

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
JUNE 19, 2009
9:00 AM, LANDON STATE OFFICE BUILDING, ROOM 106
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; Virginia Powell, CPA; 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; Jim Clark, Kansas Society of CPAs; Joyce Schartz and Kathy Bigler, Public Accountants Association.

B-1. CONSENT CALENDAR:

A. The Board reviewed the minutes of the April 19, 2009 meeting; reciprocity certificates/permits to practice; practice by notification; firms; and the April 30, 2009 financials. Mr. Smoll moved and Mr. Leiserowitz seconded to approve. Upon a vote, the motion carried.

2. CPA EXAM:

Ms. Somers informed the Board that requests for waivers of course requirements to sit for the exam were becoming more and more prevalent and that the exception was being perceived as the rule by exam candidates. The Board, after discussion, requested that a letter be sent to the Kansas colleges reminding them that a request for waiver was for "good cause"—meaning exceptional purposes only, and that in the future, any request for a waiver would be presented to the full Board at the next regularly scheduled Board meeting after the request was made. Any request for waiver would be narrowly viewed by the Board.

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

A. The Board reviewed a list of Peer Reviews due and in process. Ms. Somers asked the Board when a warning letter was warranted for failure to timely comply with Peer Review if she could no longer be required to send a "draft" of the Summary Order that would be issued. The warning letter would simply refer to the fact that a Summary Order of Suspension and Fine would be issued if the firm did not comply within 30 days of the date of the warning letter. The Board agreed. Ms. Powell then moved and Mr. Leiserowitz 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 of up to \$2,000 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 dates for Peer Review letters of completion or additional “in process” letters to be July 24 and August 21, 2009, unless otherwise warranted. Upon a vote, the motion carried.

B. The Board reviewed a request for an extension of the due date of Peer Review for Keith Mines. His due date was May 31, 2009. Mr. Smoll moved and Ms. O’Sullivan seconded to extend his due date to July 31, 2009, with no further extensions being granted. Upon a vote, the motion carried.

C. Jim Clark, Interim Executive Director of the Kansas Society of CPAs, presented a request for CPE credit for a class project being performed by members of the KSCPA’s “20 under 40” committee. After review of the information provided, Mr. Allen moved and Ms. O’Sullivan moved that a maximum of 8 hours of CPE would be awarded, if the attendee could provide documentation of participating for the full 8 hours. Upon a vote, the motion carried.

D. The Board reviewed a list of permit holders that couldn’t be located, or who had indicated that they would not be renewing. No action was required to be taken.

4. HEARINGS AND EXECUTIVE SESSION:

A. **SAMANTHA BORDEN CONSENT ORDER:** Mr. Smoll recused himself from participating in this matter. Ms. Borden appeared before the Board for approval of a Consent Order entered into to restrict the scope of her practice, based upon the results of her Peer Review. Mr. Allen moved and Ms. Powell seconded to approve the Consent Order. Upon a vote, the motion carried, with Mr. Smoll not participating.

B. **GERARD WALSH CONSENT ORDER:** Ms. Powell recused herself from participating in this matter. Mr. Walsh appeared before the Board for approval of a Consent Order entered into for practicing without a permit to practice. The terms of the Consent Order require him to appear before the Board and pay a fine in the amount of \$250.00. Mr. Smoll moved and Ms. O’Sullivan seconded to approve the Consent Order with Ms. Powell not participating. Upon a vote, the motion carried.

C. GREG HUSETH, CPA, P.A., GREG HUSETH, CPA, CONSENT ORDER: Mr. Smoll recused himself from this matter. Mr. Huseth appeared individually and on behalf of his firm, along with counsel, Robert Keeshan, for approval of a Consent Order entered into based upon the results of the firm's most recent Peer Review. The terms of the Consent Order required them to appear before the Board and to submit all attest reports issued, not previously subject to preissuance or post issuance review, and all compilation reports prepared by them for a period of six months, to a Team Captain approved by the Board for review to determine conformity with the applicable professional standards, with the findings being reported back to the Board. After the six month period, the Board would determine if further oversight was required, and if not, then a Peer Review would be required to be performed every 12 months for a period of 3 years, with the results being reported back to the Board. Mr. Leiserowitz moved and Ms. Powell seconded to approve the Consent Order, with Mr. Smoll not participating. Upon a vote, the motion carried.

D. CHERYL CARR-BRUBAKER CONSENT ORDER: Mr. Smoll recused himself from this matter. Ms. Carr-Brubaker appeared before the Board for approval of a Consent Order entered into based upon the results of Mr. Huseth's firm's Peer Review. Ms. Carr-Brubaker is an employee of the firm and had participated in the preparation of the reports in question. The Consent Order required her to appear before the Board and to submit all attest reports issued not previously subject to preissuance or post issuance review, and all compilation reports prepared by them between the date from the date of the Consent Order for a period of six months, submitted to a Team Captain approved by the Board for review to determine conformity with the applicable professional standards with the findings being reported to the Board. After the six month period, the Board would determine if further oversight was required, and if not, then a Peer Review would be required to be performed every 12 months for a period of 3 years, with the results being reported back to the Board. Ms. Powell moved and Mr. Leiserowitz seconded to approve the Consent Order, with Mr. Smoll not participating. Upon a vote, the motion carried.

E. GREG HUSETH, CPA, PA FIRM REGISTRATION: Mr. Smoll recused himself from participating in this matter. The Board reviewed the firm registration of Greg Huseth, CPA, PA. Mr. Leiserowitz moved and Ms. Powell seconded to approve the firm registration conditioned upon compliance with the terms of the Consent Order entered into with the Board. Upon a vote, the motion carried, with Mr. Smoll not participating.

F. RAYMOND RELPH HEARING: Mr. Allen and Ms. O'Sullivan recused themselves from this matter. Mr. Relph appeared before the Board for failure to retain documentation of completion or attendance of his CPE claimed for his permit renewal. After discussion, Mr. Leiserowitz 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, with Mr. Allen and Ms. O'Sullivan not participating.

When the Board reconvened, Mr. Smoll moved and Mr. Leiserowitz seconded for the Board to extend the executive session for an additional 5 minutes to deliberate the Relph matter. Upon a vote, the motion carried, with Mr. Allen and Ms. O'Sullivan not participating.

When the Board reconvened, Ms. Powell moved and Mr. Leiserowitz seconded to impose a fine in the amount of \$250.00, for failure to maintain his CPE records as required in K.A.R. 74-4-9. Said fine must be paid within 30 days of the date of the Final Order and cannot be paid by credit card. Upon a vote, the motion carried, with Mr. Allen and Ms. O'Sullivan not participating.

G. MICHAEL HENDERSON REQUEST FOR REINSTATEMENT: Mr. Henderson appeared via telephone to request reinstatement of his permit to practice which was suspended December 7, 2006, for failure to comply with Peer Review. Ms. Mitchell addressed the Board indicating that reinstatement is determined by using the factors found in the Vakas vs. Board of Healing Arts case. After discussion, Mr. Leiserowitz moved and Mr. Smoll 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, Mr. Smoll moved and Ms. O'Sullivan moved to deny the request for reinstatement for failure to prove compliance with all of the Vakas factors. Upon a vote, the motion carried.

H. HAENCHEN VALUATION SERVICES, INC., STEVEN L. HAENCHEN, CPA HEARING: Ms. O'Sullivan recused herself from this matter. Mr. Haenchen appeared in person individually and on behalf of his firm for failure to comply with a Board order, failure to file a firm registration and conduct reflecting adversely upon his fitness to practice. After discussion, Mr. Smoll moved and Mr. Leiserowitz seconded for the Board to go into executive session for ten minutes to deliberate the matter. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

When the Board reconvened, Mr. Leiserowitz moved and Mr. Smoll seconded that there was insufficient evidence to support any of the findings found in the Petition and therefore, no discipline would be imposed. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

5. OTHER: The Board discussed continuing the contracts with Alderson Law firm, Bert Denny, and Willard & Schuyler Court Reporting for legal, consulting, and court reporting services, respectively, for FY 2010. Ms. O'Sullivan moved, and Mr. Leiserowitz seconded, to approve the contracts. 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