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BEFORE THE DIVISION OF OCCUPATIONAL AND PROFESSIONAL LICENSING

OF THE DEPARTMENT OF COMMERCE

OF THE STATE OF UTAH

IN THE MATTER OF THE LICENSE OF	)	
TODD D. CHISHOLM	)	**STIPULATION AND ORDER**
TO PRACTICE AS A	)	
CERTIFIED PUBLIC ACCOUNTANT	)	CASE NO. DOPL 2010-407
IN THE STATE OF UTAH	)	

TODD D. CHISHOLM, ("Respondent") and the Division of Occupational and Professional Licensing ("Division") of the Department of Commerce of the State of Utah stipulate and agree as follows:

1. Respondent admits the jurisdiction of the Division over Respondent and over the subject matter of this action.

2. Respondent acknowledges that Respondent enters into this Stipulation knowingly and voluntarily.

3. Respondent understands that Respondent has the right to be represented by counsel in this matter and Respondent's signature below signifies that Respondent has either consulted with an attorney or Respondent waives Respondent's right to counsel in this matter.

4. Respondent understands that Respondent is entitled to a hearing before the State of Utah's Board of Accountancy ("Board"), or other Division Presiding Officer, at which time Respondent may present evidence on Respondent's own behalf, call witnesses, and confront adverse witnesses. Respondent understands that by signing this document Respondent hereby waives the right to a hearing, the right to present evidence on Respondent's own behalf, the right to call witnesses, the right to confront adverse witnesses, and any other rights to which Respondent may be entitled in connection with said hearing. Respondent understands that by signing this document Respondent hereby waives all administrative and judicial review as set forth in Utah Code Ann. §§ 63G-4-301 through 63G-4-405, and Utah Administrative Code R151-46b-12 through R151-46b-15. Respondent and the Division hereby express their intent that this matter be resolved expeditiously through stipulation as contemplated in Utah Code Ann. § 63G-4-102(4).

5. Respondent waives the right to the issuance of a Petition and a Notice of Agency Action in this matter.

6. Respondent acknowledges that this Stipulation and Order, if adopted by the Division, will be classified as a public document. The Division may release this Stipulation and Order, and will release other information about this disciplinary action against Respondent's license to other persons and entities.

7. Respondent admits the following facts are true:

a. Respondent was first licensed as a certified public accountant in the State of Utah on or about April 22, 1992.

b. The Public Company Accounting Oversight Board ("PCAOB") issued a formal Order of Investigation #105-OFI-2009-003. Respondent has proposed an offer of settlement of disciplinary proceeding with the PCAOB in which Respondent would agree to sanctions being imposed against him by the PCOAB based upon Respondent's failure to comply with professional and ethical standards in the conduct of an audit.

c. Respondent admits that between 2006 and 2007 Respondent failed to comply with the following professional standards of the audits reviewed by the PCAOB:

i: Respondent failed to have sufficient staff to adequately perform the audit work load that the Respondent contracted to perform. This resulted in audit falling short of the documentation for an appropriate audit under PCOAB rules, Audit Standard No. 3.

ii. In or about September and October 2007, Respondent completed checklists and comments, after the 45 day deadline for which documentation may be properly completed.

iii. The completed checklists and notes were incorrectly dated within the 45 day time period. As a consequence, PCAOB investigators who reviewed the audit files, may have been unintentionally misled into believing this new documentation had been timely included in the audit file.

iv. Respondent failed to maintain proper controls of audit confirmations, which at times were submitted directly to the client being audited rather than directly to Respondent in violation of AU Section 310. The improperly submitted confirmations were improperly accepted by Respondent.

v. Respondent improperly dated the reports on the last day of field work rather than the last date substantive audit work was performed, in violation of AU Section 310.

8. Respondent admits that Respondent's conduct described above is unprofessional conduct as defined in Utah Code Ann. § 58-1-501(2)(a) and (b); AU Section 310; and Audit Standard No. 3 of the PCAOB audit standards, and that said conduct justifies disciplinary action against Respondent's license pursuant to Utah Code Ann. § 58-1-401(2)(a). Respondent understands that the issuance of the Order in this matter is disciplinary action by the Division against Respondent's license pursuant to Utah Administrative Code R156-1-102(6) and Utah Code Ann. § 58-1-401(2). Respondent agrees that an Order shall be entered in this matter as follows:

(1) Respondent's license shall be subject to a term of probation for a period of three years. The period of probation shall commence on the effective date of this Stipulation and Order, which is the date the Division Director signs the Order. During the period of probation, Respondent shall be subject to all of the following terms and conditions. If the Board or Division later deems any of the conditions unnecessary such deletions may be made by an amended order issued unilaterally by the Board or Division.

a. Respondent shall meet with the Board at the first scheduled Board meeting following the effective date of this Stipulation and Order. Respondent shall then meet with the Board on a quarterly basis or at such other greater or lesser frequency as determined by the Board and Division for the duration of the Stipulation and Order. Respondent agrees to meet with an assigned staff member prior to the first Board meeting.

b. Respondent shall notify the Board in writing within one (1) week of any change of employer, employment status, or practice status. This notification is required regardless of whether Respondent is employed in Respondent's profession.

c. If Respondent leaves the State of Utah for a period longer than sixty (60) days, Respondent shall notify the Division and Board in writing of the dates of Respondent's departure and return. The licensing authorities of the jurisdiction to which Respondent moves shall be notified by Respondent in writing of the provisions of this Stipulation and Order. Periods of residency or practice outside the State of Utah may apply to the reduction of the period this Stipulation and Order is in effect, if the new

state of residency places equal or greater conditions upon the Respondent as those contained in this Stipulation and Order.

d. If respondent is arrested or charged with a criminal offense by any law enforcement agency, or disciplined as a Certified Public Accountant in any jurisdiction, inside or outside the State of Utah, for any reason, Respondent agrees to cause the Division and Board to be notified immediately. If Respondent at any time during the period of this agreement is convicted of a criminal offense of any kind, or enters a plea in abeyance to a criminal offense of any kind, including a pending criminal charge, the Division may take appropriate action against Respondent, including imposing appropriate sanctions, after notice and opportunity for hearing. Such sanctions may include revocation or suspension of Respondent's license, or other appropriate sanctions.

e. In the event Respondent does not practice as a certified public accountant for a period of sixty (60) days or longer, Respondent shall notify the Board in writing of the date Respondent ceased practicing. The period of time in which Respondent does not practice shall not be counted toward the time period of this Stipulation and Order. It shall be within the discretion of the Board to modify this requirement if Respondent satisfactorily explains to the Board that compliance in Respondent's case was impractical or unduly burdensome. Respondent must work at least sixteen (16) hours per week and nor more than forty-eight (48) hours per week to be considered "practicing" in Respondent's profession. .

f. Respondent shall provide a copy of this Stipulation and Order to any association with whom Respondent has any formal practice association and to any employer of Respondent.

g. Respondent shall not violate any agreement, order, finding, judgment, or stipulation of the PCAOB, even if the agreement, order, finding, judgment, or stipulation was issued after the effective date of this Stipulation and Order.

h. Respondent shall not engage in preparing or submitting to any client any financial reports requiring full disclosure (including but not limited to any audited financial statement, reviewed financial statements, complied financial statements, or reports on agreed upon procedures) unless the report(s) is approved for release to the client by a qualified CPA that has been pre-approved by the Board who has reviewed the report to determine if professional standards have been followed.

i. Respondent shall cause the CPA reviewing any reports under paragraph 5h to submit quarterly evaluations to the Division. These evaluations shall summarize Respondent's timeliness and competence in preparing the reports.

j. If the Respondent does not engage in preparing reports under paragraph 5h or is not working as a CPA in Utah, Respondent shall submit a written statement on a quarterly basis to the Division that Respondent is not engaged in the preparation of reports or in practice of certified public accountancy and shall describe the type of employment or business in which the Respondent is working.

k. Respondent shall provide to the CPA who reviews his reports a copy of this Stipulation and Order and cause any such evaluator to acknowledge to the Board in writing that a copy of this Stipulation and Order has been provided to the evaluator and that the evaluator agrees to review the Respondent's work as required and file timely evaluations with the Division as required by this Stipulation and Order.

l. Respondent shall timely enroll in and fully comply with any Utah peer review requirement.

m. Respondent shall be responsible for payment of all costs associated with this Stipulation and Order. Failure of Respondent to pay the costs associated with this Stipulation and Order constitutes a violation of this Stipulation and Order.

n. Respondent shall immediately notify the Division in writing of any change in Respondent's residential or business address.

o. Respondent shall maintain a current license at all times during the period of this agreement.

9. This Stipulation and Order, upon approval by the Division Director, shall be the final compromise and settlement of this non-criminal administrative matter. Respondent acknowledges that the Director is not required to accept the terms of this Stipulation and Order and that if the Director does not do so, this Stipulation and the representations contained therein shall be null and void, except that the Director and the Respondent waive any claim of bias or

prejudgment Respondent might have with regard to the Director by virtue of his having reviewed this Stipulation, and this waiver shall survive such nullification.

10. Respondent agrees to abide by and comply with all applicable federal and state laws, regulations, rules and orders related to the Respondent's licensed practice. If the Division files a Petition alleging that Respondent has engaged in new misconduct or files an Order to Show Cause Petition alleging that Respondent has violated any of the terms and conditions contained in this Stipulation and Order, the period of Respondent's probation shall be tolled during the period that the Petition or Order to Show Cause Petition has been filed and is unresolved.

11. This document constitutes the entire agreement between the parties and supersedes and cancels any and all prior negotiations, representations, understandings or agreements between the parties regarding the subject of this Stipulation and Order. There are no verbal agreements that modify, interpret, construe or affect this Stipulation. Respondent agrees not to take any action or make any public statement, that creates, or tends to create, the impression that any of the matters set forth in this Stipulation and Order are without factual basis. A public statement includes statements to one or more Board members during a meeting of the Board. Any such action or statement shall be considered a violation of this Stipulation and Order.

12. The terms and conditions of this Stipulation and Order become effective immediately upon the approval of this Stipulation and signing of the Order by the Division Director. Respondent must comply with all the terms and conditions of this Stipulation immediately following the Division Director's signing of the Order page of this Stipulation and

Order. Respondent shall complete all the terms and conditions contained in the Stipulation and Order in a timely manner. If a time period for completion of a term or condition is not specifically set forth in the Stipulation and Order, Respondent agrees that the time period for completion of that term or condition shall be set by the Division. Failure to complete a term or condition in a timely manner shall constitute a violation of the Stipulation and Order and may subject Respondent to revocation or other sanctions.

13. If Respondent violates any term or condition of this Stipulation and Order, the Division may take action against Respondent, including imposing appropriate sanction, in the manner provided by law. Such sanction may include revocation or suspension of Respondent's license, or other appropriate sanction.

14. Respondent understands that the disciplinary action taken by the Division in this Stipulation and Order may adversely affect any license that Respondent may possess in another state or any application for licensure Respondent may submit in another state.

15. Respondent has read each and every paragraph contained in this Stipulation and Order. Respondent understands each and every paragraph contained in this Stipulation and Order. Respondent has no questions about any paragraph or provision contained in this Stipulation and Order.

DIVISION OF OCCUPATIONAL &
PROFESSIONAL LICENSING

BY: _____
DAN S. JONES
Bureau Manager

DATE: 11-16-10

BY: _____
L. MITCHELL JONES
Counsel for Division

DATE: 17 Nov 2010

RESPONDENT

_____
TODD D. CHISHOLM

DATE: 11/4/10

ORDER

THE ABOVE STIPULATION, in the matter of **TODD D. CHISHOLM**, is hereby approved and constitutes the Findings of Fact and Conclusions of Law in this matter. The issuance of this Order is disciplinary action pursuant to Utah Administrative Code R156-1-102(6) and Utah Code Ann. § 58-1-401(2). The terms and conditions of the Stipulation are incorporated herein and constitute the final Order in this case.

DATED this 23 day of November, 2010.

DIVISION OF OCCUPATIONAL AND
PROFESSIONAL LICENSING

MARK B. STEINAGEL
Director

Investigator: Dan S. Jones