

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
OCTOBER 29, 2010
LONDON STATE OFFICE BUILDING
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Virginia A. Powell, CPA, Chair, called the meeting to order. Board members in attendance were Ms. Powell; Paul Allen, CPA; Jeffery Bottenberg, Public Member; Jeffrey Leiserowitz, CPA; Patricia O'Sullivan, Public Member; and Kent Smoll, CPA. Also in attendance were Susan Somers, Executive Director; Darin Conklin, General Counsel to the Board; Marty Snyder, Disciplinary Counsel to the Board; Linda Snyder and Teresa Keating, Kansas Society of CPAs; Joyce Schartz, Public Accountants Association; and someone who represented himself to be Matt Williams, a member of the press.

B-1. CONSENT CALENDAR:

The Board reviewed the minutes of the August 27, 2010, 2010 meeting; reciprocity certificates/permits to practice/firm registrations; and the August 31, 2010 financials. Mr. Leiserowitz moved and Mr. Smoll seconded to approve. Upon a vote, the motion carried.

2. CPA EXAM:

The Board reviewed the grades from the July/August testing window previously approved by Mr. Van Norden. Mr. Smoll moved and Mr. Leiserowitz seconded to ratify the approval of the grades. Upon a vote, the motion carried.

The Board reviewed a request from Ryan Deutsch for approval of a course to satisfy the communications requirement and a course to satisfy the advanced managerial accounting course required to sit for the CPA exam. After review, Mr. Leiserowitz moved and Ms. O'Sullivan seconded to deny both requests. Upon a vote, the motion carried.

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

A. The Board reviewed the list of Peer Reviews due and in process. Mr. Leiserowitz moved, and Mr. Bottenberg seconded that in the case of firms not timely complying with Peer Review, unless otherwise warranted, a "warning" letter would be sent notifying them that if they did not provide the Peer Review letter of completion or "in process" letter within thirty days from the date of the letter, a Summary Order of Suspension and imposition of a fine would be issued.

If the firm complied within the thirty days, no disciplinary action would be taken. If the firm did not comply within the thirty days, the Summary Order of Suspension and Fine would be issued. For those firms who have received a second "warning" letter, should the firm fail to comply again, a Summary Order would be issued without a warning letter. Upon a vote, the motion carried. The Board also set the next due date for Peer Review letters of completion or additional "in process" letters to be December 3, 2010, unless otherwise warranted. Upon a vote, the motion carried.

B. The Board reviewed a request from Gene Gutschenritter for acceptance of a software course required for his employment in industry for CPE credit. After review, Mr. Leiserowitz moved and Ms. O'Sullivan seconded to advise Mr. Gutschenritter that if the course provider met all of the requirements in K.A.R. 74-4-8, then the course could be claimed for CPE credit. Upon a vote, the motion carried.

C. The Board reviewed the Peer Review Oversight report submitted by Jay Cooper, the Board's Peer Review Oversight Liaison. Mr. Smoll moved and Mr. Leiserowitz seconded to accept the report. Upon a vote, the motion carried.

D. The Board reviewed the results of the CPE audit conducted on the 2010 permit renewals. Ms. Somers reported that there were 272 audits of in-state renewals conducted out of 1,382 renewals, which resulted in 42 renewals being adjusted up or down for CPE carry forward credits; 11 were subject to the 8 hour penalty for not obtaining their required CPE within the renewal period; and 6 were subject to disciplinary action.

E. Discussion of CPE requirements was postponed to the December meeting.

F. The Board reviewed a request from John Tiffany to renew his permit without having obtained the required 80 hours of CPE due to health reasons. Mr. Leiserowitz moved and Mr. Smoll seconded to instruct Ms. Somers to inform Mr. Tiffany that he would need to obtain 80 hours of CPE, to include 2 hours of ethics, and then apply for his permit and that he would not be subject to the late fee, or the 8 hour CPE penalty. If he does not renew his permit by June 30, 2011, he will be subject to the permit reinstatement requirements. Upon a vote, the motion carried.

4. RULES AND REGULATIONS:

AT 9:30 AM, UPON MOTION OF MR. SMOLL, SECONDED BY MR. LEISEROWITZ, THE REGULAR MEETING WAS RECESSED IN ORDER TO HOLD A PUBLIC HEARING ON REGULATION CHANGES. UPON A VOTE, THE MOTION CARRIED.

Ms. Powell convened the public hearing to consider amendments to K.A.R. 74-4-8; 74-4-9; 74-5-2; 74-5-101; 74-5-202; 74-4-203; 74-6-2; 74-11-6; 74-11-7; 74-12-1 and 74-15-2.

Public attendees of the meeting were Linda Snyder and Teresa Keating, Kansas Society of CPAs; and Joyce Schartz, Public Accountants Association.

Linda Snyder of the Kansas Society of CPAs appeared in favor of the proposed amendments and requested clarification on their organization providing webinar (group internet study) courses. No amendments were made as a result of the discussion.

Ms. Powell then closed the public hearings.

MR. SMOLL MOVED AND MR. LEISEROWITZ SECONDED TO RECONVENE THE REGULAR BOARD MEETING. UPON A VOTE, THE MOTION CARRIED.

Ms. Somers was instructed to take a roll-call vote of the Board members for the adoption of the Regulations. All Board members in attendance voted in favor of the amendments. The Regulations were declared to be approved and adopted.

5. HEARINGS:

A. JEFFREY ELLIOTT CONSENT ORDER: Ms. O'Sullivan recused herself from this matter. Mr. Elliott appeared before the Board as a condition set forth in the Consent Order. Mr. Allen moved and Mr. Smoll seconded to approve the Consent Order. Upon a vote, the motion carried.

B. CARLA GARCIA CONSENT ORDER: Ms. O'Sullivan recused herself from this matter. Mr. Smoll moved and Mr. Leiserowitz seconded to approve the Consent Order. Upon a vote, the motion carried.

C. SARAH STRAHM CONSENT ORDER: Ms. O'Sullivan recused herself from this matter. Mr. Leiserowitz moved and Mr. Smoll seconded to approve the Consent Order. Upon a vote, the motion carried.

D. HARDY WRESTLER & ASSOCIATES HEARING ON SUMMARY ORDER OF SUSPENSION OF FIRM FOR FAILURE TO TIMELY COMPLY WITH PEER REVIEW: Mr. Hardy and Mr. Wrestler appeared before the Board. After discussion, Mr. Bottenberg moved and Mr. Smoll seconded to recess the Board meeting and proceed to closed session to deliberate the matter for ten minutes. Upon a vote, the motion carried.

When the Board reconvened, Mr. Bottenberg moved and Mr. Smoll seconded that the firm be assessed a fine in the amount of \$250.00 for failure to timely comply with Peer Review, with said fine being paid within 30 days of the date of the Final Order, which can not be paid by credit card, and that the firm is to provide a current Peer Review "in process" letter within two weeks to Ms. Somers and that the record shall be closed to the extent necessary to comply with K.S.A. 1-501. Upon a vote, the motion carried.

E. DERREL WHITE CONSENT ORDER: Mr. White appeared by telephone before the Board for a hearing on a Summary Order of Suspension and Fine for Failure to Timely Comply with Peer Review. Mr. Leiserowitz moved and Mr. Allen seconded to approve the Consent Order. Upon a vote, the motion carried.

F. CARL HEINTZ DISCIPLINARY HEARING: Ms. O'Sullivan recused herself from this matter. Mr. Heintz appeared in person and with counsel, Joel Krieger. After some discussion, the Board broke for lunch for thirty minutes.

When the Board reconvened, more discussion was held. Mr. Leiserowitz then moved and Mr. Smoll seconded for the Board to adjourn the Board meeting for twenty five minutes to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened its meeting, Mr. Bottenberg moved and Mr. Smoll seconded that the Board could not find sufficient evidence as to Counts I, II and IV, but found sufficient evidence as to Count III, Unlawful Practice and assesses Mr. Heintz a fine in the amount of \$250.00 to be paid within 30 days of the date of the Final order, which cannot be paid by credit card, and that if Carl Heintz, CPA, LLP continues to file a tax return, it is to be registered with the Board as a firm. Upon a call for a vote, the motion carried with no opposition. Mr. Krieger inquired as to whether or not the Board's webpage would reflect that Mr. Heintz had been disciplined, and the Board responded that it would.

5. ADJOURN:

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

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