

**BOARD OF ACCOUNTANCY MEETING MINUTES**  
**JUNE 11, 2004**  
**9:00 AM**  
**LANDON STATE OFFICE BUILDING, ROOM 106**  
**TOPEKA, KS**

**1. ADMINISTRATIVE MATTERS:**

**A. CALL TO ORDER:**

Tim Mitchell, CPA, Chair, called the meeting to order. Board members in attendance were Mr. Mitchell; Jeff Bottenberg, Public Member; Adley Johnson, CPA; Ginger Powell, CPA; and Kent Smoll, CPA. Also in attendance was Mark West, CPA, Peer Review Oversight Liaison for the Board; Susan Somers, Executive Director; Steve Phillips, Assistant Attorney General, Disciplinary Counsel to the Board; Mary Feighny, Assistant Attorney General, General Counsel to the Board; Carlan Honaker, Public Accountants Association, and T. C. Anderson, Executive Director, Kansas Society of CPAs.

Ms. Somers introduced Derenda Mitchell, Assistant Attorney General, who will serve as the Board's new disciplinary counsel. Steve Phillips will stay on board for two cases that he is currently handling; however, Ms. Mitchell will handle any new cases. The Board welcomed Ms. Mitchell.

**B. 1-4. CONSENT CALENDAR:**

Ms. Somers indicated that the April 30, 2004 minutes needed to be amended to include Bert Denny, the Board's investigator, as being in attendance at the meeting. The Board reviewed the minutes of the April 30, 2004 meeting; reciprocity certificates/permits to practice/practice by notification; registrations of new/reorganized firms; and the 05/31/2004 receipts and expenditures. Mr. Johnson moved and Mr. Smoll seconded to approve the consent calendar, with the amendment being made to the minutes to include Mr. Denny. Upon a vote, the motion carried.

**2. CPA EXAM MATTERS:**

Ms. Somers reported that 67 candidates had sat for the CPA exam in the first testing window which closed May 28, 2004. She also provided a sample copy of what the candidate score notices would look like that would be provided to the candidates. She reported that, at the present time, it was anticipated that the scores are scheduled

to be sent to the state Boards the first of July for approval, with dissemination to the candidates by the middle of July.

### **3. CPE; PEERREVIEW; PERMITS; RECIPROCITY; NOTIFICATION; FIRM MATTERS:**

A. The Board reviewed a request from Brett McCoy to allow a self-study course that he had taken which did not meet the requirements in K.A.R. 74-4-8. The course was not approved by NASBA, nor was it provided through the AICPA or a state society. After discussion, the Board agreed to allow this course, provided that Mr. McCoy could provide a certificate of completion of the course, and further, that he be advised that there would be no future waivers of this kind for self-study.

Ms. Somers then inquired as to what should be done with other requests of a similar nature, or for those who renewed their permits who had taken self-study courses that didn't meet the requirements. After discussion, Mr. Bottenberg moved and Mr. Smoll seconded to delegate the authority to a Board member to determine if the courses would be accepted (on a one-time basis only) or if the matter should come before the Board. Upon a vote, the motion carried. Mr. Johnson was designated to review the CPE courses, and if he is not available, Mr. Bottenberg.

B. The Board reviewed a list of Peer Reviews due or "in process". The Board noted that there were 12 firms who had provided an "in process" letter and needed new due dates. Mr. Smoll moved and Ms. Powell seconded to extend the due dates of these firms until July 15, 2004, by which time they are to provide the Board with a Peer Review letter of completion, or another "in process" letter bearing a July 2004 date. Upon a vote, the motion carried.

C. The Board reviewed a request for a waiver of Peer Review from Robert Knight. Mr. Knight had failed to register as a firm and had not provided the Board with a current Peer Review letter of completion. At the April 2004 meeting, the Board had requested that Mr. Phillips file an injunction action against him for practicing without being registered; however, Mr. Phillips had instructed Ms. Somers to contact Mr. Knight to determine why he had not registered as a firm. Ms. Somers reported that in her conversation with Mr. Knight he had indicated that he didn't register because he knew he couldn't provide a current Peer Review letter of completion and, because of the cost associated with the Peer Review process, he had intentionally delayed his Peer Review so that he could include an audit report. Mr. Johnson moved and Mr. Bottenberg seconded to deny the waiver and to assign an investigative Board member to the case to determine if probable cause exists for a violation or violations of the Accountancy laws and regulations. Upon a vote, the motion carried.

D. The Board reviewed a list of CPAs that have indicated that they are not renewing their permits to practice, or that the Board office can't locate. No action was required to be taken.

E. The Board reviewed a request from Larry Boos to form a firm with the name "CPA Mortgage Corp. – your licensed CPA mortgage broker." Mr. Boos does not have a permit to practice. The Board expressed concern about how the name could be misleading to the public. After discussion, the Board determined that Ms. Feighny should write him a letter indicating that he would need a permit to practice, would need to register the firm with the Board, and that the Banking Commissioner's office should be notified because of the terminology "licensed CPA mortgage broker". Upon a vote, the motion carried.

F. Mr. West, the Board's Peer Review Oversight Liaison, gave a report on his oversight of the Kansas Society's Peer Review Program conducted on June 10, 2004. Mr. West reported that there were no findings of concern as a result of his oversight visit. Mr. West stated that he believed that the Kansas Society was doing a good job and that the Board could continue to rely on the Society's administration of Peer Reviews in Kansas. Mr. Johnson moved and Mr. Smoll seconded to approve the Oversight Report. Upon a vote the motion carried.

Mr. West informed the Board that since he was no longer in public practice, and was pursuing other avenues in his professional career, that he thought it best that he resign as the Board's Peer Review Oversight liaison. The Board and Mr. West agreed that he would stay on until the Board could find a replacement for him. The Board will make every effort to find a replacement as soon as possible. The Board also thanked Mr. West for his diligent and valuable service in the oversight of the Peer Review program.

#### **4. DISCIPLINARY MATTERS:**

A. **JEROME TILZER:** The Board reviewed a request for reinstatement from Mr. Tilzer. Mr. Tilzer was not present. Mr. Johnson moved and Mr. Smoll seconded to request that the Board go into executive session for 15 minutes to discuss the matter. Upon a vote, the motion carried. Mr. Bottenberg recused himself from deliberation in this matter.

After 15 minutes, the Board reconvened the regular meeting at which time Mr. Smoll moved and Ms. Powell seconded to affirm the Board's previous decision and also ask legal counsel to write him a letter advising him of their decision and further to inform Mr. Tilzer that if he continues to practice and/or hold out as a CPA in Kansas,

the Board will seek injunctive relief in District Court. Upon a vote, the motion carried, with Mr. Bottenberg recusing himself from voting.

B. **THOMAS POPPE:** The Board reviewed a request for reconsideration of the Board's previous decision to revoke the CPA certificate of Mr. Poppe. Mr. Poppe was present at the meeting, but did not address the Board. Mr. Johnson moved and Mr. Bottenberg seconded to request that the Board go into executive session for 15 minutes to discuss the matter. Upon a vote, the motion carried. Mr. Mitchell recused himself from deliberation in this matter.

After 15 minutes, the Board reconvened the regular meeting, at which time Mr. Bottenberg moved and Mr. Johnson seconded that the Board deny the request for reconsideration. Upon a vote, the motion carried. Mr. Mitchell recused himself from voting in the matter. Ms. Feighny informed Mr. Poppe that she would be issuing a Final Order from the Board that would outline the Board's decision and what options for appeal he might have.

## 5. OTHER:

A. The Board discussed the renewal of the contract that the Board had with Bert Denny, CPA for investigative services. Mr. Denny had agreed to renew the contract for fiscal year 2005, if the Board would increase the hourly rate from \$110.00 to \$125.00. Mr. Johnson moved and Ms. Powell seconded to renew the contract. Upon a vote, the motion carried. Mr. Phillips applauded Bert for his efficient work and his vast knowledge of the profession, which was a great help to Mr. Phillips in the drafting of disciplinary petitions.

B. The Board reviewed the Regional Director's focus questions and provided answers which are attached hereto and made a part of these minutes.

C. At 11:00 AM, upon motion of Mr. Smoll, seconded by Mr. Johnson, the Board went into executive session for the purpose of attorney/client privilege. After which, the Board would adjourn the meeting. Upon a vote, the motion carried.

At 11:30 AM, the Board reconvened its regular meeting, at which time Ms. Powell moved and Mr. Johnson seconded to adjourn. Upon a vote, the motion carried.

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