

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
JANUARY 28, 2010
9:00 AM, LANDON STATE OFFICE BUILDING
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Jeffrey A. Leiserowitz, CPA, called the meeting to order. Board members in attendance were Mr. Leiserowitz; Paul Allen, CPA; Jeffery Bottenberg, Public Member; Patricia O'Sullivan, Public Member; Virginia Powell, CPA; Kent Smoll, CPA; and Rodney Van Norden, CPA. Also in attendance were Susan Somers, Executive Director; Darin Conklin, General Counsel to the Board; Samuel Speed, Disciplinary Counsel to the Board; Gary Allerheiligen, Mary MacBain, and Teresa Keating, Kansas Society of CPAs; Joyce Schartz, Public Accountants Association; and members of the KSCPA "20 Under 40" Committee.

B.-1. CONSENT CALENDAR:

The Board reviewed the minutes of the December 11, 2009 meeting; reciprocity certificates/permits to practice/firms and the 12/31/2009 financials. Mr. Smoll moved and Ms. O'Sullivan seconded to approve all of those items with the exception of the firm registration of "Expert GRC, LLC". Upon a vote, the motion carried.

Mr. Allen expressed his concern of the firm name "Expert GRC, LLC", in that the firm name used a word describing the quality of services offered ("Expert") which was in direct conflict with K.A.R. 74-5-406. After discussion, Mr. Allen moved and Mr. Smoll seconded to deny the firm name of "Expert GRC Services, LLC". Upon a vote, the motion carried.

The Board discussed authorization for travel for the Executive Director and General Counsel to attend the NASBA Executive Director/Legal Counsel conference in Nashville. Ms. Somers and Mr. Conklin reported that after reviewing the agendas for the conferences, it was determined that they would not be attending, therefore no motion needed to be made.

2. CPA EXAM:

A. The Board reviewed the grades and statistics from the October/November 2009 testing window of the CPA Exam previously approved by Mr. Van Norden and Ms. Powell. Ms. O'Sullivan moved and Mr. Smoll seconded to ratify approval of the grades. Upon a vote, the motion carried.

3. CPE/CERTIFICATES/PERMITS TO PRACTICE/PEER REVIEW/FIRM REGISTRATIONS:

A. The Board reviewed the list of Peer Reviews due and in process. Ms. O'Sullivan moved, and Mr. Bottenberg seconded that in the case of firms not timely complying with Peer Review, unless otherwise warranted, a "warning" letter would be sent notifying them that if they did not provide the Peer Review letter of completion or "in process" letter within thirty days from the date of the letter, a Summary Order of Suspension and imposition of a fine would be issued. If the firm complied within the thirty days, no disciplinary action would be taken. If the firm did not comply within the thirty days, the Summary Order of Suspension and Fine would be issued. For those firms who have received a second "warning" letter, should the firm fail to comply again, a Summary Order would be issued without a warning letter. Upon a vote, the motion carried. The Board also set the next due date for Peer Review letters of completion or additional "in process" letters to be June 11, 2010, unless otherwise warranted. Upon a vote, the motion carried.

B. The Board reviewed a list of firms that did not renew due to the new practice privilege law taking affect, and a list of firms that had failed to renew. Ms. Somers reported that firms required to renew had until Monday February 1, 2010 to renew without disciplinary action being taken. No action was required to be taken.

C. The Board reviewed a request from Lucke and Associates for an extension to complete their Peer Review which is due April 30, 2010. Mr. Allen moved, and Mr. Smoll seconded to approve a 30 day extension, or until May 31, 2010, with no further extensions. Upon a vote, the motion carried.

D. The Board reviewed a request from William Schmidt, who was present at the meeting, for an extension of time to complete a practice management course required by the Board in a prior disciplinary matter. The Board confirmed with the KSCPA that they would in fact hold a two-day conference relating to this topic in 2010. After discussion, Ms. O'Sullivan moved and Mr. Smoll seconded to extend the due date for Mr. Schmidt to complete the KSCPA's practice management course at a date to be determined by the KSCPA. Mr. Schmidt is to provide proof of attendance of the two day course to the Board within 15 days of the date of attending the course. Upon a vote, the motion carried.

4. HEARINGS AND EXECUTIVE SESSSION:

A. Hal F. "Fritz" Wood appeared before the Board having requested a hearing as a result of a Summary Order of Suspension and fine being issued for failure to cooperate. Mr. Wood had been chosen for CPE audit of his most recent permit renewal, but had failed to provide proof of completion of the CPE

claimed. After discussion, Mr. Bottenberg moved and Ms. O'Sullivan seconded for the Board to go into executive session to deliberate the matter for ten minutes. Upon a vote, the motion carried.

When the Board reconvened, Ms. Powell moved and Mr. Bottenberg seconded that the Board has determined that Mr. Wood had failed to cooperate, and to stay the suspension for thirty days, pending Mr. Wood providing satisfactory proof of all CPE claimed for his most recent permit renewal, and pay a fine in the amount of \$1,000, which cannot be paid by credit card, within thirty days of the date of the Final Order. Upon a vote, the motion carried.

B. Eric Scribner appeared before the Board and with counsel, Jennifer Bazin, for approval of a Consent Order entered into for violations of the accountancy laws and regulations relating to an audit performed on the CPE claimed by Mr. Scriber for his most recent permit renewal, which required revocation of the certificate and permit and payment of a \$2,000 fine. Ms. O'Sullivan and Ms. Powell recused themselves in this matter. After discussion, Mr. Allen moved and Mr. Bottenberg seconded for the Board to go into executive session for ten minutes to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened, Mr. Allen moved and Mr. Smoll seconded to deny the Consent Order. Upon a vote, the motion carried, with Ms. O'Sullivan and Ms. Powell not participating.

Mr. Allen suggested that the parties in the matter meet to see if they were willing to make amendments to the original Consent Order. Upon motion of Mr. Smoll, seconded by Mr. Van Norden, the Board recessed for 10 minutes, so that the parties in the matter would have time to meet the come to an agreement. Upon a vote, the motion carried.

When the Board reconvened, the parties stated that an agreement had been reached, the terms of which were to revoke the permit to practice; suspend the certificate for one year and pay a fine in the amount of \$1,000 within thirty days of the date of the hearing, which cannot be paid by credit card. At the end of the year, Mr. Scribner could apply for reinstatement of his certificate and permit by appearing before the Board. Mr. Allen moved and Mr.. Smoll seconded to accept the terms of the revised Consent Order. Upon a vote, the motion carried, with Ms. O'Sullivan and Ms. Powell not participating.

5. OTHER

A. Mr. Van Norden moved and Ms. Powell seconded, for the Board to go into executive session for a period of fifteen minutes to discuss matters relating to attorney/client privilege. Upon a vote, the motion carried.

When the Board reconvened, Ms. O'Sullivan moved and Mr. Bottenberg seconded, for the Board to go back into executive session to discuss matters relating to attorney/client privilege for an additional ten minutes. Upon a vote, the motion carried.

When the Board reconvened, Mr. Bottenberg moved and Ms. O'Sullivan seconded for the Board meeting to adjourn. Upon a vote, the motion carried.

/s/ Susan L. Somers
Susan L. Somers, Executive Director