In the Matter of the Accusation Against:  

ADRIAN D. BEAMISH  
227 Los Gatos Blvd.  
Los Gatos, CA 95030  

Certified Public Accountant Certificate No.  
CPA 90603  

Respondent.

Case No. AC-2018-65

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. It is further ordered that Respondent’s name, wherever it appears in this Decision and Order, shall be deemed be changed from “Adrian B. Beamish” to “Adrian D. Beamish.”

This Decision shall become effective on JUNE 25, 2018.

It is so ORDERED MAY 25, 2018.

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

In the Matter of the Accusation Against:

ADRIAN B. BEAMISH
227 Los Gatos Blvd.
Los Gatos, CA 95030
Certified Public Accountant Certificate No.
CPA 90603

Respondent.

Case No. AC-2018-65

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 Jonathan D.
Cooper, Deputy Attorney General.

2. Respondent Adrian B. Beamish (Respondent) is represented in this proceeding by
attorney Marc J. Fagel, whose address is: 555 Mission Street, Suite 3000, San Francisco, CA,
94015.

3. On or about November 4, 2004, the CBA issued Certified Public Accountant
Certificate No. CPA 90603 to Adrian B. Beamish (Respondent). The Certified Public Accountant
Certificate was in full force and effect at all times relevant to the charges brought in First Amended Accusation No. AC-2018-65, and will expire on December 31, 2018, unless renewed.

JURISDICTION

4. Accusation No. AC-2018-65 was filed before the CBA. The Accusation and all other statutorily required documents were properly served on Respondent on April 18, 2018. Respondent timely filed his Notice of Defense contesting the Accusation. The Board subsequently filed First Amended Accusation No. AC-2018-65.


ADVISEMENT AND WAIVERS

6. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in First Amended Accusation No. AC-2018-65. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

7. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his 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

9. Respondent admits the truth of each and every charge and allegation in First Amended Accusation No. AC-2018-65.

10. Respondent agrees that his Certified Public Accountant Certificate is subject to discipline and he agrees to be bound by the CBA's probationary terms as set forth in the Disciplinary Order below, and he waives any claim to the contrary.
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 or his counsel. By signing the stipulation, Respondent understands and agrees that he may not withdraw his 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:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. CPA 90603, issued to Respondent Adrian B. Beamish, 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 $3,066.55 for its investigation and prosecution costs. The payment shall be made in quarterly payments (due with quarterly reports) with the last payment being due six months before probation terminates.

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. 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.

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 Order placing that licensee on probation.

10. Completion of Probation

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

11. Ethics Continuing Education

Within 180 days of the effective date of this Order, 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. This shall be in addition to continuing education requirements for relicensure.
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 may resume practice. Failure to complete the required courses within the time period provided shall constitute a violation of probation.

12. **Regulatory Review Course**

Within 180 days of the effective date of this 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. 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. This shall be in addition to continuing education requirements for relicensure.

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

13. **Continuing Education Courses**

Within 180 days of the effective date of this Order, Respondent shall complete and provide proper documentation of 16 hours of professional education courses in the subject area of audits.

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 Respondent 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 the continuing education requirements for relicensure.

14. **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 Order becomes
effective, the license must be renewed within 30 days of the effective date of the Order.

15. Comply with SEC Order

Respondent shall fully comply with the United States Security and Exchange Commission’s
Order in File No. 3-18160.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
discussed it with my attorney, Marc J. Fagel. 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 California Board of Accountancy.

DATED: ________________

ADRIAN B. BEAMISH
Respondent

I have read and fully discussed with Respondent Adrian B. Beamish the terms and
conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.
I approve its form and content.

DATED: ________________

MARC J. FAGEL
Attorney for Respondent
effective, the license must be renewed within 30 days of the effective date of the Order.

15. Comply with SEC Order

Respondent shall fully comply with the United States Security and Exchange Commission's Order in File No. 3-18160.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Marc J. Fagel. 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 California Board of Accountancy.

DATED: 5/14/18

[Signature]

ADRIAN B. BEAMISH
Respondent

I have read and fully discussed with Respondent Adrian B. Beamish the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: 5/14/18

[Signature]

MARC J. FAGEL
Attorney for Respondent
ENDORSEMENT

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

Dated: 5/14/13

Respectfully submitted,

XAVIER BECERRA
Attorney General of California
CHAR SACHSON
Supervising Deputy Attorney General

JONATHAN D. COOPER
Deputy Attorney General
Attorneys for Complainant
Exhibit A

First Amended Accusation No. AC-2018-65
BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

ADRIAN D. BEAMISH
227 Los Gatos Blvd.
Los Gatos, CA 95030

Certified Public Accountant Certificate No.
CPA 90603

Respondent.

Complainant alleges:

PARTIES

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

2. On or about November 4, 2004, the California Board of Accountancy issued Certified
Public Accountant Certificate Number CPA 90603 to Adrian D. Beamish (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 December 31, 2018, unless renewed.

JURISDICTION

3. This First Amended 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 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 5116 of the Code 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.

///
STATUTES AND REGULATIONS

6. Section 141 of the Code states:

(a) For any licensee holding a license issued by a board under the jurisdiction of the department, a disciplinary action taken by another state, by any agency of the federal government, or by another country for any act substantially related to the practice regulated by the California license, may be a ground for disciplinary action by the respective state licensing board. A certified copy of the record of the disciplinary action taken against the licensee by another state, an agency of the federal government, or another country shall be conclusive evidence of the events related therein.

(b) Nothing in this section shall preclude a board from applying a specific statutory provision in the licensing act administered by that board that provides for discipline based upon a disciplinary action taken against the licensee by another state, an agency of the federal government, or another country.

7. 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:

... 

(h) Suspension or revocation of the right to practice before any governmental body or agency.

... 

(i) The imposition of any discipline, penalty, or sanction on a registered public accounting firm or any associated person of such firm, or both, or on any other holder of a permit, certificate, license, or other authority to practice in this state, by the Public Company Accounting Oversight Board or the United States Securities and Exchange Commission, or their designees under the Sarbanes-Oxley Act of 2002 or other federal legislation.

...
8. Section 5100.5(a) 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.

COSTS

9. Section 5107 of the Code states, in pertinent part:

(a) 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, attorney's fees. The board shall not recover costs incurred at the administrative hearing.

(b) A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the executive officer, shall be prima facie evidence of reasonable costs of investigation and prosecution of the case.

FACTUAL SUMMARY

10. On or about September 7, 2017, in an action titled In the Matter of Adrian D. Beamish, CPA, File No. 3-18160, the United States Securities and Exchange Commission (hereinafter “SEC”) imposed sanctions against Respondent. The SEC entered its Order Making Findings and Imposing Sanctions (Order) against Respondent as a result of Respondent’s Offer of Settlement, which the SEC accepted. Respondent consented to entry of the Order without admitting or denying the findings therein, except as to jurisdiction, which Respondent admitted. The SEC action against Respondent was based on the following findings:

11. Respondent repeatedly engaged in improper professional conduct during PricewaterhouseCoopers LLP (PWC)’s audits of Burrill Life Sciences Capital Fund III, LP, a $283 million San Francisco-based venture capital fund. PWC was first engaged to conduct the audits of the venture capital fund's year-end 2006 financial statements. Respondent, as the

12. In the audit of the venture capital fund's year-end 2009 financial statements, Respondent became aware that the fund's founder, G. Steven Burrill, had arranged for the fund to pay millions of dollars to the fund's management company that Burrill owned and controlled.

From 2009 through 2011, the management company characterized the payments as advances on future management fees that it would earn through the provision of future management services as the fund's manager. The payments were made many months, and even years, before the fees were to be earned. In each of these three years, Respondent failed to inquire whether the management company had the authority to take the unusual payments, nor did he scrutinize the rationale for the payments, which Burrill needed to pay his own personal expenses and to fund his other businesses. In conducting the year-end 2012 audit, Respondent learned that the advanced management fee payments that had been paid greatly exceeded any potential future management fee obligations the fund might owe.

13. Despite an advanced management fee balance rapidly growing over several years and not decreasing, and Respondent's own audit team's suggested financial disclosure language being rejected by management, Respondent improperly signed audit reports with unqualified opinions for the fund's year-end 2009, 2010, 2011, and 2012 financial statements, in violation of Generally Accepted Auditing Standards ("GAAS"). In addition, the fund's financial statements, for those same years, did not comply with Generally Accepted Accounting Principles ("GAAP"). Further, Respondent relied upon unreasonable bases as the supposed means for repayment of the advanced management fee balance.

14. The SEC found that Respondent's above-described actions constituted improper professional conduct within the meaning of Section 4C(a)(2) of the Exchange Act and Rule 102(e)(i)(ii) of the SEC's Rules of Practice.

**CAUSE FOR DISCIPLINE**

(Discipline Imposed by SEC)

15. Respondent is subject to disciplinary action under sections 141, subsection (a), and
Subsections (h) and (I), of the Code in that Respondent was the subject of discipline, penalty and/or sanction by the SEC, which action also included suspension or revocation of Respondent's right to practice before the SEC for at least one year, and which action was based on reasons substantially related to the practice of accountancy, as set forth above.

**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 CPA 90603, issued to Adrian D. Beamish;
2. Ordering Adrian D. Beamish 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 Adrian D. Beamish 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: 5-10-18

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