

BOARD OF PUBLIC ACCOUNTANCY

*

BEFORE THE MARYLAND BOARD

v.

*

OF PUBLIC ACCOUNTANCY

MICHAEL S. LIM,

*

Respondent

CASE NO.: CPAS-17-0085

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CONSENT ORDER

This matter comes before the Maryland Board of Public Accountancy (the "Board") as a result of a complaint opened by the Board against Michael S. Lim (the "Respondent"), a licensed certified public accountant. The Respondent was notified that he was selected for an audit in connection with Continuing Professional Education ("CPE") credits claimed in his license renewal application that was filed with the Board on or about February 23, 2017. The Respondent failed to provide sufficient documentation to the Board supporting claimed CPE credits after he was notified of the audit. Upon review of the matter, the Board determined that administrative charges against the Respondent were appropriate based on certain alleged violations of the Maryland Public Accountancy Act and related regulations. Prior to the issuance of formal administrative charges, the parties agreed to enter into this Consent Order as a full and final resolution of this matter, with terms as follows:

THE PARTIES AGREE AND STIPULATE:

1. At all times relevant to the matters set forth in this Consent Order, the Respondent was licensed by the Board as a certified public accountant ("CPA") and/or the Board had jurisdiction over the subject matter.
2. The Respondent's current license (Registration No. 24160) is due to expire on or about April 14, 2019.
3. On or about February 23, 2017, the Respondent filed a license renewal application with the Board for the period February 23, 2017 through April 14, 2019 by means of the Board's online licensing system.
4. On the renewal application, the Respondent claimed 125 hours of CPE credit that was earned during the previous license term.
5. The Board's license renewal application requires an applicant to certify as to the accuracy of the information contained in the application. This certification states, in pertinent part:

"I hereby certify, under penalty of perjury, that the information contained herein is true and correct to the best of my knowledge,

information, and belief. . . ."

6. Following the Respondent's submission of the license renewal application and payment of the license renewal fee, the Respondent was advised that his application was selected for an audit of the CPE credits that were reported and that supporting documents for the CPE hours claimed were required to be submitted to the Board.

7. The Respondent subsequently submitted documentation to support 125 CPE hours earned. Upon review, it was determined that the Respondent could only provide documentation of 2 hours earned during the applicable period of the required 4 CPE hours in Professional Ethics. The Respondent did complete 2 additional CPE hours in Professional Ethics after the renewal application date, in or around February and April of 2017.

8. The Respondent admits that he did not meet the requirements to renew the license at the time the renewal application was filed with the Board on or about February 23, 2017 because he failed to obtain the proper number of CPE credit hours in Professional Ethics.

9. Based on the aforementioned facts, the Respondent admits that he has violated Business Occupations and Professions Art. (BOP), §§ 2-312(a)(3) and 2-315(a)(1)(xii), Ann. Code of Maryland, and Code of Maryland Regulations (COMAR) 09.24.01.06(I)(1), 09.24.02.03 (A) and (C)(1), and 09.24.02.05 (C) which state, in pertinent part:

BOP § 2-312. Continuing education.

(a) *In general.* -

(3) (i) To qualify for any further renewal of a license under this subtitle, a licensee shall complete, for each 2-year license term, at least 80 hours in programs that the Board approves.

**§2-315. Denials, reprimands, suspensions, and revocations -
Grounds; license certificate**

(a) Grounds -

(1) Subject to the hearing provisions of §2-317 of this subtitle, the Board, on the affirmative vote of a majority of its members, may deny a license to any applicant, reprimand any licensee, or suspend or revoke a license if the applicant or licensee:

(xii) violates a rule of professional conduct adopted by the Board.

COMAR 09.24.01.06 Code of Professional Conduct

I. Other Responsibilities and Practices.

(1) A licensee may not commit any act that reflects adversely on the licensee's fitness to engage in the practice of public accountancy.

COMAR 09.24.02.03 Basic Requirement.

A. An applicant for license renewal shall complete, prior to submitting an application, a minimum of 80 credit hours of qualifying continuing education in each 2-year license term.

C. Professional Ethics.

(1) A minimum of 4 credit hours of the continuing education for each 2-year license term shall be in professional ethics.

COMAR 09.24.02.05 Controls and Reporting.

C. The Board, at its discretion, may verify the information and documentation supporting the certification of continuing education credit hours reported. Upon request, the individual who reported the continuing education credit hours shall submit to the Board, or its designee, copies of the original documentation.

10. Based on the aforementioned violations, the Respondent agrees to pay a total civil penalty to the Board in the amount of \$500.00 within 14 days of the date of this Consent Order.

11. In the event that the Respondent fails to make the required payment in accordance with the terms and conditions of this Consent Order, his Maryland CPA license shall be immediately and automatically suspended until such time as the required payment is made.

12. The Respondent shall abide by the provisions of the Maryland Public Accountancy Act, BOP § 2-101, *et. seq.* and COMAR 09.24.01, *et. seq.* with regard to all pertinent future activities.

13. The Respondent, by entering into this Consent Order, expressly waives the right to any further written notification of administrative charges, an administrative hearing on the charges and the making of Findings of Fact and Conclusions of Law, any and all further proceedings before the Board to which he may otherwise be entitled in this matter, and any rights to appeal from this Order.

14. The Respondent agrees that this Consent Order shall constitute a Final Order of the Board and shall be enforceable as such.

15. The Respondent enters into this Consent Order freely, knowingly and voluntarily, and with the opportunity to seek advice of counsel.

BASED ON THESE STIPULATIONS, IT IS, THIS 19th DAY OF June, 2018, BY THE BOARD OF PUBLIC ACCOUNTANCY:

ORDERED that the Respondent has violated BOP §§ 2-312(a)(3) and 2-315(a)(1)(xii), Ann. Code of Maryland, and Code of Maryland Regulations (COMAR) 09.24.01.06(I)(1), 09.24.02.03 (A) and (C)(1), and 09.24.02.05(C);

AND IT IS FURTHER ORDERED that the Respondent shall pay a civil penalty in the amount of \$500.00 to the Board within 14 days of the date of this Consent Order;

AND IT IS FURTHER ORDERED that this matter shall be resolved in accordance with the terms of this Consent Order, and that the same shall be reflected among the records of the Board;

AND IT IS FURTHER ORDERED that this Consent Order shall constitute a Final Order of the Board.

SIGNATURE ON ORIGINAL DOCUMENT

SIGNATURE ON ORIGINAL DOCUMENT

Michael S. Lim

Arthur E. Flach, CPA
Chairperson

6/7/18
Date

6/19/18
Date