

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
APRIL 29 & 30, 2010
LONDON STATE OFFICE BUILDING
TOPEKA, KS**

April 29, 2010

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Jeffrey A. Leiserowitz, CPA, called the meeting to order on April 29, 2010 at 11:00 AM. Board members in attendance were Mr. Leiserowitz; Paul Allen, CPA; Jeffery Bottenberg, Public Member; Patricia O'Sullivan, Public Member; Virginia Powell, 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; and Joyce Schartz, Public Accountants Association.

B.-1 CONSENT CALENDAR:

The Board reviewed the minutes of the January 28, 2010 meeting; reciprocity certificates/permits to practice/firms and the 3/31/10 financials. Mr. Allen moved and Ms. Powell seconded to approve. Upon a vote, the motion carried.

2. CPA Exam:

A.-B. The Board reviewed the grades and statistics from the January/February 2010 testing window of the CPA Exam previously approved by Mr. Van Norden. Ms. O'Sullivan moved and Mr. Allen seconded to ratify approval of the grades. Upon a vote, the motion carried.

C. The Board reviewed requests for extension of exam credits from the following exam candidates:

Melanee Radenberg: Ms. Powell moved and Mr. Allen seconded to extend her exam credits for the Audit and BEC sections of the CPA exam to August 31, 2010. Upon a vote, the motion carried.

Alan Wenk: Mr. Allen moved and Ms. O'Sullivan seconded to deny his request. Upon a vote, the motion carried.

D. The Board reviewed requests for exam waivers from the following exam candidates:

Jill Burtin: Mr. Allen moved and Ms. Powell seconded to waive 2 hours of written and oral communications. Upon a vote, the motion carried.

Traci Goddard: Ms. Powell moved and Ms. O'Sullivan seconded to deny the request for waiver of the Production course requirement. Upon a vote, the motion carried.

Jolie Graf: Ms. Powell moved and Ms. O'Sullivan seconded to deny the request for waiver of the managerial accounting and upper division economics course. Upon a vote, the motion carried.

Kingsley Onyekwelu: Ms. Powell moved and Mr. Allen seconded to waive the upper division economics course to allow him to transfer his passing exam grades to Kansas. Upon a vote, the motion carried.

Harold Roraback: Mr. Allen moved and Ms. Powell seconded to deny the request for waiver of the macroeconomics course requirement. Upon a vote, the motion carried.

Michael Westerman: Ms. O'Sullivan moved and Ms. Powell seconded to deny the request for waiver of 3 hours of accounting. Upon a vote, the motion carried.

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

A. The Board reviewed the list of Peer Reviews due and in process. Mr. Allen moved, and Ms. O'Sullivan 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 July 23, 2010, unless otherwise warranted. Upon a vote, the motion carried.

B. The Board reviewed a request for extension of time to complete Peer Review follow-up requirements from Stan Monger, who was unable to provide a Peer Review letter of completion or "in process" letter from the administering entity by April 23, 2010. Upon a vote, Ms. Powell moved and Mr. Allen seconded to deny the request, and that Ms. Somers is to request him to provide what type

of attest reports he has issued since his Peer Review was conducted, to include the industry of the client and the number of reports issued. Upon a vote, the motion carried.

4. RULES AND REGULATIONS:

A. Ms. Somers presented amendments to the Rules and Regulations, which included updating materials adopted by reference, and clarification language. Mr. Allen pointed out that group internet based courses (webinars) were not subject to final exams, and recommended that the proposed amendment to K.A.R. 74-4-8 be re-amended to exclude group internet based courses from being subject to final exam. Ms. O'Sullivan moved and Ms. Powell seconded to approve the amendments, to include the further amendment to K.A.R. 74-4-8. Upon a vote, the motion carried.

B. The Board briefly discussed the possibility of defining "person qualified" to conduct CPE programs and determined that there would be no action on the matter at this time.

5. OTHER:

The Board discussed nominations for NASBA Regional Director, Director at Large, and Central Regional Nominating Committee members. Ms. Powell moved and Mr. Allen seconded to nominate Ted Lodden as Central Regional Director; Kent Smoll, as Director at Large; and Marianne Mickelson as Central Regional Nominating Committee member. Upon a vote, the motion carried.

6. HEARINGS AND EXECUTIVE SESSION:

Ms. O'Sullivan moved and Ms. Powell seconded for the Board to go into closed session to discuss attorney/client privilege matters. Upon a vote, the motion carried.

1:00 PM **MARKUS FRESE CONSENT ORDER:** Mr. Frese appeared before the Board for approval of a Consent Order entered into to prohibit him from conducting A-133 audits without prior written consent of the Board. Upon a vote, the motion carried.

GREG HEIDRICK CONSENT ORDER: Ms. O'Sullivan recused herself from this matter. Mr. Heidrick appeared before the Board for approval of a Consent Order entered into for practicing without a firm registration, which required him to appear before the Board and pay a \$500 fine. Mr. Allen moved and Ms. Powell seconded, to approve the Consent Order. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

JAY LARUE CONSENT ORDER: Ms. O'Sullivan recused herself from this matter. Mr. LaRue appeared before the Board for approval of a Consent Order entered into for failure to timely file his personal tax returns and failure to timely pay withholding taxes which required him to appear before the Board, provide proof of timely filing of his personal tax returns and proof of timely paying of taxes collected on behalf of others for tax years 2009-2013, payment of a \$500 fine, and completion of the AICPA comprehensive ethics exam with a score of 90% or higher. Mr. Bottenberg moved and Mr. Allen seconded, for the Board to go into closed session for ten minutes. Upon a vote, the motion carried. When the Board reconvened, Ms. Powell moved and Mr. Bottenberg seconded to approve the Consent Order. Upon a vote, the motion carried.

ROGER WETTER CONSENT ORDER: Mr. Wetter appeared before the Board for approval of a Consent Order entered into for failure to timely file his personal tax returns, which required him to appear before the Board, provide proof of timely filing of his personal tax returns for tax years 2009 through 2013, payment of a \$250 fine, and completion of the AICPA Comprehensive Ethics exam with a score of 90% or higher. Upon a vote, the motion carried.

SUMNER CARTER HARDY RICH AND COMPANY REQUEST FOR HEARING ON SUMMARY ORDER AND DISCIPLINARY HEARING: Truman Hardy appeared before the Board on behalf of Sumner Carter Hardy Rich and Company, along with counsel, Randall Forbes. The Board closed the hearing in this matter and will reconvene the deliberation of the matters at its June 18, 2010 meeting.

7. RECESS:

Mr. Bottenberg moved, and Ms. Powell seconded to recess the meeting until 9:00 AM, Friday, April 30, 2010. Upon a vote, the motion carried.

**APRIL 30, 2010
LONDON STATE OFFICE BUILDING, ROOM 106
TOPEKA, KS**

1. CALL TO ORDER:

Jeffrey A. Leiserowitz, CPA, called the meeting to order at 9:00 AM. Board members in attendance were Mr. Leiserowitz; Paul Allen, CPA; Jeffery Bottenberg, Public Member; Patricia O'Sullivan, Public Member; Virginia Powell, 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; and Joyce Schartz, Public Accountants Association.

2. HEARINGS AND EXECUTIVE SESSION:

A. **WILLIAM A. O'CONNOR CONSENT ORDER:** Ms. Powell recused herself from this matter. Mr. O'Connor appeared before the Board for approval of a Consent Order entered into for practicing without a permit, practicing without a firm registration, failure to timely file his personal tax return, and failure to comply with Peer Review. Mr. Bottenberg moved and Ms. O'Sullivan seconded to approve the Consent Order, with an amendment to delete the name of the clients that were originally included in the Consent Order. Upon a vote, the motion carried.

B. **MICHAEL TABMAN DISCIPLINARY HEARING:** The hearing was called to order to give consideration to the merits of the Petition filed with the Board in the case titled *In the Matter of Michael Tabman*, Board of Accountancy Case Number 2010-15, wherein it was alleged that Respondent had engaged in fraud, dishonesty or deceit in obtaining a permit; failed to complete required CPE; failed to properly report CPE to the Board; performed a fraudulent act while holding a Kansas certificate; and engaged in conduct reflecting adversely on his fitness to practice as a CPA. Virginia Powell, CPA recused herself from the proceeding. The Board appeared by Samuel Speed, Assistant Attorney General. Respondent appeared in person and through counsel Mark Stafford. Evidence was presented by all parties. The hearing was concluded and Mr. Bottenberg moved to proceed to closed session for purposes of deliberations. Mrs. O'Sullivan seconded the motion and upon vote, the motion carried. Thereafter, Mr. Bottenberg moved for the Board to find that Respondent had violated the law as set forth in Counts I through V of the Petition, and further moved that Respondent be (1) assessed a fine in the amount of \$1,000.00 to be paid within 30 days and which may not be paid by credit card, (2) censured for his conduct, (3) take and pass with a score of 90% or greater the AICPA Comprehensive Ethics Exam within 90 days and that CPE attained by virtue of the completion of the Exam not be permitted to count towards Respondent's CPE for purposes of permit renewal, and (4) costs of this action be assessed to the Respondent pursuant to K.S.A. 1-206. Ms. O'Sullivan seconded the motion and upon vote the motion carried.

3. **ADJOURN**

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

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