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DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSING  
Heber M Wells Building  
160 East 300 South  
P O Box 146741  
Salt Lake City UT 84114-6741  
Telephone: (801) 530-6628

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**BEFORE THE DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSING  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH**

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IN THE MATTER OF THE LICENSE OF :  
DAVIS ACCOUNTING GROUP PC : **NOTICE OF AGENCY ACTION**  
TO PRACTICE AS A CPA FIRM :  
IN THE STATE OF UTAH . Case No DOPL-2010-260

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THE DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSING TO  
Davis Accounting Group PC ("Respondent"),  
Cedar City UT 84720.

The Division of Occupational and Professional Licensing ("the Division") hereby files this Notice of Agency Action. Said action is based upon the Verified Petition of Sandra Hess, Investigator, State of Utah, a copy of which is attached hereto and incorporated herein by reference.

The adjudicative proceeding designated herein is to be conducted on a formal basis. **Within thirty (30) days of the mailing date of this Notice, you are required to file a written response with this Division** The response you file may be helpful in clarifying, refining or narrowing the facts and violations alleged in the Verified Petition Your written response should be mailed to the following address Division of Occupational and Professional Licensing, Attn Disciplinary Files, 160 East 300 South, PO Box 146741, Salt Lake City UT 84114-6741

You may represent yourself or be represented by legal counsel, at your own expense, at all times while this action is pending Your legal counsel shall file with the Division an Entry of Appearance and until that Entry of Appearance is filed, the presiding officer will deal directly with you

You are entitled by law to an evidentiary hearing to determine whether your license to practice as a CPA firm in the State of Utah should be subject to a disciplinary action. Unless otherwise specified by the Director of the Division, the Utah

otherwise specified by the Director of the Division, the Utah Board of Accountancy Board will serve as fact finder in the evidentiary hearing. You will be notified by separate notice of the date, time, and place of that evidentiary hearing and of any other hearings.

During the evidentiary hearing, you will have the opportunity to present evidence, argue, respond, conduct cross-examination and submit rebuttal evidence to the fact finder. After the hearing, unless otherwise specified by the Director of the Division, the fact finder will issue findings of fact, conclusions of law and a recommended order to the Director of the Division of Occupational and Professional Licensing for his review and action.

The presiding officer for purposes of conducting hearings will be J Steven Eklund, Administrative Law Judge, Department of Commerce, who will preside over any evidentiary issues and matters of law or procedure. If you or your attorney have any questions as to the procedures relative to the hearing, Judge Eklund can be contacted at P O Box 146701, Salt Lake City, UT 84114-6701. His telephone number is (801) 530-6648.

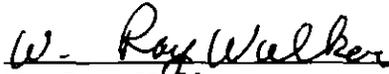
Counsel for the Division in this case is Lenore Epstein, Assistant Attorney General at (801) 366-0310 or P O Box 140872, Salt Lake City, UT 84114-0872. Within ten (10) days after the filing of your response, Ms. Epstein will request the scheduling of a prehearing conference.

You, or if you have an attorney, your attorney, may attempt to negotiate a settlement of the case without proceeding to a hearing by contacting Ms. Epstein.

Should you fail to timely file a response, as set forth above, or fail to attend or participate in any scheduled hearing in this case, including prehearing conference(s), you may be held in default without further notice to you. If you are held in default, the maximum administrative sanction consistent with the terms of the Verified Petition may be imposed against you. The maximum administrative sanction in this case is revocation of licensure.

Please conduct yourself accordingly.

Dated this 30<sup>th</sup> day of August, 2010.

  
W. Ray Walker  
Regulatory & Compliance  
Officer

LENORE EPSTEIN (USB 6723)  
Assistant Attorney General  
MARK L SHURTLEFF (USB 4666)  
Attorney General  
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Telephone (801) 366-0310  
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BEFORE THE DIVISION OF OCCUPATIONAL & PROFESSIONAL LICENSING  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH

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IN THE MATTER OF THE LICENSE OF  
DAVIS ACCOUNTING GROUP P C TO  
PRACTICE AS A CERTIFIED PUBLIC  
ACCOUNTANT FIRM IN THE STATE OF  
UTAH

VERIFIED PETITION

Case no DOPL 2010 - 260

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These claims were investigated by the Utah Division of Occupational and Professional Licensing (Division) upon complaints that Davis Accounting Group P C (Respondent), a licensee of the Division, has engaged in acts and practices which constitute violations of the Division of Occupational and Professional Licensing Act, Utah Code Ann §§ 58-1-101 to 58-1-504 (West 2004 & Supp 2010), and the Construction Trades Licensing Act, §§ 58-55-101 to 58-55-604 (West 2004 & Supp 2010) The allegations in this Petition are based upon the Division's information and belief arising out of that investigation Each count in this Petition shall be deemed to incorporate the allegations set forth in all other paragraphs of the Petition

PARTIES

1 The Division is a division of the Department of Commerce of the State of Utah as established by Utah Code Ann § 13-1-2 (2008)

**1**

2 Respondent was licensed by the Division to practice as a Certified Public Accountant Firm (CPAF) on October 29, 1977

3 Davis Accounting Group, P C was registered to act as a Certified Public Accounting firm on March 27, 2002 on September 30, 2008

#### FACTUAL ALLEGATIONS

4 Respondent's CPAF license expired on September 30, 2008

5 Respondent prepared and filed the following audit reports for clients with the United States Security and Exchange Commission (SEC) after September 30, 2008

- a Form 10-KSB for period ended July 31, 2008, Quibus Technology, Inc , October 7, 2008 report date, filed with SEC on October 29, 2008
- b Form 10-KSB for period ended July 31, 2008, Ere Management Inc , October 20, 2008 report date, filed with SEC on October 29, 2008
- c Form 10-KSB for period ended July 31, 2008, Ultra Care, Inc , October 22, 2008 report date, filed with SEC on October 29, 2008
- d Form 10-KSB for period ended July 31, 2008, Quibus Technology, Inc , October 20, 2008 report date, filed with SEC on October 29, 2008
- e Form 10-KSB for period ended July 31, 2008, C E Entertainment, Inc , October 27, 2008 report date, filed with SEC on October 29, 2008
- f Form 10-K for period ended September 30, 2008, Elevated Concepts, Inc , November 6, 2008 report date, filed with SEC on December 23, 2008
- g Form 10-K for period ended December 31, 2008, Cherry Tankers, Inc , January 15, 2009 report date, filed with SEC on February 19, 2009
- h Form 10-K for period ended December 31, 2008, Majic Wheels Corp , dated March 3, 2009, filed with SEC on March 27, 2009
- i Form 10-K for period ended December 31, 2008, International Medical Staffing, March 3, 2009 report date, filed with SEC on March 23, 2009
- j Form 10-K for period ended December 31, 2008, Majic Wheels Corp , March 3, 2009 report date, filed with SEC on March 27, 2009

- k Form 10-K for period ended December 31, 2008, Orient Paper Inc , March 13, 2009 report date, filed with SEC on March 27, 2009
- l Form 10-K for period ended December 31, 2008, Suspect Detection Systems, March 13, 2009 report date, filed with SEC on March 31, 2009
- m Form 10-K for period ended December 31, 2008, Mabcure Inc , April 10, 2009 report date, filed with SEC on April 10, 2009
- n Form 10-K for period ended December 31, 2008, Isdera North America, Inc , April 13, 2009 report date, filed with SEC on April 8, 2009
- o Form 10-K for period ended December 31, 2008, Uranium 308 Corp , April 13, 2009 report date, filed with SEC on April 15, 2009
- p Form 10-K for period ended December 31, 2008, Extreme Mobile Coatings Corp , Ltd , April 13, 2009 report date, filed with SEC on April 24, 2009
- q Form 10-K for period ended December 31, 2008, Defense Solutions Holding, Inc , April 30, 2009 report date, filed with SEC on May 8, 2009
- r Form 10-K for period ended December 31, 2008, Clear Skies Solar, Inc , April 14, 2009 report date, filed with SEC on April 15, 2009
- s Form 10-K for period ended July 31, 2009, TechMedia Advertising, Inc , September 10, 2009 report date, filed with SEC on October 20, 2009
- t Form 10-K for period ended July 31, 2009, Quibus Technology, Inc . October 10, 2009 report date, filed with SEC on November 9, 2009
- u Form 10-K for period ended July 31, 2009, Ere Management, Inc , October 14, 2009 report date, filed with SEC on November 12, 2009
- v Form S-1 for period ended November 30, 2008, Nature's Call Brands Inc , filed November 13, 2009 (October 20, 2009 report date)
- w Form 10-K for period ended July 31, 2009, America Sierra Gold Corp , filed November 13, 2009 (October 26, 2009 report date)
- x Form 10-K for period ended August 31, 2009, Sara Creek Gold Corp , filed December 15, 2009 (December 14, 2009 report date)

6 From the date of expiration of its CPAF license on September 30, 2008 until the time of this Petition, Respondent has continued to aid and abet Edwin Reese Davis Jr 's unlicensed

practice as a Certified Public Accountant

APPLICABLE LAW

7 The Division may refuse to renew, or may revoke, suspend, restrict, or place on probation, issue a public or private reprimand to, or otherwise act upon the license of any licensee who does not meet the qualifications for licensure Utah Code Ann § 58-1-401(1) (West 2004 & Supp 2007)

8 The Division may refuse to renew, or may revoke, suspend, restrict, or place on probation, issue a public or private reprimand to, or otherwise act upon the license of any licensee who engages in unlawful or unprofessional conduct Utah Code Ann § 58-1-401(2) (West 2004)

9 The division may issue cease and desist orders

- (a) to a licensee who may be disciplined under Subsection (1) or (2),
- (b) to any person who engages in or represents himself to be engaged in an occupation or profession regulated under this title, and
- (c) to any person who otherwise violates this title or any rules adopted under this title

Utah Code Ann § 58-1-501(4) (West 2004)

10 Unprofessional conduct includes violating any statute, rule, or order regulating an occupation or profession Utah Code Ann § 58-1-501(2)(a) (West 2004)

11 Unlawful conduct includes “practicing or engaging in, representing oneself to be practicing or engaging in, or attempting to practice or engage in any occupation or profession requiring licensure under this title if the person is not licensed to do so or not excepted from licensure under this title[ ]” Utah Code Ann § 58-1-501(1)(a)(i) (West 2004)

12 Unlawful conduct also includes the following

- (2) a firm assuming or using “certified public accountant”, CPA”, or any other title, designation, words, letters, abbreviation, sign, card or device tending to

indicate that the firm is composed of certified public accountants unless each office of the firm in this state

(a) is registered with the division, and

(b) meets the requirements of Subsections 58-26a-302(3)(a)(iii) and (iv)

Utah Code Ann § 58-26a-501 (West 2004)

13 Subsection 58-26a-302(3)(a)(iii) provides as follows

(iii) have, notwithstanding any other provision of law, a simple majority of the ownership of the Certified Public Accountant firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers, held by individuals who are certified public accountants, licensed under this chapter or another jurisdiction of the United States of America, and the partners, officers, shareholders, members, or managers, whose principal place of business is in this state, and who perform professional services in this state hold a valid license issued under Subsection 58-26a-301(2) or the corresponding provisions of prior law

14 Unprofessional conduct includes violating, or aiding and abetting any other person to violate, any statute, rule, or order regulating an occupation or profession regulated by the

Division Utah Code Ann § 58-1-501(2)(a) (West 2004)

#### COUNT I

15 From September 30, 2008 until the present, Respondent engaged in the practice of a CPAF, which is unlawful conduct under section 58-1-501(1)(a)(i), and a basis exists to sanction its license pursuant to section 58-1-401(2), section 58-1-106(d), and section 58-1-501(4)

#### COUNT II

16 Respondent used the terms "certified public accounting firm", "CPA," and other language which indicated that it was composed of certified public accountants (CPAs) after the CPA license of Edwin Reese Davis, Jr , its principal, had expired, which is unlawful conduct under section 58-26a-501(2), and a basis exists to sanction its license pursuant to section 58-1-401(2), section 58-1-106(d), and section 58-1-501(4)

P

COUNT III

17 By continuing to employ Edwin Reese Davis, Jr after his CPA license had expired, Respondent engaged in unlawful conduct as defined by section 58-1-501(2)(a), and a basis exists to sanction its license pursuant to section 58-1-401(2), section 58-1-106(d), and section 58-1-501(4)

WHEREFORE, the Division requests the following relief

- 1 that Respondent be adjudged and decreed to have engaged in the acts alleged herein,
- 2 that by engaging in the above acts, Respondent be adjudged and decreed to have violated the Division of Occupation and Professional Licensing Act and the Construction Trades Licensing Act,
- 3 that an Order be issued requiring Respondent to cease and desist from violating the Division of Occupation and Professional Licensing Act and the Construction Trades Licensing Act, and
- 4 that an Order be issued imposing such other sanctions against Respondent's license as are deemed necessary

DATED this 26<sup>th</sup> day of August, 2010

MARK L. SHURTLEFF  
ATTORNEY GENERAL

  
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LENORE EPSTEIN  
Assistant Attorney General