

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY  
AUGUST 25, 2017  
LONDON STATE OFFICE BUILDING, ROOM 556A  
TOPEKA, KS**

**1. ADMINISTRATIVE MATTERS:**

**A. CALL TO ORDER:**

John R. Helms, CPA, Chair, called the meeting to order. Board members in attendance were Mr. Helms; T. C. Anderson, Public Member; Denise Denning, CPA; Corlene Lange, CPA; Michael L. Marsh, CPA; Kathryn J. Mitchell, CPA; and Meredith Richey, 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, Chad Allen and Rita Barnard, on behalf of the Kansas Society of CPAs; and Butch Gilkinson, on behalf of the Public Accountants Association.

Special guest at this meeting was Sharon Jensen, Central Regional Director for NASBA, who briefly spoke about the Use of Titles revisions to the UAA; Peer Review Evolution; and the proposals of the AICPA's Professional Ethics Executive Committee.

**CONSENT CALENDAR:**

1-3. The Board reviewed the minutes of the July 27, 2017 meeting; reciprocity certificates/permits to practice; firm registrations; and the July 31, 2017 financials. Ms. Richey moved and Mr. Marsh seconded to approve the Consent Calendar. Upon a vote, the motion carried.

**2. CPA EXAM:**

A. The Board reviewed the exam scores for the April/May 2017 exam window. After review, Ms. Mitchell moved and Ms. Richey seconded to ratify the grades. Upon a vote, the motion carried.

B. The Board reviewed the list of CPA Exam candidates who had lost conditional status during Q2 and Q3 of 2017 due to the change in format to the CPA exam in April 2017. After discussion, Mr. Marsh moved and Ms. Richey seconded, to extend the expiration date of the five candidates affected by the 10-week delay in score to December 31, 2017. 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. No action was required to be taken.

B, C & D. The Board reviewed a list of CPAs who had indicated that they weren't renewing, or that couldn't be located; a list of CPAs who did not renew by August 1, 2017; and a list of CPAs who had not renewed by August 25, 2017. No action was required to be taken.

#### **4. HEARINGS AND OTHER DISCIPLINARY MATTERS:**

**A. JULIANA MICHALSKI, CPA & JULIANA MICHALSKI, CPA, LLC STIPULATION AND CONSENT ORDER:** Ms. Mitchell, the investigator in this matter, recused herself. Ms. Michalski appeared in person and on behalf of her firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that the firm had engaged in the practice of certified public accountancy without a proper firm registration and Ms. Michalski had failed to notify the Board of the change in business name. The terms of the Stipulation and Consent Order required Respondents to appear before the Board; and Ms. Michalski to 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 incurred in the matter. The firm's application for CPA firm registration was approved without condition. After hearing testimony, Mr. Marsh moved and Ms. Denning seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Mitchell not participating.

**B. EUGENE MENSE, III, CPA, THE MENSE CPA FIRM, LLC STIPULATION AND CONSENT ORDER AMENDING STIPULATION AND CONSENT ORDER DATED FEBRUARY 3, 2017:** Ms. Denning, the investigator in this matter, recused herself. This matter was before the Board for approval of an amendment to a prior Stipulation and Consent Order which required pre-issuance reviews for certain attest reports. The amendment relieves Respondents from the obligation to undertake preissuance reviews of audit services and requires Respondents to pay costs, pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter. After discussion Ms. Mitchell moved, and Mr. Marsh seconded, to accept the Amended Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning not participating.

**C. MAYER, HOFFMAN & MCCANN, PC STIPULATION AND CONSENT ORDER:** James Moeller and Kate Gasper with Lathrop & Gage appeared on behalf of the firm, together with William Mann, CPA, General Counsel to the firm; Timothy Follett, CPA; William Hancock, CPA; Anthony Coble, CPA; and Michael Loritz, CPA. Mr. Helms, the investigator in this matter, recused himself. These matters were before the Board for consideration of Stipulation and Consent Order arising from an investigation and subsequent determination that the firm violated the laws governing the practice of certified public accountancy, including K.A.R. 74-5-101 and K.A.R. 74-5-202. The terms of the Stipulation and Consent Orders required appearance before the Board; payment of a \$10,000 fine by Respondent Firm; and reimbursement of costs, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Anderson moved, and Ms. Denning seconded, for the Board to go into closed session to deliberate the matter.

When the Board reconvened, Ms. Denning moved, and Ms. Lange seconded to approve the Stipulation and Consent Order for Mayer Hoffman & McCann, P.C. Upon a vote, the motion carried, with Mr. Helms not participating.

**D. ANTHONY COBLE, CPA STIPULATION AND CONSENT ODER:** James Moeller and Kate Gasper with Lathrop & Gage appeared on behalf of Anthony Coble, CPA. Mr. Helms, the investigator in this matter, recused himself. These matters were before the Board for consideration of Stipulation and Consent Order arising from an investigation and subsequent determination that Mr. Coble violated the laws governing the practice of certified public accountancy including K.A.R. 74-5-101 and K.A.R. 74-5-202. The terms of the Stipulation and Consent Orders required appearance before the Board; payment of a \$5,000 fine by Respondent; and reimbursement of costs, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Anderson moved, and Ms. Denning seconded, for the Board to go into closed session to deliberate the matter.

When the Board reconvened, Ms. Denning moved, and Ms. Richey seconded to approve the Stipulation and Consent Order for Anthony Coble, CPA. Upon a vote, the motion carried, with Mr. Helms not participating.

**E. TIMOTHY FOLLETT, CPA STIPULATION AND CONSENT ORDER** James Moeller and Kate Gasper with Lathrop & Gage appeared on behalf of Timothy Follett, CPA. Mr. Helms, the investigator in this matter, recused himself. These matters were before the Board for consideration of Stipulation and Consent Order arising from an investigation and subsequent determination that Mr. Follett violated the laws governing the practice of certified public accountancy including K.A.R. 74-5-101 and K.A.R. 74-5-202. The terms of the Stipulation and Consent Orders required appearance before the Board; payment of a \$5,000 fine by Respondent; and reimbursement of costs, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Anderson moved, and Ms. Denning seconded, for the Board to go into closed session to deliberate the matter.

When the Board reconvened, Ms. Denning moved, and Mr. Marsh seconded to approve the Stipulation and Consent Order for Timothy Follett, CPA. Upon a vote, the motion carried, with Mr. Helms not participating.

**D. WILLIAM HANCOCK, CPA STIPULATION AND CONSENT ORDER** James Moeller and Kate Gasper with Lathrop & Gage appeared on behalf of William Hancock, CPA. Mr. Helms, the investigator in this matter, recused himself. These matters were before the Board for consideration of Stipulation and Consent Order arising from an investigation and subsequent determination that Mr. Hancock violated the laws governing the practice of certified public accountancy including K.A.R. 74-5-101 and K.A.R. 74-5-202. The terms of the Stipulation and Consent Orders required appearance before the Board; payment of a \$5,000 fine by Respondent; and reimbursement of costs, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Anderson moved,

and Ms. Denning seconded, for the Board to go into closed session to deliberate the matter.

When the Board reconvened, Ms. Denning moved, and Mr. Marsh seconded to approve the Stipulation and Consent Order for William Hancock, CPA. Upon a vote, the motion carried, with Mr. Helms not participating.

**E. MICHAEL LORITZ, CPA STIPULATION AND CONSENT ORDER** James Moeller and Kate Gasper with Lathrop & Gage appeared on behalf of Michael Loritz, CPA. Mr. Helms, the investigator in this matter, recused himself. These matters were before the Board for consideration of Stipulation and Consent Order arising from an investigation and subsequent determination that Mr. Loritz violated the laws governing the practice of certified public accountancy including K.A.R. 74-5-101 and K.A.R. 74-5-202. The terms of the Stipulation and Consent Orders required appearance before the Board; payment of a \$5,000 fine by Respondent; and reimbursement of costs, to include attorney's fees and court reporter fees. After hearing testimony, Mr. Anderson moved, and Ms. Denning seconded, for the Board to go into closed session to deliberate the matter.

When the Board reconvened, Ms. Denning moved, and Mr. Marsh seconded to approve the Stipulation and Consent Order for Michael Loritz, CPA. Upon a vote, the motion carried, with Mr. Helms not participating.

**F. HOWARD & COMPANY, LLC REQUEST FOR REINSTATEMENT OF FIRM:** Mr. Howard appeared in person. This matter was before the Board for consideration of Respondent's request for reinstatement of its firm registration which was previously suspended by summary order for failure to timely comply with peer review. After hearing testimony, Mr. Anderson moved and Ms. Denning seconded to go into closed session to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened, Mr. Anderson moved, and Mr. Marsh seconded to approve the firm registration. Upon a vote, the motion carried.

**G. MATTHEW J. FELLOWS REQUEST FOR REINSTATEMENT OF CERTIFICATE AND PERMIT:** Mr. Fellows appeared in person. This matter was before the Board for consideration of Respondent's application for reinstatement of his certificate and permit, which had been previously suspended on October 18, 2013, for practicing without a permit; commission of an act discreditable to the profession; and conduct reflecting adversely on his fitness to practice certified public accountancy. After hearing testimony, Ms. Mitchell 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. Lange moved, and Ms. Richey seconded, to approve the reinstatement of certificate and permit for Mr. Fellows. Upon a vote, the motion carried.

**H. BAS PARTNERS, LLC (continued from July meeting):** Ms. Denning, the investigator in this matter, recused herself. Mr. Forbes notified the Board that the hearing originally scheduled to consider a Stipulation and Consent Order would not proceed.

**5. OTHER:**

A. The Board reviewed a draft of a letter to be sent by the Board to the NASBA UAA Committee regarding suggested changes to the UAA relative to the use of titles. After discussion, Mr. Marsh moved and Ms. Denning seconded to approve the letter opposing the amendment to the UAA regarding the use of titles. Upon a vote, the motion carried.

**6. ADJOURN**

There being no further business to come before the Board, Mr. Marsh moved and Ms. Richey seconded to adjourn. Upon a vote, the motion carried.

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