

MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
JUNE 27, 2014
LANDON STATE OFFICE BUILDING, ROOM 556A
TOPEKA, KS

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Kathryn J. Mitchell, CPA, Chair, called the meeting to order. Board members in attendance were Ms. Mitchell; T. C. Anderson, Public Member; Denise Denning, CPA; John Helms, CPA; Michael Marsh, CPA; Patricia O'Sullivan, Public Member; and Rodney Van Norden, CPA. Also in attendance were Susan Somers, Executive Director; Randy Forbes, Disciplinary Counsel to the Board; Darin Conklin, General Counsel to the Board; Rita Barnard, Kansas Society of CPAs; and Joyce Schartz, Public Accountants Association.

B. CONSENT CALENDAR:

The Board reviewed the minutes of the April 25, 2014 and May 13, 2014 meetings; reciprocity certificates/permits to practice/firm registrations; and the May financials. Mr. Van Norden moved and Ms. O'Sullivan seconded to approve the Consent Calendar. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board reviewed requests for waivers of courses required for the CPA Exam, as follows:

1. **Rachel Koger:** The Board received a request from Rachel Koger submitted pursuant to K.A.R. 74-2-7, for waiver of the requirement to complete 2 hours of communications to meet the 11 hour requirement. This matter was tabled from the April meeting pending her providing the Board with her work experience. Ms. Somers advised the Board that Ms. Koger had not provided to the Board any additional information regarding her work experience, but had the day before the meeting, sent an email indicating that she had chosen to take the course, rather than pursue the waiver. Therefore, no action was required to be taken.

2. **Lily Carpio:** The Board received a request from Lily Carpio submitted pursuant to K.A.R. 74-2-7, for waiver of the requirement to complete 2 hours of communications to meet the 11 hour requirement. After review, Ms. Denning moved and Ms. O'Sullivan seconded to grant the request, based upon Ms. Carpio's work experience. Upon a vote, the motion carried.

B. The Board reviewed the April/May 2014 testing window exam scores. Ms. O'Sullivan moved and Mr. Van Norden seconded to ratify the grades. 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, and indicated that since the Board has already established the due dates for 2014, the report was for informational purposes only.

B. The Board reviewed an application for firm registration submitted to the Board by Humayun Ahmed reflecting the firm name "Humayan Kasuri, CPA, LLC". Ms. Somers informed the Board that the name "Kasuri" is actually the province or state in Pakistan from where Mr. Ahmed was from and that it was customary for people from that nation to incorporate their birthplace with their name. After review, the Board determined that this firm registration would be treated as a "fictitious" firm name, and thereafter, Mr. Anderson moved and Mr. Van Norden, seconded, to approve the firm name. Upon a vote, the motion carried.

4. HEARINGS:

A. 9:30 AM LEO DAMILINI CONSENT ORDER: Mr. Helms recused himself from this matter. Mr. Damilini appeared in person, and with his counsel, Joel Krieger, of Douthit, Frets, Rouse, Gentile & Rhodes, LLC. This matter was before the Board for consideration of a Consent Order relating to Respondent's misrepresentation of information required for the admission to the CPA exam; in particular, his residency status. The terms of the Consent Order required Respondent to appear before the Board and to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in this matter to be paid within 60 days of the effective date of the Consent Order. After discussion, Mr. Marsh moved and Mr. Anderson seconded for the Board to accept the Consent Order. Upon a vote, the motion carried, with Mr. Helms not participating.

B. MATTHEW MILLS CONSENT AGREEMENT AND FINAL ORDER: Ms. O'Sullivan recused herself from this matter. Mr. Mills appeared in person. This matter was before the Board for consideration of a Consent Agreement and Final Order relating to Respondent's failure to be in possession of proof of attendance or completion of the CPE hours claimed for renewal of his permit. The terms of the Consent Agreement and Final Order required Respondent to appear before the Board; payment of a fine in the amount of \$250.00 within 30 days of the effective date of the Consent Agreement and Final Order; completion of 26 hours of CPE, plus an additional 8 hours of CPE as a penalty; and payment of costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in this matter to be paid within 30 days of the effective date of the Consent Agreement and Final Order. After discussion, Mr.

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

C. GLENDA WHITE REDDING CONSENT AGREEMENT AND FINAL ORDER:

Ms. Mitchell recused herself from this matter. Ms. Redding appeared in person. This matter was before the Board for consideration of a Consent Agreement and Final Order relating to Respondent practicing without a valid permit to practice. The terms of the Consent Order required Respondent to appear before the Board; payment of a fine in the amount of \$1,000 within 30 days of the effective date of the Consent Agreement and Final Order; payment of costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in this matter within 30 days of the effective date of the Consent Agreement and Final Order; and complete the AICPA comprehensive ethics exam with a score of 90% or higher with proof of completion back to the Board within 90 days of the effective date of the Consent Agreement and Final Order. After discussion, Mr. Anderson moved and Ms. O'Sullivan seconded to approve the Consent Agreement and Final Order. Upon a vote, the motion carried, with Ms. Mitchell not participating.

D. NANCY REGIER, CPA AND NANCY REGIER, CPA, PA CONSENT AGREEMENT AND FINAL ORDER:

Ms. O'Sullivan recused herself from this matter. Ms. Regier appeared in person and with counsel, Joel Krieger, of Douthit, Frets, Rouse, Gentile & Rhodes, LLC. This matter was before the Board for consideration of a Consent Order relating to Respondents' failure to timely file corporate tax returns for tax years 2006 through 2009 and in 2012; failure to timely pay state withholding taxes for March 2007, November 2007, December 2007, May 2008, September 2009 and February 2011; failure to timely pay federal withholding taxes for June 2008 and December 2008; and failure to disclose said delinquencies on her permit renewal and firm renewal applications. The terms of the Consent Order required Respondents to appear before the Board; pay a fine in the amount of \$2,000 within 60 days of the effective date of the Consent Order; payment of costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in this matter within 60 days of the effective date of the Consent Order; provide proof of timely filing of personal income tax returns for tax years 2013-2017; provide proof of timely filing of corporate tax returns for tax years 2013-2017; provide proof of timely payment of withholding taxes for tax periods beginning August 2013 and including tax years 2013-2017; completion of the AICPA comprehensive ethics exam with a score of 90% or higher with proof back to the Board within 60 days of the effective date of the Consent Order. After discussion, Mr. Anderson moved and Mr. Marsh seconded to approve the Consent Order. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

E. MARY M. KROENING STIPULATION AND CONSENT ORDER:

Ms. Denning recused herself from this matter. Ms. Kroening appeared in person and by counsel, Joel Krieger, of Douthit, Frets, Rouse, Gentile & Rhodes, LLC. This matter was before the Board for consideration of a Stipulation and Consent Order relating to Respondent's failure to timely comply with Peer Review. Ms. Kroening was issued a Summary Order of Suspension of her permit and firm registration on October 16, 2013 for failure to timely comply with Peer Review and failed to comply with the terms of the

Consent Order. Thereafter, on February 10, 2014, a Summary Order of Revocation was issued revoking her certificate, permit and firm registration for failure to comply with the terms of the previous Summary Order. Ms. Kroening subsequently provided a Peer Review letter of completion; returned her permit and firm registration; and paid the fine and costs imposed in the two Summary Orders. A hearing was requested and a proposed Stipulation and Consent Order was submitted for the Board's consideration. The terms of the Stipulation and Consent Order require Ms. Kroening to appear before the Board; pay a fine in the amount of \$500.00 within 10 days of the effective date of the Stipulation and Consent Order; payment of costs pursuant to K.S.A. 1-206 to include attorney's fees and court reporter fees within 30 days of the effective date of the Order. The Order further provided for reinstatement of her permit, and upon application of a firm registration, would reinstate her firm registration. After discussion, Mr. Van Norden moved, and Ms. O'Sullivan seconded, to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning not participating.

F. DENNIS EDWARDS REQUEST FOR HEARING: Mr. Edwards requested a hearing on a Summary Order of Suspension of his permit and firm registration for failure to comply with Peer Review. The Board issued a Notice of Hearing to Respondent pursuant to K.S.A. 77-518. Respondent did not appear for the hearing. Mr. Edwards did sign a Stipulation Agreement admitting that he still had not met the requirements of the Summary Order. The Board reviewed the Summary Order of Suspension and the Stipulation Agreement. Mr. Anderson moved and Ms. O'Sullivan seconded, for the Board to go into closed session to deliberate the matter for ten minutes. Upon a vote, the motion carried.

When the Board reconvened, Mr. Van Norden moved and Mr. Helms seconded to suspend the permit and firm registration of Dennis Edwards for failure to timely comply with Peer Review and ordered him to pay a fine in the amount of \$500.00 within 30 days of the effective date of the Final Order; return his firm registration and permit to the Board within 10 days of the effective date of the Final Order; and payment of costs pursuant to K.S.A. 1-206 for attorney's fees and court reporter fees. Respondent may apply to the Board for reinstatement of the permit and firm registration upon payment of the fine and submission to the Board of an acceptable peer review letter of completion. Respondent shall be required to appear before the Board at which time the Board shall consider whether reinstatement is just and proper. Upon a vote, the motion carried.

5. OTHER:

A. The Board discussed scheduling its first meeting of its Educational Task Force to be held Friday July 25, 2014 after the regularly scheduled Board meeting. The Board will have its meeting, break for lunch, and then reconvene at 12:30 PM for the task force meeting. Ms. Somers reported that representatives of NASBA--Pat Hartman, Director of Client Services, and James Suh, Director, Continuous Improvement & Analytics and Director, International Evaluation Services, would also be in attendance to speak to exam issues on a national and international basis.

B. Mr. Anderson moved and Ms. O'Sullivan seconded for the Board to go into executive session to discuss attorney client privilege matters for a period of ten minutes. Upon a vote, the motion carried. The purpose of the Board's session was to discuss with legal counsel attorney client privileged matters regarding authority of the Board staff to issue legal opinions.

6. ADJOURN

The Board thereafter reconvened, at which time there being no further business to come before the Board, Mr. Van Norden moved, and Ms. O'Sullivan seconded, to adjourn. Upon a vote, the motion carried.

/s/ Susan L. Somers

Susan L. Somers, Executive Director