

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY**  
**APRIL 28, 2017**  
**LANDON STATE OFFICE BUILDING, ROOM 556A**  
**TOPEKA, KS**

**1. ADMINISTRATIVE MATTERS:**

**A. CALL TO ORDER:**

Denise O. Denning, CPA, Chair, called the meeting to order. Board members in attendance were Ms. Denning; John R. Helms, CPA; T. C. Anderson, Public Member; Michael L. Marsh, CPA; Kathryn J. Mitchell, CPA; Meredith Richey, Public Member; and Rodney Van Norden, CPA. Also in attendance was Susan Somers, Executive Director; Randy Forbes, Disciplinary Counsel to the Board; Darin Conklin, General Counsel to the Board; Natasha Schamberger, Chad Allen, and Rita Barnard on behalf of the Kansas Society of CPAs; and Joyce Schartz on behalf of the Public Accountants Association.

The Board welcomed Meredith Richey, the new public member of the Board.

**B. CONSENT CALENDAR:**

1-3. The Board reviewed the minutes of the January 20, 2017 meeting; reciprocity certificates/permits to practice; firm registrations; and the third quarter 2017 financials. Mr. Van Norden moved and Mr. Helms seconded to approve the Consent Calendar. Upon a vote, the motion carried.

**2. CPA EXAM:**

A. The Board reviewed the exam scores for the January/February March 2017 exam window. After review, Mr. Helms moved and Mr. Van Norden seconded to ratify the grades. Upon a vote, the motion carried.

B. The Board reviewed the CPA exam statistics for first quarter 2017. There was no action required to be taken.

C. The Board reviewed the CPA Exam Candidate concerns for 1<sup>st</sup> Quarter 2017. There was no action required to be taken.

D. The Board reviewed the 2017 Exam fee implementation. No action was required.

E. The Board reviewed a request from Bruce Pinedo, pursuant to K.A.R 74-2-7(g) for a waiver of an Accounting Information Systems beyond an introductory course in order to sit for the CPA exam. After review and discussion, Mr. Helms moved and Mr. Marsh seconded to deny the request. Upon a vote, the motion carried.

F. The Board reviewed a request from Joshua Bohnenblust, pursuant to K.A.R. 74-2-7(g) for a waiver of an Accounting Information Systems beyond an introductory course in order to sit for the CPA exam. After review and discussion, Mr. Anderson moved, and Mr. Marsh seconded to waive the course requirement based upon his work experience. Upon a vote, the motion carried.

### **3. CPE/PERMIT TO PRACTICE/PEER REVIEW/FIRM REGISTRATIONS:**

A. Ms. Somers presented to the Board the list of firms with peer reviews either due or in process. No action was required to be taken.

B. The Board reviewed the Peer Review Oversight Report prepared by Mark Dick, the Board's Peer Review liaison, summarizing the procedures performed and the findings reached during his oversight of the KSCPA's Peer Review Program, as well as the AICPA's Oversight Visit report. The Board noted that the AICPA identified two areas that were not properly addressed: Confidentiality letters for the KSCPA Peer Review Committee Members had not been updated since 2013, and the KSCPA Technical Reviewer evaluations had not been completed since 2013; both of which were completed by August 25, 2016. No action was required to be taken.

C. The Board had further discussion on the proposed evolution of Peer Review, after which the Board concluded that it would submit another response letter. Any comments should be submitted to Ms. Somers within 3 weeks of the Board meeting. Mr. Helms will then compile any concerns that the Board may have, to be presented to the Board at its June 16, 2017 meeting.

D. The Board reviewed a request for an extension of Peer Review from Patsy Porter. Based upon the information provided, Mr. Van Norden moved and Mr. Marsh seconded to approve the extension to May 31, 2017. Upon a vote, the motion carried.

### **4. HEARINGS AND DISCIPLINARY ACTION:**

**A. ANDREW THOMAS SCOTT & PLATINUM TAX SERVICES, LLC STIPULATION AND CONSENT ORDER:** Mr. Marsh, the investigative Board member, recused himself from this matter. Mr. Scott appeared in person and on behalf of the firm. This matter was before the Board for consideration of a Stipulation and Consent Order arising from an investigation wherein it was determined that Mr. Scott and his firm had engaged in the practice of certified public accountancy without his having a valid permit to practice, or the firm being registered with the Board. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; pay a fine of \$250.00 each; and pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter. Mr. Scott's application or renewal of permit to practice as a CPA in Kansas was granted, as was the firm's application for firm registration. After hearing testimony, Mr. Van Norden moved, and Mr. Helms seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Marsh not participating.

**B. JEFFERY A. THORNE, CPA AND JEFFERY A. THORNE, CPA, PA STIPULATION AND CONSENT ORDER:** Ms. Mitchell, the investigative Board member,

recused herself from this matter. Mr. Thorne appeared in person and on behalf of his firm. This matter was before the Board for consideration of a Stipulation and Consent Order arising from an investigation wherein it was determined that Mr. Thorne failed to timely pay withholding taxes and had failed to disclose that to the Board on his permit renewal applications. The firm failed to disclose the failure to timely pay withholding taxes on its firm registration renewal applications and had engaged in the practice of certified public accountancy without a proper firm registration. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; Mr. Thorne is to pay a fine in the amount of \$500.00; Mr. Thorne's firm is required to pay \$250.00; and pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter. Mr. Thorne was also required to complete the AICPA Comprehensive Ethics Exam. The firm's application for registration was granted. After hearing testimony, Mr. Van Norden moved and Mr. Marsh seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Mitchell not participating.

**C. NOVAK BIRKS, P.C. STIPULATION AND CONSENT ORDER:** Ms. Denning, the investigative Board member, recused herself from this matter. Mr. Keith Novak and Mr. William Miller appeared by telephone on behalf of the firm. This matter was before the Board for consideration of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy without being registered with the Board. The terms of the Stipulation and Consent Order required Respondent to appear before the Board; pay a fine in the amount of \$250.00; and pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter. Respondent's application for firm registration was granted. After hearing testimony, Mr. Marsh moved, and Ms. Mitchell seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning not participating.

**D. OREAD PARTNERS, LLC STIPULATION AND CONSENT ORDER:** Ms. Denning, the investigative Board member, recused herself from this matter. Mr. Jason Goethe and his attorney, Jonathan Benevides, appeared by telephone on behalf of the firm. This matter was before the Board for consideration of a Stipulation and Consent Order arising from an investigation wherein it was determined that Respondent had failed to timely cooperate with the Board in its investigation. The terms of the Stipulation and Consent Order required Respondent to appear before the Board; pay a fine in the amount of \$250.00; and pay costs pursuant to K.S. A. 1-206, to include attorney's fees and court reporter fees incurred in the matter. After hearing testimony, Ms. Mitchell moved and Mr. Marsh seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning not participating.

**E. PETROW, LEEMHUIS, VINCENT & KANE, P.C. STIPULATION AND CONSENT ORDER:** Ms. Denning, the investigative Board member, recused herself from this matter. The firm was not required to appear. This matter as before the Board for consideration of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy without being registered with the Board. The terms of the Stipulation and Consent Order required that the firm pay a fine in the amount of \$500.00; and pay costs, pursuant to

K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter. Respondent's application for firm registration was approved. After hearing testimony, Ms. Mitchell moved and Mr. Van Norden seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning not participating.

**F. DAVID TURK, CPA, LLC AMENDMENT TO STIPULATION AND CONSENT ORDER:** Ms. Denning, the investigative Board member, recused herself from this matter. The firm was not required to appear. This matter was before the Board for consideration of an amendment to a Stipulation and Consent Order previously entered by the Board. The terms of the amended Stipulation and Consent Order relieve the firm from having to obtain preissuance reviews for all attest services. The firm shall not perform audits to which the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are applicable for Kansas entities without prior written permission from the Board. After hearing testimony, Mr. Van Norden moved and Mr. Marsh seconded to accept the Amendment to Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning not participating.

**G. JEANETTE D. BLOCK REQUEST FOR RECONSIDERATION OF FINE IMPOSED IN SUMMARY ORDER OF REVOCATION OF KANSAS CERTIFICATE:** Ms. Mitchell, the investigative Board member, recused herself from this matter. The Board reviewed a request submitted by Ms. Block for reconsideration of the fine imposed by Summary Order. After discussion, Mr. Helms moved and Ms. Richey seconded to adopt the terms of the Summary Order as the Final Order of the Board, including the terms relative to the imposition and payment of the fine. Upon a vote, the motion carried, with Mr. Van Norden voting against, with Ms. Mitchell not participating.

**H. KEITH ZACHARIASEN HEARING ON APPLICATION FOR ISSUANCE/REINSTATEMENT OF PERMIT:** Mr. Marsh, the investigative Board member, recused himself from this matter. Mr. Zachariasen appeared in person in support of his application for issuance/reinstatement of his permit to practice certified public accountancy in the State of Kansas. After review of the evidence presented and hearing arguments of the parties, Mr. Van Norden moved and Mr. Helms seconded, to deny Mr. Zachariasen's request pursuant to K.S.A. 1-311(a)(8) and in consideration of the factors set forth in *Vakas v. State Board of Healing Arts*, 248 Kan. 589, and directing the assessment of costs pursuant to K.S.A. 1-206. Upon a vote, the motion carried, with Mr. Marsh not participating

**I. TROY RENKEMEYER STIPULATED FINAL ORDER REGARDING DETERMINATION AND PAYMENT OF COSTS:** Mr. Helms, the investigative Board member recused himself from this matter. Ms. Richey, as she did not participate in Respondent's previous hearing, also recused herself from this matter. The Board reviewed the Stipulated Final Order wherein Mr. Renkemeyer agreed to pay the costs incurred in his hearing for Application for Reinstatement, which was denied. After discussion, Mr. Van Norden moved and Ms. Mitchell seconded to accept the Stipulated Final Order Regarding Determination and Payment of Costs as presented. Upon a vote, the motion carried, with Mr. Helms and Ms. Richey not participating.

**5. OTHER:**

A. The Board reviewed proposed amendments to the Accountancy Rules and Regulations. After review and discussion and a few minor changes, Ms. Somers was instructed to amend the draft Regulations and to set up a conference call with the Board members before the next Board meeting to accept the proposed amendments and authorize Ms. Somers and Mr. Conklin to start the process of promulgating the Regulations.

B. Mr. Helms moved, and Ms. Richey seconded, for the Board to go into executive session for thirty minutes for attorney/client privilege discussions regarding -case law updates. Upon a vote, the motion carried.

When the Board reconvened, Mr. Helms moved and Mr. Van Norden seconded for the Board to go back into executive session for an additional fifteen minutes for attorney/client privileged discussions regarding -case law updates. Upon a vote, the motion carried.

## **6. ADJOURN**

When the Board reconvened, Ms. Richey moved and Mr. Van Norden seconded, to adjourn the meeting. Upon a vote, the motion carried.

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Susan L. Somers Executive Director