

BEFORE THE ACCOUNTANCY EXAMINING BOARD
OF THE STATE OF IOWA

Department of Commerce
Professional Licensing Bureau
FILED 4-30-2010 (Date)
ACCOUNTANCY
[Redacted]
Signature, Executive Officer

IN THE MATTER OF:

Case No. 09-17

Charles R. Card
CPA #R02991 (lapsed)
PO Box 7779
Urbandale, IA 50323

COMBINED STATEMENT OF
CHARGES AND CONSENT ORDER
IN DISCIPLINARY CASE

Respondent.

A. Statement of Charges

1. The Iowa Accountancy Examining Board ("Board") has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 542 (2009).

2. Respondent was issued Iowa CPA certificate number R02991 on the 30th day of June 1984. Respondent allowed his certificate to lapse in 2004 and has not reinstated. Respondent also allowed his CPA firm's permit to practice to lapse in 2003. He has not reinstated his CPA firm's permit. Respondent has continued to hold out to the public as a CPA. He has signed tax returns as a CPA and has prepared monthly financial statements. Until recently, Respondent prepared compilation reports. Respondent has not kept current with continuing education and has not informed his clients that his certificate has lapsed. Respondent has not engaged to the Board's knowledge in an attest practice. As a sole proprietor he may not have needed a CPA firm permit to practice during the period of lapse. He plainly requires an active individual CPA certificate to practice public accounting, as defined in Iowa Code sections 542.3(20).

3. The Board charges Respondent with practicing public accountancy on a lapsed certificate in violation of Iowa Code sections 272C.10(3), and 542.10(1)(c), (d), and (j); and 193A Iowa Administrative Code 5.1(3), 5.1(4), 5.5(8), 5.6(4), 5.6(5), and 14.3(7)(k).

4. The Board and Respondent have agreed to fully resolve these charges through the following Consent Order, rather than proceed to contested case hearing.

B. Settlement Agreement and Consent Order

5. Respondent has a right to a hearing on the charges, but waives his right to hearing and all attendant rights, including the right to seek judicial review, by freely and voluntarily entering into this Order. This Consent Order constitutes discipline against the Respondent, and is the final agency order in the contested case, pursuant to Iowa Code section 17A.10 and 193 Iowa

Administrative Code 7.4.

6. Respondent agrees the State's counsel may present this Order to the Board and may have ex parte communications with the Board while presenting it.

7. This Order shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any future disciplinary action to be imposed in the event of any future violations.

8. This Combined Statement of Charges and Consent Order is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (2009).

9. Failure to comply with the provisions of this Order shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (2009). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

10. This Order is subject to approval of the Board:

(a) If the Board fails to approve this Order, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter.

(b) If the Board approves this Order, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED:

- A. Respondent is reprimanded for practicing public accountancy on a lapsed certificate.
- B. Respondent shall pay a civil penalty of \$1,000.00 no later than April 30, 2010.
- C. Respondent shall notify the clients for whom he provided services while using the title "CPA" that he was not properly certified. Respondent shall include in his client notification list any client for whom he provided compilation services at any time while his CPA certificate was lapsed, and any additional client for whom he performed any type of tax, financial consulting or other service listed in Iowa Code section 542.3(2) from and after January 1, 2008. Respondent shall send a copy of his proposed notification letter to the Board office for pre-approval prior to mailing. Respondent shall provide copies of the letters to the Board office by April 30, 2009. He may submit a form of the letter with the names of clients to whom he sent the letter.

- D. Respondent shall cease using the CPA title and cease performing compilation services until he reinstates his CPA certificate. If Respondent applies to reinstate his certificate he shall pay \$1,000 in addition to the \$100 reinstatement administrative fee and the renewal fee then applicable (the renewal fee is currently \$100). The \$1,000 shall be in lieu of the \$25 per month fee the Board is in the process of adding to the administrative rules.
- E. If Respondent reinstates his CPA certificate and wishes to perform compilation services in the future, he must first submit to the Board a log of all compilation reports he has issued from and after January 1, 2008. The Board shall select three compilation reports for Board review. If the compilation reports raise significant issues as to Respondent's compliance with applicable standards, he shall not perform compilation services until he has participated in a Board ordered pre-release desk review process and completed peer review.
- F. In addition to the 120 hours of qualifying continuing education Respondent must document to reinstate his CPA certificate to active status, he must also complete 8 hours of pre-approved ethics education and 16 hours of pre-approved education on SSARS and financial reporting.

AGREED AND ACCEPTED:

The Respondent

[Redacted Signature]

Charles R. Card

4-26-10
Date

**The Iowa Accountancy
Examining Board**

[Redacted Signature]

By: Telford A. Lodden, CPA, Chair

5/4/10
Date