

MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
JUNE 24, 2016
LANDON STATE OFFICE BUILDING, ROOM 556A
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; Denise O. Denning, CPA, Vice-Chair; T. C. Anderson, Public Member; John R. Helms, CPA; Michael L. Marsh, CPA; Kathryn J. Mitchell, CPA; and Patricia A. O'Sullivan, Public Member. Also in attendance was Susan Somers, Executive Director; Randy Forbes, Disciplinary Counsel to the Board; Darin Conklin, General Counsel to the Board; Natasha Schamberger and Rita Barnard, Kansas Society of CPAs, and Tom Martin on behalf of the Public Accountants Association.

B. CONSENT CALENDAR:

1. The Board reviewed the minutes of the April 29, 2016 meeting; reciprocity certificates/permits to practice; firm registrations; and the May 2016 financials. Mr. Helms commented that in the minutes there was a typo in paragraph C(2), and that the vote on the motion in 3(b) needed to be added. Ms. Mitchell moved and Ms. O'Sullivan seconded to approve the Consent Calendar with the revisions to the April 29, 2016 minutes. Upon a vote, the motion carried.

2. CPA EXAM:

A. There were no exam scores to be ratified as the testing window was extended ten days in the month of June.

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 requests for waivers of courses required, pursuant to K.A.R. 74-2-7(g):

Hector Urquiza: The Board reviewed a request from Hector Urquiza for a waiver pursuant to K.A.R. 74-2-7(g), of an upper division economics course. After discussion, and based upon the information provided, Ms. Denning moved and Ms. O'Sullivan seconded to approve Mr. Urquiza's request based upon his work experience. Upon a vote, the motion carried.

Samuel Robertson: The Board reviewed a request from Samuel Robertson for a waiver pursuant to K.A.R. 74-2-7(g), of 3 semester hours of accounting electives and 2 semester hours of written or oral communications, filed in conjunction with Mr. Robertson's application for a CPA certificate via transfer of grades. After discussion, and based upon the information provided, Ms. O'Sullivan moved and Mr. Marsh seconded to table Mr. Robertson's request until further information could be obtained by Ms. Somers as to why Mr. Robertson had taken so long to apply for a certificate after passing the exam. Upon a vote, the motion carried.

4. HEARINGS AND DISCIPLINARY ACTION:

A. MICHAEL ALAN HARMS, CPA AND PAULA FRANCES HARMS, CPA, AND HARMS & HARMS, CPAS, INC. CONSENT AGREEMENT AND FINAL ORDER:

Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. and Mrs. Harms appeared in person and on behalf of Harms & Harms, CPAS, Inc. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation wherein it was determined that the individual Respondents had practiced under the firm "Harms & Harms, CPAs, Inc.," a firm that had not been registered with the Board. The terms of the Consent Agreement and Final Order required Respondents to appear before the Board; Mr. and Ms. Harms to jointly pay a fine in the amount of \$250.00 and costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees. After hearing testimony, Ms. Denning moved and Mr. Helms seconded to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

B. CURTIS L. HENDERSON, CPA STIPULATION AND CONSENT ORDER:

Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. Henderson appeared in person and with counsel, Diane Bellquist. This matter was before the Board for consideration of a Stipulation and Consent Order arising from an investigation wherein it was determined that Mr. Henderson had failed to maintain the requirements for renewal of a permit to practice. The terms of the Stipulation and Consent Order required Mr. Henderson to appear before the Board; pay a fine in the amount of \$2,000; and payment of costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Anderson moved and Ms. Denning seconded to accept the Stipulation and Consent Order as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

C. GARY L. SKRDLANT, CPA, LYNN COMPANY CONSULTING, LLC CONSENT AGREEMENT AND FINAL ORDER:

Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. Skrdlant appeared in person and on behalf of Lynn Company Consulting, LLC. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation wherein it was determined that Mr. Skrdlant had practiced under a firm name "Lynn Co. Consulting, LLC" that had not been registered with the Board. The terms of the Consent Agreement and Final Order required Mr. Skrdlant to appear before the Board; pay a fine in the amount of \$250.00; and payment of costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Helms

moved and Ms. Mitchell seconded, to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

D. JAMES RICHARD WHITE & JAMES R. WHITE, CPA, PA CONSENT AGREEMENT AND FINAL ORDER: Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. White appeared in person and on behalf of James R. White, CPA, PA. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation wherein it was determined that Mr. White had practiced under a firm name "James R. White, CPA, PA" that had not been registered with the Board. The terms of the Consent Agreement and Final Order required Respondents to appear before the Board; payment of a fine by each respondent in the amount of \$500.00; and payment of costs by Mr. White pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Helms moved and Mr. Marsh seconded, to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

E. ERIC D. DOUGLAS HEARING ON APPLICATION FOR CPA CERTIFICATE: Mr. Helms, the investigative Board member, and T. C. Anderson recused themselves from this matter. Mr. Douglas appeared in person and with counsel, James Rankin. This matter was before the Board for consideration of an application for a CPA certificate submitted by Mr. Douglas. The application disclosed that Mr. Douglas had prior criminal convictions and it was determined that such convictions had not been disclosed on Mr. Douglas's application to sit for the CPA exam. After hearing testimony, Ms. O'Sullivan moved and Ms. Denning seconded for the Board to go into closed session to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened, Mr. Van Norden advised Mr. Douglas to pursue his career in a manner that does not violate the Accountancy Laws and Regulations, as the Board takes matters such as this very seriously. Mr. Marsh then moved and Ms. Denning seconded to approve Mr. Douglas's application for a CPA certificate. Upon a vote, the motion carried, with Mr. Helms and Mr. Anderson not participating.

At this time, Ms. Denning moved and Mr. Helms seconded for the meeting to adjourn until 12:30 PM. Upon a vote, the motion carried.

When the Board reconvened, the Board resumed the hearings.

F. PATRICK R. ROBINSON REQUEST FOR REINSTATEMENT OF CPA CERTIFICATE: Mr. Robinson appeared in person and with counsel, Alexander Wolczak. Mr. Robinson appeared before the Board to request reinstatement of his Kansas certificate which was previously revoked, along with his permit to practice certified public accountancy in the State of Kansas, for violations of K.S.A. 1-311(a)(1), (a)(3), (a)(8) and (a)(14), in connection with an audit of the CPE claimed in support of Mr. Robinson's permit renewal. Mr. Robinson did not request reinstatement of his permit to practice certified public accountancy. After hearing testimony, Mr. Marsh

moved and Ms. Denning seconded for the Board to go into closed session to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened, Ms. O’Sullivan moved and Ms. Denning seconded to grant Mr. Robinson’s request for reinstatement of his Kansas certificate, with the condition that Mr. Robinson submit a new application, as his application was more than 120 days old. Upon a vote, the motion carried with Ms. Mitchell and Mr. Helms voting against.

G. ALAN WENK HEARING ON SUMMARY ORDER OF REVOCATION: Mr. Wenk did not appear, nor was he represented by counsel. Mr. Van Norden, the investigative Board member, recused himself from the matter. A Summary Order of Revocation was issued against Mr. Wenk based upon his plea agreement wherein he plead guilty to two charges of bank fraud and embezzlement of funds. This matter was before the Board upon the request from Mr. Wenk to amend the fine imposed in the Summary Order of Revocation. After a review of the evidence, Ms. O’Sullivan moved and Mr. Helms seconded to adopt the Summary Order of Revocation as the Final Order of the Board. Additional costs were assessed pursuant to K.S.A. 1-206, to include attorney’s fees and court reporter fees. Upon a vote, the motion carried with Mr. Van Norden not participating.

5. OTHER

A. & B. The Board welcomed Natasha Schamberger, the new CEO of the Kansas Society of CPAs, to the Board meeting. The Board then discussed two of the current initiatives being promoted by the AICPA/KSCPA—changes to Peer Review and the CGMA designation. The Board expressed its desire to work with Ms. Schamberger going forward to improve the relationship between the Board and the KSCPA.

C. Ms. Denning moved and Ms. O’Sullivan seconded for the Board to go into executive session for the discussion of personnel issues involving office staff for a period of 15 minutes. Upon a vote, the motion carried.

When the Board reconvened, Ms. O’Sullivan moved and Mr. Helms seconded to authorize a 5% increase in the annual compensation of Susan Somers, the Board’s Executive Director, and authorized the Board Chair to communicate the Board’s authorization to the Governor’s office. Upon a vote, the motion carried.

6. ADJOURN

There being no further business to come before the Board, Mr. Anderson moved and Ms. Denning seconded to adjourn. Upon a vote, the motion passed.

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