

HOUSE BILL No. 5936

April 8, 2008, Introduced by Reps. Coulouris, Bieda, Griffin, Moore, Huizenga and Mayes and referred to the Committee on Banking and Financial Services.

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 720, 723, 724, 728, and 734 (MCL 339.720, 339.723, 339.724, 339.728, and 339.734), sections 720 and 724 as added by 1997 PA 10, sections 723 and 734 as amended by 2005 PA 278, and section 728 as amended by 2000 PA 334, and by adding sections 727a and 734a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 720. (1) As used in this article:

2 (A) "ATTEST" MEANS PROVIDING THE FOLLOWING FINANCIAL STATEMENT
3 SERVICES:

4 (i) ANY AUDIT OR OTHER ENGAGEMENT TO BE PERFORMED IN ACCORDANCE
5 WITH THE STATEMENTS ON AUDITING STANDARDS.

1 (ii) ANY REVIEW OF A FINANCIAL STATEMENT TO BE PERFORMED IN
2 ACCORDANCE WITH THE STATEMENTS ON STANDARDS FOR ACCOUNTING AND
3 REVIEW SERVICES.

4 (iii) ANY EXAMINATION OF PROSPECTIVE FINANCIAL INFORMATION TO BE
5 PERFORMED IN ACCORDANCE WITH THE STATEMENTS ON STANDARDS FOR
6 ATTESTATION ENGAGEMENTS.

7 (iv) ANY ENGAGEMENT TO BE PERFORMED IN ACCORDANCE WITH THE
8 PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD AUDITING STANDARDS.

9 (B) ~~(a)~~—"Certified public accountant" means an individual who
10 is ~~qualified~~ EITHER OF THE FOLLOWING:

11 (i) QUALIFIED by education, examination, and experience TO
12 ENGAGE OR OFFER TO ENGAGE IN THE PRACTICE OF PUBLIC ACCOUNTING as
13 evidenced by the issuance of a certificate as a certified public
14 accountant under section 725 or 726 ~~to engage or offer to engage in~~
15 ~~the practice of public accounting~~ AND A LICENSE OR REGISTRATION
16 ISSUED UNDER SECTION 727.

17 (ii) AN INDIVIDUAL WHOSE PRINCIPAL PLACE OF BUSINESS IS NOT IN
18 THIS STATE AND WHO SATISFIES THE REQUIREMENTS SET FORTH IN SECTION
19 727A.

20 (C) "CLIENT" MEANS A PERSON OR ENTITY THAT ENGAGES A LICENSEE
21 OR LICENSEE'S EMPLOYER TO RECEIVE ANY SERVICE IN THE PRACTICE OF
22 PUBLIC ACCOUNTING.

23 (D) "COMPILATION" MEANS PROVIDING A SERVICE TO BE PERFORMED IN
24 ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW
25 SERVICES THAT ARE PRESENTING, IN THE FORM OF FINANCIAL STATEMENTS,
26 INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT OR OWNERS
27 WITHOUT UNDERTAKING TO EXPRESS ANY ASSURANCE ON THE STATEMENTS.

1 (E) ~~(b)~~—"Firm" means a corporation, partnership, limited
2 liability company, unincorporated association, sole proprietorship
3 operating under an assumed name, or other legal entity.

4 (F) "HOME OFFICE" MEANS THE LOCATION SPECIFIED BY THE CLIENT
5 AS THE ADDRESS TO WHICH A SERVICE DESCRIBED IN SUBDIVISION (A) OR
6 (D) IS DIRECTED.

7 (G) ~~(e)~~—Subject to subsection (2), "practice of public
8 accounting" means rendering or offering to render an opinion on or
9 attesting to or offering to attest to the reliability of a
10 representation or estimate, including, but not limited to, the
11 giving of an opinion in substance that financial information as set
12 forth ~~fairly~~ presents **FAIRLY** the condition of the entity reviewed
13 or audited, in regard to an entity embracing 1 or more of the
14 following:

15 (i) Financial information.

16 (ii) Facts respecting compliance with conditions established by
17 law or contract, including, but not limited to, a statute,
18 ordinance, regulation, grant, loan, or appropriation.

19 (iii) The scope of the accounting procedures rendered in
20 connection with the presentation of a financial statement.

21 (H) "PRINCIPAL PLACE OF BUSINESS" MEANS THE OFFICE LOCATION
22 DESIGNATED BY THE LICENSEE FOR THE PURPOSES OF SUBSTANTIAL
23 EQUIVALENCY AND RECIPROCITY.

24 (I) "REPORT", WHEN USED WITH REFERENCE TO FINANCIAL
25 STATEMENTS, MEANS AN OPINION, REPORT, OR OTHER FORM OF LANGUAGE
26 THAT STATES OR IMPLIES ASSURANCE AS TO THE RELIABILITY OF ANY
27 FINANCIAL STATEMENTS AND THAT ALSO INCLUDES, OR IS ACCOMPANIED BY,

1 ANY STATEMENT OR IMPLICATION THAT THE PERSON OR FIRM ISSUING IT HAS
2 SPECIAL KNOWLEDGE OR COMPETENCE IN ACCOUNTING OR AUDITING. SUCH A
3 STATEMENT OR IMPLICATION OF SPECIAL KNOWLEDGE OR COMPETENCE MAY
4 ARISE FROM USE BY THE ISSUER OF THE REPORT OF NAMES OR TITLES
5 INDICATING THAT THE PERSON OR FIRM IS AN ACCOUNTANT OR AUDITOR OR
6 FROM THE LANGUAGE OF THE REPORT ITSELF. REPORT INCLUDES ANY FORM OF
7 LANGUAGE WHICH DISCLAIMS AN OPINION WHEN THAT FORM OF LANGUAGE IS
8 CONVENTIONALLY UNDERSTOOD TO IMPLY ANY POSITIVE ASSURANCE AS TO THE
9 RELIABILITY OF THE FINANCIAL STATEMENTS REFERRED TO OR SPECIAL
10 COMPETENCE ON THE PART OF THE PERSON OR FIRM ISSUING SUCH LANGUAGE,
11 OR BOTH, AND INCLUDES ANY OTHER FORM OF LANGUAGE THAT IS
12 CONVENTIONALLY UNDERSTOOD TO IMPLY THAT ASSURANCE OR SPECIAL
13 KNOWLEDGE AND COMPETENCE, OR BOTH.

14 (2) In addition to the definition set forth in subsection
15 ~~(1)(e)~~-(1)(G), practice of public accounting includes 1 or more of
16 the following activities when performed or offered to be performed
17 by a person holding himself or herself out as a certified public
18 accountant for a client or a potential client:

19 (a) The issuance of reports on financial statements.

20 (b) One or more kinds of management advisory, financial
21 advisory, or consulting services.

22 (c) The preparation of tax returns.

23 (d) The furnishing of advice on tax matters.

24 Sec. 723. (1) Each ~~licensed or registered individual holder of~~
25 ~~a certificate as a certified public accountant~~ **HAVING COMPLIED WITH**
26 **THE REQUIREMENTS DESCRIBED IN SECTION 720(1)(B)** shall be known as a
27 certified public accountant and ~~a~~-**ANY OTHER** person shall not use

1 that title or the abbreviation "CPA" or any other word, words,
2 letters, or figures to indicate that the person using them is a
3 certified public accountant unless the use is specifically approved
4 by the board. Use of the terms "certified accountant", "chartered
5 accountant", "public accountant", and "registered accountant" and
6 the abbreviations "C.A.", "P.A.", and "R.A." is specifically
7 prohibited as being prima facie misleading to the public.

8 (2) Except as provided in section 724, a person shall not
9 engage in the practice of public accounting either in the person's
10 own name, under an assumed name, or as a member of a firm or as an
11 employee, unless the person holds a ~~certificate as a certified~~
12 ~~public accountant and a~~ **MICHIGAN** license as a certified public
13 accountant issued under this article **OR IS PRACTICING PUBLIC**
14 **ACCOUNTING IN THIS STATE PURSUANT TO SECTION 727A.**

15 (3) Unless use of a term is specifically approved by the
16 board, the display or uttering by a person of a card, sign,
17 advertisement, directory listing, or other printed, engraved, or
18 written instrument or device bearing a person's name in conjunction
19 with a title described in subsection (1) shall be prima facie
20 evidence that the person whose name is so displayed caused or
21 procured the display or uttering of the card, sign, advertisement,
22 directory listing, or other printed, engraved, or written
23 instrument or device. Evidence of the commission of a single act
24 prohibited by this section is sufficient to justify an injunction
25 or a conviction without evidence of a general course of conduct.

26 (4) Each licensed firm may use the designation "certified
27 public accountants" in connection with the firm name, except that a

1 licensed firm having only 1 member may use only the designation
2 "certified public accountant". An unlicensed firm shall not use the
3 designation "certified public accountants", "certified
4 accountants", "chartered accountants", "public accountants", or
5 "registered accountants" or the abbreviation "C.P.A.", "CPA",
6 "CPAs", "C.A.", "P.A.", or "R.A." in connection with the firm name
7 **UNLESS THE FIRM IS LICENSED UNDER THE LAWS OF ANOTHER LICENSING**
8 **JURISDICTION AND IS PERMITTED TO PRACTICE IN THIS STATE WITHOUT**
9 **OBTAINING A LICENSE AS DESCRIBED IN SECTION 728.**

10 (5) A person that violates this section or a rule or order
11 promulgated or issued under or related to this section is liable
12 for an administrative fine payable to the department of not more
13 than \$25,000.00 per violation.

14 (6) The department may conduct an investigation and proceed
15 under article 5 to enforce this section.

16 Sec. 724. This article does not prohibit the following:

17 (a) An individual who is not a certified public accountant
18 from serving as an employee of, or an assistant to, a certified
19 public accountant or firm composed of certified public accountants
20 licensed to practice under this article if the individual does not
21 issue an accounting or financial statement over his or her name.

22 (b) A **LICENSED** certified public accountant of another ~~state~~
23 **LICENSING JURISDICTION WHO DOES NOT MEET THE REQUIREMENTS OF**
24 **SECTION 727A**, or an accountant who is licensed in a foreign country
25 for the practice of public accounting in that country, from
26 temporarily and periodically engaging in the practice of public
27 accounting in this state if all of the following requirements are

1 met:

2 (i) The individual is conducting a regular practice of public
3 accounting in ~~the other state~~ **ANOTHER LICENSING JURISDICTION** or
4 foreign country.

5 (ii) The temporary practice is conducted in conformity with
6 section 736 and applicable rules promulgated by the director, if
7 any.

8 (iii) The individual secures a temporary permit from the
9 department to conduct the practice in this state.

10 (c) A practicing attorney from preparing reports or presenting
11 records customarily prepared by an attorney in connection with the
12 attorney's professional work.

13 (d) A person from preparing a financial report or tax return,
14 not requiring the expression of an opinion on the report or return,
15 for filing with a federal, state, or local governmental unit.

16 (e) An officer, employee, partner, or principal of an
17 organization from signing a statement or report in reference to the
18 financial affairs of the organization with wording designating the
19 position, title, or office which the officer, employee, partner, or
20 principal of an organization holds in that organization.

21 (f) An act of a public official or public employee in the
22 performance of that individual's official duties.

23 (g) An individual who may be employed by more than 1 person or
24 firm from keeping books, making trial balances or statements, and
25 preparing audits or reports, if the audits or reports are not used
26 or issued by the employer as having been prepared by a certified
27 public accountant.

1 (H) A FIRM THAT DOES NOT HOLD A VALID LICENSE UNDER SECTION
2 728 AND THAT DOES NOT HAVE AN OFFICE IN THIS STATE FROM PROVIDING
3 ITS PROFESSIONAL SERVICES IN THIS STATE IN THE PRACTICE OF PUBLIC
4 ACCOUNTANCY AND FROM USING THE CERTIFIED PUBLIC ACCOUNTANT
5 DESIGNATION SO LONG AS IT COMPLIES WITH THE REQUIREMENTS OF SECTION
6 728(5) OR (6), WHICHEVER IS APPLICABLE.

7 SEC. 727A. (1) AN INDIVIDUAL WHOSE PRINCIPAL PLACE OF BUSINESS
8 IS NOT IN THIS STATE SHALL BE CONSIDERED TO HAVE QUALIFICATIONS
9 SUBSTANTIALLY EQUIVALENT TO THIS STATE'S REQUIREMENTS, SHALL HAVE
10 ALL THE PRIVILEGES OF LICENSEES OF THIS STATE, AND MAY PRACTICE
11 PUBLIC ACCOUNTANCY WITHOUT THE NEED TO OBTAIN A CERTIFICATE,
12 LICENSE, OR TEMPORARY PRACTICE PERMIT UNDER THIS ARTICLE, IF THE
13 INDIVIDUAL MEETS EITHER OR BOTH OF THE FOLLOWING:

14 (A) HOLDS A VALID LICENSE AS A CERTIFIED PUBLIC ACCOUNTANT
15 FROM ANOTHER LICENSING JURISDICTION THAT REQUIRES, AS A CONDITION
16 OF LICENSURE, THAT THE INDIVIDUAL MEETS ALL OF THE FOLLOWING:

17 (i) HAS AT LEAST 150 SEMESTER HOURS OF COLLEGE EDUCATION
18 INCLUDING A BACCALAUREATE OR HIGHER DEGREE CONFERRED BY A COLLEGE
19 OR UNIVERSITY.

20 (ii) ACHIEVES A PASSING GRADE ON THE UNIFORM CERTIFIED PUBLIC
21 ACCOUNTANT EXAMINATION.

22 (iii) POSSESSES AT LEAST 1 YEAR OF EXPERIENCE INCLUDING
23 PROVIDING ANY TYPE OF SERVICE OR ADVICE INVOLVING THE USE OF
24 ACCOUNTING, ATTEST, COMPILATION, MANAGEMENT ADVISORY, FINANCIAL
25 ADVISORY, TAX, OR CONSULTING SKILLS, ALL OF WHICH MAY BE OBTAINED
26 THROUGH GOVERNMENT, INDUSTRY, ACADEMIC, OR PUBLIC PRACTICE AS
27 VERIFIED BY A LICENSEE.

1 (B) HOLDS A VALID LICENSE AS A CERTIFIED PUBLIC ACCOUNTANT
2 FROM ANOTHER LICENSING JURISDICTION THAT DOES NOT MEET THE
3 REQUIREMENTS OF SUBDIVISION (A), BUT SUCH INDIVIDUAL'S CERTIFIED
4 PUBLIC ACCOUNTANT QUALIFICATIONS ARE SUBSTANTIALLY EQUIVALENT TO
5 THOSE REQUIREMENTS. ANY INDIVIDUAL WHO PASSED THE UNIFORM CERTIFIED
6 PUBLIC ACCOUNTANT EXAMINATION AND HOLDS A VALID LICENSE ISSUED BY
7 ANOTHER LICENSING JURISDICTION PRIOR TO JANUARY 1, 2012 IS EXEMPT
8 FROM THE EDUCATION REQUIREMENT IN SUBDIVISION (A) (i) FOR PURPOSES OF
9 THIS SUBDIVISION.

10 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN INDIVIDUAL
11 WHO OFFERS OR RENDERS PROFESSIONAL SERVICES, WHETHER IN PERSON OR
12 BY MAIL, TELEPHONE, OR ELECTRONIC MEANS UNDER THIS SECTION SHALL BE
13 GRANTED PRACTICE PRIVILEGES IN THIS STATE, AND NO NOTICE, FEE, OR
14 OTHER SUBMISSION SHALL BE REQUIRED OF ANY SUCH INDIVIDUAL. SUCH AN
15 INDIVIDUAL IS SUBJECT TO THE REQUIREMENTS OF SECTION 734A.

16 Sec. 728. (1) A firm organized for the practice of public
17 accounting shall apply for and obtain a MICHIGAN license under this
18 article in order to engage in the practice of public accounting in
19 this state. ~~The~~ IF EITHER OF THE FOLLOWING APPLY:

20 (A) THE FIRM ESTABLISHES OR MAINTAINS AN OFFICE IN THIS STATE.

21 (B) AN INDIVIDUAL REPRESENTING THE FIRM PERFORMS ANY
22 ENGAGEMENT DESCRIBED IN SECTION 720(1)(A)(i), (iii), OR (iv) FOR ANY
23 CLIENT HAVING ITS HOME OFFICE IN THIS STATE.

24 (2) REPORTS PRODUCED PURSUANT TO ENGAGEMENTS IN SUBSECTION
25 (1)(B) MAY BE SUPERVISED OR SIGNED, OR THE REPORT'S SIGNATURE MAY
26 BE AUTHORIZED FOR THE FIRM, BY AN INDIVIDUAL PRACTICING PUBLIC
27 ACCOUNTING IN MICHIGAN PURSUANT TO SECTION 727A.

1 (3) A firm applying for licensure under this article shall
2 meet ~~both~~ **ALL** of the following requirements:

3 (a) At least a simple majority of the equity and voting rights
4 of the firm are held directly or beneficially by individuals who
5 are licensed in good standing as certified public accountants of
6 this or another state or the equivalent in another licensing
7 jurisdiction acceptable to the board. **OWNERS WHO ARE NOT CERTIFIED
8 PUBLIC ACCOUNTANTS AS DEFINED BY SECTION 720(1)(B) MUST BE ACTIVE
9 INDIVIDUAL PARTICIPANTS IN THE FIRM OR ITS AFFILIATED ENTITIES. AN
10 INDIVIDUAL WITH PRACTICE PRIVILEGES UNDER SECTION 727A WHO PERFORMS
11 SERVICES FOR WHICH A FIRM PERMIT IS REQUIRED UNDER THIS SECTION IS
12 NOT REQUIRED TO OBTAIN A CERTIFICATE UNDER SECTION 726 OR A
13 REGISTRATION OR LICENSE UNDER SECTION 727.**

14 (b) The principal officer of the firm and each officer or
15 director having authority for the practice of public accounting by
16 the firm are licensed in good standing as certified public
17 accountants in this or another state or the equivalent in another
18 licensing jurisdiction acceptable to the board.

19 **(C) HAS FILED THE REQUIRED CERTIFICATE OF AUTHORITY WITH THE
20 DEPARTMENT PURSUANT TO THE BUSINESS CORPORATIONS ACT, 1972 PA 284,
21 MCL 450.2001 TO 450.2098, IF APPLICABLE.**

22 (4) ~~(2)~~ A firm shall provide a change in address to the
23 department within 30 days of the change.

24 **(5) A FIRM NOT REQUIRED TO OBTAIN A MICHIGAN LICENSE UNDER
25 SUBSECTION (1) MAY PERFORM A REVIEW ENGAGEMENT IN ACCORDANCE WITH
26 THE STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES OR A
27 COMPILATION FOR A CLIENT HAVING ITS HOME OFFICE IN THIS STATE, MAY**

1 USE THE TITLE "CPA" OR "CPA FIRM", AND MAY PRACTICE PUBLIC
2 ACCOUNTANCY AS AUTHORIZED IN THIS SECTION WITHOUT A LICENSE ISSUED
3 UNDER SUBSECTION (1) ONLY IF IT MEETS BOTH OF THE FOLLOWING
4 CONDITIONS:

5 (A) IT HAS MET THE REQUIREMENTS IN SUBSECTION (3) (A) AND (B)
6 AND SECTION 729(2) .

7 (B) IT PERFORMS SUCH SERVICES THROUGH AN INDIVIDUAL WITH
8 PRACTICE PRIVILEGES UNDER SECTION 727A.

9 (6) A FIRM NOT REQUIRED TO OBTAIN A MICHIGAN LICENSE UNDER
10 SUBSECTION (1) AND THAT IS NOT SEEKING TO PRACTICE UNDER SUBSECTION
11 (5) MAY PERFORM OTHER PROFESSIONAL SERVICES WITHIN THE PRACTICE OF
12 PUBLIC ACCOUNTANCY WHILE USING THE TITLE "CPA" OR "CPA FIRM" IN
13 THIS STATE WITHOUT A LICENSE ISSUED UNDER SUBSECTION (1) ONLY IF IT
14 MEETS BOTH OF THE FOLLOWING CONDITIONS:

15 (A) IT PERFORMS SUCH SERVICES THOUGH AN INDIVIDUAL WITH
16 PRACTICE PRIVILEGES UNDER SECTION 727A.

17 (B) IT CAN LAWFULLY DO SO IN THE LICENSING JURISDICTION WHERE
18 SUCH INDIVIDUALS WITH PRACTICE PRIVILEGE HAVE THEIR PRINCIPAL PLACE
19 OF BUSINESS.

20 Sec. 734. (1) A holder of a certificate, **REGISTRATION, OR**
21 **LICENSE** as a certified public accountant ~~, a registration, or a~~
22 ~~license~~ **AN INDIVIDUAL EXERCISING THE PRACTICE PRIVILEGE GRANTED**
23 **UNDER SECTION 727A AND THE FIRM EMPLOYING THAT INDIVIDUAL** is
24 subject to the penalties of section 602 for 1 or more of the
25 following:

26 (a) Fraud or deceit in obtaining a certificate **OR REGISTRATION**
27 as a certified public accountant, a license to practice public

1 accounting, or a ~~registration~~ **PRACTICE PRIVILEGE** under this
2 article.

3 (b) Dishonesty, fraud, or negligence in the practice of public
4 accounting.

5 (c) Violation of a rule of professional conduct promulgated
6 under this article.

7 (d) Conviction of a felony under the laws of this or another
8 state or the United States or conviction of a crime, an element of
9 which is dishonesty, fraud, or negligence, under the laws of this
10 or another state or of the United States, including, but not
11 limited to, the failure to file a personal federal, state, or local
12 income tax return.

13 (e) Cancellation, revocation, suspension, or refusal to renew
14 authority to practice as a certified public accountant by another
15 state for a cause other than failure to pay a licensure or other
16 required fee in that state.

17 (f) Suspension or revocation for cause of the right to engage
18 in the practice of public accounting before a state or federal
19 agency.

20 (g) Conduct discreditable to the public accounting profession.

21 (h) Determination of mental incompetency by a court of law.

22 (i) A violation of this article or a rule promulgated under
23 this article.

24 (j) A violation of the provisions of section 604.

25 (k) A violation of professional standards regarding the
26 issuance of reports on financial statements; 1 or more kinds of
27 management advisory, financial advisory, or consulting services;

1 the preparation of tax returns; or the furnishing of advice on tax
2 matters.

3 (2) Notwithstanding section 602(e), a person that violates
4 this article or a rule or order promulgated or issued under or
5 related to this article is liable for an administrative fine
6 payable to the department of not more than \$25,000.00 per
7 violation.

8 (3) Within 30 days after a final determination rendered by a
9 federal or state administrative agency or a judgment or conviction
10 issued by a federal court, a state court, or any other court of
11 record, a licensee or registrant shall report to the department in
12 writing or electronically a determination, order, judgment, or
13 conviction regarding a violation in which dishonesty, fraud, or
14 negligence is an element of that determination, order, judgment, or
15 conviction.

16 **SEC. 734A. (1) AN INDIVIDUAL, HAVING MET THE REQUIREMENTS OF,**
17 **AND EXERCISING THE PRACTICE PRIVILEGE GRANTED BY, SECTION 727A, AND**
18 **THE FIRM EMPLOYING THAT INDIVIDUAL, SIMULTANEOUSLY CONSENT TO ALL**
19 **OF THE FOLLOWING AS A CONDITION OF THE EXERCISE OF THAT PRIVILEGE:**

20 (A) TO THE PERSONAL AND SUBJECT MATTER JURISDICTION AND
21 DISCIPLINARY AUTHORITY OF THE BOARD AND THE DEPARTMENT.

22 (B) TO COMPLY WITH THIS ACT AND THE APPLICABLE RULES.

23 (C) IN THE EVENT THE LICENSE FROM THE LICENSING JURISDICTION
24 OF THE INDIVIDUAL'S PRINCIPAL PLACE OF BUSINESS IS NO LONGER VALID,
25 THE INDIVIDUAL WILL CEASE OFFERING OR RENDERING PROFESSIONAL
26 SERVICES IN THIS STATE INDIVIDUALLY AND ON BEHALF OF A FIRM.

27 (D) TO THE APPOINTMENT OF THE STATE BOARD OR OTHER LICENSING

1 AUTHORITY ISSUING HIS OR HER LICENSE AS THE AGENT UPON WHOM PROCESS
2 MAY BE SERVED IN ANY ACTION OR PROCEEDING BY THIS BOARD AGAINST THE
3 INDIVIDUAL OR THE FIRM EMPLOYING THAT INDIVIDUAL.

4 (2) AN INDIVIDUAL HAVING MET THE REQUIREMENTS AS DESCRIBED BY
5 SECTION 727A MAY PERFORM AN ENGAGEMENT DESCRIBED IN SECTION
6 720(1)(A)(i), (iii), OR (iv) FOR AN ENTITY WITH ITS HOME OFFICE IN
7 THIS STATE ONLY THROUGH A FIRM THAT HAS OBTAINED A LICENSE UNDER
8 SECTION 728.

9 (3) A LICENSEE OF THIS STATE OFFERING OR RENDERING SERVICES OR
10 USING THE CERTIFIED PUBLIC ACCOUNTANT TITLE IN ANOTHER LICENSING
11 JURISDICTION OR BEFORE A STATE OR FEDERAL AGENCY IS SUBJECT TO THE
12 DISCIPLINARY ACTION IN THIS STATE FOR AN ACT COMMITTED IN ANOTHER
13 LICENSING JURISDICTION OR BEFORE A STATE OR FEDERAL AGENCY FOR
14 WHICH THE LICENSEE WOULD BE SUBJECT TO DISCIPLINE FOR AN ACT
15 COMMITTED IN ANOTHER LICENSING JURISDICTION OR BEFORE A STATE OR
16 FEDERAL AGENCY. THE DEPARTMENT IS REQUIRED TO EXAMINE ANY COMPLAINT
17 MADE BY THE STATE BOARD OR OTHER LICENSING JURISDICTIONAL AUTHORITY
18 AND MAY ACCEPT, AS PRIMA FACIE EVIDENCE OF A VIOLATION OF THIS ACT,
19 THE FINAL ORDER OF VIOLATION ISSUED BY ANOTHER STATE BOARD OR OTHER
20 LICENSING JURISDICTIONAL AUTHORITY.