

1 IN THE HOUSE

BY MR. HILLSTRAND BY REQUEST

2

HOUSE BILL NO. 98

3

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4

TWENTY-THIRD SESSION

5

A BILL

6 For an Act entitled: "An Act to regulate the practice of public
7 accounting in the public interest, to create
8 a Territorial board of accountancy and to
9 prescribe its powers and duties, and to pro-
10 vide penalties for violations of the pro-
11 visions of this Act; repealing Sections 35-
12 2-4, 35-2-5, 35-2-6, 35-2-8, 35-2-9 and 35-
13 2-12 of Ch. 35 ACLA 1949, all of Ch. 95 SLA
14 1949 except Sec. 11, Ch. 18 SLA 1951; and
15 all other Acts or parts of Acts inconsistent
16 herewith, and setting an effective date."

17 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

18 Section 1. NAME. This Act may be known and cited as the
19 "Public Accountancy Act of 1957."

20 Sec. 2. BOARD OF PUBLIC ACCOUNTANCY. There is hereby creat-
21 ed a Board of Public Accountancy in and for the Territory of
22 Alaska, to be known as the Alaska Territorial Board of Public
23 Accountancy. The Board shall consist of five members, appointed
24 by the Governor, and confirmed by the Legislature in joint session
25 assembled and in substantial compliance with the provisions of
26 Ch. 64, SLA 1955. Members of the Board shall be citizens of the
27 United States and residents of this Territory; at least three of
28 whom shall be Certified Public Accountants, and two of whom may
29 be licensed public accountants, until such time as ten or less

1 public accountants are in public practice in the territory, after
2 which time all appointees to the Board shall be Certified Public
3 Accountants. All members of the Board shall hold certificates or
4 licenses issued under the laws of this Territory and must be
5 eligible to receive permits under Section 10 of this Act. The
6 members of the Board first to be appointed shall hold office, one
7 for one year, two for two years, and two for three years from the
8 effective date of this Act, the term of each to be designated by
9 the Governor. Their successors shall be appointed for terms of
10 three years. Vacancies occurring during a term shall be filled
11 by appointment for the unexpired term. Upon the expiration of
12 his term of office a member shall continue to serve until his
13 successor shall have been appointed and shall have qualified.
14 The Governor shall remove from the Board any member whose permit
15 to practice has become void, or has been revoked or suspended,
16 and may, after hearing, remove any member of the Board for neglect
17 of duty or other just cause. No person who has served two suc-
18 cessive complete terms of either one, two or three years shall be
19 eligible for reappointment until after the lapse of one year.
20 Appointment to fill an unexpired term is not to be considered as
21 a complete term.

22 The Board shall elect annually a president (or chairman), a
23 secretary, and a treasurer from its members. The Board may adopt,
24 and amend from time to time, regulations for the orderly conduct
25 of its affairs and for the administration of this Act. A majority
26 of the Board shall constitute a quorum for the transaction of
27 business. The Board shall have a seal which shall be judicially
28 noticed. The Board shall keep records of its proceedings, and in
29 any proceeding in court, civil or criminal, arising out of or

1 founded upon any provision of this Act, copies of said records
2 certified as correct under the seal of the Board shall be admis-
3 sible in evidence as tending to prove the content of said re-
4 cords. The Board shall have printed and published for public
5 distribution, in June of each year, an annual register which
6 shall contain the names, arranged alphabetically by classifica-
7 tions, of all practitioners holding permits to practice under
8 this Act; the names of the members of the Board, and such other
9 matters as may be deemed proper by the Board. Copies of said
10 registers shall be mailed to each permit holder. The Board may
11 employ such personnel and arrange for such assistance as it may
12 require for the performance of its duties.

13 Each member of the Board shall be paid the statutory rate
14 for each day or portion thereof spent in the discharge of his
15 official duties and shall be reimbursed for his actual and neces-
16 sary expenses incurred in the discharge of his official duties.

17 The Board shall file an annual report of its activities with
18 the Governor of the Territory and such report shall include a
19 statement of all receipts and disbursements.

20 The Board may promulgate and amend rules of professional
21 conduct appropriate to establish and maintain a high standard of
22 integrity and dignity in the profession of public accountancy.
23 At least sixty days prior to the promulgation of any such rule
24 or amendment, the Board shall mail copies of the proposed rule
25 or amendment, by registered mail, return receipt requested, to
26 each holder of a permit issued under Sec. 10 of this Act, to the
27 last known address of such permit holder, with a notice advising
28 him of the proposed effective date of the rule or amendment.

29 Sec. 3. CERTIFIED PUBLIC ACCOUNTANTS. The certificate of

1 "certified public accountant" shall be granted by the Board to
2 any person a. who is a citizen of the United States or has duly
3 declared his intention of becoming such citizen, and b. who is
4 a resident of this Territory or has a place of business therein
5 or, as an employee, is regularly employed therein, and c. who
6 has attained the age of twenty-one years, and d. who is of good
7 moral character, and e. who meets the requirements of education
8 and experience as hereinafter provided:

9 (1) During the five-year period immediately following
10 the effective date of this Act the educational requirements shall
11 be (a) graduation from a high school or what the Board determines
12 to be substantially the equivalent thereof and (b) experience
13 shall be four (4) years of accounting experience satisfactory to
14 the Board, except any licensed public accountant holding a permit
15 to practice public accounting in the Territory of Alaska at the
16 effective date of this Act shall not be required to meet the edu-
17 cational or experience requirements set forth above, or such edu-
18 cational and experience requirements may be those as set forth in
19 (3) below.

20 (2) After the expiration of five years immediately
21 following the effective date of this Act the educational require-
22 ments shall be (a) satisfactory completion of two-years of study
23 at one or more colleges universities recognized by the Board,
24 or (b) graduation from a junior college recognized by the Board,
25 or what the Board determines to be substantially the equivalent
26 of (a) or (b) and the experience requirements shall be four (4)
27 years of public accounting experience satisfactory to the Board in
28 practice as a certified public accountant or as a public account-
29 ant or in employment as a staff accountant by anyone practicing

1 public accounting or any combination of either such types of
2 experience in any state or territory; or the educational and
3 experience requirements may be those set forth in (3) below.

4 (3) During the periods as specified in (1) and (2)
5 above (a) the satisfactory completion of four years of study at
6 one or more colleges or universities recognized by the Board,
7 with a non-accounting major, and three (3) years of public account-
8 ing experience or (b) the satisfactory completion of four (4)
9 years of study at one or more colleges or universities recognized
10 by the Board with an accounting major, and two (2) years of public
11 accounting experience shall apply, and (c) who shall have passed
12 a written examination in theory of accounts, in accounting prac-
13 tice, in auditing in commercial law as affecting public account-
14 ing, and in such other related subjects as the Board shall de-
15 termine to be appropriate.

16 None of the educational requirements specified in (1) or (2)
17 above shall apply to a candidate who is licensed as a public
18 accountant under Sec. 7 hereof or who, on the effective date of
19 this Act, was employed as a staff accountant in this Territory
20 by anyone practicing public accounting, but the experience re-
21 quirement for such candidate who does not meet such educational
22 requirements shall be four years of the experience described in
23 (1) above.

24 The examination described in (3) (c) above shall be held by
25 the Board and shall take place as often as the Board shall de-
26 termine to be desirable, but not less frequently than twice each
27 year. The Board shall, so far as is practicable, use the Uniform
Certified Public Accountants' examination and Advisory Grading
Service to assist it in performing its duties hereunder.

1 A candidate who has met the educational requirements, or
2 with respect to whom they either do not apply or have been waived,
3 shall be eligible to take the examination without waiting until
4 he meets the experience requirements, provided he also meets the
5 requirements of a., b., and d. above.

6 A candidate for the certificate of certified public account-
7 ant who has successfully completed the examination under (3) (c)
8 above shall have no status as a certified public accountant, un-
9 less and until he has the requisite experience and has received
10 his certificate as a certified public accountant.

11 A candidate who fails an examination shall have the right to
12 take succeeding examinations as many times as he may choose. A
13 candidate who receives a passing grade in at least two of the
14 subjects indicated in (3) (c) above, or accounting practice, shall
15 have the right to be re-examined only in the remaining subjects
16 at subsequent examinations within a period of five (5) calendar
17 years, provided that he takes an examination at least once each
18 calendar year thereafter, unless excused by the Board for good
19 cause; and if such candidate receives a passing grade in the re-
20 maining subject or subjects he shall be deemed to have passed the
21 entire examination. In order to pass, an applicant must receive
22 a grade of at least 75 in each subject in which he is examined.

23 Any candidate who, prior to the passage of this Act, has
24 applied to take an examination, or held a valid license as a
25 licensed public accountant or was regularly enrolled in any col-
26 lege or correspondence course in accounting, or any person whose
27 registration under this Act is accepted by the Board, will be
28 issued a certificate as a certified public accountant when he has
29 met either the requirements of this Act or the requirements which

1 were in effect immediately prior to the passage of this Act, or
2 the requirements which were effective at the time his first
3 application was filed, at the candidate's choice.

4 The Board shall charge each candidate a fee of \$25.00 for the
5 initial examination provided for in (3) (c) above, and \$25.00 for
6 each subsequent re-examination, such fee to be paid by the candi-
7 date at the time he applies for examination or re-examination.

8 Any person who has received from the Board a certificate as
9 a certified public accountant and who holds a permit issued under
10 Sec. 10 of this Act, which is in full force and effect, shall be
11 styled and known as a "certified public accountant" and may also
12 use the abbreviation "C.P.A.". Any certified public accountant
13 may also be known as a "public accountant."

14 Persons who, on the effective date of this Act, held certi-
15 fied public accountant certificates theretofore issued under the
16 laws of this Territory shall not be required to obtain additional
17 certificates under this Act, but shall otherwise be subject to all
18 provisions of this Act; and such certificates theretofore issued
19 shall, for all purposes, be considered certificates issued under
20 this Act and subject to the provisions hereof.

21 The Board shall issue a certificate as a "Certified Public
22 Accountant" to any person possessing the qualifications specified
23 in Subsections (1), (2) and (3) or what the Board determines to
24 be substantially the equivalent of the applicable qualifications
25 under such subsections hereof, who is the holder of a certificate
26 as a certified public accountant, then in full force and effect,
27 issued under the laws of any political subdivision of the United
28 States of America. The Board may, in its discretion, waive the
29 examination under (3) (c) above, and may issue a certificate as a

1 "Certified Public Accountant" to any person possessing the quali-
2 fications specified in subsections a., b., c., and d. hereof
3 or what the Board determines to be substantially the equivalent
4 of the applicable qualifications under the subsections (1), (2)
5 and (3) herein who is the holder of a certificate, license, or
6 degree in a foreign country constituting a recognized qualifica-
7 tion for the practice of public accounting in such country, com-
8 parable to that of a certified public accountant of this Terri-
9 tory, which is then in full force and effect.

10 Sec. 4. REGISTRATION OF FOREIGN ACCOUNTS. The Board may,
11 in its discretion, permit the registration of any person of good
12 moral character who is the holder of a certificate, license, or
13 degree in a foreign country constituting a recognized qualifica-
14 tion for the practice of public accounting in such country. A
15 person so registered shall use only the title under which he is
16 generally known in his own country, followed by the name of the
17 country from which he received his certificate, license or degree.

18 Sec. 5. PARTNERSHIPS & SUCCESSORS OF CERTIFIED PUBLIC ACCOUNT-
19 ANTS. A partnership engaged in this Terri-
20 tory in the practice of public accounting may register with the
21 Board as a partnership of certified public accountants provided
22 it meets the following requirements:

23 (1) At least one general partner thereof must be a
24 certified public accountant of this Territory in good standing.

25 (2) Each partner thereof personally engaged within this
26 Territory in the practice of public accounting as a member thereof
27 must be a certified public accountant of this Territory in good
28 standing, and must hold a valid permit to practice issued under
29 Sec. 10 (1) of this Act.

1 (3) Each partner thereof must be a certified public
2 accountant of some state in good standing.

3 (4) Each resident manager in charge of an office of
4 the firm in this State must be a certified public accountant of
5 this Territory in good standing.

6 Application for such registration must be made upon the
7 affidavit of a general partner of such partnership who is a certi-
8 fied public accountant of this Territory in good standing. The
9 Board shall in each case determine whether the applicant is eli-
10 gible for registration. A partnership which is so registered and
11 which holds a permit issued under Sec. 10, of this Act may use
12 the words "certified public accountants" or the abbreviation
13 "C.P.A." in connection with its partnership name. Notification
14 shall be given the Board, within one month after the admission
15 to or withdrawal of a partner from any partnership so registered.

16 Sec. 6. TEMPORARY PERMIT AS CERTIFIED PUBLIC ACCOUNTANT.

17 In the event an applicant for a certificate as a certified public
18 accountant meets all of the requirements for such a certificate
19 (other than the requirements of subsection (b) of Sec. (3) hereof
20 that he be a resident of this Territory or have a place of busi-
21 ness herein or, as an employe, be regularly employed herein) the
22 Board may, in its discretion, issue to him a temporary permit as
23 a certified public accountant which shall be effective only until
24 the Board shall notify him that his application has been either
25 granted or rejected. In no event shall such temporary permit be
26 in effect for more than six months after the date of its issuance.
27 No fee shall be charged for such permit.

28 Sec. 7. PUBLIC ACCOUNTANTS-LICENSING THEREOF. Any person
29 holding a public accountant license to practice in the Territory

1 of Alaska at the effective date of this Act, shall not be required
2 to obtain a new license under this Act.

3 Sec. 8. PARTNERSHIP COMPOSED OF PUBLIC ACCOUNTANTS-REGIS-
4 TRATION THEREOF. A partnership engaged in this Territory in the
5 practice of public accounting may register with the Board as a
6 partnership of public accountants provided it meets the following
7 requirements:

8 (1) At least one general partner thereof must be a
9 certified public accountant or a public accountant of this Terri-
10 tory in good standing. Each partner thereof must be a public
11 accountant of this Territory in good standing or a certified
12 public accountant of some state in good standing.

13 (2) Each partner thereof personally engaged within this
14 Territory in the practice of public accounting as a member thereof
15 must be a certified public accountant or a public accountant of
16 this Territory in good standing, and must hold a valid permit to
17 practice issued under Sec. 10 (1) of this Act.

18 (3) Each resident manager in charge of an office of a
19 firm in this Territory must be a certified public accountant or a
20 public accountant of this Territory in good standing.

21 Application for such registration must be made upon the affi-
22 davit of a general partner of such partnership who holds a permit
23 to practice in this Territory as a certified public accountant or
24 as a public accountant. The Board shall in each case determine
25 whether the applicant is eligible for registration. A partnership
26 which is so registered and holds a partnership permit issued under
27 Sec. 10 of this Act may use the words "public accountants" in
28 connection with its partnership name. Notification shall be given
29 the Board, within one month, after the admission to or withdrawal

1 of a partner from any partnership so registered.

2 Sec. 9. REGISTRATION OF OFFICES. Each office established
3 or maintained in this Territory for the practice of public ac-
4 counting in this Territory by a certified public accountant, or
5 partnership of certified public accountants, or by a public
6 accountant or a partnership of public accountants, or by one
7 registered under Sec. 4 shall be registered annually under this
8 Act with the Board, but no fee shall be charged for such regis-
9 tration. Each such office shall be under the direct supervision
10 of a manager in residence who may be either a principal or a
11 staff employee holding a permit under Sec. 10 of this Act, which
12 is in full force and effect, provided that the title or designa-
13 tion "certified public accountant" or the abbreviation "CPA" shall
14 not be used in connection with such office unless such resident
15 manager is the holder of a certificate as a certified public ac-
16 countant under Sec. 3 of this Act and a permit issued under Sec.
17 10 of this Act, both of which are in full force and effect. Such
18 resident manager may serve in such capacity at one office only.
19 The Board shall by regulation prescribe the procedure to be fol-
20 lowed in effecting such registration.

21 The Board may waive the resident manager requirements of
22 this section in the following circumstances:

23 (1) In Communities having a population of 2,000
24 or less and

25 (2) If the firm or partnership opening such office
26 maintains another office in this Territory which meets the
27 requirements of this Section.

28 Sec. 10. ANNUAL REGISTRATIONS, PERMITS TO PRACTICE, AND
29 FEES. Registration, permits to practice and fees under this Act

1 shall be as provided in the following paragraphs:

2 (1) Permits to engage in the practice of public ac-
3 counting as a principal in this Territory shall be issued by the
4 Board to holders of the certificate of public accountant issued
5 under Sec. 3 of this Act, and to persons registered under Sec. 4
6 or licensed under Sec. 7 of this Act, provided all offices of
7 such certificate holder, registrant, or licensed accountant are
8 maintained and registered as required under Sec. 9 of this Act.
9 There shall be an annual permit fee in the amount of \$50.00.
10 Provided that no permit fee for the year 1957 will be required if
11 the Certified Public Accountant, Registrant or Licensed Accountant
12 has hitherto paid his license fees for 1957 under the prior law.

13 (2) A permit to engage in the practice of public ac-
14 counting in the Territory as a partnership shall be issued by the
15 Board to partnerships which meet the requirements of Sec. 5 or 8
16 of this Act, provided all offices of such certificate holder or
17 registrant are maintained and registered as required under Sec. 9
18 of this Act. A notice of amendment shall be filed with the Board
19 within one month after the admission to or the withdrawal of a
20 partner from any partnership so registered. A fee of \$10.00 must
21 accompany the original application, and a fee of \$5.00 must ac-
22 company each notice of amendment.

23 (3) Any person holding a certificate or license under
24 this Act not desiring to engage in the practice of public account-
25 ing as a principal but who desires to maintain his certificate or
26 license in good standing shall register with the Board and shall
27 pay an annual registration fee of \$10.00.

28 (4) Any certified or registered public accountant or
29 firm thereof in good standing in any political subdivision of the

1 United States of America not holding a permit under (1) or (2) of
2 this Section, not maintaining an office within the Territory of
3 Alaska but engaging in practice in public accounting in the Ter-
4 ritory shall apply to the Board for a permit to practice. Such
5 permit shall be issued by the Board upon payment of an annual
6 permit fee in the amount of \$50.00.

7 All permits and registrations shall expire on the last day
8 of December of each year and may be renewed annually for a period
9 of one year by certificate holders and registrants in good stand-
10 ing upon payment of an annual renewal fee in the amount of the
11 original fee. Failure of a certificate holder, registrant or
12 licensed accountant to apply for such annual permit to practice
13 or registration within (a) three years from the expiration date
14 of the permit to practice or registration last obtained or renew-
15 ed, or (b) three years from the date upon which the certificate
16 holder or licensee was granted his certificate as a certified
17 public accountant or license as a public accountant under this
18 Act, shall deprive him of the right to receive a permit or regis-
19 tration or renewal, unless the Board, in its discretion, deter-
20 mines such failure to have been due to excusable neglect. In such
21 case the fee shall be such amount as the Board shall, from time
22 to time determine, but not in excess of three times the annual
23 fee.

24 Permits and registrations under this Section shall be issued
25 by the Board upon application under such rules and procedures and
26 in such form as the Board may prescribe.

27 Sec. 11. REVOCATION OR SUSPENSION OF CERTIFICATE OR REGIS-
28 TRATION, OR PERMIT. After notice and hearing as provided in
29 Sec. 13 of this Act, the Board may revoke, or may suspend any

1 certificate issued under Sec. 3 of this Act, or any registration
2 granted under Sec. 4 of this Act, or any license recognized under
3 Sec. 7 of this Act, or may revoke, suspend or refuse to renew any
4 permit issued under Sec. 10 of this Act, or may censure the holder
5 of any such permit, for any one or any combination of the follow-
6 ing causes:

7 (1) Fraud or deceit in obtaining a certificate as
8 certified public accountant, or in obtaining registration under
9 this Act, or in obtaining a permit to practice public accounting
10 under this Act.

11 (2) Dishonesty, fraud or gross negligence in the prac-
12 tice of public accounting.

13 (3) Violation of any of the provisions of Sec. 15 of
14 this Act.

15 (4) Violation of a rule of professional conduct promul-
16 gated by the Board under the authority granted by this Act, after
17 warning in writing by the Board that such acts constitute grounds
18 for proceedings hereunder.

19 (5) Conviction of a felony under the laws of any state
20 or of the United States.

21 (6) Conviction of any crime, an essential element of
22 which is dishonesty or fraud, under the laws of any state or of
23 the United States.

24 (7) Cancellation, revocation, suspension, or refusal to
25 renew authority to practice as a certified public accountant or a
26 public accountant in any other state, for any cause other than
27 failure to pay an annual registration fee in such other state.

28 (8) Suspension or revocation of the right to practice
29 before any state or federal agency.

1 (9) Failure to become a citizen of the United States
2 within six years by any person not a citizen of the United States
3 when he or she received a certificate as certified public ac-
4 countant under this Act.

5 Sec. 12. REVOCATION OR SUSPENSION OF PARTNERSHIP REGISTRA-
6 TION OR PERMIT. After notice and hearing as provided in Sec. 13
7 of this Act, the Board shall revoke the registration and permit to
8 practice of a partnership if at any time it does not have all the
9 qualifications prescribed by the section of this Act under which
10 it qualified for registration.

11 After notice and hearing as provided in Sec. 13 of this Act
12 the Board may revoke or suspend the registration of a partnership
13 or may revoke, suspend or refuse to renew its permit under Sec. 10
14 to practice or may censure the holder of any such permit for any
15 of the causes enumerated in Sec. 11, or for any of the following
16 additional causes:

17 (1) The revocation or suspension of the certificate or
18 registration or the revocation or suspension or refusal to renew
19 the permit to practice of any partner.

20 (2) The cancellation, revocation, suspension or refusal
21 to renew the authority of the partnership or any partner thereof
22 to practice public accounting in any other state for any cause
23 other than failure to pay an annual registration fee in such other
24 state.

25 Sec. 13. HEARINGS BEFORE BOARD -- NOTICE -- PROCEDURE --
26 REVIEW.

27 (1) Commencement of Proceeding. The Board may initiate
28 proceedings under this Act either on its own motion or on the
29 complaint of any person.

1 (2) Notice -- Service and Contents. A written notice
2 stating the nature of the charge or charges against the accused
3 and the time and place of the hearing before the Board on such
4 charges shall be served on the accused not less than 60 days prior
5 to the date of said hearing either personally or by mailing a copy
6 thereof registered mail to the address of the accused last known
7 to the Board.

8 (3) Failure to Appear. If, after having been served
9 with the notice of hearing as provided for herein, the accused
10 fails to appear at such hearing and defend, the Board may proceed
11 to hear evidence against him and may enter such order as shall be
12 justified by the evidence, which order shall be final unless he
13 petitions for a review thereof as provided herein: Provided,
14 however, that within 60 days from the date of any order, upon a
15 showing of good cause for failing to appear and defend, the Board
16 may reopen said proceedings and may permit the accused to submit
17 evidence in his behalf.

18 (4) Counsel -- Witnesses -- Cross-examination. At any
19 hearing the accused may appear in person or by counsel, produce
20 evidence and witnesses on his behalf, cross-examine witnesses,
21 and examine such evidence as may be produced against him. The
22 accused shall be entitled, upon application to the Board, to the
23 issuance of subpoenas to compel the attendance of witnesses on
24 his behalf and the production of documents.

25 (5) Subpoenas -- Oaths. The Board, or any member
26 thereof, may issue subpoenas to compel the attendance of witnesses
27 and the production of documents, and may administer oaths, take
28 testimony, hear proofs and receive exhibits in evidence in con-
29 nection with or upon hearing under this Act. In case of

1 disobedience to a subpoena the Board may invoke the aid of any
2 court of this Territory in requiring the attendance and testimony
3 of witnesses and the production of documentary evidence.

4 (6) Evidence. The Board shall not be bound by techni-
5 cal rules of evidence.

6 (7) Record. A stenographic record of the hearing shall
7 be kept and a transcript thereof filed with the Board.

8 (8) Attorney for the Board. At all hearings the
9 Attorney General of this Territory or one of his assistants,
10 designated by him, or such other legal counsel as may be employed,
11 shall appear and represent the Board.

12 (9) Decision. The decision of the Board shall be by
13 majority vote thereof.

14 (10) Review by Court. Anyone adversely affected by any
15 order of the Board may obtain a review thereof by filing a writ-
16 ten petition for review with the District Court within 60 days
17 after the entry of said order. The petition shall state the
18 grounds upon which the review is asked and shall pray that the
19 order of the Board be modified or set aside in whole or in part.
20 A copy of such petition shall be forthwith served upon any member
21 of the Board and thereupon the Board shall certify and file in
22 the Court a transcript of the record upon which the order com-
23 plained of was entered. The case shall then be tried de novo.
24 The Court may affirm, modify or set aside the Board's order in
25 whole or in part, or may remand the case to the Board for further
26 evidence, and may, on application and in its discretion, stay the
27 effect of the Board's order pending its determination of the case.
28 The Court's decision shall have the force and effect of a decree
29 in equity.

1 Sec. 14. REINSTATEMENT. Upon application in writing and
2 after hearing pursuant to notice, the Board may issue a new
3 certificate to a certified public accountant whose certificate
4 shall have been revoked, or may permit the re-registration of
5 anyone whose registration has been revoked, or may reissue or
6 modify the suspension of any permit to practice public accounting
7 which has been revoked or suspended.

8 Sec. 15. ACTS DECLARED UNLAWFUL.

9 (1) No person shall assume or use the title or designa-
10 tion "certified public accountant" or the abbreviation "C.P.A."
11 or any other title, designation, words, letters, abbreviations,
12 sign, card, or device tending to indicate that such person is a
13 certified public accountant, unless such person has received a
14 certificate as a certified public accountant under Sec. 3 of this
15 Act, holds a permit issued under Sec. 10 of this Act which is not
16 revoked or suspended, (hereinafter referred to as a "live permit")
17 and all of such person's offices in this Territory for the prac-
18 tice of public accounting are maintained and registered as re-
19 quired under Sec. 9; provided, however, that a foreign accountant
20 who has registered under the provisions of Sec. 4 of this Act, ..
21 and who holds a live permit issued under Sec. 10 of this Act, may
22 use the title under which he is generally known in his country,
23 followed by the name of the country from which he received his
24 certificate, license or degree.

25 (2) No partnership shall assume or use the title or
26 designation "certified public accountant" or the abbreviation
27 "C.P.A." or any other title, designation, words, letters, abbre-
28 viation, sign, card or device tending to indicate that such
29 partnership is composed of certified public accountants unless

1 such partnership is registered as a partnership of certified
2 public accountants under Sec. 5 of this Act, holds a live permit
3 issued under Sec. 10 of this Act and all of such partnership's
4 offices in this Territory for the practice of public accounting
5 are maintained and registered as required under Sec. 9.

6 (3). No person shall assume or use the title or designa-
7 tion "public accountant" or any other title, designation, words,
8 letters, abbreviation, sign, card or device tending to indicate
9 that such person is a public accountant, unless such person is
10 licensed as a public accountant under Sec. 7 of this Act, holds
11 a live permit issued under Sec. 10 of this Act and all of such
12 persons' offices in this Territory for the practice of public
13 accounting are maintained and registered as required under Sec. 9,
14 or unless such person has received a certificate as a certified
15 public accountant under Sec. 3 of this Act, holds a live permit
16 issued under Sec. 10 of this Act and all of such persons' offices
17 in this Territory for the practice of public accounting are main-
18 tained and registered as required under Sec. 9.

19 (4) No partnership shall assume or use the title or
20 designation "public accountant" or any other title, designation,
21 words, letters, abbreviation, sign, card or device tending to
22 indicate that such partnership is composed of public accountants,
23 unless such partnership is registered as a partnership of public
24 accountants under Sec. 8 of this Act or as a partnership of
25 certified public accountants under Sec. 5 of this Act and
26 holds a live permit issued under Sec. 10 of this Act and all of
27 such partnership's offices in this Territory for the practice of
28 public accounting are maintained and registered as required under
29 Sec. 9.

1 (5) No person of partnership shall assume or use the
2 title or designation "certified accountant," "chartered account-
3 ant," "enrolled accountant," "licensed accountant," "registered
4 accountant," or any other title or designation likely to be con-
5 fused with "certified public accountant" or "public accountant,"
6 or any of the abbreviations "CA," "PA," "EA," "RA" or "LA", or
7 similar abbreviations likely to be confused with "CPA", provided,
8 however, that anyone who holds a live permit issued under Sec. 10
9 of this Act and all of whose offices in this Territory for the
10 practice of public accounting are maintained and registered as
11 required under Sec. 9 may hold himself out to the public as an
12 "accountant" or "auditor" and provided further that a foreign
13 accountant registered under Sec. 4, who holds a live permit issued
14 under Sec. 10 and all of whose offices in this Territory for the
15 practice of public accounting are maintained and registered as
16 required under Sec. 9, may use the title under which he is general-
17 ly known in his country, followed by the name of the country from
18 which he received his certificate, license or degree.

19 (6) No corporation shall assume or use the title or
20 designation "certified public accountant," or "public accountant,"
21 nor shall any corporation assume or use the title or designation
22 "certified accountant," "chartered accountant," "enrolled account-
23 ant," "licensed accountant," "registered accountant," or any other
24 title or designation likely to be confused with "certified public"
25 accountant" or "public accountant," or any of the abbreviations
26 "CPA," "PA," "CA," "EA," "RA," or "LA" or similar abbreviations
27 likely to be confused with "CPA."

28 (7) No person shall sign or affix his name or any trade
29 or assumed name used by him in his profession or business, with any

1 wording indicating that he is an accountant or auditor, or with
2 any wording indicating that he has expert knowledge in ac-
3 counting or auditing to any accounting or financial state-
4 ment, or to any opinion on, report on or certificate to any
5 accounting or financial statement, unless he holds a live
6 permit issued under Sec. 10 of this Act, and all of his of-
7 fices in this Territory for the practice of public account-
8 ing are maintained and registered under Sec. 9, provided,
9 however, that the provisions of this subsection shall not
10 prohibit any officer, employee, partner or principal of any
11 organization from affixing his signature to any statement
12 or report in reference to the financial affairs of said
13 organization with any wording designating the position, title
14 or office which he holds in said organization, nor shall the
15 provisions of this subsection prohibit any act of a public
16 official or public employee in the performance of his duties
17 as such.

18 (8) No person shall sign or affix a partnership name,
19 with any wording indicating that it is a partnership composed of
20 accountants or auditors or persons having expert knowledge in
21 accounting or auditing, to any accounting or financial statement,
22 or to any opinion on, report on or certificate to any accounting
23 or financial statement, unless the partnership holds a live permit
24 issued under Sec. 10 of this Act and all of its offices in this
25 Territory for the practice of public accounting are maintained
26 and registered as required under Sec. 9.

27 (9) No person shall sign or affix a corporate name
28 with any wording indicating that it is a corporation performing
29 services as accountants or auditors or composed of accountants or

1 auditors, or persons having expert knowledge in accounting or
2 auditing, to any accounting or financial statement, or to any
3 opinion on, report on or certificate to any accounting or finan-
4 cial statement.

5 (10) No person or partnership not holding a live permit
6 issued under Sec. 10 of this Act, and no corporation, shall hold
7 himself or itself out to the public as an "accountant" or "audi-
8 tor" by use of either or both of such words on any sign, card,
9 letterhead, or in any advertisement or directory, without indicat-
10 ing thereon or therein that such person, partnership or corpora-
11 tion does not hold such a permit provided that this subsection
12 shall not prohibit any officer, employee, partner or principal of
13 any organization from describing himself by the position, title
14 or office he holds in such organization, nor shall this subsection
15 prohibit any act of public official or public employee in the
16 performance of his duties as such.

17 (11) No person shall assume or use the title or designa-
18 tion "certified public accountant" or "public accountant" in con-
19 junction with names indicating or implying that there is a part-
20 nership or in conjunction with the designation "and Company,"
21 or "and Co." or a similar designation if, in any such case, there
22 is in fact no bona fide partnership registered under Sec. 5 or 8
23 of this Act, provided that a sole proprietor or partnership law-
24 fully using such title or designation in conjunction with such
25 names or designation on the effective date of this act, may con-
26 tinue to do so if he or it otherwise complies with the provisions
27 of this Act.

28 Sec. 16. EXCEPTIONS --- ACTS NOT PROHIBITED. Nothing con-
29 tained in this Act shall prohibit any person not a certified

1 public accountant or public accountant from serving as an employee
2 of, or an assistant to, a certified public accountant or public
3 accountant or partnership composed of certified public accountants
4 or public accountants holding a permit to practice issued under
5 Sec. 10 of this Act or a foreign accountant registered under Sec.
6 4 of this Act; provided that such employee or assistant shall not
7 issue any accounting or financial statement over his name.

8 Nothing contained in this Act shall prohibit any certified
9 public accountant or public accountant from indicating that he
10 holds a certificate or license entitling him to such designation,
11 if, in fact, he does hold a valid, unrevoked certificate or
12 license in any political subdivision of the United States, pro-
13 vided, however, that no such person may indicate that his ser-
14 vices are available to the public unless he holds a live permit
15 issued under Sec. 10 of this Act.

16 Nothing contained in this Act shall prohibit any holder of a
17 valid certificate, license or degree from a foreign country con-
18 stituting a recognized qualification for the practice of public
19 accounting in such country from indicating that he holds such a
20 certificate, license or degree, provided, however, that no such
21 person may indicate that his services are available to the public
22 unless he holds a live permit issued under Sec. 10 of this Act.

23 Sec. 17. INJUNCTION AGAINST UNLAWFUL ACT. Whenever in the
24 judgment of the Board any person has engaged, or is about to
25 engage in any acts or practice which constitute, or will con-
26 stitute, a violation of Sec. 15 of this Act, the Board may make
27 application to the appropriate court for an order enjoining such
28 acts or practices, and upon a showing by the Board that such
29 person has engaged, or is about to engage, in any such acts or

1 practices, an injunction, restraining order, or such other order
2 as may be appropriate shall be granted by such court without
3 bond.

4 Sec. 18. MISDEMEANORS -- PENALTY. Any person who violates
5 any provision of Sec. 15 of this Act, shall be guilty of a mis-
6 demeanor, and upon conviction thereof, shall be subject to a fine
7 of not more than five hundred dollars, or to imprisonment for not
8 more than one year, or to both such fine and imprisonment. When-
9 ever the Board has reason to believe that any person is liable
10 to punishment under this section, it may certify the facts to the
11 District Attorney (or other appropriate enforcement officer), who
12 may, in his discretion, cause appropriate proceedings to be
13 brought.

14 Sec. 19. SINGLE ACT EVIDENCE OF PRACTICE. The display or
15 uttering by a person of a card, sign, advertisement or other
16 printed, engraved or written instrument or device, bearing a
17 person's name in conjunction with the words "certified public
18 accountant" or any abbreviation thereof, or "public accountant"
19 or any abbreviation thereof shall be prima facie evidence in any
20 action brought under Sec. 17 or Sec. 18 of this Act that the
21 person whose name is so displayed caused or procured the display
22 or uttering of such card, sign, advertisement or other printed,
23 engraved or written instrument or device, and that such person is
24 holding himself out to be a certified public accountant or a
25 public accountant holding a "live permit" to practice under Sec.
26 10 of this Act. In any such action evidence of the Commission of
27 a single act prohibited by this Act shall be sufficient to justify
28 an injunction or a conviction without evidence of a general course
29 of conduct.

1 Sec. 20. OWNERSHIP OF ACCOUNTANTS WORKING PAPERS. All
2 statements, records, schedules, working papers, and memoranda
3 made by a certified public accountant or public accountant inci-
4 dent to or in the course of professional service to clients by
5 such accountant, except reports submitted by a certified public
6 accountant or public accountant to a client, shall be and remain
7 the property of such accountant, in the absence of an express
8 agreement between such accountant and the client to the contrary.
9 No such statement, record, schedule, working paper or memorandum
10 shall be sold, transferred or bequeathed, without the consent of
11 the client or his personal representative or assignee, to anyone
12 other than one or more surviving partners or new partners of such
13 accountant.

14 Sec. 21. EXEMPTION FROM JURY DUTY -- CONFIDENTIAL COMMUNICA-
15 TIONS. Upon presentation of evidence that he is a Certified
16 Public Accountant, such holder shall be exempted from the per-
17 formance of jury duty in civil actions if he so requests. A
18 Certified Public Accountant shall not be subject to examination
19 on confidential communications between his client and himself nor
20 forced to divulge any information which he shall have acquired
21 as a confidential communication, except at the instance of his
22 client, and any Certified Public Accountant who shall otherwise
23 divulge such information shall have his certificate revoked and
24 shall not afterwards be licensed to practice accountancy in the
25 Territory.

26 Sec. 22. DEFINITIONS.

27 (1) Board. The term "Board" when used in this Act
28 means the "Board of Public Accountancy" created by Sec. 2 of this
29 Act.

1 (2) Masculine terms when used herein shall also include
2 the feminine.

3 (3) State. The term "State" when used in this Act
4 includes any state, territory or insular possession of the United
5 States, or the District of Columbia.

6 Sec. 23. CONSTRUCTION. If any provision of this Act or the
7 application thereof to anyone or to any circumstances is held
8 invalid, the remainder of the Act and the application of such
9 provision to others or other circumstances shall not be affected
10 thereby.

11 Sec. 24. REPEAL PROVISIONS. Sections 35-2-4, 35-2-5,
12 35-2-6, 35-2-8, 35-2-9 and 35-2-12 of Ch. 35, ACLA 1949, all of
13 Ch. 95 SLA 1949, except Sec. 11, and all of Ch. 18 SLA 1951, and
14 all other acts or parts of acts in conflict herewith are hereby
15 repealed: Provided, however, that nothing in this Act contained
16 shall invalidate or affect any action taken under any law in
17 effect prior to the effective date hereof, nor shall invalidate
18 or affect any proceeding instituted under such law before the
19 effective date hereof.

20 Sec. 25. EFFECTIVE DATE. This Act shall take effect on
21 April 30, 1957.

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