39]
 10. Community Service – Free Services [40]
 11. Notification to Clients [42]
 12. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 13. Conditions as appropriate relating to physical or mental disability or condition [44-49]
 14. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5100(d) CANCELLATION, REVOCATION OR SUSPENSION BY ANY OTHER STATE OR FOREIGN COUNTRY

Minimum Penalty – Revocation stayed [1, 2, 4], probation 3 years

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Standard Conditions of Probation [16-27]

If warranted (include those related to underlying offense(s)):

1. Suspension [3] with/without stay [4]
2. Supervised Practice [28]
3. Restitution [29]
4. Probation Monitoring Costs [30]
5. Restricted Practice [31]
6. CPA Exam [35]
7. Continuing Education Courses [36]
8. Samples – Audit, Review or Compilation [38]
9. Prohibition from Handling Funds [39]
10. Community Service – Free Services [40]
11. Notice to Clients [42]
12. Conditions as appropriate relating to physical or mental disability or condition [44-49]
13. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5100(e) VIOLATION OF PROVISIONS OF SECTION 5097

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]
 3. Continuing Education Courses [36]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Library Reference Materials [33]
 6. Peer Review [34]
 7. CPA Exam [35]
 8. Samples – Audit, Review or Compilation [38]
 9. Community Service – Free Services [40]
 10. Notice to Clients [42]
 11. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 12. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5100(f) VIOLATIONS OF PROVISIONS OF SECTION 5120

BPC section 5120 states "Any person who violates Article 3 (commencing with Section 5050) is guilty of a misdemeanor, punishable by imprisonment for not more than six months, or by a fine of not more than one thousand dollars (\$1,000), or both. Whenever the board has reason to believe that any person is liable for punishment under this article, the board, or with its approval the enforcement advisory committee, may certify the facts to the appropriate enforcement officer of the city or county where the alleged violation had taken place and the officer may cause appropriate proceedings to be brought."

Violations of Article 3 include:

5050 and 5051	PRACTICE WITHOUT PERMIT/"PUBLIC ACCOUNTANCY" DEFINED
5055 and 5056	TITLE OF CERTIFIED PUBLIC ACCOUNTANT/ PUBLIC ACCOUNTANT
5058	USE OF CONFUSING TITLES OR DESIGNATIONS PROHIBITED

Minimum/Maximum Penalty – See specific statute/regulation violated for recommended penalty

Section 5100(g) WILLFUL VIOLATION OF THE ACCOUNTANCY ACT, OR A RULE OR REGULATION PROMULGATED BY THE BOARD

Minimum/Maximum Penalty – See specific statute or regulation violated for recommended penalty

Section 5100(h) SUSPENSION OR REVOCATION OF THE RIGHT TO PRACTICE BEFORE ANY GOVERNMENTAL BODY OR AGENCY

Minimum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

If warranted (include those related to underlying offense(s)):

1. Suspension [3] with/without stay [4]
2. Supervised Practice [28]
3. Restitution [29]
4. Probation Monitoring Costs [30]
5. Restricted Practice [31]
6. CPA Exam [35]
7. Continuing Education Courses [36]
8. Samples – Audit, Review or Compilation [38]
9. Prohibition from Handling Funds [39]
10. Community Service – Free Services [40]
11. Notice to Clients [42]

12. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
13. Conditions as appropriate relating to physical or mental disability or condition [44-49]
14. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5100(i) FISCAL DISHONESTY OR BREACH OF FIDUCIARY RESPONSIBILITY OF ANY KIND

Minimum Penalty – Revocation stayed, 30 day suspension, 3 years probation [1-4]
 Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Suspension [3]
 3. Standard Conditions of Probation [16-27]

- If warranted:
1. Supervised Practice [28]
 2. Restitution [29]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. CPA Exam [35]
 6. Continuing Education Courses [36]
 7. Prohibition from Handling Funds [39]
 8. Community Service – Free Services [40]
 9. Notice to Clients [42]
 10. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 11. Conditions as appropriate relating to physical or mental disability or condition [44-49]
 12. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5100(j) KNOWING PREPARATION, PUBLICATION OR DISSEMINATION OF FALSE, FRAUDULENT, OR MATERIALLY MISLEADING FINANCIAL STATEMENTS, REPORTS, OR INFORMATION

Minimum Penalty – Revocation stayed, 60 days suspension, 3 years probation [1-4]
 Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 to 5 years probation
 2. Suspension [3]
 3. Standard Conditions of Probation [16-27]

- If warranted:
1. Supervised Practice [28]
 2. Restitution [29]
 3. Probation Monitoring Costs [30]

4. Restricted Practice [31]
5. Engagement Letters [32]
6. CPA Exam [35]
7. Continuing Education Courses [36]
8. Samples – Audit, Review or Compilation [38]
9. Community Service – Free Services [40]
10. Notice to Clients [42]
11. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
12. Conditions as appropriate relating to physical or mental disability or condition [44-49]
13. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5100(k) EMBEZZLEMENT, THEFT, MISAPPROPRIATION OF FUNDS OR PROPERTY, OR OBTAINING MONEY, PROPERTY OR OTHER VALUABLE CONSIDERATION BY FRAUDULENT MEANS OR FALSE PRETENSES

Minimum Penalty – Revocation stayed, 90 day suspension, 3 years probation [1-4]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation of 3 to 5 years
 2. Suspension [3]
 3. Standard Conditions of Probation [16-27]

- If warranted:
1. Supervised Practice [28]
 2. Restitution [29]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. CPA Exam [35]
 6. Continuing Education Courses [36]
 7. Prohibition from Handling Funds [39]
 8. Notice to Clients [42]
 9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 10. Conditions as appropriate relating to physical or mental disability or condition [44-49]
 11. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5100(l) DISCIPLINE, PENALTY, OR SANCTION BY THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD OR SECURITIES AND EXCHANGE COMMISSION

Minimum Penalty – Revocation stayed [1, 2, 4], 3 years probation

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

If warranted (include those related to underlying offense(s)):

1. Suspension [3] with/without stay [4]
2. Supervised Practice [28]
3. Restitution [29]
4. Probation Monitoring Costs [30]
5. Restricted Practice [31]
6. CPA Exam [35]
7. Continuing Education Courses [36]
8. Samples – Audit, Review or Compilation [38]
9. Prohibition from Handling Funds [39]
10. Community Service – Free Services [40]
11. Notice to Clients [42]
12. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
13. Conditions as appropriate relating to physical or mental disability or condition [44-49]
14. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5100(m) UNLAWFULLY ENGAGING IN PRACTICE OF PUBLIC ACCOUNTANCY IN ANOTHER STATE

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

If warranted:

1. Suspension [3] with/without stay [4]
2. Probation Monitoring Costs [30]
3. Restricted Practice [31]
4. Continuing Education Courses [36]
5. Active License Status [37]
6. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
7. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5101 DISCIPLINE OF PARTNERSHIP

Minimum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Restitution [29]
 4. Probation Monitoring Costs [30]
 5. Restricted Practice [31]
 6. Engagement Letters [32]
 7. Administrative Penalty not to exceed maximum set forth in
 BPC section 5116 [43]

Section 5104 RELINQUISHMENT OF CERTIFICATE OR PERMIT (revocation or suspension)

Minimum/Maximum Penalty – Revocation [1, 2]

Section 5105 RELINQUISHMENT OF CERTIFICATE OR PERMIT (delinquent)

Minimum/Maximum Penalty – Revocation [1, 2]

Section 5110(a) ACTS CONSTITUTING CAUSE FOR BOARD’S DENIAL OF EXAM APPLICATION OR ADMISSION, VOIDANCE OF GRADES, OR DENIAL OF LICENSE APPLICATION OR REGISTRATION

Minimum/Maximum Penalty – Denial of admission to examination, denial of licensure application, or revocation of license if issued.

If warranted: 1. Administrative Penalty not to exceed maximum set forth in
 BPC section 5116 [43]

ARTICLE 7

Sections 5120/5121 VIOLATIONS AS MISDEMEANOR/EVIDENCE OF VIOLATION

(Reference BPC section 5100(f) and section on Unlicensed Activities.)

ARTICLE 9

Section 5152 CORPORATION REPORTS

Minimum Penalty – Continuing Education Courses [36] for licensee directors, shareholders, and/or officers of corporation

Maximum Penalty – Suspend corporate accountancy registration and/or individual licenses for 90 days [3]

Section 5152.1 ACCOUNTANCY CORPORATION RENEWAL OF PERMIT TO PRACTICE

Minimum Penalty – Continuing Education Courses [36] for licensee directors, shareholders, and/or officers of corporation

Maximum Penalty – Suspend corporate accountancy registration and/or individual licenses for 90 days [3]

(Reference BPC sections 5050 and 5060(b))

Section 5154 DIRECTORS, SHAREHOLDERS, AND OFFICERS MUST BE LICENSED

Minimum Penalty – Continuing Education Courses for licensee directors, shareholders, and/or officers of corporation [36]

Maximum Penalty – Revocation of corporate registration [1, 2] and discipline of individual licenses

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
2. Probation Monitoring Costs [30]
3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
4. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Section 5155 DISQUALIFIED SHAREHOLDER NONPARTICIPATION

Minimum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

Maximum Penalty – Revocation of individual and corporate license [1, 2]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
2. Probation Monitoring Costs [30]
3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

**Section 5156 UNPROFESSIONAL CONDUCT
(ACCOUNTANCY CORPORATION)**

Minimum Penalty – Continuing Education Courses [36] for licensee directors, shareholders, and/or officers of corporation

Maximum Penalty – Revocation of individual and corporate licenses [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If Revocation stayed [4], 3 to 5 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Community Service – Free Services [40]
 4. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 5. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Note: An accountancy corporation is bound by the same regulations as individual Respondents. See specific statute or regulation violated for recommended penalty.

**Section 5158 PRACTICE OF PUBLIC ACCOUNTANCY; MANAGEMENT
(ACCOUNTANCY CORPORATION)**

Minimum Penalty – Continuing Education Courses [36] for licensee directors, stakeholders, and/or officers of corporation. Require CPA or PA to develop management plan; permit practice investigation within 3 months to ensure compliance with management requirement and plan [20, 33]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If Revocation stayed [4], 3 to 5 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Supervised Practice [28]
 2. Restitution [29]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Engagement Letters [32]
 6. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 7. Conditions as appropriate relating to physical or mental disability or condition [44-49]

CALIFORNIA BOARD OF ACCOUNTANCY REGULATIONS

TITLE 16 CALIFORNIA CODE OF REGULATIONS

ARTICLE 1: GENERAL

SECTION 3 NOTIFICATION OF CHANGE OF ADDRESS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – 90 day Suspension [3]

SECTION 5 OBSERVANCE OF RULES

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required:

1. If revocation stayed [4], 3 years probation
2. Standard Conditions of Probation [16-27]

If warranted:

1. Probation Monitoring Costs [30]
2. Continuing Education Courses [36]
3. Samples – Audit, Review or Compilation [38]
4. Community Service – Free Services [40]
5. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
6. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

Note: Reference the specific regulation for appropriate discipline.

ARTICLE 2: EXAMINATIONS

SECTION 8.2 REQUIREMENTS FOR ISSUANCE OF THE AUTHORIZATION TO TEST

Minimum Penalty – Probationary conditions on initial license (if not yet licensed) or revocation, stayed with probation (if already licensed); reference appropriate subsection of BPC section 5100 for applicable provisions

Maximum Penalty – Denial of admission to examination or revocation of license if issued; Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

ARTICLE 3: PRACTICE PRIVILEGES

SECTION 20 NOTIFICATION OF CHANGE OF INFORMATION FOR REGISTERED OUT-OF-STATE ACCOUNTING FIRMS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – 90 day Suspension [3]

CONDITIONS OF PROBATION:

Required: 1. If suspension stayed [4], probation 3 to 5 years
 2. Standard Conditions of Probation [16-27]

If warranted: 1. Administrative Penalty not to exceed maximum set forth in
 BPC section 5116 [43]

ARTICLE 5: REGISTRATION

SECTION 37.5 FINGERPRINTING

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

If warranted: 1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section
 5116 [43]

ARTICLE 6: PEER REVIEW

SECTION 40(a)(b)(c) ENROLLMENT AND PARTICIPATION

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Peer Review [34]
 6. Continuing Education Courses [36]

7. Samples – Audit, Review or Compilation [38]
8. Notification to Clients/Cessation of Practice [42]
9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BPC section 5076(a))

SECTION 41 FIRM RESPONSIBILITIES

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BPC section 5076(a))

SECTION 43 EXTENSIONS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 44 NOTIFICATION OF EXPULSION

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]

4. Restricted Practice [31]
5. Continuing Education Courses [36]
6. Samples – Audit, Review or Compilation [38]
7. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
8. Conditions as appropriate relating to physical or mental disability or condition [44-49]

SECTION 45 REPORTING TO BOARD

Minimum Penalty – Continuing Education Courses [36]
 Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BPC section 5076(a))

SECTION 46(a) DOCUMENT SUBMISSION REQUIREMENTS

Applies to firms that receive a substandard peer review rating.

Minimum Penalty – Continuing Education Courses [36]
 Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BPC section 5076(f))

SECTION 46(b) DOCUMENT SUBMISSION REQUIREMENTS

Applies to firms that receive a “pass” or “pass with deficiencies” peer review rating.

Minimum Penalty – Continuing Education Courses [36]
 Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

ARTICLE 9: RULES OF PROFESSIONAL CONDUCT

SECTION 50 CLIENT NOTIFICATION

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation stayed, suspension, 3 years probation [1-4]

CONDITIONS OF PROBATION:

- Required:
1. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

Section 50.1 ATTEST CLIENT NOTIFICATION

Minimum Penalty – Continuing Education Courses [36] for California licensee partners or for licensee shareholders of corporation

Maximum Penalty – Revocation of partnership or corporate registration and individual licenses

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Administrative Penalty not to maximum set forth in BPC section 5116 [43]

SECTION 51 FIRMS WITH NONLICENSEE OWNERS

Minimum Penalty – Continuing Education Courses [36] for California licensee partners or for licensee shareholders of corporation

Maximum Penalty – Revocation stayed, suspension, 3 years probation [1-4]

CONDITIONS OF PROBATION:

- Required:
1. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 51.1 NOTIFICATION OF NON-LICENSEE OWNERSHIP

Minimum Penalty – Continuing Education Courses [36] for California licensee partners or for licensee shareholders of corporation

Maximum Penalty – Revocation of partnership or corporate registration and individual licenses

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BPC section 5079)

SECTION 52 RESPONSE TO BOARD INQUIRY

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Community Service – Free Services [40]
 4. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 53 DISCRIMINATION PROHIBITED

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

CONDITIONS OF PROBATION:

- Required:
1. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 54.1 DISCLOSURE OF CONFIDENTIAL INFORMATION PROHIBITED

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Continuing Education Courses [36]
 5. Notice to Clients [42]
 6. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 7. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

(Reference BPC section 5037)

SECTION 54.2 RECIPIENTS OF CONFIDENTIAL INFORMATION

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed, [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Supervised Practice [28]
 2. Probation Monitoring Costs [30]
 3. Continuing Education Courses [36]
 4. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 5. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

SECTION 56 COMMISSIONS – BASIC DISCLOSURE REQUIREMENT

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Restitution [29]
 4. Probation Monitoring Costs [30]
 5. Restricted Practice [31]
 6. Engagement Letters [32]
 7. Continuing Education Courses [36]
 8. Community Service – Free Services [40]
 9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 10. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

SECTION 56.1 COMMISSIONS – PROFESSIONAL SERVICES PROVIDED TO CLIENT

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Restitution [29]
 4. Probation Monitoring Costs [30]
 5. Restricted Practice [31]
 6. Continuing Education Courses [36]
 7. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 8. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

SECTION 57 INCOMPATIBLE OCCUPATIONS AND CONFLICT OF INTEREST

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]

4. Restricted Practice [31]
5. Engagement Letters [32]
6. Continuing Education Courses [36]
7. Prohibition from Handling Funds [39]
8. Community Service – Free Services [40]
9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
10. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

SECTION 58 COMPLIANCE WITH STANDARDS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Engagement Letters [32]
 6. Peer Review [34]
 7. CPA Exam [35]
 8. Continuing Education Courses [36]
 9. Samples – Audit, Review or Compilation [38]
 10. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 11. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

SECTION 59 REPORTING OF RESTATEMENTS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Continuing Education Courses [36]
 6. Community Service – Free Services [40]

7. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BPC section 5063)

SECTION 60 REPORTING OF INVESTIGATIONS BY THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Continuing Education Courses [36]
 6. Community Service – Free Services [40]
 7. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 8. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

(Reference BPC section 5063)

SECTION 61 THE REPORTING OF SETTLEMENTS, ARBITRATION AWARDS, AND JUDGMENTS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Engagement Letters [32]
 6. Continuing Education Courses [36]
 7. Community Service – Free Services [40]
 8. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 9. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

(Reference BPC section 5063)

SECTION 62 CONTINGENT FEES

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed, 3 years probation [1, 2, 4]
 2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Restitution [29]
 4. Probation Monitoring Costs [30]
 5. Restricted Practice [31]
 6. Engagement Letters [32]
 7. Continuing Education Courses [36]
 8. Community Service – Free Services [40]
 9. Administrative Penalty not to exceed maximum set forth in
 BPC section 5116 [43]

SECTION 63 ADVERTISING

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Community Service – Free Services [40]
 4. Administrative Penalty not to exceed maximum set forth in
 BPC section 5116 [43]

SECTION 65 INDEPENDENCE

Minimum Penalty – Revocation stayed, 3 years of probation [1, 2, 4]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], probation 3 to 5 years
 2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Restitution [29]

4. Probation Monitoring Costs [30]
5. Restricted Practice [31]
6. Engagement Letters [32]
7. Peer Review [34]
8. CPA Exam [35]
9. Samples – Audit, Review or Compilation [38]
10. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 67 APPROVAL OF USE OF FICTITIOUS NAME

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation stayed, 90 day suspension, 3 years probation [1-4]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

If warranted: 1. Probation Monitoring Costs [30]
 2. Community Service – Free Services [40]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 68 RETENTION OF CLIENT’S RECORDS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed, 3 years probation [1, 2, 4]
 2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Restitution [29]
 4. Probation Monitoring Costs [30]
 5. Restricted Practice [31]
 6. Engagement Letters [32]
 7. Continuing Education Courses [36]
 8. Community Service – Free Services [40]
 9. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
 10. Conditions as appropriate relating to physical or mental disability or condition [44-49]

(Reference BPC section 5037)

SECTION 68.1 WORKING PAPERS DEFINED; RETENTION

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Restitution [29]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Engagement Letters [32]
 6. Continuing Education Courses [36]
 7. Community Service – Free Services [40]
 8. Administrative Penalty not to exceed maximum set forth in
 BPC section 5116 [43]
 9. Conditions as appropriate relating to physical or mental disability or
 condition [44-49]

SECTION 68.2 COMPONENTS OF AUDIT DOCUMENTATION

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]
 3. Continuing Education Courses [36]

If warranted: 1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Peer Review [34]
 6. CPA Exam [35]
 7. Samples – Audit, Review or Compilation [38]
 8. Community Service – Free Services [40]
 9. Notice to Clients [42]
 10. Administrative Penalty not to exceed maximum set forth in
 BPC section 5116 [43]

(Reference BPC section 5097)

SECTION 68.3 RETENTION PERIOD FOR AUDIT DOCUMENTATION

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]
 3. Continuing Education Courses [36]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Library Reference Materials [33]
 6. Peer Review [34]
 7. CPA Exam [35]
 8. Samples – Audit, Review or Compilation [38]
 9. Community Service – Free Services [40]
 10. Notice to Clients [42]
 11. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BCP section 5097)

SECTION 68.4 CHANGES IN AUDIT DOCUMENTATION AFTER ISSUANCE OF REPORT

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]
 3. Continuing Education Courses [36]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Library Reference Materials [33]
 6. Peer Review [34]
 7. CPA Exam [35]
 8. Samples – Audit, Review or Compilation [38]
 9. Community Service – Free Services [40]
 10. Notice to Clients [42]

11. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]
12. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

(Reference BPC section 5097)

SECTION 68.5 AUDIT DOCUMENTATION RETENTION AND DESTRUCTION POLICY

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]
 3. Continuing Education Courses [36]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Library Reference Materials [33]
 6. Peer Review [34]
 7. CPA Exam [35]
 8. Samples – Audit, Review or Compilation [38]
 9. Community Service – Free Services [40]
 10. Notice to Clients [42]
 11. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

(Reference BPC section 5097)

SECTION 69 CERTIFICATION OF APPLICANT’S EXPERIENCE

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Community Service – Free Services [40]

5. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [46]
6. Ethics Continuing Education or NASBA CPT Ethical Leadership Training [26]

ARTICLE 11: ACCOUNTANCY CORPORATION RULES

SECTION 75.8 SECURITY FOR CLAIMS AGAINST AN ACCOUNTANCY CORPORATION

Minimum Penalty – Continuing Education Courses [36] for licensee directors, shareholders, and/or officers of corporation

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], probation 3 to 5 years
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Supervised Practice [28]
 2. Restitution [29]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Continuing Education Courses [36]
 6. Samples – Audit, Review or Compilation [38]
 7. Prohibition from Handling Funds [39]
 8. Community Service – Free Services [40]
 9. Notification to Clients [42]
 10. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 75.9 SHARES: OWNERSHIP AND TRANSFER

Minimum Penalty – Continuing Education Courses [36] for licensee directors, shareholders, and/or officers of corporation

Maximum Penalty – Revocation of corporate registration [1, 2] and discipline of individual licenses

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Probation Monitoring Costs [30]
 3. Restricted Practice [31]
 4. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

**SECTION 75.11(b) CERTIFICATION OF REGISTRATION; CONTINUING VALIDITY;
NOTIFICATION OF NAME AND ADDRESS CHANGES**

Minimum Penalty – Continuing Education Courses [36] for licensee directors, shareholders, and/or officers of corporation

Maximum Penalty – Suspend corporate accountancy registration and/or individual licensees for 90 days [3]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
2. Restricted Practice [31]
3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

ARTICLE 12: CONTINUING EDUCATION RULES

Section 80 INACTIVE LICENSE STATUS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
2. Probation Monitoring Costs [30]
3. Restricted Practice [31]
4. Continuing Education Courses [36]
5. Active License Status [37]
6. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 81(a) CONTINUING EDUCATION REQUIREMENTS FOR RENEWING AN EXPIRED LICENSE

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
2. Standard Conditions of Probation [16-27]

If warranted: 1. Suspension [3] with/without stay [4]
2. Supervised Practice [28]
3. Probation Monitoring Costs [30]
4. Restricted Practice [31]

5. Continuing Education Courses [36]
6. Samples – Audit, Review or Compilation [38]
7. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 87 BASIC REQUIREMENTS (Continuing Education)

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4], 3 years probation
 2. Standard Conditions of Probation [16-27]

- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Continuing Education Courses [36]
 6. Samples – Audit, Review or Compilation [38]
 7. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 87.5 ADDITIONAL CONTINUING EDUCATION REQUIREMENTS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

CONDITIONS OF PROBATION:

- Required:
1. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Active License Status [37]
 4. Samples – Audit, Review or Compilation [38]
 5. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 87.6 RECORDS REVIEW CONTINUING EDUCATION REQUIREMENTS

Minimum Penalty – Continuing Education Courses [36]

Maximum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

CONDITIONS OF PROBATION:

- Required:
1. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Samples – Audit, Review or Compilation [38]
 4. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 87.8 REGULATORY REVIEW COURSE

Minimum Penalty – Continuing Education Courses [36]
Maximum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 89 CONTROL AND REPORTING

Minimum Penalty – Continuing Education Courses [36]
Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

Required: 1. If revocation stayed [4], 3 years probation
2. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 89.1 REPORTS

Minimum Penalty – Continuing Education Courses [36]
Maximum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

CONDITIONS OF PROBATION:

Required: 1. Standard Conditions of Probation [16-27]

- If warranted:
1. Probation Monitoring Costs [30]
 2. Continuing Education Courses [36]
 3. Samples – Audit, Review or Compilation [38]
 4. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

SECTION 90 EXCEPTIONS AND EXTENSIONS

Minimum Penalty – Continuing Education Courses [36]
Maximum Penalty – Revocation [1, 2]

CONDITIONS OF PROBATION:

- Required:
1. If revocation stayed [4] 3 years probation
 2. Standard Conditions of Probation [16-27]
- If warranted:
1. Suspension [3] with/without stay [4]
 2. Supervised Practice [28]
 3. Probation Monitoring Costs [30]
 4. Restricted Practice [31]
 5. Continuing Education Courses [36]
 6. Samples – Audit, Review or Compilation [38]
 7. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

ARTICLE 12.5: CITATIONS AND FINES

SECTION 95.4 FAILURE TO COMPLY WITH CITATION

Minimum Penalty – Compliance with Citation Abatement Order and/or Fine as issued
Maximum Penalty – Revocation stayed, 3 years probation [1, 2, 4]

CONDITIONS OF PROBATION:

- Required:
1. Standard Conditions of Probation [16-27]
 2. Restitution [29]
 3. Compliance with Citation Abatement Order and/or Fine
- If warranted:
1. Probation Monitoring Costs [30]
 2. Administrative Penalty not to exceed maximum set forth in BPC section 5116 [43]

VIOLATION OF PROBATION

Minimum penalty – Citation and Fine (19)

Maximum penalty – Vacate stay order and impose penalty that was previously stayed; and/or revoke, separately and severally, for violation of probation and/or for any additional offenses. [1-4]

CCR section 95 provides the authority for the Executive Officer to issue citations and fines from \$100 to \$5,000 to a licensee for violation of a term or condition contained in a decision placing that licensee on probation.

The maximum penalty is appropriate for repeated **similar** offenses, or for probation violations indicating a cavalier or recalcitrant attitude. If the probation violation is due in part to the commission of additional offense(s), additional penalties shall be imposed according to the nature of the offense; and the probation violation shall be considered as an aggravating factor in imposing a penalty for those offenses.

UNLICENSED ACTIVITIES

If any unlicensed individual or firm violates, or is suspected of violating, any of the following Business and Professions Code sections, the matter may be referred to the Division of Investigation, and if the allegation is confirmed, to the District Attorney or other appropriate law enforcement officer for prosecution.

Section 5050
Section 5051
Section 5055

Section 5056
Section 5058
Section 5071

Section 5072
Section 5088

CCR section 95.6 also provides the authority for the Executive Officer to issue citations and fines from \$100 to \$5,000 and an order of abatement against any person defined in Business and Professions Code section 5035 who is acting in the capacity of a licensee under the jurisdiction of the CBA.

BPC section 5120 provides that any person who violates any provisions of Article 3 is guilty of a misdemeanor and can be imprisoned for not more than 6 months or assessed a fine of not more than \$1,000 or both. Injunctions may be requested (see BPC section 5122 immediately following).

INJUNCTIONS

BPC section 5122 provides that "Whenever in the judgment of the board, or with its approval the enforcement advisory committee, any person has engaged, or is about to engage, in any acts or practices that constitute, or will constitute, an offense against this chapter, the board may make application to the appropriate court for an order enjoining the acts or practices, and upon showing by the board that the person has engaged, or is about to engage, in any such acts or practices, an injunction, restraining order, or other order that may be appropriate shall be granted by the court." This section applies to licensees and unlicensed persons.

IX. MODEL ORDERS

LICENSEES

1. **Revocation** - Single Cause:

_____ License No. _____ issued
(Ex: Certified Public Accountant) (Ex: 00000)

to Respondent _____ is revoked.
(Name)

2. **Revocation** - Multiple Causes:

_____ License No. _____ issued to Respondent _____ is revoked pursuant to Determination(s) of Issues _____ separately and for all of them.

3. **Suspension:**

_____ License No. _____ issued to Respondent _____ is suspended for _____. During the period of suspension the Respondent shall engage in no activities for which certification as a Certified Public Accountant or Public Accountant is required as described in Business and Professions Code, Division 3, Chapter 1, section 5051.

4. **Standard Stay Order:**

However, _____ (revocation/suspension) _____ is stayed and Respondent is placed on probation for _____ years upon the following terms and conditions:

ORDER OF RESTRICTED PRACTICE

5. **Permanent Restricted Practice Order (to be placed after any probationary order):**

After the period of probation set forth above is successfully completed, it is further ordered that Respondent shall be prohibited from (performing certain types of engagements such as audits, reviews, compilations, or other attestation engagements, etc.), and/or from practice in (certain specialty areas, e.g. bookkeeping, write-up, tax, auditing, etc.). Respondent shall be prohibited from performing the above mentioned services permanently or until such time as Respondent successfully petitions the California Board of Accountancy (CBA) for reinstatement of the privilege to engage in any of the service(s) or act(s) restricted by this Order.

(Note: This restriction is authorized by Business and Professions Code section 5100.5. It should be used where the violation involves unprofessional conduct in the performance or failure to perform particular accountancy acts or services or where serious or repeated violations in a particular practice area are found and revocation is not warranted.)

PETITIONS FOR REINSTATEMENT

6. Grant petition without restrictions on the license:

Upon satisfaction of all statutory and regulatory requirements for the issuance of a license, the petition for reinstatement filed by _____ is hereby granted and Petitioner's certificate shall be fully restored.

7. Grant petition and place license on probation:

Upon satisfaction of all statutory and regulatory requirements for issuance of a license, the petition for reinstatement filed by _____ is hereby granted. Petitioner's certificate shall be fully restored. However, the certificate shall then be immediately revoked, the revocation shall be stayed, and petitioner shall be placed on probation for ___ years upon the following terms and conditions (*list standard and applicable optional conditions of probation*):

8. Grant petition and place license on probation after petitioner completes conditions precedent to reinstatement of the license:

The petition for reinstatement filed by _____ is hereby granted, and Petitioner's certificate shall be fully reinstated upon the following conditions precedent (*list conditions precedent such as restitution, cost reimbursement, completion of CE, completion of rehabilitation program, take and pass CPA exam, NASBA CPT Ethical Leadership Training, etc.*):

Upon completion of the conditions precedent above and satisfaction of all statutory and regulatory requirements for issuance of a license, Petitioner's certificate shall be reinstated. Upon reinstatement, Petitioner's certificate shall be revoked. However, said revocation shall be stayed and Petitioner shall be placed on probation for a period of ___ years under the following terms and conditions (*list standard and applicable optional conditions of probation*):

9. Deny Petition:

The petition for reinstatement filed by _____ is hereby denied. Option: In accordance with Section 5115(a) of the Business and Professions Code (BPC), Petitioner may file a new petition for reinstatement only after ___ years have elapsed from the effective date of this decision.

Note: (3 years maximum)

Note: BPC section 5115 also allows a person to file a petition for a reduction in penalty. The above checklist can also be used for these petitions.

PETITION FOR REVOCATION OF PROBATION

10. Revocation of Probation:

Certified Public Accountant Certificate No. _____, heretofore issued to Respondent _____, is revoked.

11. Continuance of Probation:

However, revocation is stayed and Respondent is placed on probation for a period of years upon the following terms and conditions:

APPLICANTS

12. Grant application without restrictions on the license:

The application of Respondent _____ for initial licensure is hereby granted, and a license shall be issued to Respondent upon successful completion of all licensing requirements including payment of all fees.

13. Grant application and place license on probation:

The application of Respondent _____ for initial licensure is hereby granted, and a license shall be issued to Respondent upon successful completion of all licensing requirements including payment of all fees. Said license shall immediately be revoked, the order of revocation stayed and Respondent's license placed on probation for a period of _____ years on the following conditions:

14. Grant application and place license on probation after applicant completes conditions precedent to reinstatement of the license:

The application filed by _____ for initial licensure is hereby granted, and a license shall be issued upon the following conditions precedent (*list conditions precedent such as restitution, cost reimbursement, completion of CE, completion of rehabilitation program, take and pass CPA exam, etc.*):

Upon completion of the conditions precedent above and successful completion of all licensing requirements, Respondent shall be issued a license. However, the license shall be immediately revoked, the revocation shall be stayed, and Respondent shall be placed on probation for a period of ___ years under the following terms and conditions (*list standard and applicable optional conditions of probation*):

15. Deny Application:

The application of Respondent _____ for initial licensure is hereby denied.

STANDARD CONDITIONS OF PROBATION (TO BE INCLUDED IN ALL CASES OF PROBATION)

16. 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.

17. Cost Reimbursement

Respondent shall reimburse the California Board of Accountancy (CBA) \$_____ for its investigation and prosecution costs. The payment shall be made within __ days/months of the date the CBA's decision is final.

Option: The payment shall be made as follows: _____[specify either prior to the resumption of practice or in quarterly payments (due with quarterly written reports), the final payment being due one year before probation is scheduled to terminate]-

18. Submit Written Reports

Respondent shall submit, within 10 days of completion of the quarter, written reports to the California Board of Accountancy (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.

19. Personal Appearances

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

20. Comply With Probation

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

21. 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 California Board of Accountancy (CBA), provided notification of such review is accomplished in a timely manner.

22. Comply With Citations

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

23. Tolling of Probation for Out-of-State Residence/Practice

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

23. License Surrender While on Probation

Following the effective date of this Decision, should Respondent cease to practice public accountancy due to retirement or health issues, or be otherwise unable to satisfy the terms and conditions of probation, Respondent may tender Respondent's license to CBA for surrender. The CBA or its designee has the discretion to grant the request for surrender or take any other action it deems appropriate and reasonable. Upon formal acceptance of the license surrender, Respondent will no longer be subject to the terms and conditions of probation. The surrender constitutes a record of discipline and shall become a part of the Respondent's license history with the CBA. If Respondent reapplies for a license, the application shall be treated as a petition for reinstatement of a revoked license.

24. Violation of Probation

If Respondent violates probation in any respect, the California Board of Accountancy (CBA), after giving Respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is filed against Respondent during probation, the CBA shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.

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

25. Completion of Probation

Upon successful completion of probation, Respondent's license will be fully restored, unless the California Board of Accountancy (CBA) has ordered that Respondent's license be permanently restricted or limited even after probation has been completed.

26. Ethics Continuing Education

Within (a specified time period (e.g. one year)) of the effective date of the Order **or** Prior to the resumption of practice (where the license has been suspended), Respondent shall complete four hours of continuing education in course subject matter pertaining to the following: a review of nationally recognized codes of conduct emphasizing how the codes relate to professional responsibilities; case-based instruction focusing on real-life situational learning; ethical dilemmas facing the accounting profession; or business ethics, ethical sensitivity, and consumer expectations. Courses must be a minimum of one hour as described in California Code of Regulations section 88.2.

Or

NASBA CPT Ethical Leadership Training

Within 180 days of the effective date of the Order, Respondent shall successfully complete and pass the Professional Ethical Leadership Training Program through the National Association of State Boards of Accountancy The Center for the Public Trust and shall provide the certificate(s) of completion to the California Board of Accountancy (CBA).

If Respondent fails to complete said courses within the time period provided, Respondent shall so notify the California Board of Accountancy (CBA) and shall cease practice until Respondent completes said courses, has submitted proof of same to the CBA, and has been notified by the CBA that ~~he or she~~they may resume practice. Failure to complete the required courses within the time period provided shall constitute a violation of probation. This shall be in addition to continuing education requirements for relicensing.

27. Regulatory Review Course

Within (a specified time period (e.g. 180 days)) of the effective date of the Order **or** Prior to the resumption of practice (where the license has been suspended), Respondent shall complete a California Board of Accountancy (CBA) approved course on the provisions of the California Accountancy Act and the (CBA) Regulations specific to the practice of public accountancy in California emphasizing the provisions applicable to current practice situations. The course also will include an overview of historic and recent disciplinary actions taken by the CBA, highlighting the misconduct which led to licensees being disciplined.

If Respondent fails to complete said courses within the time period provided, Respondent shall so notify the CBA and shall cease practice until Respondent completes said courses, has submitted proof of same to the CBA, and has been notified by the CBA that ~~he or she~~they may resume practice. Failure to complete the required courses within the time period provided shall constitute a violation of probation. This shall be in addition to continuing education requirements for relicensing.

OPTIONAL CONDITIONS OF PROBATION (To Be Included In Cases Where Appropriate)

28. Supervised Practice

Within 30 days of the effective date of this decision, Respondent shall submit to the California Board of Accountancy (CBA) or its designee for its prior approval a plan of practice that shall be monitored by another CPA or PA who provides periodic reports to the CBA or its designee. Respondent shall pay all costs for such monitoring.

29. Restitution

Respondent shall make restitution to _____ in the amount of \$_____ and shall provide the California Board of Accountancy (CBA) with a written release from _____ attesting that full restitution has been paid. Restitution shall be completed before the termination of probation.

~~Note~~Note: Business and Professions Code section 143.5 prohibits the CBA from requiring restitution in disciplinary cases when the CBA's case is based on a complaint or report that has also been the subject of a civil action and that has been settled for monetary damages providing for full and final satisfaction of the parties in the civil action.

30. Probation Monitoring Costs

Respondent shall pay all costs associated with probation monitoring as determined by the California Board of Accountancy (CBA). Such costs shall be payable to the CBA within 30 days. Failure to pay such costs by the deadline(s) as directed shall be considered a violation of probation. If costs are billed after the completion of the probationary period, the obligation to pay the costs shall continue, but the probation shall not be extended.

31. Restricted Practice

Respondent shall be prohibited from _____ (performing certain types of engagements such as audits, reviews, compilations, or other attestation engagements, etc.), and/or from practice in _____ (certain specialty areas, i.e. bookkeeping, write-up, tax, auditing, etc.). The Respondent will be prohibited from performing the above mentioned services until such time that they successfully petition the California Board of Accountancy as listed in BPC section 5115.

32. Engagement Letters

Respondent shall use engagement letters with each engagement accepted during probation and shall provide copies of same to the California Board of Accountancy (CBA) or its designee upon request.

33. Library Reference Materials

Respondent shall have immediate access to, shall use, and shall maintain published materials and/or checklists that are consistent with the practice. Such materials and checklists shall be produced on-site for review by the California Board of Accountancy (CBA) or its designee upon reasonable notice.

34. Peer Review

During the period of probation, all audit, review, and compilation reports and work papers shall be subject to peer review by a Board-recognized peer review program provider pursuant to Business and Professions Code section 5076 and California Code of Regulations, Title 16, Division 1, Article 6, commencing with section 38, at Respondent's expense. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. Within 45 days of the peer review report being accepted by a Board-recognized peer review program provider, Respondent shall submit to the California Board of Accountancy (CBA) a copy of the peer review report, including any materials documenting the prescription of remedial or corrective actions imposed by the Board-recognized peer review program provider. Respondent shall also submit, if available, within 45 days from the date of the request by the CBA or its designee, any materials documenting completion of any prescribed or remedial actions.

Condition 38 shall be used whenever Condition 34 is used.

35. CPA Exam

Within (a specified time period (e.g. one (1) year)) of the effective date of the Order **or** Prior to the resumption of practice (where the license has been suspended), Respondent shall take and pass the (section) of the Uniform CPA Exam.

If Respondent fails to pass said examination within the time period provided, Respondent shall so notify the California Board of Accountancy (CBA) and shall cease practice until Respondent completes and successfully passes said examination, has submitted proof of same to the CBA, and has been notified by the CBA that ~~he or she~~they may resume practice. Failure to pass the required examination within the time period provided shall constitute a violation of probation.

36. Continuing Education Courses

Within (a specified time period (e.g. 180 days)) of the effective date of the Order **or** Prior to the resumption of practice (where the license has been suspended), Respondent shall complete and provide proper documentation of (specified) professional education courses within (a designated time).

If Respondent fails to complete said courses within the time period provided, Respondent shall so notify the California Board of Accountancy (CBA) and shall cease practice until Respondent completes said courses, has submitted proof of same to the CBA, and has been notified by the CBA that ~~he or she~~they may resume practice. Failure to complete the

required courses within the time period provided shall constitute a violation of probation. This shall be in addition to continuing education requirements for relicensing.

37. Active License Status

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

38. Samples – Audit, Review or Compilation

During the period of probation, if the Respondent undertakes an audit, review or compilation engagement, the Respondent shall submit to the California Board of Accountancy (CBA) as an attachment to the required quarterly report a listing of the same. The CBA or its designee may select one or more from each category and the resulting report and financial statement and all related working papers must be submitted to the CBA or its designee upon request.

39. Prohibition from Handling Funds

During the period of probation the Respondent shall engage in no activities which require receiving or disbursing funds for or on behalf of any other person, company, partnership, association, corporation, or other business entity.

40. Community Service – Free Services

Respondent shall participate in a community service program as directed by the California Board of Accountancy (CBA) or its designee in which Respondent provides free professional services on a regular basis to a community or charitable facility or agency, amounting to a minimum of ____ hours. Such services are to begin no later than ____ days after Respondent is notified of the program and to be completed no later than _____. Respondent shall submit proof of compliance with this requirement to the CBA. Respondent is entirely responsible for ~~his or her~~ their performance in the program and the CBA assumes neither express nor implied responsibility for Respondent's performance nor for the product or services rendered.

41. Relinquish Certificate

Respondent shall relinquish and shall forward or deliver the certificate or permit to practice to the California Board of Accountancy (CBA) office within 10 days of the effective date of this decision and order.

42. Notification to Clients/Cessation of Practice

In orders that provide for a cessation or suspension of practice, Respondent shall comply with procedures provided by the California Board of Accountancy (CBA) or its designee regarding notification to, and management of, clients.

43. Administrative Penalty

Respondent shall pay to the California Board of Accountancy (CBA) an administrative penalty in the amount of \$_____ for violation of section(s) _____ of the California Accountancy Act. The payment shall be made within ___days/months of the date the CBA's decision is final.

44. Medical Treatment

Respondent shall undergo and continue treatment by a licensed physician of Respondent's choice and approved by the California Board of Accountancy (CBA) or its designee until the treating physician certifies in writing in a report to the CBA or its designee that treatment is no longer necessary. Respondent shall have the treating physician submit reports to the CBA at intervals determined by the CBA or its designee. Respondent is responsible for costs of treatment and reports.

(Optional)

Respondent shall not engage in practice until notified by the CBA of its determination that Respondent is physically fit to practice.

45. Psychotherapist

Respondent shall undergo and continue treatment by a licensed psychotherapist of Respondent's choice and approved by the California Board of Accountancy (CBA) or its designee until the treating psychotherapist certifies in writing in a report to the CBA or its designee that treatment is no longer necessary. Respondent shall have the treating psychotherapist submit reports to the CBA at intervals determined by the CBA or its designee. Respondent is responsible for costs of treatment and reports.

(Optional)

Respondent shall not engage in practice until notified by the CBA of its determination that Respondent is mentally fit to practice.

46. Rehabilitation Program/Chemical Dependence

Respondent shall successfully complete or shall have successfully completed a rehabilitation program for chemical dependence that the California Board of Accountancy (CBA) or its designee approves and shall have reports submitted by the program. If a program was not successfully completed prior to the period of probation, the Respondent, within a reasonable period of time as determined by the CBA or its designee but not exceeding 90 days of the effective date of the decision, shall be enrolled in a program. In addition, Respondent must attend support groups, (e.g. Narcotics Anonymous, Alcoholic Anonymous etc.), as directed by the CBA or its designee. Respondent is responsible for all costs of such a program.

47. Drugs – Abstain From Use

Respondent shall completely abstain from the personal use of all psychotropic drugs, including alcohol, in any form except when the same are lawfully prescribed.

48. Drugs – Screening

Respondent shall participate or shall have participated in a drug screening program acceptable to the California Board of Accountancy (CBA) and shall have reports submitted by the program. Respondent is responsible for all costs associated with said screening and reporting.

49. Biological Fluid Testing

Respondent, at any time during the period of probation, shall fully cooperate with the California Board of Accountancy (CBA) or its designee in its supervision and investigation of compliance with the terms and conditions of probation, and shall, when requested, submit to such tests and samples as the CBA or its designee may require for the detection of alcohol, narcotics, hypnotic, dangerous drugs, or controlled substances. Respondent is responsible for all costs associated with this investigation and testing.

Conditions 44-49 shall be used when evidence indicates Respondent may have physical or mental ailment(s) or condition(s) which contributed to the violation or when the same are alleged by Respondent to be a contributing factor to the violation(s).

50. Tolling of Probation for Out-of-State Residence/Practice

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

In the event Respondent has permanently relocated out-of-state, and if Respondent has informed the CBA that they have no intention of practicing in or returning to California, the probation will not be tolled and the probation term will expire according to its terms, without tolling.