

State of Washington

BOARD OF ACCOUNTANCY

(name of governing body)

(agency name, if applicable)

Resolution No. _____

Administrative Order No. ACB 104

(1) Be it resolved by the Washington State Board of Accountancy acting at Seattle, Washington (place)

that it does adopt the annexed rules relating to:

new chapter ~~4-25~~ WAC -

(2) ALTERNATIVE A. Use only for Adoption of Permanent Rules.

This action is taken pursuant to Notice No. WSR 83-15-066 and 83-19-007 filed with the code reviser on 7/20/83 and . These rules shall take effect: 9/9/83 thirty days after they are filed with the code reviser pursuant to RCW 34.04.040(2). at a later date, such date being _____

(2) ALTERNATIVE B. Use only for Adoption of Emergency Rules.

We, _____, find that an emergency exists and that this order is necessary for the preservation of the public health, safety, or general welfare and that observance of the requirements of notice and opportunity to present views on the proposed action would be contrary to public interest. A statement of the facts constituting the emergency is:

These rules are therefore adopted as emergency rules to take effect upon filing with the code reviser.

(3) Pursuant to the requirements of RCW 34.04.026¹ that "every agency shall incorporate the most specific, but in no case omit all, of the following language alternatives when adopting or amending rules" fill in statement (a), (b), or (c) as appropriate:

(a) This rule is promulgated pursuant to RCW 18.04.070 and is intended to administratively implement that statute.

(b) This rule is promulgated pursuant to RCW _____ which directs that the

(agency)

has authority to implement the provisions of

(name of act or RCW citation)

(c) This rule is promulgated under the general rule-making authority of the

(agency)

as authorized in RCW _____

(4) The undersigned hereby declares that the agency has complied with the provisions of the Open Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.04 RCW), and the State Register Act (chapter 34.08 RCW) in the adoption of these rules.

(5) This order, after being first recorded in the order register of this governing body, is herewith transmitted to the Code Reviser for filing pursuant to chapter 34.04 RCW and chapter 1-12 WAC.

STATE OF WASHINGTON APPROVED AND ADOPTED August 26, 19 83

FILED

OCT 10 1983

By E. William Parker

E. William Parker, C.P.A.
Chairman

Title

CODE REVISER'S OFFICE

WSR 83-21-030

NEW SECTION

WAC 4-25-010 PREAMBLE. These rules are adopted by the Washington state board of accountancy, pursuant to its authority under section 6, chapter 234, Laws of 1983, the Public Accounting Act of 1983. Their purpose is to promote and protect the public interest by implementing the provisions of that act, which provide for the licensing of certain practitioners of public accountancy and the regulation of the practice of public accountancy, all to the end of enhancing the reliability of information which is used for guidance in financial transactions or for accounting for or assessing the financial status or performance of commercial, noncommercial, and governmental enterprises.

NEW SECTION

WAC 4-25-030 UNLAWFUL ACTS. A firm name is misleading within the meaning of section 16(2) and (3), chapter 234, Laws of 1983 and is thus prohibited if, among other things:

(1) The firm name implies the existence of a corporation when the firm is not a corporation (as by the use of the abbreviations "P.C.," "P.S.," or "Inc. P.S.")

(2) The firm name implies existence of a partnership when there is not a partnership (as in "Smith & Jones, CPA's"); or

(3) The firm name includes the name of a person who is neither a present nor a past partner or shareholder of the firm.

A fictitious firm name (that is, one not consisting of the names of one or more present or former partners or shareholders) may not be used by a licensee in the practice of public accounting unless such name has been registered with and approved by the board as not being false or misleading.

No licensee may engage in the practice of public accountancy while representing himself or itself as having membership in any professional society, association, or organization, or membership in an association of firms, or a correspondent relationship with another certified public accountant or firm, if such representation:

(a) Contains a misrepresentation of fact; or

(b) Implies educational or professional attainments or licensing recognition not supported in fact; or

(c) Contains other representations or implications that in reasonable probability will cause an ordinarily prudent person to misunderstand or be deceived.

Any person who is the holder of a valid certificate as a certified public accountant may use the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, sign, card, or device to indicate that such person is a certified public accountant if such person holds a permit which provides for title usage, provided that this designation shall not be used in any connection with the practice of public accounting unless the person is the holder of a permit to practice granted by the board pursuant to section 11, chapter 234, Laws of 1983.

NEW SECTION

WAC 4-25-040 STATE BOARD OF ACCOUNTANCY. An annual meeting of the board shall be held each year, on a date following the annual meeting of the National Association of State Boards of Accountancy, and at least six other meetings shall be held each year, in the months of February, April, June, August, October, and December. Such regular

board meetings will normally be on the last Friday of the month, with the exceptions of November and December meetings which shall normally be on the third Friday of the month. The chairman or a quorum of the board shall have the authority to call meetings of the board. The board shall follow and apply the rules of procedure, chapter 34.04 RCW, as regards to notice and conduct of meetings.

At the annual meeting the board shall elect from among its members the chairman, vice chairman, and secretary. The officers shall assume the duties of their respective offices at the conclusion of the annual meeting at which they were elected. They shall serve a term of one year, but shall be eligible for reelection for an additional term.

The chairman or, in the event of his absence or inability to act, the vice chairman shall preside at all meetings of the board. Other duties of the officers shall be such as the board may from time to time determine.

(1) Fees charged by the board shall be as follows:

- (a) CPA examination applications:
 - (i) One or two parts..... \$50
 - (ii) Three parts..... \$60
 - (iii) Five parts..... \$75
- (b) Transfer of grade credits from other jurisdictions, pursuant to section 7(5), chapter 234, Laws of 1983..... \$40
- (c) Administration of examination for out-of-state applicants, per part..... \$10
- (d) Application for certificate by reciprocity from other jurisdictions..... \$40
- (e) Biennial permit to practice public accounting..... \$80
- (f) Biennial permit restricted to nonpublic accounting (title-only use)..... \$50
- (g) Biennial firm registration:
 - (i) Sole proprietorships..... \$50
 - (ii) Partnerships..... \$100
 - (iii) P.S. corporations..... \$100
- (h) Amendments to firm registration, each filing..... \$10
- (i) Delinquency fee for permit renewal applications sixty days overdue..... \$25
- (j) Delinquency fee for firm renewal applications sixty days overdue..... \$20
- (k) Temporary practice permits, per individual who is to practice within this state..... \$10
- (l) Copies of records, per page..... \$0.10
- (m) Applications for reinstatement..... \$25
- (n) Duplicate CPA certificates..... \$10

(2) Any applicant for a certificate or permit who is aggrieved by an action taken by the board with respect to his application may request the board to reconsider such action. Any such request shall be filed within sixty days of the mailing of the board's letter, advising the following information:

- (a) The name and address of the applicant;
- (b) The date of the board's letter advising the applicant of the action of the board complained of; and
- (c) A statement of any facts or consideration to which the applicant believes the board failed to give due weight.

Each licensee shall notify the board in writing within thirty days of any change of address or, in the case of individual licensees, change of employment.

A licensee shall respond in writing to any communication from the board requesting a response, within twenty days of the mailing of such communications by registered or certified mail, to the last address furnished to the board by the licensee.

NEW SECTION

WAC 4-25-060 CODE OF PROFESSIONAL CONDUCT. This Code of Professional Conduct is promulgated under the authority granted by the Public Accounting Act of 1983, which delegated to the Washington state board of accountancy the power and duty to prescribe rules of professional conduct directed to controlling the quality of the practice of public accountancy, and dealing among other things with independence, integrity, and objectivity; competence and technical standards; responsibilities to the public; and responsibilities to clients.

The Rules of Conduct set out below rest upon the premises that the reliance on the public in general and of the business community in particular on sound financial reporting, and on the implication of professional competence which inheres in the authorized use of a legally restricted title relating to the practice of public accountancy, imposes on persons engaged in such practice certain obligations both to their clients and to the public. These obligations, which the Rules of Conduct are intended to enforce where necessary, include the obligation to maintain independence of thought and action, to strive continuously to improve one's professional skills, to observe where applicable generally accepted accounting principles and generally accepted auditing standards, to promote sound and informative financial reporting, to hold the affairs of clients in confidence, to uphold the standards of the public accountancy profession, and to maintain high standards of personal conduct in all matters affecting one's fitness to practice public accountancy.

Acceptance of licensure to engage in the practice of public accountancy, or to use titles which imply a particular competence so to engage, involves acceptance by the licensee of such obligations, and accordingly of a duty to abide by the Rules of Conduct.

The Rules of Conduct are intended to have application to all kinds of professional services performed in the practice of public accountancy, including auditing, accounting and review services, tax services and management advisory services; and to apply as well to all licensees, whether or not engaged in the practice of public accountancy, except where the wording of a rule clearly indicates that the applicability is more limited.

A licensee who is engaged in the practice of public accountancy outside the United States will not be subject to discipline by the board for departing, with respect to such foreign practice, from any of the rules, so long as his conduct is in accordance with the standards of professional conduct applicable to the practice of public accountancy in the country in which he is practicing. However, even in such a case, if a licensee's name is associated with financial statements in such manner as to imply that he is acting as an independent public accountant and under circumstances that would entitle the reader to assume that United States practices are followed, he will be expected to comply with the rules herein concerning independence, integrity, and objectivity.

In the interpretation and enforcement of the Rules of Conduct, the board will give consideration, but not necessarily dispositive weight, to relevant interpretations, rulings and opinions issued by the board of other jurisdictions, and by appropriately authorized committees on ethics of professional organizations.

NEW SECTION

WAC 4-25-080 RULES OF CONDUCT--INDEPENDENCE, INTEGRITY, AND OBJECTIVITY. A licensee shall not express an opinion on financial statements of an enterprise in such a manner as to imply that he is acting as an independent public accountant with respect thereto unless he is independent with respect to such enterprise. Independence will be considered to be impaired if, for example:

(1) During the period of his professional engagement, or at the time of expressing his opinion, the licensee:

(a) (i) Had or was committed to acquire any direct or material indirect financial interest in the enterprise; or

(ii) Was a trustee of any trust or executor or administrator of any estate if such trust or estate had or was committed to acquire any direct or material indirect financial interest in the enterprise; or

(b) Had any joint closely-held business investment with the enterprise or any officer, director, or principal stockholder thereof which was material in relation to the net worth of either the licensee or the enterprise; or

(c) Had any loan to or from the enterprise or any officer, director, or principal stockholder thereof other than loans of the following kinds made by a financial institution under normal lending procedures, terms and requirements:

(i) Loans obtained by the licensee which are not material in relation to the net worth of the borrower;

(ii) Home mortgages; and

(iii) Other secured loans, except those secured solely by a guarantee of the licensee.

(2) During the period covered by the financial statements, during the period of the professional engagement or at the time of expressing an opinion, the licensee:

(a) Was connected with the enterprise as a promoter, underwriter, or voting trustee, a director or officer or in any capacity equivalent to that of a member of management or of an employee; or

(b) Was a trustee for any pension or profit-sharing trust of the enterprise.

The foregoing examples are not intended to be all inclusive.

A licensee shall not in the performance of professional services knowingly misrepresent facts, nor subordinate his judgment to others. In tax practice, however, a licensee may resolve doubt in favor of his client as long as there is reasonable support for his position.

A licensee shall not pay a commission to obtain a client, nor accept a commission for a referral to a client of products or services of others. This rule does not prohibit payments for the purchase of all, or a material part, of an accounting practice, or retirement payments to persons formerly engaged in the practice of public accountancy, or payments to the heirs or estates of such persons.

A licensee shall not offer or perform professional services for a fee which is contingent upon the findings or results of such services: PROVIDED HOWEVER, That this rule does not apply to professional services involving federal, state, or other taxes in which the findings are those of the tax authorities and not those of the licensee, nor does it apply to professional services for which the fees are to be fixed by courts or other public authorities, and which are therefore indeterminate in amount at the time the professional services are undertaken.

A licensee shall not concurrently engage in the practice of public accountancy and in any other business or occupation which impairs his independence or objectivity in rendering professional services.

NEW SECTION

WAC 4-25-100 COMPETENCE AND TECHNICAL STANDARDS. A licensee shall not undertake any engagement for the performance of professional services which he cannot reasonably expect to complete with due professional competence.

A licensee shall not permit his name to be associated with financial statements in such a manner as to imply that he is acting as an independent public accountant with respect to such financial statements unless he has complied with applicable generally accepted auditing standards. Statements on Auditing Standards issued by the

American Institute of Certified Public Accountants, and other pronouncements having similar generally recognized authority, are considered to be interpretations of generally accepted auditing standards, and departures therefrom must be justified by those who do not follow them.

A licensee shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles if such financial statements contain any departure from such accounting principles which has a material effect on the financial statements taken as a whole, unless the licensee can demonstrate that by reason of unusual circumstances the financial statements would otherwise have been misleading. In such a case, the licensee's report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement. For purposes of this rule generally accepted accounting principles are considered to be defined by pronouncements issued by the Financial Accounting Standards Board and its predecessor entities and similar pronouncements issued by other entities having similar generally recognized authority.

A licensee, in the performance of management advisory services or accounting and review services shall conform to the professional standards applicable to such services. For purposes of this rule such professional standards are considered to be defined by Statements on Management Advisory Services and Statements on Standards for Accounting and Review Services, respectively, in each instance issued by the American Institute of Certified Public Accountants, and by similar pronouncements by other entities having similar generally recognized authority.

A licensee shall not in the performance of professional services permit his name to be used in conjunction with any forecast of future transactions in a manner which may reasonably lead to the belief that the licensee vouches for the achievability of the forecast.

NEW SECTION

WAC 4-25-120 RESPONSIBILITIES TO CLIENTS. A licensee shall not without the consent of his client disclose any confidential information pertaining to his client obtained in the course of performing professional services.

This rule does not (1) affect in any way a licensee's obligation to comply with a validly issued subpoena or summons enforceable by order of a court, or (2) prohibit disclosures in the course of a quality review of a licensee's professional services, or (3) preclude a licensee from responding to any inquiry made by the board or any investigative or disciplinary body established by law or formally recognized by the board.

Members of the board and professional practice reviewers shall not disclose any confidential client information which comes to their attention from licensees in disciplinary proceedings or otherwise in carrying out their responsibilities, except that they may furnish such information to an investigative or disciplinary body of the kind referred to above.

NEW SECTION

WAC 4-25-220 PERMITS TO PRACTICE--FIRMS. (1) Applications by firms for initial registration to practice and for renewal of registration pursuant to section 9, chapter 234, Laws of 1983 shall be made on a form provided by the board and, in the case of applications for

renewal, shall be filed no later than sixty days prior to the expiration date of the firm's current registration. Applications will not be considered filed until the applicable fee is received. If an application for registration renewal is filed late, it shall also be accompanied by the applicable delinquency fee.

(2) A sole proprietor applying for a firm registration, whether initial or renewal, may join such application with his application for an individual registration, on a form provided for that purpose by the board, together with the applicable renewal fee for the firm registration.

(3) Applications shall include the firm name, addresses and telephone numbers of the main office and any branch offices of the firm, the name of the manager of each branch office, the names and state in which licensed, the partners or, in the case of corporations, shareholders, directors, and officers, and in the case of corporations a certified copy of the articles of incorporation and the bylaws.

(4) Biennial registration expires on June 30 of every other year.

(5) Firms which are in corporate form shall submit, together with their application for a registration, evidence that they are in compliance with this rule with respect to financial responsibility for liability that may be incurred to clients or others.

(6) A corporation engaged in the practice of public accountancy shall maintain in force liability insurance, or alternatively a written agreement of its shareholders providing a joint and several guarantee of payment, covering liability of the corporation for damages resulting from claims against it by its clients or others arising out of the rendering of or failure to render professional services by the corporation, in an amount for each claim of at least \$50,000 multiplied by the number of employed persons rendering professional services and an aggregate maximum limit of liability per calendar year of at least \$100,000 multiplied by the number of such employees, provided that the maximum amount guaranteed is not required to exceed \$1,000,000 for each claim and \$2,000,000 for all claims during any one calendar year.

(7) A firm registered pursuant to section 9, chapter 234, Laws of 1983 shall file with the board a written notification of any of the following events within thirty days after its occurrence:

- (a) Formation of a new partnership or corporation;
- (b) Admission of a partner or shareholder;
- (c) Retirement or death of a partner or shareholder;
- (d) Any change in the name of the firm;
- (e) Termination of the partnership or corporation;
- (f) Change in the management of any branch office;
- (g) Establishment of a new branch office or the closing or change of address of a branch office; and

(h) The occurrence of any event or events which would cause such partnership or professional corporation not to be in conformity with the provisions of the act or these rules.

In the event of any change in legal form of a firm, as between a proprietorship, a partnership or a professional corporation, such new firm shall within thirty days of the change file an application for an initial registration in accordance with these rules and pay the applicable fee.

NEW SECTION

WAC 4-25-260 TEMPORARY PERMITS. (1) Applications for temporary permits to practice pursuant to section 17(2), chapter 234, Laws of 1983 shall be made on a form provided by the board, and accompanied by the applicable fee.

(2) Each application shall be accompanied by a statement of the applicant, or if it is a partnership or corporation, by a partner or shareholder of the applicant:

- (a) Showing that the applicant is duly licensed to practice as a certified public accountant or a firm or certified public accountants in another state;
- (b) Identifying the specific professional engagement to be performed in this state pursuant to the temporary permit; and
- (c) Stating the name and office address of each person who will be engaged in the performance of the engagement in this state.

NEW SECTION

WAC 4-25-270 ENFORCEMENT ACTIONS AGAINST LICENSEES. The grounds for revocation and suspension of certificates and permits, and other disciplinary action against licensees, are set out in section 12, chapter 234, Laws of 1983 in both specific and general terms. The general terms of that provision of the act include the following particular grounds for such disciplinary action:

(1) Fraud or deceit in obtaining a certificate or permit, within the meaning of section 12(1), chapter 234, Laws of 1983, includes the knowing submission to the board of any false or forged evidence in, or in support of, an application for a certificate or permit.

(2) Dishonesty, fraud, or gross negligence in the practice of public accountancy, within the meaning of section 12(2), chapter 234, Laws of 1983, includes making misleading, deceptive or untrue representations in the practice of public accountancy.

(3) Violations of the act or of rules promulgated under the act, within the meaning of section 12(3) through (7), chapter 234, Laws of 1983, include:

(a) Knowingly practicing public accounting in this state prior to obtaining a permit to practice;

(b) Knowingly using or attempting to use a certificate or permit which has been suspended or revoked;

(c) The making of any false or misleading statement in support of an application for a certificate or a permit filed by another; or

(d) Failure of a licensee to provide any explanation requested by the board regarding evidence submitted by the licensee in support of an application filed by another, or regarding a failure or refusal to submit such evidence; and failure by a licensee to furnish for inspection upon request by the board or its representative documentation relating to any evidence submitted by the licensee in support of such an application.

(4) Conduct reflecting adversely upon the licensee's fitness to engage in the practice of public accountancy, within the meaning of section 12(8), chapter 234, Laws of 1983, includes:

(a) Adjudication as mentally incompetent;

(b) Fiscal dishonesty of any kind;

(c) Knowingly presenting as one's own a certificate or permit issued to another;

(d) Knowing concealment of information regarding violations by other licensees of the act or the rules thereunder; and

(e) Wilfully failing to file a report or record required by state or federal law; wilfully impeding or obstructing the filing of such a report or record, or inducing another person to impede or obstruct such filing by another; and the making or filing of such a report or record which one knows to be false.

Any licensee whose certificate or permit issued by the board is subsequently suspended or revoked shall promptly return such certificate or permit to the board.

NEW SECTION

WAC 4-25-300 ENFORCEMENT PROCEDURES--INVESTIGATIONS. (1) The board will annually appoint a Standards Review Committee of three members, to perform the following functions:

- (a) Review of financial statements and the reports of licensees thereon, to assess their compliance with applicable professional standards;
- (b) Improvement of reporting practices of licensees through educational and rehabilitative measures;
- (c) Referrals to the board of cases requiring further investigation; and
- (d) Such other functions as the board may assign to the committee.

The committee may solicit financial statements and the related reports of licensees from clients, public agencies, banks, and other users of financial statements. The identities of sources, of licensees, and of clients to whom the financial statements pertain shall be kept in confidence and shall not be disclosed to any person not a member or agent of the committee or the board, unless the review necessitates referral to an industry specialist or results in a referral to the board for investigation.

(2) The committee's review of financial statements and reports of licensees thereon shall be directed toward the following:

- (a) Presentation of financial statements in conformity with generally accepted accounting principles;
- (b) Compliance by licensees with generally accepted auditing standards;
- (c) Compliance by licensees with other professional standards; and
- (d) Compliance by licensees with the rules of the board and other regulations relating to the practice of public accountancy.

In gathering information about the professional work of licensees, the committee may make use of investigators, either paid or unpaid, who are not themselves members of the committee.

In any instance where the committee finds a deficiency in the professional work of a licensee, it shall advise the licensee in writing of the deficiency. The committee may offer to meet with the licensee to discuss deficiencies.

NEW SECTION

WAC 4-25-320 ENFORCEMENT PROCEDURES--HEARINGS BY THE BOARD. (1) A complaint issued by the board pursuant to section 14, chapter 234, Laws of 1983 will include:

- (a) A short and plain statement of matters asserted or charged; and
- (b) References to any particular sections of the act or of the rules which are asserted to have been involved in the conduct complained of.

(2) When the complaint and notice of hearing are served pursuant to section 14, chapter 234, Laws of 1983, they will be accompanied by:

- (a) A copy of the board's applicable rule(s);
- (b) A copy of the act;
- (c) A copy of any particular sections of the act of any rule asserted to have been violated; and
- (d) A brief statement calling attention to the rights of the licensee, under the act and the rules, to examine reports and evidence in advance of the hearing; to appear by counsel at the hearing to present evidence, and to appeal an adverse decision.

Under section 14, chapter 234, Laws of 1983 a licensee respondent has the right in advance of the hearing to examine and copy any report of investigation and documentary or testimonial evidence and summaries

in the board's possession relating to the subject matter of the complaint. The right of examination may be exercised by the respondent or his attorney or agent at the board's office where the records in question are kept, during regular business hours, on three days' advance notice in writing. Copies will be promptly furnished of any documents designated for copying, but the board may charge a fee for such copying.

A hearing under section 14, chapter 234, Laws of 1983 shall be conducted by and shall be under the control of a presiding officer appointed by the board.

(3) The order of proceedings shall be as follows:

(a) Statement and presentation of evidence supporting the complaint, by the investigating officer, if any, by a board member designated for that purpose, or by counsel;

(b) Statement and presentation of evidence of the respondent licensee, in person (or in the case of a firm through a partner, officer, director, or shareholder) and by counsel;

(c) Rebuttal evidence in support of the complaint;

(d) Surrebuttal evidence of the respondent licensee;

(e) Closing statements; and

(f) Board decision.

The presiding officer, board members, the respondent, and the person presenting the complaint shall have the right to question or examine or cross-examine any witness.

The burden of presenting evidence to support a fact or position rests on the proponent of the fact or position.

The hearing may be continued with recesses as determined by the presiding officer.

The presiding officer may set reasonable time limits for oral presentation.

Exhibits shall be marked, and preserved along with the stenographic transcript as part of the record of the hearing.

The board is not bound by technical rules of evidence, and any evidence of a kind commonly relied upon by reasonably prudent persons in the conduct of their affairs shall be admissible.

All such evidence that is offered and not objected to will be received by the presiding officer unless he determines that it is irrelevant, immaterial, or unduly repetitious.

Evidence may be received provisionally, subject to later ruling by the presiding officer as to its admissibility; but any such ruling must be made before closing statements are heard.

Decisions by the board following hearings under section 14, chapter 234, Laws of 1983 will, if they sustain any charge, be made in public. Decisions that do not sustain a charge will not be made public, unless the respondent licensee requests that this be done or the board determines that the pendency of the charges had itself been the subject of substantial publicity.

NEW SECTION

WAC 4-25-360 REINSTATEMENT. A person or firm whose certificates or permit to practice has been revoked or suspended pursuant to section 14, chapter 234, Laws of 1983, may apply to the board for modification of the suspension, revocation, or probation at any time after one year has elapsed from the effective date of the board's decision imposing it; except that if any previous application has been made with respect to the same penalty, no additional application will be entertained before the lapse of an additional year following the board's decision on the last such previous application.

The application shall be in writing; shall set out and, as appropriate, substantiate the reasons constituting good cause for the relief sought, and shall be accompanied by at least two supporting

recommendations, under oath, from licensees who have personal knowledge of the activities of the applicant since the suspension or revocation was imposed.

An application will ordinarily be disposed of by the board upon the basis of the materials submitted in support thereof, supplemented by such additional inquiries as the board may think fit. At the board's discretion a hearing may be held on such an application, following such procedures as the board may deem suitable for the particular case.

The board may impose, as a condition for reinstatement of a certificate or permit or modification of a suspension or probation, such terms and conditions as it deems suitable.

In considering an application, the board may consider all activities of the applicant since the disciplinary penalty from which relief is sought was imposed, the offense for which the applicant was disciplined, the applicant's activities during the time the certificate or permit was in good standing, the applicant's rehabilitative efforts, restitution to damaged parties in the matter for which the penalty was imposed, and the applicant's general reputation for truth and professional probity.

No application for reinstatement will be considered while the applicant is under sentence for any criminal offense, including any period during which the applicant is on court-imposed probation or parole.