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

In the Matter of the Accusation Against:

DONNA MARIE CHANEY
1241 N. Holliston Avenue
Pasadena, CA 91104

Certified Public Accountant Certificate No.
42958

Respondent.

Case No. AC-2017-26

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on May 1, 2017.

It is so ORDERED 3/30/17.

FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
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Pasadena, CA 91104
Certified Public Accountant Certificate No.
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Respondent.

Case No. AC-2017-26

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER

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

PARTIES

1. Patti Bowers (Complainant) is the Executive Officer of the California Board of
Accountancy (CBA). She brought this action solely in her official capacity and is represented in
this matter by Xavier Becerra, Attorney General of the State of California, by Gillian E.
Friedman, Deputy Attorney General.

2. Respondent Donna Marie Chaney (Respondent) is representing herself in this
proceeding and has chosen not to exercise her right to be represented by counsel.

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3. On or about May 10, 1985, the CBA issued Certified Public Accountant Certificate No. 42958 to Donna Marie Chaney. The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought in Accusation No. AC-2017-26, and will expire on November 30, 2017, unless renewed.

**JURISDICTION**

4. Accusation No. AC-2017-26 was filed before the CBA, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on January 13, 2017. Respondent timely filed her Notice of Defense contesting the Accusation.

5. A copy of Accusation No. AC-2017-26 is attached as exhibit A and incorporated herein by reference.

**ADVISEMENT AND WAIVERS**

6. Respondent has carefully read, and understands the charges and allegations in Accusation No. AC-2017-26. Respondent has also carefully read, and understands the effects of this Stipulated Settlement and Disciplinary Order.

7. Respondent is fully aware of her legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at her own expense; the right to confront and cross-examine the witnesses against her; the right to present evidence and to testify on her own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

**CULPABILITY**

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

CONTINGENCY

11. This stipulation shall be subject to approval by the CBA. Respondent understands and agrees that counsel for Complainant and the staff of the CBA may communicate directly with the CBA regarding this stipulation and settlement, without notice to or participation by Respondent. By signing the stipulation, Respondent understands and agrees that she may not withdraw her agreement or seek to rescind the stipulation prior to the time the CBA considers and acts upon it. If the CBA fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the CBA shall not be disqualified from further action by having considered this matter.

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

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

14. In consideration of the foregoing admissions and stipulations, the parties agree that the CBA may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

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DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. 42958 issued to Respondent Donna Marie Chaney is revoked. However, the revocation is stayed and Respondent is placed on probation for three (3) years on the following terms and conditions.

1. Obey All Laws

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

2. Cost Reimbursement

Respondent shall reimburse the CBA $2,575.05 for its investigation and prosecution costs. The payment shall be made in quarterly payments (due with quarterly written reports) with the final payment due six months before the termination of probation.

3. Submit Written Reports

Respondent shall submit, within 10 days of completion of the quarter, written reports to the CBA on a form obtained from the CBA. 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.

4. Personal Appearances

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

5. Comply With Probation

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

6. Practice Investigation

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

7. **Comply With Citations**

   Respondent shall comply with all final orders resulting from citations issued by the CBA.

8. **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 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.

9. **Violation of Probation**

   If Respondent violates probation in any respect, the 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.

10. **Completion of Probation**

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

11. **Regulatory Review Course**

    Within 180 days of the effective date of this decision and order, Respondent shall complete a 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. The course shall be two hours. The hours shall be in addition to
the requirements for relicensing.

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 she may resume
practice. Failure to complete the required courses within the time period provided, shall
constitute a violation of probation.

12. **Continuing Education Courses**

Within 180 days of the effective date of this decision and order, Respondent shall complete
and provide proper documentation of the completion of 36 hours of continuing education in
technical subject areas as described in Title 16, California Code of Regulations, section 87
subparagraph (a)(2). The hours shall be in addition to the requirements for relicensing.

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 she may resume
practice. Failure to complete the required courses within the time period provided shall constitute
a violation of probation.

13. **Active License Status**

Respondent shall at all times maintain an active license status with the 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.
ACCEPTANCE

I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the stipulation and the effect it will have on my Certified Public Accountant Certificate. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the CBA.

DATED: 3/1/2017

DONNA MARIE CHANEY
Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the CBA.

Dated: 3/10/17

Respectfully submitted,

XAVIER BECERRA
Attorney General of California

MARC D. GREENBAUM
Supervising Deputy Attorney General

GILLIAN E. FRIEDMAN
Deputy Attorney General

Attorneys for Complainant
Exhibit A

Accusation No. AC-2017-26
Complainant alleges:

PARTIES

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

2. On or about May 10, 1985, the California Board of Accountancy issued Certified Public Accountant Certificate Number 42958 to Donna Marie Chaney (Respondent). The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought herein and will expire on November 30, 2017, unless renewed.

JURISDICTION

3. This Accusation is brought before the California Board of Accountancy (CBA), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.
4. Section 5109 of the Code states:

The expiration, cancellation, forfeiture, or suspension of a license, practice privilege, or other authority to practice public accountancy by operation of law or by order or decision of the board or a court of law, the placement of a license on a retired status, or the voluntary surrender of a license by a licensee shall not deprive the board of jurisdiction to commence or proceed with any investigation of or action or disciplinary proceeding against the licensee, or to render a decision suspending or revoking the license.

5. Section 5100 of the Code states in pertinent part:

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

   (b) A violation of Section 478, 498, or 499 dealing with false statements or omissions in the application for a license, in obtaining a certificate as a certified public accountant, in obtaining registration under this chapter, or in obtaining a permit to practice public accountancy under this chapter.

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

6. Section 5100.5 of the Code states:

(a) After notice and hearing the board may, for unprofessional conduct, permanently restrict or limit the practice of a licensee or impose a probationary term or condition on a license, which prohibits the licensee from performing or engaging in any of the acts or services described in Section 5051.

(b) A licensee may petition the board pursuant to Section 5115 for reduction of penalty or reinstatement of the privilege to engage in the service or act restricted or limited by the board.
(c) The authority or sanctions provided by this section are in addition to any other civil, criminal, or administrative penalties or sanctions provided by law, and do not supplant, but are cumulative to, other disciplinary authority, penalties, or sanctions.

(d) Failure to comply with any restriction or limitation imposed by the board pursuant to this section is grounds for revocation of the license.

(e) For purposes of this section, both of the following shall apply: (1) "Unprofessional conduct" includes, but is not limited to, those grounds for discipline or denial listed in Section 5100.

(2) "Permanently restrict or limit the practice of" includes, but is not limited to, the prohibition on engaging in or performing any attestation engagement, audits, or compilations.

7. Section 498 of the Code states:

A board may revoke, suspend, or otherwise restrict a license on the ground that the licensee secured the license by fraud, deceit, or knowing misrepresentation of a material fact or by knowingly omitting to state a material fact.

REGULATIONS

8. California Code of Regulations, Title 16, section 52, states, in pertinent part:

(a) A licensee shall respond to any inquiry by the Board or its appointed representatives within 30 days. The response shall include making available all files, working papers and other documents requested.

(d) A licensee shall provide true and accurate information and responses to questions, subpoenas, interrogatories or other requests for information or documents and not take any action to obstruct any Board inquiry, investigation, hearing or proceeding.

9. California Code of Regulations, Title 16, section 87, states, in pertinent part:

(a) 80 Hours. As a condition for renewing a license in an active status, a licensee shall complete at least 80 hours of continuing education in the two-year period immediately preceding license expiration, and meet the reporting requirements described in Section 89(a). A licensee engaged in the practice of public accountancy as defined in Section 5051 of the Business and
Professions Code is required to hold a license in an active status; no carryover of continuing education is permitted from one license renewal period to another.

(b) Ethics Continuing Education Requirement

A licensee renewing a license in an active status shall complete four hours of the 80 hours of continuing education required pursuant to subsection (a) in an ethics course. The course subject matter shall consist of one or more of the following areas: 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. Programs in the following subject areas are not acceptable toward meeting this requirement: sexual harassment, workplace harassment, or workplace violence. Courses must be a minimum of one hour as described in Section 88.2.

(d) Accounting and Auditing Continuing Education Requirement.

A licensee who engages in planning, directing, performing substantial portions of the work, or reporting on an audit, review, compilation, or attestation service, shall complete 24 hours of the 80 hours of continuing education required pursuant to subsection (a) in the course subject matter pertaining to financial statement preparation and/or reporting (whether such statements are prepared on the basis of generally accepted accounting principles or other comprehensive bases of accounting), auditing, reviews, compilations, industry accounting, attestation services, or assurance services. This continuing education shall be completed in the same two-year license renewal period as the report is issued. If no report is issued because the financial statements are not intended for use by third parties, the continuing education shall be completed in the same two-year license renewal period as the financial statements are submitted to the client.

(e) A licensee who must complete continuing education pursuant to subsections (c) and/or (d) of this section shall also complete an additional eight hours of continuing education specifically related to the detection and/or reporting of fraud in financial statements. This
continuing education shall be part of the 80 hours of continuing education required by subsection (a), but shall not be part of the continuing education required by subsections (c) or (d).

(f) Failure to Comply. A licensee's willful failure to comply with the requirements of this section shall constitute cause for disciplinary action pursuant to Section 5100(g) of the Accountancy Act.

10. California Code of Regulations, Title 16, section 87.8 states:

(a) In order to renew a license in an active status, a licensee shall, within the six years preceding the license expiration date, complete a continuing education course on the provisions of the California Accountancy Act and the California Board of Accountancy 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 Board, highlighting the misconduct which led to licensees being disciplined. The course shall be a minimum of two hours, and a licensee shall select from a list of Board-approved courses. The two hours can be counted towards the 80 hours required pursuant to Section 87.

(b) A licensee shall report completion of the Regulatory Review course at the time of renewal.

11. California Code of Regulations, Title 16, section 89 subdivision (l) states, in pertinent part:

A licensee's willful making of any false or misleading statement, in writing, regarding his/her continuing education shall constitute cause for disciplinary action pursuant to section 5100(g) of the Accountancy Act.

COST RECOVERY

12. Section 5107, subdivision (a) of the Code, states:

The executive officer of the board may request the administrative law judge, as part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate
found to have committed a violation or violations of this chapter to pay to the board all reasonable
 costs of investigation and prosecution of the case, including, but not limited to, attorneys’ fees.
 The board shall not recover costs incurred at the administrative hearing.

13. Section 5116 states:

(a) The board, after appropriate notice and an opportunity for hearing, may order any
 licensee or applicant for licensure or examination to pay an administrative penalty as provided in
 this article as part of any disciplinary proceeding or other proceeding provided for in this chapter.

(b) The board may assess administrative penalties under one or more provisions of this
 article. However, the total administrative penalty to be paid by the licensee shall not exceed the
 amount of the highest administrative penalty authorized by this article.

(c) The board shall adopt regulations to establish criteria for assessing administrative
 penalties based upon factors, including, but not limited to, actual and potential consumer harm,
 nature and severity of the violation, the role of the person in the violation, the person’s ability to
 pay the administrative penalty, and the level of administrative penalty necessary to deter future
 violations of this chapter.

(d) Administrative penalties assessed under this article 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, denial of the
 petition for reinstatement, or denial of admission to the licensing examination. Payment of these
 administrative penalties may be included as a condition of probation when probation is ordered.

(e) All administrative penalties collected under this article shall be deposited in the
 Accountancy Fund.

FIRST CAUSE FOR DISCIPLINE
(Misrepresentation of Material Fact on License Renewal)

14. Respondent is subject to disciplinary action under Business and Professions Code
 section 5100, subdivision (b), and Section 5100, subdivision (g), in conjunction with California
 Code of Regulations, Title 16, section 89, subdivision (l), in that she knowingly and falsely made
 a representation of material fact on her November 30, 2015 Certified Public Accountant License

(DONNA MARIE CHANEY) ACCUSATION
Renewal Application by stating, under penalty of perjury, that she had completed the required
hours of continuing education when she had not. The circumstances are as follows:

15. In or about November 2015, Respondent submitted her November 30, 2015 Certified
Public Accountant License Renewal Application wherein she claimed forty (40) hours of
continuing education for the course "International Investing," forty (40) hours of continuing
education for "Understanding and Managing Stock Options Strategy," and four (4) hours of ethics
continuing education for a total of eighty-four (84) hours.

16. On or about April 7, 2016, the CBA notified Respondent that she had been selected
for audit and she was required to submit documentation verifying a minimum of eighty (80) hours
of qualifying continuing education.

17. On or about August 22, 2016, Respondent contacted CBA and admitted that the
eighty (80) hours of CE credit that were claimed were false and that she had not completed the
required CE course for license renewal. Respondent only completed four (4) hours ethics CE
course.

SECOND CAUSE FOR DISCIPLINE

(Failure to Complete Continuing Education Requirements)

18. Respondent is subject to disciplinary action under Business and Professions Code
section 5100, subdivision (g), in conjunction with California Code of Regulations, Title 16,
sections 87 and 87.8, in that Respondent failed to complete continuing education requirements for
her license renewal. The circumstances are as follows:

19. Respondent’s license expired on November 30, 2015. In order to renew her
license, Respondent was required to complete eighty (80) hours of continuing education

20. Respondent confirmed four (4) hours of ethics continuing education, but the other
coursework she submitted could not be verified as Respondent had not completed the courses.

21. After review of the information provided by Respondent for her continuing
education, it was found that Respondent had submitted false statements regarding the continuing
education purporting to demonstrate the completion of 80 hours of CE, that had not been completed.
THIRD CAUSE FOR DISCIPLINE

(Willful Violation)

22. Respondent is subject to disciplinary action under Business and Professions Code section 5100, subdivision (g), for her willfully violation of accountancy law regarding the completion of continuing education requirements. The circumstances are set forth above in paragraphs 15-17 and 19-21 and incorporated herein by this reference.

PRAYER

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

1. Revoking or suspending, restricting, limiting or otherwise imposing discipline upon Certified Public Accountant Certificate Number 42958, issued to Donna Marie Chaney

2. Ordering Donna Marie Chaney to pay the California Board of Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 5107;

3. Ordering Donna Marie Chaney to pay the California Board of Accountancy an administrative penalty pursuant to Business and Professions Code section 5116; and,

4. Taking such other and further action as deemed necessary and proper.

DATED: January 10, 2017

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