

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
JUNE 29, 2007
9:00 AM, LANDON STATE OFFICE BUILDING, ROOM 106
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Paul Allen, CPA, Vice-Chair, called the meeting to order. Board members in attendance were Mr. Allen; Jeff Bottenberg, Public Member; Patricia O'Sullivan, Public Member; Ginger Powell, CPA; Kent Smoll, CPA; and Rodney Van Norden, 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; Joyce Schartz, Public Accountants Association; and Tony Scott, Kansas Society of CPAs.

B. 1-2 CONSENT CALENDAR:

The Board reviewed the minutes of the April 20, 2007 meeting; reciprocity certificates/permits to practice/practice by notification; firms and the May 31, 2007 financials. Mr. Smoll moved and Mr. Van Norden seconded to approve. Upon a vote, the motion carried.

2. CPA EXAM:

A-B. The grades from the May/June 2007 testing window were not yet available.

C. The Board discussed the candidates affected by the rescoring of the second, third and fourth quarter of 2006 testing windows. Ms. Somers reported that there were three candidates affected by the rescore and that all candidates would be reimbursed for any out of pocket expenses incurred as a result of having to retake the parts that were rescored which resulted in a passing score. Ms. Powell moved and Mr. Van Norden seconded to add 10 months to the expiration of the Audit credit for one of the candidates who had been told in August of 2006 that she hadn't passed FAR, but because of the rescore, had recently learned that she had passed FAR. Upon a vote, the motion carried.

3. CPE/PERMIT TO PRACTICE//PEER REVIEW/FIRM REGISTRATIONS:

A. The Board reviewed a list of Peer Reviews due and “in process”. Mr. Allen moved and Mr. Smoll seconded that any firm or individual who did not comply with their Peer Review due date would be issued a Summary Order of Suspension of firm registration and/or permit (whichever is applicable), imposing a \$250 fine (or in the case of repeat violations, double the previous fine) with the suspension being stayed for thirty days from the date of issuance of the Summary Order, provided the fine was paid and a Peer Review letter of completion or “in process” letter was provided to the Board. Upon a vote, the motion carried.

The Board reviewed the Peer Review status of Murray Vendetti which had been in process since February of 2005. Mr. Smoll moved and Mr. Van Norden seconded to issue a Summary Order of Suspension of Mr. Vendetti’s permit to practice and firm registration for failure to comply with Peer Review. Upon a vote, the motion carried.

B. The Board reviewed a list of CPAs who were not renewing or who couldn’t be located. No action was required to be taken.

C. Ms. Somers presented an application for CPA certificate and permit to practice from Dwayne Laubinger. Mr. Laubinger had previously applied for Practice by Notification, but because he had not undergone Peer Review, the application was denied. He requested a hearing, and appeared before the Board at the January 19, 2007 meeting. Mr. Laubinger had issued a Review for a client in Kansas, without being licensed in Kansas, and without undergoing a Peer Review. Mr. Laubinger was instructed to submit the necessary applications to obtain a Kansas CPA certificate and permit to practice and to undergo a Peer Review and provide proof to the Board by June 22, 2007. Mr. Laubinger, when the Board office finally received all of the required documents to apply for certification and permit on June 21, 2007, provided a letter from the Missouri Society of CPAs that indicated that he hadn’t completed his Peer Review by the June 22, 2007 due date. In addition, the verification by the Missouri Board of Accountancy of Mr. Laubinger’s CPA exam grades indicated that he had not successfully passed the exam. Upon a vote of Mr. Smoll and seconded by Ms. O’Sullivan, Mr. Laubinger’s application for a CPA certificate and permit to practice were denied. Upon a vote, the motion carried.

4. DISCIPLINARY/COMPLAINT MATTERS:

A. 9:30 AM ACT III (CHEARIE DONALDSON)—Practicing without a firm registration, failure to appear before the Board at the April 20, 2007 meeting: Ms. Powell recused herself from this matter. Ms. Donaldson’s late 2007 firm registration was issued on February 9, 2007 conditioned upon her appearing

before the Board at the April 20, 2007 meeting in order for the Board to determine the amount of fine that would be imposed for practicing without a firm registration. Ms. Donaldson failed to appear at the April 20, 2007 meeting. As a result, the Board revoked her firm registration, but stayed the revocation pending her appearance before the Board at the June 29, 2007 meeting. Mr. Smoll moved and Ms. O'Sullivan seconded for the Board to go into executive session for 15 minutes to deliberate the matter. Upon a vote the motion carried, with Ms. Powell not voting.

When the Board reconvened, Mr. Bottenberg moved and Ms. O'Sullivan seconded to impose a fine in the amount of \$500 to be paid within thirty days of the date of the Final Order issued by the Board. Said fine cannot be paid by credit card. Upon a vote, the motion carried.

B. 10:00 AM GREGORY LONG—Ms. Powell recused herself from this matter. Mr. Long appeared before the Board for approval of a Consent Order imposing a public censure, proof of completion to the Board of the AICPA Comprehensive Ethics exam with a score of 90% or higher by July 29, 2007, and a \$250 fine for failure to file in a timely fashion his 2003 and 2004 personal income tax returns, and failure to remit payroll taxes in a timely manner. Mr. Smoll moved and Mr. Van Norden seconded, to approve the Consent Order. Upon a vote, the motion carried, with Ms. Powell not voting.

C. 10:30 AM CARL REX OLSON: This matter was postponed to the August 31, 2007 meeting.

D. The Board reviewed a request from the firm of Reinert & Lee CPAs, LLC pertaining to disciplinary action imposed against the firm in the form of a Cease and Desist Order and \$250 fine issued against the firm in 2005 for failure to register as a firm and practicing without a firm registration. The firm was requesting that the disciplinary action be removed. Mr. Smoll moved and Mr. Bottenberg seconded that the reporting of the disciplinary action on the Board's website be removed; however, the removal of the disciplinary action altogether would be reviewed by the Board at a later date. Upon a vote, the motion carried.

Discussion was held concerning the treatment of disciplinary actions and what the Board may and may not treat as reportable discipline. The Board instructed Ms. Somers and Mr. Conklin to formulate a policy to be presented to the Board at a later date for further discussion.

5. REGULATION MATTERS: The Board reviewed a draft of proposed amendments to the Regulations. Mr. Allen requested that one of the new Regulations be adopted by reference, rather than having it written out in the Regulations. Ms. Somers was directed to contact Bert Denny to see if that could be accomplished. After a few minor changes to the proposed Regulations, Ms.

Somers and Mr. Conklin were directed to finalize the proposed amendments and commence the hearing process.

6. OTHER:

A. The Board discussed renewing the contract with Bert Denny to provide consulting and investigative services for the Board. After review, Ms. Powell moved and Mr. Van Norden seconded to approve the contract with Mr. Denny for fiscal year 2008. Upon a vote, the motion carried.

7. ADJOURN:

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

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