

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
DECEMBER 5, 2014
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; Rodney Van Norden, CPA; T. C. Anderson, Public Member; Denise Denning, CPA; Michael Marsh, CPA; Kathryn Mitchell CPA; and Patricia O'Sullivan, Public Member. Also in attendance in person was Susan Somers, Executive Director; Randy Forbes, Disciplinary Counsel to the Board; Darin Conklin, General Counsel to the Board; Aron Dunn, Rita Barnard, Kansas Society of CPAs; Marlee Carpenter, Lobbyist for the Kansas Society of CPAs; Jay Langley, CPA, Clubine and Rettele, Salina, KS; Tom Martin, Carroll Long and Joyce Schartz, Public Accountants Association; and Pat Hubbell and Dick Carter, Lobbyists for the Public Accountants Association.

B. CONSENT CALENDAR:

The Board reviewed the minutes of the October 24, 2014 meeting; reciprocity certificates/permits to practice/firm registrations; and the November 2014 financials. Ms. O'Sullivan moved and Ms. Denning seconded to approve the Consent Calendar. Upon a vote, the motion carried.

2. CPA EXAM

A. The Board reviewed requests for waivers of courses to sit for the CPA exam from the following:

1. Trisha Stone: The Board received a request from Ms. Stone submitted pursuant to K.A.R. 74-2-7 requesting a waiver of 2 hours of written and oral communications otherwise necessary to meet the 11 hour requirement. After review and discussion, Ms. O'Sullivan moved and Mr. Anderson seconded to deny the request based on lack work experience. Upon a vote, the motion carried.

2. Justin Kaufman: The Board received a request from Mr. Kaufman submitted pursuant to K.A.R. 74-2-7 requesting a waiver of one business law course. After review and discussion, Mr. Van Norden moved and Ms. Mitchell seconded to deny the request based upon lack of work experience. Upon a vote, the motion carried.

B. The Board reviewed the third quarter NASBA candidate concern report. No action was required to be taken.

3. LEGISLATIVE DISCUSSION:

Aron Dunn, the KSCPA liaison to the Board appeared to further present on behalf of the KSCPA, its thoughts regarding the requirements to sit for the exam presently set forth at K.S.A. 1-302a, changes to the definition of attest as proposed by the AICPA and changes to K.S.A. 1-308 and K.S.A. 1-316 presented by the public accountants' association. Discussion was held relative to the proposed legislation, after which Mr. Anderson moved and Ms. Denning seconded to express the Board's support for the current law as written and to decline to support changes to statutes governing certified public accountancy at this time. Upon a vote, the motion carried.

4. 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. Ms. O'Sullivan moved and Mr. Van Norden seconded that in the case of firms not timely complying with Peer Review, a "warning" letter will be sent notifying them that if they do 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 will be issued. If the firm complies within the thirty days, no disciplinary action will be taken. If the firm does not comply within the thirty days, the Summary Order of Suspension and Fine will be issued. For those firms who have received a second "warning" letter, should the firm fail to comply again, a Summary Order will be issued without a warning letter. Upon a vote, the motion carried. The Board also set the next 2015 due dates for Peer Review letters of completion or additional "in process" letters to be June 8, 2015 and November 27, 2015, unless otherwise warranted. Upon a vote, the motion carried.

B. The Board reviewed the Peer Review oversight report provided by Mark Dick, the Board's Peer Review liaison to the KSCPA Peer Review program. Mr. Anderson moved and Mr. Van Norden seconded, to accept the positive Peer Review oversight report. Upon a vote, the motion carried.

5. HEARINGS:

A. 9:30 AM MARK EVAN DODDS CONSENT AGREEMENT AND FINAL ORDER: Mr. Van Norden, the investigative Board member, recused himself from this matter. Mr. Dodds was not required to appear. This matter was before the Board for consideration of a Consent Agreement and Final Order wherein it was determined that Respondent failed to comply with a Board Order. Specifically, Mr. Dodds failed to timely reimburse the Board for court reporter fees incurred. Respondent's actions constituted a violation of K.S.A. 1-311(a)(9). The terms of the Consent Agreement and Final Order required Mr. Dodds to pay a fine in the amount of \$750, plus costs to include attorney's fees and court reporter fees, all of which were to be paid to the Board on or before January 5, 2015. After hearing the testimony, Ms. O'Sullivan moved and Ms. Denning seconded to approve the Consent Agreement and Final Order. Upon a vote, the motion carried, with Mr. Van Norden not participating.

B. SEAN GOODALE CONSENT AGREEMENT AND FINAL ORDER: Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. Goodale appeared in person. This matter was before the Board for consideration of a Consent Agreement and Final Order, wherein it was determined that Mr. Goodale failed to provide adequate documentation of the CPE hours claimed in support of his permit renewal. After review of the CPE documentation, it was determined that he only had 50 hours of CPE for which he could provide adequate documentation. The terms of the Consent Agreement and Final Order required Mr. Goodale to appear before the Board; pay a fine in the amount of \$250.00; pay the costs of the matter to include attorney's fees and court reporter fees; and to complete 38 hours of acceptable CPE (to include 8 hours of penalty). After hearing testimony, Mr. Anderson moved and Mr. Van Norden seconded, to approve the Consent Agreement and Final Order. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

C. RON BOSS STIPULATION AND CONSENT ORDER: Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Mr. Boss appeared in person. This matter was before the Board for consideration of a Stipulation and Consent Order arising from Mr. Boss's practice of certified public accountancy in the State of Kansas without a valid permit to practice and firm registration. The terms of the Stipulation and Consent Order required Mr. Boss to appear before the Board; complete the AICPA Comprehensive Ethics exam with a score of 90% or higher; pay a fine in the amount of \$500.00; pay costs to include attorney's fees and court reporter fees; after which his application for permit renewal will be approved. After testimony, Mr. Anderson moved and Mr. Marsh seconded to approve the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

D. DEBORAH MIKOLEIT STIPULATION AND CONSENT ORDER: Mr. Helms, the investigative Board member, recused himself from this matter. Ms. Mikoleit appeared in person. This matter was before the Board for consideration of a Stipulation and Consent Order resulting from Ms. Mikoleit's failure to comply with applicable professional compilation standards; and unlawfully performing services through an entity not registered with the Board. The terms of the Stipulation and Consent Order required Ms. Mikoleit to appear before the Board; pay a fine in the amount of \$500.00; pay costs incurred in the matter to include attorney's fees and court reporter fees; complete 8 hours of CPE in the subject of compilation and review services; complete the AICPA Comprehensive Ethics exam with a score of 90% or higher; and register her firm with the Board using a firm name that complies with the Board's regulations. Once all of the requirements of the Stipulation and Consent Order have been met, Ms. Mikoleit's permit to practice will be renewed. After testimony, Ms. O'Sullivan moved and Ms. Mitchell seconded to approve the Consent Order. Upon a vote, the motion carried, with Mr. Helms not participating.

E. KEITH ZACHARIASEN DISCIPLINARY HEARING: Ms. O'Sullivan, the investigative Board member, recused herself from this matter, as did Mr. Anderson, as he was not present at the previous meeting when this matter was originally heard. This matter was called to order to reconvene a hearing previously commenced at the Board's

October 24, 2014 meeting. Mr. Zachariasen appeared in person and pro se. The Board appeared by disciplinary counsel Randall J. Forbes. This matter was before the Board for consideration of a Petition for Disciplinary Action arising from Mr. Zachariasen's representation that he had completed certain CPE hours in support of his permit renewal. After hearing testimony, Mr. Marsh moved and Mr. Van Norden seconded, for the Board to go into closed session to deliberate in the Matter of Keith L. Zachariasen, Case No 2015-09 for ten minutes. Upon a vote, the motion carried. When the Board reconvened, Mr. Van Norden moved and Ms. Mitchell seconded, for the Board to go back into closed session to further deliberate in the Matter of Keith L. Zachariasen, Case No 2015-09. Upon a vote, the motion carried. When the Board reconvened, Mr. Marsh moved and Mr. Van Norden seconded for the Board to go back into closed session to further deliberate in the Matter of Keith L. Zachariasen, Case No. 2015-09 for a period of 15 minutes. Upon a vote, the motion carried. When the Board reconvened, Mr. Van Norden moved and Mr. Marsh seconded for the Board to go back into closed session to further deliberate in the Matter of Keith L. Zachariasen, Case No 2015-09 for a period of 30 minutes. Thereafter upon reconvening, the Board recessed for a period of 30 minutes for lunch. The Board then reconvened at which time Mr. Marsh moved and Ms. Mitchell seconded for the Board to go back into closed session to further deliberate in the Matter of Keith L. Zachariasen, Case No. 2015-09 for a period of 10 minutes. Upon a vote, the motion carried.

When the Board reconvened, Mr. Van Norden moved and Mr. Marsh seconded that Mr. Zacharisen is subject to sanction as follows:

Count 1: K.S.A. 1-311(a)(1): Dishonesty in obtaining a permit;

Count 2: K.S.A. 1-311(a)(3): Failure to maintain the requirements in obtaining a permit;

Count 4: K.S.A. 1-311(a)(14): Conduct reflecting adversely on his fitness to practice as a CPA.

The penalties for which are:

Count 1: \$1,000 fine to be paid within 90 days; reimbursement of attorney's fees and court report fees within 90 days; revocation of his permit to practice; suspension of his CPA certificate for a period of two years, at the end of which it will be reinstated;

Count 2: \$500 fine to be paid within 90 days;

Count 4: \$1,000 fine to be paid within 90 days to include attorney's fees and court reporter fees.

Count 3 of the Petition for Disciplinary Action was dismissed.

Upon a vote, the motion carried, with Ms. O'Sullivan and Mr. Anderson not participating.

F. RHONDA GODDARD REQUEST FOR HEARING ON SUMMARY ORDER:

Ms. O'Sullivan, the investigative Board member, recused herself from this matter. Ms. Goddard appeared in person. This matter was before the Board upon Respondent's

request for hearing of a Summary Order revoking Ms. Goddard's Kansas certificate and permit for violation of the accountancy act (K.S.A. 1-311(a)(7)) and failure to maintain the requirements for renewal of a permit (K.S.A. 1-311(a)(3)). Specifically, Ms. Goddard was unable to produce documentation of completion of lawful CPE offered in support of her application for permit renewal. Ms. Goddard admitted that she had failed to maintain proper documentation supporting her claim of permit renewal and it was determined that although she had attended the educational functions cited in her CPE list, that those functions did not qualify for CPE for purposes of permit renewal. After hearing testimony, Mr. Van Norden moved and Mr. Anderson seconded for the Board to go into closed session to deliberate the matter for 20 minutes. Upon a vote, the motion carried.

When the Board reconvened, Mr. Van Norden moved and Mr. Marsh seconded that Ms. Goddard be sanctioned for violating K.S.A. 1-311(a)(7) and K.S.A. 1-311(a)(3); that she be fined \$250 to be paid within 30 days; reimburse the Board for costs to include attorney's fees and court reporter fees within 30 days; complete the AICPA Comprehensive Ethics exam with a score of 90% or higher within 90 days; and complete 50 hours of acceptable CPE with proof back to the Board within 90 days. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

G. ROBERT PURINTON ORDER OF SURRENDER & CANCELLATION: Mr. Purinton did not appear. Chad Battison, financial advisor to the complainant in this matter was present at the hearing. This matter was initiated by the filing of a Petition for Disciplinary Action alleging that Mr. Purinton had (1) engaged in fraud, dishonesty and deceit in obtaining his permit to practice certified public accountancy; (2) engaged in dishonesty, fraud or gross negligence in the practice of certified public accountancy; (3) willfully violated the rules of professional conduct, including acts discreditable to the profession and the failure to comply with various professional standards; (4) committed fraudulent acts while holding a Kansas certificate as a CPA; and (5) engaged in conduct reflecting adversely on his fitness to practice certified public accountancy. Rather than proceed with the disciplinary hearing, Mr. Purinton voluntarily surrendered his CPA certificate in lieu of participating in a hearing scheduled for this date

After hearing testimony, Mr. Anderson moved and Mr. Marsh seconded to accept the Voluntary Surrender and Cancellation of Certificate of Mr. Purinton effective December 5, 2014, imposed a fine in the amount of \$5,000.00 to be paid within 10 days, and assessed costs pursuant to K.S.A. 1-206. The original disciplinary action was attached to the Board's order. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

6. ADJOURN: There being no further business to come before the Board, Mr. Anderson moved, and Mr. Marsh seconded to adjourn. Upon a vote, the motion carried.

Somers

/s/

Susan

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Susan L. Somers, Executive Director