

MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
MARCH 27, 2009, 8:45 AM
LONDON STATE OFFICE BUILDING, ROOM 108
TOPEKA, KS

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Rodney Van Norden, CPA, Chair, called the meeting to order. Board members in attendance were Mr. Van Norden; Jeffrey Leiserowitz, CPA; Paul Allen, CPA; Patricia O'Sullivan, Public Member; and Kent Smoll, CPA. Also in attendance were Susan Somers, Executive Director; Darin Conklin, General Counsel to the Board; Derenda Mitchell, Assistant Attorney General, Disciplinary Counsel to the Board; Joyce Schartz, Public Accountants Association; and Jim Clark, interim Executive Director of the Kansas Society of CPAs.

2. CPA EXAM; PEER REVIEW

A. The Board reviewed a request from CPA Examination Services relative to changes in the first-time CPA exam candidate application to sit for the exam. Mr. Smoll moved and Mr. Leiserowitz seconded to approve the changes submitted, with the exception of the 2 x 2 photograph. The Board will still require that a 2 x 2 photograph be submitted, along with the other required documents, before the candidate will be approved to sit for the exam. Upon a vote, the motion carried.

3. LEGISLATIVE MATTERS:

A. Ms. Somers reported that HB 2339 (mobility legislation) was due to be signed by the Governor the day of the Board meeting, which would become effective when it was published in the Kansas Register.

4. HEARINGS AND RELATED MATTERS:

A. The Board reviewed a request from George Jackson for an extension of time by which to complete the AICPA Comprehensive ethics exam that was a requirement in a Consent Order entered into by him with the Board. Mr. Allen moved and Mr. Smoll seconded to grant an extension to May 15, 2009. Upon a vote, the motion carried.

B. MARC VIANELLO, VIANELLO FORENSIC CONSULTING LLC FIRM REGISTRATION. Mr. Leiserowitz recused himself from this matter. Mr. Vianello appeared in person and with counsel, Bill Modrcin of Stinson Morrison Hecker, LLP. Ms. Somers brought the firm application to the Board because she had concerns that she believed needed to be dealt with by the Board. After hearing the evidence, Mr. Smoll moved, and Ms. O'Sullivan 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, Ms. O'Sullivan moved and Mr. Smoll seconded to approve the firm registration. Upon a vote, the motion carried, with Mr. Leiserowitz not participating.

C. MICHAEL L. BROWN APPLICATION FOR CPA CERTIFICATE AND PERMIT TO PRACTICE. Mr. Brown appeared in person and with counsel, Bill Modrcin of Stinson Morrison Hecker, LLP. Mr. Leiserowitz recused himself from this matter. Ms. Somers brought the applications to the Board because she had concerns that needed to be dealt with by the Board. After hearing the evidence, Mr. Allen moved and Mr. Smoll 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. Smoll moved and Mr. Allen seconded to approve the applications of Mr. Brown. Upon a vote, the motion carried, with Mr. Leiserowitz not participating.

D. ROBERT E. LETTERMAN, LETTERMAN & CO. FIRM REGISTRATION AND DISCIPLINARY HEARING. Mr. Letterman and Letterman and Company appeared in person and with counsel, Joel Krieger of Wallace Saunders Austin Brown Enochs for the purpose of firm registration and failure to timely comply with Peer Review. After hearing the evidence, Mr. Smoll moved and Mr. Leiserowitz seconded for the Board to go into executive session for fifteen minutes to deliberate the matter. Upon a vote, the motion carried. When the Board reconvened, Mr. Allen moved and Mr. Smoll seconded that the Board find Respondents guilty of Counts I and II respectively, of the Petition (Failure to comply with Peer Review and Failure to Comply with Proof of Peer Review) and further that the Respondent Letterman should be fined in the amount of \$500.00, with said fine being paid within 30 days of the date of the Final Order of the Board, and which cannot be paid by credit card. Further, Respondents are to file with the Board copies of peer review documents issued in conjunction with the peer review presently administered by the Missouri Society of CPAs (the peer review administering entity), and that such documents shall be filed with the Board in a timely manner consistent with the deadlines established by the administering entity. A copy of the peer review report, letter of comments, letter of response, all follow up requirement letters and any reports issued in conjunction with any follow up requirements submitted to the administering entity prior to the effective date of the Final Order shall be filed with the Board within thirty (30) days of the effective date of the Final Order. Upon a vote, the motion carried.

E. ROGER HEMPECK DISCIPLINARY PETITION. Ms. O'Sullivan recused herself from this matter. Mr. Hempeck appeared before the Board for failure to comply with a Consent Order. After hearing the evidence and stipulations of the parties, Mr. Smoll moved and Mr. Allen seconded for the Board to go into executive session to deliberate the matter for 5 minutes. Upon a vote, the motion carried. When the Board reconvened, Mr. Allen moved and Mr. Smoll seconded that Mr. Hempeck is guilty of Count I (failure to provide documentation to the Board by a specified date, and failure to comply with a Board Order) and that he pay a fine in the amount of \$250.00, to be paid within 30 days of the date of the Final Order of the Board, and which cannot be paid by credit card. Upon a vote, the motion carried.

F. JACK MICHAEL LAMB, MOTION FOR RECONSIDERATION: Mr. Allen recused himself from this matter. Mr. Lamb appeared in person and with counsel, Paul Morrison, on a Motion for Reconsideration filed by the investigative Board member and the Assistant Attorney General, of a Final Order issued by the Board on February 13, 2009, which granted Mr. Lamb a conditional CPA certificate. After hearing oral arguments, Mr. Leiserowitz moved and Ms. O'Sullivan seconded for the Board to go into executive session for 30 minutes to deliberate the matter. Upon a vote, the motion carried. When the Board reconvened, Mr. Smoll moved and Ms. O'Sullivan seconded for the Board to go back into executive session to continue to deliberate the matter for an additional 10 minutes. Upon a vote, the motion carried. When the Board reconvened, Mr. Smoll moved and Ms. O'Sullivan seconded to reverse the granting of the conditional certificate and affirm the denial of the certificate based upon K.S.A. 1-302b (good moral character). Upon a vote, the motion carried, with Mr. Allen not participating.

5. OTHER:

The Board discussed the nomination of a Director at Large for NASBA's Board of Directors. After discussion, Mr. Leiserowitz moved and Ms. O'Sullivan seconded, to nominate Kent Smoll as Director at Large. Upon a vote, the motion carried.

6. ADJOURN:

There being no further business to come before the Board, the meeting was adjourned.

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

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