

WISCONSIN DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES



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STATE OF WISCONSIN
BEFORE THE ACCOUNTING EXAMINING BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

JAMES R. STEARNS AND
STEARNS CPA SOLUTIONS, LTD.
RESPONDENTS.

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FINAL DECISION AND ORDER

ORDER 0002074

Division of Enforcement Case No. 11 ACC 001

The parties to this action for the purpose of Wis. Stat. § 227.53 are:

James R. Stearns
55W34877 Lake Drive
Oconomowoc, WI 53066

Stearns CPA Solutions, Ltd.
15850 W. Bluemound Road, Suite 311
Brookfield, WI 53005

Wisconsin Accounting Examining Board
P.O. Box 8935
Madison, WI 53708-8935

Division of Enforcement
Department of Safety and Professional Services
P.O. Box 8935
Madison, WI 53708-8935

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Accounting Examining Board (Board). The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent James R. Stearns (dob 07/08/1949) is licensed in the State of Wisconsin as a Certified Public Account, having license number 001-5890, first issued on 10/13/1978 and current through 12/14/2013. Mr. Stearns' address is 55W34877 Lake Drive, Oconomowoc, WI 53066.

2. Respondent Stearns CPA Solutions, Ltd. is licensed in the State of Wisconsin as an Accounting Firm, having license number 003-1193, first issued on 02/25/2009 and expired 12/14/2011. Stearns CPA Solutions, Ltd.'s most recent address on file with the Department is 15850 West Bluemound Road, Suite 311, Brookfield, WI 53005.

3. On or about December 31, 2010, a complaint was filed by N.B. with the Wisconsin Department of Financial Institutions (DFI). The complaint alleged that:

a. On October 7, 2010 Respondent Stearns took payment from N.B. in the amount of \$750.00 to set up a payment plan with the IRS on her behalf and perform other services.

b. On or about December 20, 2010, N.B. was notified by the IRS that no payment plan had been submitted. Additionally, N.B. was notified by the IRS that Respondent Stearns had not made any contact with the IRS on her behalf.

c. Respondent contends that he faxed a Power of Attorney to the IRS in October of 2010, they did not record it, and he was awaiting information from the IRS and N.B.

4. DFI forwarded the complaint to DSPS on January 3, 2011. Division of Enforcement staff attempted to commence investigation. A certified letter dated March 21, 2011 notified Respondent of the complaint. A second certified letter was mailed August 30, 2011. No response was received from the respondent until November 4, 2011, when Respondent's attorney called in response to having received the proposed discipline which was mailed October 31, 2011.

5. Respondent did perform some of the agreed upon services for N.B.

6. Respondent does not admit to any of the violations alleged in the complaint filed by N.B. in Case No. 11 ACC 001, but he does not wish to contest them.

CONCLUSIONS OF LAW

1. The Wisconsin Accounting Examining Board has jurisdiction to act in this matter pursuant to Wis. Stat. § 442.12, and is authorized to enter into the attached Stipulation pursuant to Wis. Stat. § 227.44(5).

2. By the conduct described in the Findings of Fact, Respondents James R. Stearns and Stearns CPA Solutions, Ltd. violated Wis. Admin. Code § Accy 1.201(1)(b) by not exercising due professional care in the performance of an engagement.

3. By the conduct described in the Findings of Fact, Respondents James R. Stearns and Stearns CPA Solutions, Ltd. violated Wis. Admin. Code § Accy 1.407 by not responding to communications from the board within 30 days of the mailing of such communications by registered or certified mail.

4. As a result of the above violations, James R. Stearns and Stearns CPA Solutions, Ltd. are subject to discipline pursuant to Wis. Stat. § 442.12(1).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The attached Stipulation is hereby accepted.
2. Respondents James R. Stearns and Stearns CPA Solutions, Ltd. are hereby REPRIMANDED.
3. The license issued to Respondent James R. Stearns (license number 001-5890) is hereby LIMITED as follows:
 - a. Respondent shall, within one year of the date of this Order, successfully complete 3 hours of ethics training offered by a provider pre-approved by the Board's monitoring liaison, including taking and passing any exam offered for the courses;
 - b. Respondent shall submit proof of completion in the form of verification from the institution providing the education to the address stated below. None of the education completed pursuant to this requirement may be used to satisfy any continuing education requirements that have been or may be instituted by the Board, Wisconsin Department of Safety and Professional Services or similar authority in any state.
 - c. This limitation shall be removed from Respondent's license and Respondent will be granted a full, unrestricted license after Respondent has successfully completed all of the ordered education and submitted a certificate of completion from the educational institution providing the education.
4. Within 90 days of the date of this Order, James R. Stearns and Stearns CPA Solutions, Ltd. shall pay costs in this matter in the amount of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1500.00).
5. Payment of costs shall be made payable to the Wisconsin Department of Safety and Professional Services and sent to the Department Monitor at the address below:

Department Monitor
Division of Enforcement
Department of Safety and Professional Services
P.O. Box 8935, Madison, WI 53708-8935
Telephone (608) 267-3817, Fax (608) 266-2264
6. Violation of any of the terms of this Order may be construed as conduct imperiling public health, safety and welfare and may result in a summary suspension of Respondents' licenses. The Board in its discretion may in the alternative impose additional conditions and limitations or other additional discipline for a violation of any of the terms of this Order. In the event Respondents fail to timely submit payment of costs as ordered, Respondents' licenses (nos. 001-5890 and 003-1193) may, in the discretion of the Board or its

designee, be SUSPENDED, without further notice or hearing, until Respondent has complied with payment of the forfeiture and costs.

7. This Order is effective on the date of its signing.

WISCONSIN ACCOUNTING EXAMINING BOARD

by: Morgan Hall for Karla Blain 9/20/2012
A Member of the Board Date