

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
DECEMBER 9, 2011
LONDON STATE OFFICE BUILDING
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Rodney Van Norden, CPA, Chair, called the meeting to order. Board members in attendance were Mr. Van Norden; Virginia A. Powell, CPA; Paul Allen, CPA; Jeffery Bottenberg, Public Member; Jeffrey Leiserowitz, CPA; Patricia O'Sullivan, Public Member; and Kathryn Mitchell, CPA. Also in attendance were Susan Somers, Executive Director; Marty Snyder, Disciplinary Counsel to the Board; Darin Conklin, General Counsel to the Board; Rita Barnard, Kansas Society of CPA's; and Joyce Schartz, Public Accountants Association.

B. CONSENT CALENDAR:

The Board reviewed the minutes of the October 28, 2011 meeting; reciprocity certificates/permits to practice/firm registrations; and the November 30, 2011 financials. Ms. Powell moved and Ms. O'Sullivan seconded to approve. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board reviewed a request submitted by Douglas Johns pursuant to K.A.R. 74-2-7 for a waiver of the necessity of completing a college algebra or higher math course. Ms. Powell moved and Mr. Leiserowitz seconded, that for good cause evidenced by the information provided, the request for waiver is approved. Upon a vote, the motion carried.

The Board reviewed a request submitted by Molly Klinock pursuant to K.A.R. 74-2-7 for a waiver of the necessity of completing 2 hours of written and oral communications. Mr. Leiserowitz moved and Mr. Allen seconded, that for good cause evidenced by the information provided, the request for waiver is approved. Upon a vote, the motion carried.

B. At the request of Ms. Somers, the Board reviewed its position paper on communications courses and determined that there was a need to change the word "will" to "may" in the listing of Sample courses qualifying for

communications courses. Mr. Allen moved and Ms. O'Sullivan seconded to approve the amendment. Upon a vote, the motion carried.

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

A. The Board reviewed the list of Peer Reviews due and in process. Mr. Leiserowitz moved, and Ms. O'Sullivan 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 January 13, 2012, unless otherwise warranted. Upon a vote, the motion carried.

B. The Board reviewed the application of a CPA certificate from William Rodger Marsh, Jr. Missouri permitted Mr. Marsh to exempt out of the law portion of the CPA exam because he had passed the Bar exam in Missouri back in 1973, but that Kansas never had that provision. After discussion, Mr. Leiserowitz moved and Mr. Bottenberg seconded to approve the application pursuant to K.S.A. 1-307(a)(2) based upon the specific facts presented in this case reasoning that this was a rare occasion and the new laws required a candidate to sit for all sections of the exam. Upon a vote, the motion carried.

4. HEARINGS:

A. TIMOTHY SHORT CONSENT ORDER: Ms. O'Sullivan recused herself from this matter. Mr. Short appeared before the Board for consideration of a Consent Order, the terms of which required him to appear before the Board, pay a fine in the amount of \$250, plus costs in the amount of \$114.50 for failure to timely file his personal tax returns. Ms. Powell moved and Mr. Leiserowitz seconded to approve the Consent Order. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

B. NATHAN BRADY CONSENT ORDER: Ms. O'Sullivan recused herself from this matter. Mr. Brady appeared before the Board for consideration of a Consent Order, the terms of which required him to appear before the Board,

and provide proof of completion of 28 hours of CPE; pay a fine in the amount of \$250.00 and costs in the amount of \$127.70; and complete the AICPA Comprehensive Ethics Exam with a score of 90% or higher, for failure to maintain compliance with the requirements for issuance of a permit. Mr. Bottenberg moved and Ms. Powell seconded to approve. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

C. MATTHEW KITCHEN CONSENT ORDER: Ms. O'Sullivan recused herself from this matter. Mr. Kitchen appeared before the Board for consideration of a Consent Order, the terms of which required him to appear before the Board, pay a fine in the amount of \$250.00 and costs in the amount of \$154.00; completion of the AICPA Comprehensive Ethics Exam with a score of 90% or higher; and completion of 8 hours of CPE, for failure to maintain compliance with the requirements for issuance of a permit. Mr. Allen moved and Mr. Leiserowitz seconded to approve. Upon a vote, the motion carried, with Ms. O'Sullivan not participating.

D. GREGORY B. SEVIER CONSENT ORDER: Ms. O'Sullivan and Mr. Allen recused themselves from this matter. Mr. Sevier appeared before the Board for consideration of a Consent Order, the terms of which required him to appear before the Board; pay a fine in the amount of \$500.00 and costs in the amount of \$285.50, for failure to comply with professional standards and willful violation of a rule of professional conduct for his activities as a co-trustee. Mr. Bottenberg moved and Ms. Powell seconded for the Board to go into closed session for five minutes to deliberate the matter. Upon a vote, the motion carried with Mr. Allen and Ms. O'Sullivan not participating.

When the Board reconvened, Ms. Powell moved and Mr. Leiserowitz seconded to approve the Consent Order. Upon a vote, the motion carried, with Mr. Allen and Ms. O'Sullivan not participating.

E. ALLEN DAVISON CONSENT ORDER: Mr. Bottenberg recused himself from this matter. Mr. Davison appeared before the Board for consideration of a Consent Order, the terms of which required him to appear before the Board; pay a fine in the amount of \$1,000; payment of court reporter costs; and suspension of his CPA certificate indefinitely, for willful violation of a rule of professional conduct; dishonesty, fraud or gross negligence in the practice of certified public accountancy; revocation or suspension of the right to practice by any state or federal agency; performance of any fraudulent act while holding a Kansas certificate; and conduct reflecting adversely on a person's fitness to practice. After discussion of the matter, Mr. Powell moved and Ms. O'Sullivan seconded for the Board to recess the hearing for a period of time to permit the parties to give consideration to proposed amendments to the Consent Order. Upon a vote, the motion carried, with Mr. Bottenberg not participating.

When the Board reconvened, Ms. O’Sullivan moved and Mr. Leiserowitz seconded to accept the Consent Order as revised. Upon a vote, the motion carried, with Mr. Bottenberg not participating.

5. OTHER:

A. Ms. Somers presented proposed amendments to the Regulations, clarifying the Regulations and updating materials adopted by reference. After review, Mr. Leiserowitz moved and Ms. O’Sullivan seconded to instruct Ms. Somers to promulgate the proposed Regulation amendments and move forward for a public hearing. Upon a vote, the motion carried.

B. The Board reviewed requests from Kathleen Smith, Walter Davenport, and Carlos Johnson, each of whom submitted their requests for nomination as NASBA Vice Chair elect. After review and discussion, Ms. Powell moved and Mr. Bottenberg seconded to nominate Kathy Smith for NASBA Vice-Chair elect. Upon a vote, the motion carried.

6. ADJOURN:

When the Board reconvened, Mr. Powell moved, and Mr. Leiserowitz seconded to adjourn the meeting. Upon a vote, the motion carried.

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