

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
AUGUST 26, 2016
LONDON STATE OFFICE BUILDING, ROOM 556A
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Denise O. Denning, CPA, Chair, called the meeting to order. Board members in attendance were Ms. Denning; John R. Helms, CPA; T. C. Anderson, Public Member; Michael L. Marsh, CPA; Kathryn J. Mitchell, CPA; and Rodney Van Norden, CPA. Patricia A. O'Sullivan, Public Member, was not in attendance. 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, on behalf of the Kansas Society of CPAs; and Joyce Schartz on behalf of the Public Accountants Association.

B. CONSENT CALENDAR:

1. The Board reviewed the minutes of the July 29, 2016 meeting; reciprocity certificates/permits to practice; firm registrations; and the July 2016 financials. Mr. Helms moved and Mr. Van Norden seconded to approve the Consent Calendar. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board reviewed the Candidate Concerns report issued by NASBA for the second quarter of 2016. No action was required to be taken.

B. The Board reviewed the letter from the AICPA and NASBA regarding the implementation of the CPA exam fee increase due to the changes in the CPA exam. No action was required to be taken.

C. The Board reviewed a request from Tasneem Unwala submitted pursuant to K.A.R. 74-2-7, for a waiver of .5 hours of communications relative to Mr. Unwala's request to sit for the CPA exam. Upon review of the information provided, Mr. Van Norden moved and Mr. Marsh seconded to approve the request for waiver. 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. The Board reviewed a list of persons who were not renewing, or who could not be located. No action was required to be taken.

C. The Board reviewed a list of persons who had not renewed their permits to practice certified public accountancy and not otherwise informed the Board of their intentions relative to their continued practice of certified public accountancy. No action was required to be taken.

D. The Board considered the discussion paper issued by the AICPA relative to the proposed evolution of peer review administration. Board members were asked to provide additional thoughts to Ms. Somers by September 16, 2016. A letter of response to the AICPA will be prepared for Ms. Denning's signature.

4. HEARINGS AND OTHER DISCIPLINARY MATTERS:

A. KATHLEEN M. LUSK, CPA CONSENT AGREEMENT AND FINAL ORDER:

Ms. O'Sullivan was the investigate Board member on this matter, and was not present for the hearing. Ms. Lusk appeared in person. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation wherein it was determined that Ms. Lusk had failed to properly register with the Board a fictitious firm name. The terms of the Consent Agreement and Final Order required Ms. Lusk to appear before the Board; to pay a fine in the amount of \$500.00 and costs, pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees; and to properly register the fictitious firm name. After hearing testimony, Mr. Anderson moved and Mr. Van Norden seconded to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried.

B. RICHARD GUNTHER MAKI, CPA CONSENT AGREEMENT AND FINAL ORDER: Ms. O'Sullivan was the investigative Board member on this matter and was not present for the hearing. Mr. Maki appeared in person. 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. Maki had failed to maintain the requirements for renewal of his permit arising out of an audit of the CPE claimed for his permit renewal. The terms of the Consent Agreement and Final Order required Respondent to appear before the Board; and Mr. Maki 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; and to complete CPE. 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.

C. RICHARD A. TOFTNESS, CPA, and RICHARD A. TOFTNESS, CPA, LLC CONSENT AGREEMENT AND FINAL ORDER: Ms. O'Sullivan was the investigative Board member on this matter, and was not present at the hearing. Mr. Toftness appeared in person and on behalf of the firm. 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. Toftness had practiced under a firm that was not registered with the Board. The terms of the Consent Agreement and Final Order required Respondents to appear before the Board; Mr. Ford to pay a fine in the amount of \$500.00 and costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees; and the application for firm registration was granted. After hearing

testimony, Mr. Anderson moved and Mr. Marsh seconded to accept the Consent Agreement and Final Order as presented. Upon a vote, the motion carried.

D. LIGHTHEART, SANDERS & ASSOCIATES CONSENT AGREEMENT AND FINAL ORDER: Ms. Denning, the investigative Board member, recused herself from this matter. Respondent was not required to appear before the Board. This matter was before the Board for consideration of a Consent Agreement and Final Order relating to Respondent's failure to comply with applicable professional standards. The terms of the Consent Agreement and Final Order required the Respondent to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reports fees incurred in this matter. Further, Respondent shall notify the Board within ten days of the acceptance of any additional engagements to perform attest services which require a pre-issuance review; and Respondent shall undergo a pre-issuance review by a reviewer pre-approved by the Board of all attest services rendered to attest clients who have their headquarters in the State of Kansas. Mr. Van Norden moved and Mr. Marsh seconded to approve the Consent Agreement and Final Order. Upon a vote, the motion carried, with Ms. Denning not participating.

E. SEAN MICHAEL CAHOON HEARING ON REQUEST FOR REINSTATEMENT OF CERTIFICATE AND PERMIT: Mr. Cahoon appeared in person before the Board. This matter was before the Board for administrative hearing to consider Mr. Cahoon's application for reinstatement of his CPA certificate and permit which had been revoked in 2009, based on Respondent's felony conviction. After hearing testimony and reviewing the exhibits presented, Mr. Van Norden moved and Mr. Helms seconded, for the Board to proceed to closed session for deliberations. Upon reconvening, Mr. Helms moved and Mr. Marsh seconded to deny Mr. Cahoon's application for reinstatement of his CPA certificate and permit.

F. JOSEPH BAMBICK STIPULATION AND CONSENT ORDER: Mr. Bambick appeared in person and with his counsel, Joel Krieger. This matter was before the Board for consideration of a Stipulation and Consent Order arising from an investigation wherein it was determined that Mr. Bambick had committed dishonesty, fraud or gross negligence in the practice of certified public accountancy; violated the accountancy act; violated a rule of professional conduct; committed a fraudulent act while holding a CPA certificate; and engaged in conduct reflecting adversely on a person's fitness to practice certified public accountancy. The conduct in question included without limitation, permitting an unqualified independent contractor to sign audits on behalf of the firm, permitting the independent contractor to present the audit reports to the governing bodies of the clients; providing a false statement under oath to the Board; failure to comply with applicable professional standards; and failure to notify the Board of the issuance of his first attest report. The terms of the Consent Agreement and Final Order required Respondent to appear before the Board, revoked Respondent's Kansas certificate and firm registration; payment of a fine in the amount of \$2,500; payment of costs, pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees; and the issuance of a letter to specified clients relative to the Board's action. After hearing testimony, Mr. Anderson moved and Mr. Van Norden

seconded to accept the Consent Agreement and Final Order. Upon a vote, the motion carried, with Ms. Denning not participating.

G. DAVID HERL CONSENT AGREEMENT AND FINAL ORDER: Mr. Van Norden, the investigative Board member, and Kathryn Mitchell, recused themselves from this matter. Mr. Herl appeared in person, and with counsel, Joel Krieger. This matter was before the Board for consideration of a Consent Agreement and Final Order arising from an investigation, wherein it was determined that Respondent willfully violated a rule of professional conduct and engaged in conduct and engaged in conduct reflecting adversely on his fitness to practice certified public accountancy. . The terms of the Consent Agreement and Final Order required Respondent to appear before the Board; pay a fine in the amount of \$1,000; plus costs, pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees; and complete the AICPA Comprehensive Ethics exam within 90 days with a score of 90% or higher. After hearing testimony, Mr. Anderson moved and Mr. Helms seconded for the Board to go into closed session to deliberate the matter. When the Board reconvened, Mr. Marsh moved and Mr .Helms seconded to accept the Consent Agreement and Final Order. Upon a vote, the motion carried, with Mr. Van Norden not participating.

5. ADJOURN

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

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