

**STATE OF MINNESOTA
BOARD OF ACCOUNTANCY**

OAH Docket No. 68-0100-33629

In the Matter of Certified Public Accountant
Certificate of Marc Anthony Carranza

**FINDINGS OF FACT,
CONCLUSIONS OF LAW
AND ORDER**

CPA Certificate No. 07070

The above-entitled matter came on for a prehearing conference before Administrative Law Judge Jeanne M. Cochran on September 14, 2016.

Michele M. Owen, Assistant Attorney General, 445 Minnesota Street, Suite 1800, St. Paul, MN 55101, appeared at the prehearing conference on behalf of the Complaint Committee of the Minnesota Board of Accountancy ("Board"). Marc Anthony Carranza ("Respondent") did not appear, nor did anyone on his behalf. During the prehearing conference, the attorney appearing on behalf of the Complaint Committee requested that the Administrative Law Judge find that Respondent is in default.

On September 15, 2016, the Administrative Law Judge issued Findings of Fact, Conclusions, and Recommendation Upon Default (hereinafter referred to as a "Report") in this matter. A copy of the Report is attached as Exhibit 1 and incorporated by reference.

STATEMENT OF THE ISSUES

The issues in this contested case proceeding were whether the Board should discipline Respondent because:

1. Respondent failed to prepare federal and state income tax returns on behalf of clients, in violation of Minn. Stat. §§ 326A.08, subds. 5(a)(1), (3), (10) (2014); Minn. R. 1105.5600, subp. 1.D(5) (2015);
2. Respondent failed to return client records upon request and reasonable notice, in violation of Minn. Stat. §§ 326A.08, subd. 5(a)(1); 326A.13(b)(1), (b)(2) (2014); Minn. R. 1105.7800.A. (2015);

3. Respondent failed to cooperate by not responding to communications from the Board and failed to appear at a conference with the Complaint Committee, in violation of Minn. Stat. § 326A.08, subd. 5(a)(1) (2014); Minn. R. 1105.1200, .1300 (2015); and

4. Respondent's conduct constituted grounds justifying the Board to impose disciplinary action against Respondent's CPA certificate, pursuant to Minn. Stat. § 326A.08, subd. 5(a)(1), and disciplinary action against Respondent's CPA certificate is in the public interest.

REVIEW

On November 14, 2016, the matter was heard, considered and decided by the full Board of Accountancy. Christopher M. Kaisershot, Assistant Attorney General, 445 Minnesota Street, Suite 1800, St. Paul, MN 55101 was present to advise the Board. After reviewing the record, including the Report of the Administrative Law Judge, and having afforded the parties the opportunity to file exceptions and to present argument to a majority of the full Board of Accountancy, the Board hereby makes the following:

FINDINGS OF FACT

1. The Board hereby adopts and incorporates as its own the Findings in the ALJ Report, attached hereto and made a part hereof.

2. On August 4, 2016, the Complaint Committee served a Notice of and Order for Hearing and Prehearing Conference ("Notice and Order for Hearing") upon Respondent. The Notice and Order for Hearing was sent to Respondent's last known address on file with the Board in Maple Grove, Minnesota.

3. Minn. R. 1105.1100 (2015) requires that each licensee or registrant notify the Board with a current address and telephone number and advise the Board of any changes of address or telephone numbers within 30 days.

4. The Notice and Order for Hearing was not returned as undeliverable.

5. Respondent failed to file a Notice of Appearance with the ALJ, failed to appear at the prehearing conference scheduled on September 14, 2016, and failed to request that the prehearing conference be continued. Therefore, Respondent is in default in this proceeding.

6. Pursuant to Minn. R. 1400.6000 (2015), the allegations in the Notice of and Order for Hearing and Prehearing Conference are hereby taken as true. A copy of the Notice of and Order for Hearing and Prehearing Conference is attached as Exhibit 2 and incorporated by reference.

7. Any Findings herein which should properly be termed Conclusions are hereby adopted as such.

Based on the foregoing Findings of Fact, the Board makes the following:

CONCLUSIONS

1. The Board hereby adopts and incorporates as its own the Conclusions in the ALJ Report.

2. The Board has jurisdiction over this matter pursuant to Minn. Stat. §§ 14.50 and 326A.02, subd. 4 (2014).

3. The Complaint Committee gave Respondent timely and proper notice in this matter and has complied with all relevant substantive and procedural requirements of law and rules.

4. Respondent violated Minn. Stat. Minn. Stat. §§ 326A.08, subd. 5(a)(1), (3), (10); 326A.13(b)(1), (b)(2) (2014); and Minn. R. 1105.1200, 1105.1300, 1105.5600, subp. 1.D (5), and 1105.7800.A (2015).

5. Minn. Stat. ch. 326A and Minn. R. ch. 1105 provide that a violation of any of the aforesaid statutes and rules by a licensee or registrant constitutes grounds for disciplinary action.

6. Any Conclusions which should properly be termed Findings of Fact are hereby adopted as such.

7. The following order is in the public interest.

Based on the foregoing Findings of Fact and Conclusions, the Board makes the following:

ORDER

1. Respondent's Certified Public Accountant Certificate is **REVOKED**.
2. Respondent shall pay a \$5,000 civil penalty to the Board. Pursuant to Minn. Stat. § 16D.17(1) (2014), Respondent is notified that this shall become a final civil penalty order unless he requests a hearing from the Board on the civil penalty within 30 days. Pursuant to Minn. Stat. § 16D.17(2) (2014), Respondent is further notified that when the civil penalty order becomes final, the Board may file and enforce the civil penalty in the same manner as a district court judgment against him without further notice or additional proceedings. Finally, Respondent is notified that simple interest computed in accordance with Minn. Stat. § 16D.13 (2014) shall begin to accrue on the civil penalty 30 days after the date of this order.

Dated this 14th day of November, 2016.

STATE OF MINNESOTA BOARD OF
ACCOUNTANCY

 FOR

GREGORY S. STEINER, CPA
Chair

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE BOARD OF ACCOUNTANCY

In the Matter of the Certified Public
Accountant License of Marc Anthony
Carranza

**FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND RECOMMENDATION
UPON DEFAULT**

This matter came on for a prehearing conference before Administrative Law Judge Jeanne M. Cochran on September 14, 2016.

Michele M. Owen, Assistant Attorney General, appeared on behalf of the Minnesota Board of Accountancy (Board). There was no appearance by, or on behalf of, Respondent Marc Anthony Carranza (Respondent). The record in this matter closed on September 14, 2016.

STATEMENT OF THE ISSUES

1. Whether Respondent has engaged in conduct that falls within one or more of the following grounds for disciplinary action:
 - a. failed to prepare federal and state income tax returns on behalf clients, in violation of Minn. Stat. §§ 326A.08, subds. 5(a)(1), (3), (10) (2014); Minn. R. 1105.5600, subp. 1.D.(5) (2015).
 - b. failed to return client records upon request and reasonable notice, in violation of Minn. Stat. §§ 326A.08, subd. 5(a)(1); 326A.13(b)(1), (b)(2) (2014); Minn. R. 1105.7800.A. (2015).
 - c. failed to cooperate by not responding to communications from the Board and failed to appear at a conference with the Complaint Committee, in violation of Minn. Stat. § 326A.08, subd. 5(a)(1) (2014); Minn. R. 1105.1200, .1300 (2015).
2. Whether the imposition of discipline against Respondent pursuant to Minn. Stat. § 326A.08 (2014) is in the public interest.

Exhibit 1

SUMMARY OF RECOMMENDATION

The Administrative Law Judge concludes that Respondent is in default and recommends that the allegations in the Notice and Order for Hearing and Prehearing Conference be accepted as true and deemed proven.

Based upon the evidence in the hearing record, the Administrative Law Judge makes the following:

FINDINGS OF FACT

1. On August 4, 2016, a Notice and Order for Hearing and Prehearing Conference (Notice and Order for Hearing) in this matter was mailed to Respondent at his last known address.¹

2. The Notice and Order for Hearing indicated that a prehearing conference would be held in this matter on September 14, 2016, at 10:30 a.m., at Office of Administrative Hearings, 600 Robert Street North, St. Paul, Minnesota.²

3. In conformity with Minn. R. 1400.5700 (2015), the Notice and Order for Hearing requires that any party intending to "appear at the prehearing conference and hearing must file a Notice of Appearance form and return it to the Administrative Law Judge within 20 days of the date of service" of the Notice and Order for Hearing.³

4. In conformity with Minn. R. 1400.6000 (2015), the Notice and Order for Hearing in this matter also includes the following statement:

Respondent's failure to appear at the prehearing conference, at the time and place set forth on page 1 above or Respondent's failure to appear at the hearing, without requesting a postponement from the Administrative Law Judge, may result in a finding that the Respondent is in default, that the Board's allegations contained in this Notice and Order may be accepted as true, and its proposed action may be upheld.

5. Respondent did not file a Notice of Appearance with the undersigned.

6. No one appeared at the September 14, 2016 Prehearing Conference on behalf of Respondent. No request was made for a continuance, nor was any communication received by the undersigned from Respondent prior to the September 14, 2016 Prehearing Conference.

7. Respondent's failure to appear at the prehearing conference was without consent of the Administrative Law Judge.

¹ See Attachment A at Affidavit of Service of Cynthia Ransom dated August 4, 2016.

² *Id.* at 1.

³ *Id.* at 3.

8. Because Respondent failed to appear at the prehearing conference, Respondent is in default.

9. Pursuant to Minn. R. 1400.6000, the allegations contained in the Notice and Order for Hearing, a copy of which is attached as Attachment A, are taken as true, deemed proven without further evidence, and incorporated by reference into these Findings of Fact.

Based upon the Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS OF LAW

1. The Board and the Administrative Law Judge have jurisdiction in this matter pursuant to Minn. Stat. §§ 14.50, 326A.08 (2014).

2. The Respondent received timely and proper notice of the prehearing conference in this matter when the Board sent the Notice and Order for Hearing to his last known address.

3. The Board has complied with all relevant procedural requirements of statute and rule.

4. Under Minn. R. 1400.6000, the Respondent is in default as a result of his failure to appear at the scheduled prehearing conference.

5. Under Minn. R. 1400.6000, when a party defaults by failing to appear at a prehearing conference without the prior consent of the judge, the allegations and the issues set out in the Notice and Order for Hearing may be taken as true and deemed proved. The Administrative Law Judge therefore deems the allegations to be true.

6. Minnesota Statute, section 326A.08, subd. 5(1), provides that the Board may discipline a licensee who engages in conduct that violates the rules or law applicable to a licensee.

7. The Board has grounds to take disciplinary action against the Respondent based upon the allegations set forth in the Notice and Order for Hearing.

8. An order by the Board taking disciplinary action against the Respondent Marc Anthony Carranza is in the public interest.

Based upon the foregoing Conclusions of Law, the Administrative Law Judge makes the following:

RECOMMENDATION

IT IS HEREBY RECOMMENDED that the Board take reasonable and appropriate disciplinary action against Respondent Marc Anthony Carranza.

Dated: September 15, 2016



JEANNE M. COCHRAN
Administrative Law Judge

Reported: Default

NOTICE

This Report is a recommendation, not a final decision. The Board of Accountancy (the Board) will make the final decision after a review of the record. Under Minn. Stat. § 14.61 (2016), the Board shall not make a final decision until this Report has been made available to the parties for at least ten calendar days. The parties may file exceptions to this Report and the Board must consider the exceptions in making a final decision. Parties should contact Executive Director of the Minnesota Board of Accountancy, 85 East Seventh Place, Suite 125, St. Paul, Minnesota 55101 (651-296-7938), to learn the procedure for filing exceptions or presenting argument.

The record closes upon the filing of exceptions to the Report and the presentation of argument to the Board, or upon the expiration of the deadline for doing so. The Board must notify the parties and Administrative Law Judge of the date the record closes. If the Board fails to issue a final decision within 90 days of the close of the record, this Report will constitute the final agency decision under Minn. Stat. § 14.62, subd. 2a (2016). In order to comply with this statute, the Board must then return the record to the Administrative Law Judge within ten working days to allow the Judge to determine the discipline imposed.

Under Minn. Stat. § 14.62, subd. 1 (2016), the Board is required to serve its final decision upon each party and the Administrative Law Judge by first class mail or as otherwise provided by law.



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

August 4, 2016

SUITE 1800
445 MINNESOTA STREET
ST. PAUL, MN 55101-2134
TELEPHONE: (651) 297-2040

Marc Anthony Carranza
7058 East Fish Lake Road
Maple Grove, MN 55311

**CERTIFIED MAIL AND
FIRST CLASS MAIL**

Re: In the Matter of the Certified Public Accountant Certificate of Marc Anthony Carranza; OAH Docket No. 68-0100-33629

Dear Mr. Carranza:

Enclosed and served upon you, on behalf of the Complaint Committee of the Minnesota Board of Accountancy, please find copies of the Notice and Order for Hearing and Prehearing Conference, and my Notice of Appearance in the above-entitled matter. Also enclosed is a blank Notice of Appearance form. The blank Notice of Appearance form must be completed and sent to the Administrative Law Judge by you or, if you have obtained counsel, by your attorney, to notify the Judge of your intent to appear at the prehearing conference and at the hearing when it is scheduled. A copy of your completed Notice of Appearance form must also be sent to me.

The prehearing conference in this matter will be held on September 14, 2016, at 10:30 a.m., before Administrative Law Judge Jeanne Cochran, Office of Administrative Hearings, at the Minnesota Office of Administrative Hearings, 600 Robert Street N, St. Paul, MN 55164-0620, as stated on page 1 of the enclosed Notice and Order for Hearing and Prehearing Conference.

If you have any questions or concerns regarding the process for the prehearing conference, please give me a call or have your attorney call me (if you have retained an attorney to represent you). I have enclosed for your review a copy of the Guide to Contested Case proceedings. This guide has been prepared by the Office of Administrative Hearings to assist pro se litigants.

Very truly yours,

A handwritten signature in black ink that reads "Michele M. Owen".

MICHELE M. OWEN
Assistant Attorney General
(651) 757-1322 (Voice)
(651) 297-1235 (Fax)

*Attorney for the Complaint Committee of the Minnesota
Board of Accountancy*

Enclosures

cc: The Honorable Jeanne Cochran, Administrative Law Judge
Doreen Frost, Executive Director, Board Office

TTY: (651) 282-2525 • Toll Free Lines: (800) 657-3787 (Voice), (800) 366-4812 (TTY) • www.ag.state.mn.us



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OAH Docket No.: 68-0100-33629

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ADMINISTRATIVE
HEARINGS

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE BOARD OF ACCOUNTANCY

In the Matter of the Certified Public
Accountant Certificate of Marc Anthony
Carranza

**NOTICE AND ORDER FOR HEARING
AND PREHEARING CONFERENCE**

CPA Certificate No. 07070

TO: Marc Anthony Carranza, 7058 East Fish Lake Road, Maple Grove, MN 55331
("Respondent").

RESPONDENT IS HEREBY NOTIFIED that the Board of Accountancy ("Board"), by its Complaint Committee ("Committee"), has initiated this action to determine whether to take disciplinary action against Respondent. Disciplinary action may include the revocation or suspension of Respondent's Certified Public Accountant Certificate ("CPA Certificate") to practice as a Certified Public Accountant in the State of Minnesota, the imposition of limitations or conditions upon his ability to practice, censure or reprimand, and/or other action authorized by Minnesota Statutes sections 214.10, subdivision 2 and 326A.08, subdivisions 5(a) and 7.(2014).

IT IS HEREBY ORDERED that a contested case prehearing conference will be held on **Wednesday, September 14, 2016 at 10:30 a.m.** at the Minnesota Office of Administrative Hearings, 600 Robert Street N, St. Paul, MN 55164-0620. The hearing in this matter will be held at a time and place to be decided by the Administrative Law Judge at the prehearing conference.

The Chief Administrative Law Judge, Office of Administrative Hearings, has assigned this matter to Administrative Law Judge Jeanne Cochran. The Administrative Law Judge's legal assistant, Denyse Johnson, may be reached at 651-351-7888 or Denyse.Johnson@state.mn.us.

All mail sent to the Administrative Law Judge assigned to this matter should be directed to P.O. Box 64620, St. Paul, MN 55164-0620.

The hearing, which may be scheduled at the prehearing conference, will be conducted under the contested case procedures set out in chapter 14 of Minnesota Statutes, the Rules of the Office of Administrative Hearings, Minnesota Rules chapter 1400 (2015) and Minnesota Statutes section 214.10 (2014). A copy of these materials may be purchased from the Minnesota Book Store, telephone 651-297-3000, or are available at www.revisor.leg.state.mn.us. Copies of the rules are also available at www.oah.state.mn.us. They generally provide for the procedural rights of the parties, including: rights to advance notice of witnesses and evidence; right to a prehearing conference; rights to present evidence and cross-examination; and right to purchase a transcript of the record.

The purposes of the prehearing conference include simplifying and narrowing the issues, establishing a discovery schedule, establishing hearing dates and locations, and exploring the possibilities for resolving the issues without the necessity of a hearing.

The attorney for the Complaint Committee of the Board of Accountancy, Michele M. Owen, Assistant Attorney General, 445 Minnesota Street, Suite 1800, St. Paul, Minnesota 55101-2134, (651) 757-1322, may be contacted to discuss discovery or informal disposition of this matter pursuant to Minnesota Rules 1400.5900 (2015) or discovery pursuant to Minnesota Rules 1400.6700 to 1400.7000 (2015).

Pursuant to Minnesota Statutes section 214.10 (2014), the decision to initiate this proceeding was made by the Complaint Committee and not by the Board as a whole. After the hearing, the record and the Administrative Law Judge's recommendation will be forwarded to the Board to make a final decision. Members of the Complaint Committee will not participate in the Board's deliberations in this matter. In addition, the Board will be advised by an attorney other than Michele M. Owen.

ALLEGATIONS

1. Respondent is an accountant who has been licensed by the Board since 1982. Respondent's clients, Martin F. and Mildred F., an elderly couple for whom Respondent continued to prepare income tax returns after they moved to New York in 1993, timely provided Respondent with all files and information necessary to prepare their 2011-2013 federal and state income tax returns. Around September 2013, Martin and Mildred's daughter, L.F., who had a power of attorney, started to assist with her parents' financial affairs due to their health challenges. L.F. became aware that although Respondent was in possession of her parents' records, Respondent had not prepared their 2011-2013 income tax returns. Respondent's failure to prepare and file these tax returns for his clients violated Minn. Stat. § 326A.08, subs. 5(a)(1), (3) and (10) (2014); and Minn. R. 1105.5600, subp. 1.D.(5) (2015).

2. Since at least January 2014, L.F., or an attorney L.F. retained in November 2014 to assist with administration of Mildred F.'s estate after her death, contacted Respondent many times, initially verifying that he had Martin F. and Mildred F.'s 2011-2013 records, informing Respondent that the Internal Revenue Service was sending notices about the missing returns, and asking when he was going to prepare them. When Respondent did not provide a satisfactory response or prepare the returns, L.F. or the attorney asked Respondent many times to return Martin F. and Mildred F.'s records so they could find another professional to prepare the income tax returns. Upon information and belief, Respondent still has not returned his clients' records. Respondent's improperly holding client records is in violation of Minn. Stat. §§ 326A.08, subd. 5(a)(1); 326A.13(b)(1) and (b)(2) (2014); and Minn. R. 1105.7800.A (2015).

3. On July 21, 2015, the Board sent a letter to Respondent asking him to respond in writing, by August 21, 2015, to the allegations described in paragraphs 1 and 2 above. On August 10, the Committee granted Respondent a one-time extension until September 21 to submit his response. Respondent contacted the Board to request a further extension, which was denied. Respondent never submitted any response to the allegations.

4. On January 12, 2016, the Board sent Respondent a notice that he was scheduled to meet with the Committee on February 4 at 8:45 a.m. at the Board's office to discuss the Committee's concerns. The notice referenced the issues listed in the Board's July 21, 2015

allegation letter and asked Respondent to submit a written response to the above allegations by January 29, 2016. The Board sent the notice to Respondent at his last known address on file with the Board. The notice was not returned to the Board by the U.S. Post Office. Respondent did not respond to the notice or appear before the Committee on February 4. Respondent's failure to appear before the Committee and failure to respond to the Notice of Conference were in violation of Minn. Stat. § 326A.08, subd. 5(a)(1) (2014) and Minn. R. 1105.1200 and 1105.1300 (2015).

ISSUES

The issues to be determined at hearing are:

1. Whether Respondent failed to prepare federal and state income tax returns on behalf of clients, in violation of Minn. Stat. §§ 326A.08, subds. 5(a)(1), (3) and (10) (2014); and Minn. R. 1105.5600, subp. 1.D.(5) (2015).
2. Whether Respondent failed to return client records upon request and reasonable notice, in violation of Minn. Stat. §§ 326A.08, subd. 5(a)(1); 326A.13(b)(1) and (b)(2) (2014); and Minn. R. 1105.7800.A. (2015).
3. Whether Respondent failed to cooperate by not responding to communications from the Board and failed to appear at a conference with the Complaint Committee, in violation of Minn. Stat. § 326A.08, subd. 5(a)(1) (2014) and Minn. R. 1105.1200 and 1105.1300 (2015).
3. Whether Respondent's conduct constitutes grounds justifying the Board to take disciplinary action against Respondent.

ADDITIONAL NOTICE

1. **Respondent's failure to appear at the prehearing conference, at the time and place set forth on page 1 above or Respondent's failure to appear at the hearing, without requesting a postponement from the Administrative Law Judge, may result in a finding that the Respondent is in default, that the Board's allegations contained in this Notice and Order may be accepted as true, and its proposed action may be upheld.**
2. If any party has good cause for requesting a delay of the prehearing conference or hearing, the request must be made in writing to the Administrative Law Judge at least five days prior to the prehearing conference or hearing. A copy of the request must be served on the other party.
3. Any party intending to appear at the prehearing conference and hearing must file a Notice of Appearance form and return it to the Administrative Law Judge within 20 days of the date of service of this Notice and Order. A copy must be served on Michele M. Owen, the Committee's attorney. A Notice of Appearance form is enclosed.
4. At the prehearing conference and hearing, all parties have the right to be represented by legal counsel, by themselves, or by a person of their choice if not otherwise prohibited as the unauthorized practice of law. The parties are entitled to the issuance of subpoenas to compel witnesses to attend the hearing. The parties will have the opportunity to be heard orally, to present evidence and cross-examine witnesses, and to submit evidence and argument. Ordinarily the hearing is tape-recorded. The parties may request that a court reporter record the testimony at their expense.

5. Persons attending the hearing should bring all evidence bearing on the case, including any records or other documents. Be advised that if data that is not public is admitted into the record, it may become public data unless an objection is made and relief is requested under Minn. Stat. § 14.60, subd. 2 (2014).

6. Requests for subpoenas for the attendance of witnesses or the production of documents at the hearing shall be made in writing to the Administrative Law Judge pursuant to Minn. R. 1400.7000 (2015). A copy of the subpoena request shall be served on the other parties. A subpoena request form is available at [www.http://mn.gov/oah](http://mn.gov/oah) or by calling 651-361-7900.

7. This case may be appropriate for mediation. The parties are encouraged to consider requesting the Chief Administrative Law Judge to assign a mediator so that mediation can be scheduled promptly. "No matter shall be ordered for mediation if the agency or any party is opposed." Minn. R. 1400.5950, subp. 3C (2015).

8. The Office of Administrative Hearings conducts contested case proceedings in accordance with the Minnesota Rules of Professional Conduct and the Professionalism Aspirations adopted by the Minnesota Supreme Court. A Guide to Participating in Contested Case Proceedings at the Office of Administrative Hearings is available at [www.http://mn.gov/oah](http://mn.gov/oah) or by calling (651) 361-7900. Pursuant to Minn. R. 1400.5100, subp. 3a and 1400.5500 (2015), filing may be accomplished by mail, delivery, fax or licensed overnight express mail service. The fax number for the Administrative Law Judge is (651) 539-0300.

9. Any party who needs an accommodation for a disability in order to participate in this hearing process may request one. Examples of reasonable accommodations include wheelchair accessibility, an interpreter, or Braille or large-print materials. If any party requires an interpreter, including a foreign language interpreter, the Administrative Law Judge must be promptly notified. To arrange for an accommodation or an interpreter, contact the Office of Administrative Hearings at P.O. Box 64620, St. Paul, Minnesota 55164-0620, or call (651) 361-7900 (voice) or (651) 361-7878 (TTY).

Dated this 3 day of August, 2016.

COMPLAINT COMMITTEE OF THE
MINNESOTA BOARD OF ACCOUNTANCY



By: DOREEN FROST
Executive Director

Minnesota Board of Accountancy

**STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE BOARD OF ACCOUNTANCY**

In the Matter of the Certified Public
Accountant Certificate of Marc Anthony
Carranza

NOTICE OF APPEARANCE

CPA Certificate No. 07070

TO: Jeanne Cochran, Administrative Law Judge, Office of Administrative Hearings, P.O. Box
64620, St. Paul, Minnesota 55164-0620:

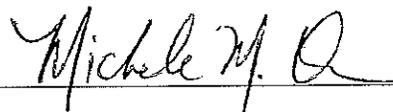
PLEASE TAKE NOTICE that the party named below will appear at the prehearing conference
and hearing in this matter.

Name, Address, and Telephone Number of Party:
Complaint Committee, Minnesota Board of Accountancy
85 East Seventh Place, Suite 125
St. Paul, Minnesota 55101
(651) 296-7938

PLEASE TAKE NOTICE that the attorney named below will appear on behalf of the Complaint
Committee of the Minnesota Board of Accountancy:

Michele M. Owen
Assistant Attorney General
Attorney Reg. No. 72862
445 Minnesota Street, Suite 1800
St. Paul, MN 55101-2134
(651) 757-1322

Signature of Attorney:



Dated:

August 4, 2016

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE BOARD OF ACCOUNTANCY

In the Matter of the Certified Public
Accountant Certificate of Marc Anthony
Carranza

NOTICE OF APPEARANCE

CPA Certificate No. 07070

TO: Honorable Jeanne Cochran, Administrative Law Judge, P.O. Box 64620, St. Paul,
Minnesota 55164-0620:

PLEASE TAKE NOTICE that the party named below will appear at the prehearing
conference and hearing in this matter.

Name, Address, and Telephone Number of Party:

Party's Attorney, Office Address and Telephone Number:

Signature of Party/Attorney:

Dated: _____

NOTICE: This Notice must be served upon the attorney for the agency and any other known party. After an attorney has filed a notice of appearance, withdrawal is effective only if a notice of withdrawal is promptly served on all parties and filed with the judge. The notice of withdrawal must include the address and telephone number of the party. Withdrawal of counsel does not create any right to a continuance. Minn. R. 1400.5700.

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

RECEIVED
2016 AUG -8 AM 7:02
ADMINISTRATIVE
HEARINGS

AFFIDAVIT OF SERVICE BY U.S. MAIL

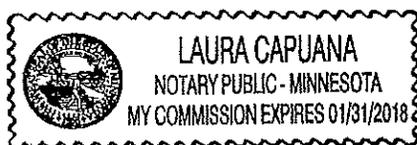
CYNTHIA RANSOM, being first duly sworn, hereby deposes and says that on the 4th day of August, 2016, at the City of St. Paul, county and state aforementioned, she served the attached **NOTICE AND ORDER FOR HEARING AND PREHEARING CONFERENCE and NOTICE OF APPEARANCE**, *In the Matter of the Certified Public Accountant Certificate of Marc Anthony Carranza; OAH Docket No. 68-0100-33629*, by Certified mail and First Class mail and by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with prepaid first class postage prepaid and addressed to the individual(s) named herein.

Marc Anthony Carranza
7058 East Fish Lake Road
Maple Grove, MN 55311



Subscribed and sworn to before me
this 4 day of August, 2016.


NOTARY PUBLIC



ATTACHMENT A

RECEIVED

OAH Docket No.: 68-0100-33629

2016 AUG -8 AM 7:32

ADMINISTRATIVE
HEARINGS

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE BOARD OF ACCOUNTANCY

In the Matter of the Certified Public
Accountant Certificate of Marc Anthony
Carranza

NOTICE AND ORDER FOR HEARING
AND PREHEARING CONFERENCE

CPA Certificate No. 07070

TO: Marc Anthony Carranza, 7058 East Fish Lake Road, Maple Grove, MN 55331
("Respondent").

RESPONDENT IS HEREBY NOTIFIED that the Board of Accountancy ("Board"), by its Complaint Committee ("Committee"), has initiated this action to determine whether to take disciplinary action against Respondent. Disciplinary action may include the revocation or suspension of Respondent's Certified Public Accountant Certificate ("CPA Certificate") to practice as a Certified Public Accountant in the State of Minnesota, the imposition of limitations or conditions upon his ability to practice, censure or reprimand, and/or other action authorized by Minnesota Statutes sections 214.10, subdivision 2 and 326A.08, subdivisions 5(a) and 7.(2014).

IT IS HEREBY ORDERED that a contested case prehearing conference will be held on **Wednesday, September 14, 2016 at 10:30 a.m.** at the Minnesota Office of Administrative Hearings, 600 Robert Street N, St. Paul, MN 55164-0620. The hearing in this matter will be held at a time and place to be decided by the Administrative Law Judge at the prehearing conference.

The Chief Administrative Law Judge, Office of Administrative Hearings, has assigned this matter to Administrative Law Judge Jeanne Cochran. The Administrative Law Judge's legal assistant, Denyse Johnson, may be reached at 651-351-7888 or Denyse.Johnson@state.mn.us.

All mail sent to the Administrative Law Judge assigned to this matter should be directed to P.O. Box 64620, St. Paul, MN 55164-0620.

The hearing, which may be scheduled at the prehearing conference, will be conducted under the contested case procedures set out in chapter 14 of Minnesota Statutes, the Rules of the Office of Administrative Hearings, Minnesota Rules chapter 1400 (2015) and Minnesota Statutes section 214.10 (2014). A copy of these materials may be purchased from the Minnesota Book Store, telephone 651-297-3000, or are available at www.revisor.leg.state.mn.us. Copies of the rules are also available at www.oah.state.mn.us. They generally provide for the procedural rights of the parties, including: rights to advance notice of witnesses and evidence; right to a prehearing conference; rights to present evidence and cross-examination; and right to purchase a transcript of the record.

Exh-64 2

The purposes of the prehearing conference include simplifying and narrowing the issues, establishing a discovery schedule, establishing hearing dates and locations, and exploring the possibilities for resolving the issues without the necessity of a hearing.

The attorney for the Complaint Committee of the Board of Accountancy, Michele M. Owen, Assistant Attorney General, 445 Minnesota Street, Suite 1800, St. Paul, Minnesota 55101-2134, (651) 757-1322, may be contacted to discuss discovery or informal disposition of this matter pursuant to Minnesota Rules 1400.5900 (2015) or discovery pursuant to Minnesota Rules 1400.6700 to 1400.7000 (2015).

Pursuant to Minnesota Statutes section 214.10 (2014), the decision to initiate this proceeding was made by the Complaint Committee and not by the Board as a whole. After the hearing, the record and the Administrative Law Judge's recommendation will be forwarded to the Board to make a final decision. Members of the Complaint Committee will not participate in the Board's deliberations in this matter. In addition, the Board will be advised by an attorney other than Michele M. Owen.

ALLEGATIONS

1. Respondent is an accountant who has been licensed by the Board since 1982. Respondent's clients, Martin F. and Mildred F., an elderly couple for whom Respondent continued to prepare income tax returns after they moved to New York in 1993, timely provided Respondent with all files and information necessary to prepare their 2011-2013 federal and state income tax returns. Around September 2013, Martin and Mildred's daughter, L.F., who had a power of attorney, started to assist with her parents' financial affairs due to their health challenges. L.F. became aware that although Respondent was in possession of her parents' records, Respondent had not prepared their 2011-2013 income tax returns. Respondent's failure to prepare and file these tax returns for his clients violated Minn. Stat. § 326A.08, subds. 5(a)(1), (3) and (10) (2014); and Minn. R. 1105.5600, subp. 1.D.(5) (2015).

2. Since at least January 2014, L.F., or an attorney L.F. retained in November 2014 to assist with administration of Mildred F.'s estate after her death, contacted Respondent many times, initially verifying that he had Martin F. and Mildred F.'s 2011-2013 records, informing Respondent that the Internal Revenue Service was sending notices about the missing returns, and asking when he was going to prepare them. When Respondent did not provide a satisfactory response or prepare the returns, L.F. or the attorney asked Respondent many times to return Martin F. and Mildred F.'s records so they could find another professional to prepare the income tax returns. Upon information and belief, Respondent still has not returned his clients' records. Respondent's improperly holding client records is in violation of Minn. Stat. §§ 326A.08, subd. 5(a)(1); 326A.13(b)(1) and (b)(2) (2014); and Minn. R. 1105.7800.A (2015).

3. On July 21, 2015, the Board sent a letter to Respondent asking him to respond in writing, by August 21, 2015, to the allegations described in paragraphs 1 and 2 above. On August 10, the Committee granted Respondent a one-time extension until September 21 to submit his response. Respondent contacted the Board to request a further extension, which was denied. Respondent never submitted any response to the allegations.

4. On January 12, 2016, the Board sent Respondent a notice that he was scheduled to meet with the Committee on February 4 at 8:45 a.m. at the Board's office to discuss the Committee's concerns. The notice referenced the issues listed in the Board's July 21, 2015

allegation letter and asked Respondent to submit a written response to the above allegations by January 29, 2016. The Board sent the notice to Respondent at his last known address on file with the Board. The notice was not returned to the Board by the U.S. Post Office. Respondent did not respond to the notice or appear before the Committee on February 4. Respondent's failure to appear before the Committee and failure to respond to the Notice of Conference were in violation of Minn. Stat. § 326A.08, subd. 5(a)(1) (2014) and Minn. R. 1105.1200 and 1105.1300 (2015).

ISSUES

The issues to be determined at hearing are:

1. Whether Respondent failed to prepare federal and state income tax returns on behalf of clients, in violation of Minn. Stat. §§ 326A.08, subds. 5(a)(1), (3) and (10) (2014); and Minn. R. 1105.5600, subp. 1.D.(5) (2015).
2. Whether Respondent failed to return client records upon request and reasonable notice, in violation of Minn. Stat. §§ 326A.08, subd. 5(a)(1); 326A.13(b)(1) and (b)(2) (2014); and Minn. R. 1105.7800.A. (2015).
3. Whether Respondent failed to cooperate by not responding to communications from the Board and failed to appear at a conference with the Complaint Committee, in violation of Minn. Stat. § 326A.08, subd. 5(a)(1) (2014) and Minn. R. 1105.1200 and 1105.1300 (2015).
3. Whether Respondent's conduct constitutes grounds justifying the Board to take disciplinary action against Respondent.

ADDITIONAL NOTICE

1. **Respondent's failure to appear at the prehearing conference, at the time and place set forth on page 1 above or Respondent's failure to appear at the hearing, without requesting a postponement from the Administrative Law Judge, may result in a finding that the Respondent is in default, that the Board's allegations contained in this Notice and Order may be accepted as true, and its proposed action may be upheld.**
2. If any party has good cause for requesting a delay of the prehearing conference or hearing, the request must be made in writing to the Administrative Law Judge at least five days prior to the prehearing conference or hearing. A copy of the request must be served on the other party.
3. Any party intending to appear at the prehearing conference and hearing must file a Notice of Appearance form and return it to the Administrative Law Judge within 20 days of the date of service of this Notice and Order. A copy must be served on Michele M. Owen, the Committee's attorney. A Notice of Appearance form is enclosed.
4. At the prehearing conference and hearing, all parties have the right to be represented by legal counsel, by themselves, or by a person of their choice if not otherwise prohibited as the unauthorized practice of law. The parties are entitled to the issuance of subpoenas to compel witnesses to attend the hearing. The parties will have the opportunity to be heard orally, to present evidence and cross-examine witnesses, and to submit evidence and argument. Ordinarily the hearing is tape-recorded. The parties may request that a court reporter record the testimony at their expense.

5. Persons attending the hearing should bring all evidence bearing on the case, including any records or other documents. Be advised that if data that is not public is admitted into the record, it may become public data unless an objection is made and relief is requested under Minn. Stat. § 14.60, subd. 2 (2014).

6. Requests for subpoenas for the attendance of witnesses or the production of documents at the hearing shall be made in writing to the Administrative Law Judge pursuant to Minn. R. 1400.7000 (2015). A copy of the subpoena request shall be served on the other parties. A subpoena request form is available at [www.http://mn.gov/oah](http://mn.gov/oah) or by calling 651-361-7900.

7. This case may be appropriate for mediation. The parties are encouraged to consider requesting the Chief Administrative Law Judge to assign a mediator so that mediation can be scheduled promptly. "No matter shall be ordered for mediation if the agency or any party is opposed." Minn. R. 1400.5950, subp. 3C (2015).

8. The Office of Administrative Hearings conducts contested case proceedings in accordance with the Minnesota Rules of Professional Conduct and the Professionalism Aspirations adopted by the Minnesota Supreme Court. A Guide to Participating in Contested Case Proceedings at the Office of Administrative Hearings is available at [www.http://mn.gov/oah](http://mn.gov/oah) or by calling (651) 361-7900. Pursuant to Minn. R. 1400.5100, subp. 3a and 1400.5500 (2015), filing may be accomplished by mail, delivery, fax or licensed overnight express mail service. The fax number for the Administrative Law Judge is (651) 539-0300.

9. Any party who needs an accommodation for a disability in order to participate in this hearing process may request one. Examples of reasonable accommodations include wheelchair accessibility, an interpreter, or Braille or large-print materials. If any party requires an interpreter, including a foreign language interpreter, the Administrative Law Judge must be promptly notified. To arrange for an accommodation or an interpreter, contact the Office of Administrative Hearings at P.O. Box 64620, St. Paul, Minnesota 55164-0620, or call (651) 361-7900 (voice) or (651) 361-7878 (TTY).

Dated this 3 day of August, 2016.

COMPLAINT COMMITTEE OF THE
MINNESOTA BOARD OF ACCOUNTANCY



By: DOREEN FROST
Executive Director

Minnesota Board of Accountancy

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

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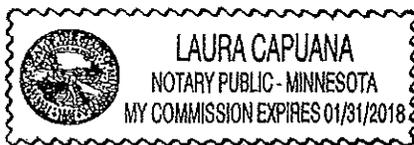
CYNTHIA RANSOM, being first duly sworn, hereby deposes and says that on the 4th day of August, 2016, at the City of St. Paul, county and state aforementioned, she served the attached **NOTICE AND ORDER FOR HEARING AND PREHEARING CONFERENCE** and **NOTICE OF APPEARANCE**, *In the Matter of the Certified Public Accountant Certificate of Marc Anthony Carranza; OAH Docket No. 68-0100-33629*, by Certified mail and First Class mail and by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with prepaid first class postage prepaid and addressed to the individual(s) named herein.

Marc Anthony Carranza
7058 East Fish Lake Road
Maple Grove, MN 55311



Subscribed and sworn to before me
this 4 day of August, 2016.


NOTARY PUBLIC





STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

SUITE 1800
445 MINNESOTA STREET
ST. PAUL, MN 55101-2134
TELEPHONE: (651) 297-2040

August 4, 2016

Cari Snaza
OAH Docket Clerk
Office of Administrative Hearings
P.O. Box 64620
St. Paul, MN 55164-0620

**Re: In the Matter of the Certified Public Accountant Certificate of Marc
Anthony Carranza
OAH Docket No. 68-0100-33629**

Dear Ms. Snaza:

Enclosed for filing please find the original Notice and Order for Hearing and Prehearing Conference along with my Notice of Appearance, and an Affidavit of Service in the above-entitled matter.

Very truly yours,

MICHELE M. OWEN
Assistant Attorney General

(651) 757-1322 (Voice)
(651) 297-1235 (Fax)

*Attorney for the Complaint Committee of the
Minnesota Board of Accountancy*

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HEARINGS

Enclosures

cc: Doreen Frost, Executive Director, Board Office
Marc Anthony Carranza, Respondent

