

BEFORE THE ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

IN THE MATTER OF THE)
COMPLAINT AGAINST:)
RUSSELL R. RHODES, CPA) CASE NO. 2000-6
CERTIFICATE NO. 1880)
RESPONDENT.)

ORDER

COMES NOW the Alabama State Board of Public Accountancy ("the Board"), and, following a full and fair hearing before the Board on March 22, 2002, makes the following Findings of Fact and Conclusions of Law in the above styled case.

FINDINGS OF FACT

1. Respondent is a duly Certified Public Accountant in the State of Alabama, and was so registered at all times relevant to the complaint.
2. Respondent was provided notice of the hearing by certified mail, return receipt requested, and regular first class mail to the most recent address on file with the Board.
3. The certified mail receipt was signed and returned to the Board.
4. Respondent failed to attend the hearing. The hearing was conducted in Respondent's absence, as provided in Section 34-1-14(c) and Section 41-22-12 (d), Code of Alabama 1975.
5. Documentary evidence designated as Boards' Exhibits 1-5 were admitted into evidence and published to the Board.
6. The evidence presented at the hearing established that as of the filing of the complaint, Respondent was co-owner and operator of Southwood Management.

7. The evidence presented at the hearing established that as of the filing of the complaint, Respondent was practicing public accounting as a sole proprietorship under the firm name Russell R. Rhodes, CPA.

8. The evidence presented at the hearing established that on or prior to 1997 Respondent, through Southwood Management, became property manager of Phoenix Southwood, a nursing home owned by Walter Fox and Tom Redmon of Fox and Redmon of Napa, California.

9. The evidence presented at the hearing established that in May of 1997, an account containing in excess of \$325,000.00 was set up for repairs and improvements of Phoenix Southwood. Fox and Respondent opened the joint signature account at Community Bank in Cleveland, Alabama.

10. The evidence presented at the hearing established that beginning in November 1997 and continuing through May 1998, Respondent forged Fox's signature on five checks totaling \$325,981.05 to gain unauthorized use of the funds.

11. The Board finds that from November 1997 and continuing through May 1998, Respondent engaged in conduct discreditable to the public accounting profession by forging checks totaling \$325,981.05 to gain unauthorized use of the funds.

12. The Board finds that from November 1997 and continuing through May 1998, Respondent dishonestly and fraudulently forged his client, Fox's signature on checks totaling \$325,981.05 to gain unauthorized use of the funds.

CONCLUSIONS OF LAW

The Board finds that the facts as established at the hearing and as outlined above constitute a violation of Sections 34-1-1, et seq., Code of Alabama 1975, as follows:

13. The acts of the Respondent constitute a violation of the rules of professional conduct established by the Board, specifically, Board Rule 30-X-6-.05(1), which is a cause for revocation under Section 34-1-12 (a)(4), Code of Alabama 1975.

14. The acts of the Respondent constitute conduct discreditable to the public accounting profession, which is a cause for revocation under Section 34-1-12 (a)(11), Code of Alabama 1975.

15. The acts of the Respondent constituted dishonesty, fraud or gross negligence in the practice of public accounting, which is a cause for revocation under Section 34-1-12 (a)(2), Code of Alabama 1975.

CONCLUSION

Based on the Findings of Fact and Conclusions of Law set forth above, the Board finds that the Respondent is guilty of all charges alleged and, thus, his Certified Public Accountant Certificate and permit to practice are due to be revoked on each of the charges, separately and severally.

It is therefore ORDERED, ADJUDGED and DECREED by this Board that the Certified Public Accountant Certificate and the permit to practice of the Respondent are REVOKED, that Respondent is fined one thousand dollars (\$1,000.00) and that Respondent return the revoked Certified Public Accountant Certificate and permit to practice to the Board office within thirty (30) days of this order.

DONE this 22nd day of March 2002.

ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

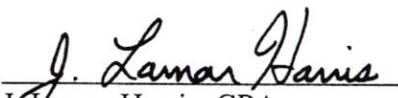
CONCUR:

MESSRS. BATSON, CARDEN
KASSOUF AND MS. BOLLINGER

ABSTAIN:

MR. DeLOACH

ATTEST:



J. Lamar Harris, CPA
Executive Director
April 9, 2002