

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
DECEMBER 12, 2008
8:30 AM, LANDON STATE OFFICE BUILDING, ROOM 106
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Rodney Van Norden, CPA, Chair, called the meeting the order. Board members in attendance were Mr. Van Norden; Jeffrey Leiserowitz, CPA; Paul Allen, CPA; Patricia O'Sullivan, Public Member; and Virginia A. Powell, CPA. Also in attendance were Susan Somers, Executive Director; Darin Conklin, General Counsel to the Board; Derenda Mitchell, Assistant Attorney General, Disciplinary Counsel to the Board; Janet St. Clair, Joyce Schartz, Pat Hubbell, Public Accountants Association of Kansas; and Tony Scott, Kansas Society of CPAs.

B-1. CONSENT CALENDAR:

A. The Board reviewed the minutes of the October 24, 2008 Board meeting; reciprocity certificate/permits to practice; practice by notification; firms; and the November 30, 2008 financials. Mr. Allen moved and Ms. Powell seconded to approve. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board reviewed a request from the University of Kansas for approval of a new accounting course being developed to count toward the written and oral communications requirement. Based upon the information provided, Ms. Powell moved and Ms. O'Sullivan seconded to allow the course to count as a communications course, but not an accounting course. Upon a vote, the motion carried.

B. The Board reviewed a request from Clinton Breeze, an exam candidate, for an extension of expiration of his REG and BEC scores. After discussion, Mr. Leiserowitz moved and Ms. O'Sullivan seconded to deny his request. Upon a vote, the motion carried.

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

A. The Board reviewed a list of Peer Reviews that were due or "in process". Ms. O'Sullivan moved and Mr. Leiserowitz 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 of up to \$2,000 would be issued, with a draft copy of the Summary Order being attached to the letter. 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 April 24, 2009. Upon a vote, the motion carried.

B. The Board reviewed a request from Michael Belk, CPA, for an extension of time to complete his Peer Review. His Peer Review was due November 30, 2008. Mr. Leiserowitz moved and Ms. O'Sullivan seconded to extend the due date to January 16, 2009 by which time to provide the Board with either the Peer Review letter of completion, or a letter from the administering entity stating that the Peer Review is "in process", with no further extensions. Upon a vote, the motion carried.

4. LEGISLATIVE MATTERS:

The Board discussed its proposed amendments to the statutes to accommodate mobility and other changes that needed to be made, compared to those amendments originally proposed by the Kansas Society of CPAs. Mr. Scott indicated that he had not heard back from his Board on this Board's proposed changes. After discussion of the proposed amendments, Mr. Allen and Mr. Van Norden, along with Ms. Somers and Mr. Conklin, were appointed by the Board to continue discussions with the KSCPA so that when the Board met on January 23, 2009, the final issues would be considered. The parties agreed to meet prior to the January 23, 2009 meeting of the Board to finalize the proposed amendments.

5. HEARINGS:

A. 8:45 AM DEBORAH WARNER CONSENT ORDER: Ms. Powell recused herself as she was the investigative Board member. Ms. Warner appeared before the Board, along with her counsel, Deborah Westphal, for approval of a Consent Order entered into for failure to timely file tax returns; failure to timely file or pay taxes collected on behalf of others; failure to cooperate; and conduct reflecting adversely on her fitness to practice; which required her appearance before the Board, payment of a fine in the amount of \$2,000 within 30 days, suspension of her certificate permit and firm for 60 days, submission of a sworn affidavit as to the status of her tax filings and tax payments to date, and submission of proof of filing of all required tax returns and proof of payment of all required taxes and taxes collected on behalf of others for the next five years beginning with tax year 2008 through 2012. Ms. Somers pointed out that the

Consent Order indicated “2008 to 2012” and that the word “to” should be “through”. Mr. Allen moved and Ms. O’Sullivan seconded to approve the Consent Order with the recommended change, which was approved by Ms. Warner. Upon a vote, the motion carried, with Ms. Powell not participating.

B. 9:30 AM KEVIN BRAND CONSENT ORDER: Ms. O’Sullivan recused herself in this matter as she was the investigative Board member. Mr. Brand appeared before the Board for approval of a Consent Order entered into for fraud, dishonesty and/or deceit in obtaining a permit to practice; failure to maintain compliance with the terms of his permit renewal; and conduct reflecting adversely on his fitness to practice; which required him to appear before the Board, pay a fine in the amount of \$2,000 within 30 days, complete the AICPA Comprehensive Ethics exam with a score of 90% or higher within 90 days, and submit proof of completion of CPE relative to his next three permit renewals. Mr. Allen moved and Ms. Powell seconded to approve the Consent Order. Upon a vote, the motion carried with Ms. O’Sullivan not participating.

BRADLEY FUNK CONSENT ORDER: Ms. O’Sullivan recused herself in this matter as she was the investigative Board member. Mr. Funk appeared before the Board for approval of a Consent Order entered into for fraud, dishonesty and or/deceit in obtaining a permit to practice; failure to maintain compliance with the terms of his permit renewal; and conduct reflecting adversely on his fitness to practice; which required him to appear before the Board, pay a fine in the amount of \$2,000, complete the AICPA Comprehensive Ethics exam with a score of 90% or higher within 90 days, and submit proof of completion of CPE relative to his next three permit renewals. Ms. Powell moved and Mr. Leiserowitz seconded to approve, with Ms. O’Sullivan not participating.

The Board adjourned the meeting for lunch to be reconvened at 1:00. When the Board reconvened, Mr. Van Norden left the meeting, and Fred Bauters, Stanley Parzen and Randy Forbes, on behalf of Crowe Chizek and Company, LLC, joined the meeting.

C. 1:00 CROWE CHIZEK AND COMPANY, LLC: The Board reconvened the hearing continued from July 25, 2008 solely to determine if exhibits presented at the August 15, 2008 meeting would be heard and for the Board to deliberate the matter. Mr. Leiserowitz moved and Ms. O’Sullivan seconded for the Board to go into executive session for thirty minutes to review the exhibits. Upon a vote, the motion carried.

When the Board reconvened, Ms. Powell moved and Mr. Leiserowitz seconded that the Board will accept Respondent’s Exhibits 1-23, including the affidavit of Mr. Parzen, except for exhibits 2 and 3 dealing with the statutes and regulations. The Board will accept the State’s Exhibit A provided to the Board on September 29, 2008 and Exhibit A and B provided to the Board on August 8, 2008. The Board will deny admission of the Exhibits submitted to the Board on

December 10, 2008, but will accept the submission of the supplemental authority declaratory ruling issued by North Carolina, and will accept the AICPA ethics letter dated September 2, 2008 filed with the Board on December 11, 2008. Upon a vote, the motion carried.

Mr. Leiserowitz then moved and Ms. O'Sullivan seconded for the Board to go into executive session for thirty minutes to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened, Mr. Leiserowitz moved and Ms. O'Sullivan seconded for the Board to extend the executive session for an additional twenty minutes. Upon a vote, the motion carried.

When the Board reconvened, Ms. O'Sullivan moved and Mr. Leiserowitz seconded for the Board to extend the executive session for an additional fifteen minutes. Upon a vote, the motion carried.

When the Board reconvened, Ms. Powell moved and Ms. O'Sullivan seconded that Respondent's application for name change is denied pursuant to K.S.A. 1-316 and that Mr. Allen be directed to draft an Order that will set forth the specific findings in this matter as the Board has directed. Upon a vote, the motion carried.

7. ADJOURN

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

/s/ Susan L. Somers

Susan L. Somers, Executive Director