

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
APRIL 27, 2018
LANDON 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; Kathryn J. Mitchell, CPA; T. C. Anderson, Public Member; Denise Denning, CPA; Corlene Lange, CPA; Michael L. Marsh, CPA; and Meredith Richey, Public Member. 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:

1-4. The Board reviewed the minutes of the January 19 and 31, 2018 meetings; reciprocity certificates/permits to practice; firm registrations; and the March 31, 2018 financials. Ms. Denning moved, and Mr. Marsh seconded to approve the Consent Calendar. Upon a vote, the motion carried.

2. CPA EXAM:

A. The Board reviewed the exam scores for the January/February/March 2018 exam window. After review, Ms. Mitchell moved, and Ms. Richey seconded to ratify the grades. Upon a vote, the motion carried.

B. The Board reviewed the CPA exam statistics. No action was required to be taken.

C. The Board reviewed a request from Ian Baker, pursuant to K.A.R. 74-2-7(g) for a waiver of 2 semester hours of communications. After review and discussion, Ms. Denning moved, and Ms. Mitchell seconded to deny the request, based upon his lack of work experience. 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 request from Michael Putnam, pursuant to K.A.R. 74-4-7(d), for waiver of CE requirements for his permit, due to health reasons, which is up for renewal June 30, 2018. Based upon the information provided, Ms. Denning moved, and Mr. Marsh seconded to allow Mr. Putnam to renew his permit and grant an extension for

him to obtain his CE to October 1, 2018, by which time he is to provide the Board with copies of certificates of attendance/completion of all CE hours claimed. In addition, the Board waives the 8-hour penalty normally imposed for persons who fail to obtain their CE by June 30 of their renewal year. Upon a vote, the motion carried.

4. HEARINGS AND OTHER DISCIPLINARY MATTERS

A. ACCOUNTING ALLIANCE, P.A. STIPULATION AND CONSENT ORDER: Ms. Lange, the investigator in this matter, recused herself. Amy Carter appeared in person on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration. The terms of the Stipulation and Consent Order required the firm to appear before the Board; to pay a fine in the amount of \$250.00; to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of the firm's application for registration; and censure. Ms. Denning moved, and Mr. Marsh seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Lange not participating.

B. RONALD COLEMAN FRYE STIPULATION AND CONSENT ORDER: Mr. Helms, the investigator in this matter, recused himself. Mr. Frye appeared in person. This matter was before the Board for approval of a Stipulation and Consent Order arising from Mr. Frye's submission of an application for certificate by reciprocity and an investigation and subsequent determination that Mr. Frye had engaged in the practice of certified public accountancy without holding a valid permit. The terms of the Stipulation and Consent Order required Mr. Frye to appear before the Board; to approve his application for a certificate by reciprocity conditioned upon his appearance before the Board and the Board's acceptance of the Stipulation and Consent Order; to pay a fine in the amount of \$250.00; to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; and censure. After hearing testimony, Ms. Richey moved, and Mr. Marsh seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Helms not participating.

C. NORMAN R. HARP, CPA, P.A. STIPULATION AND CONSENT ORDER: Ms. Lange, the investigator in this matter, recused herself. Mr. Harp appeared in person on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration. The terms of the Stipulation and Consent Order required the firm to appear before the Board; to pay a fine in the amount of \$250.00; to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of the firm's application for registration; and censure. Ms. Richey moved, and Mr. Marsh seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Lange not participating.

D. TENA MASON, CPA & ON A LEDGER ACCOUNTING, L.L.C. F/K/A TENA MASON CPA, LLC STIPULATION AND CONSENT ORDER: Mr. Marsh, the investigator in this matter, recused himself. Ms. Mason appeared in person individually and on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration and that Ms. Mason engaged in conduct reflecting adversely on her fitness to practice certified public accountancy in the State of Kansas. The terms of the Stipulation and Consent Order required Ms. Mason and the firm to appear before the Board; Ms. Mason 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 incurred in the matter; approval of the firm's application registration; and censure of both the firm and Ms. Mason. Ms. Mitchell moved, and Ms. Richey seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Marsh not participating.

E. JULIE ANN MORRIS STIPULATION AND CONSENT ORDER: Ms. Mitchell, the investigator in this matter, recused herself. Ms. Morris appeared in person. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that Ms. Morris had engaged in the practice of certified public accountancy without holding a valid permit and advertised in a manner that was false, misleading or deceptive. The terms of the Stipulation and Consent Order required Ms. Morris to appear before the Board; to pay a fine in the amount of \$250.00; to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of her application for initial permit to practice certified public accountancy; and censure. After hearing testimony, Ms. Lange moved, and Ms. Denning seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Mitchell not participating.

F. BRIAN REED NAIL, CPA & NAIL CPA FIRM, L.C. STIPULATION AND CONSENT ORDER: Ms. Lange, the investigator in this matter, recused herself. Mr. Nail appeared in person and on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration and Mr. Nail engaged in conduct reflecting adversely on his fitness to practice certified public accountancy in the State of Kansas. The terms of the Stipulation and Consent Order required Mr. Nail and the firm to appear before the Board; Mr. Nail 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 incurred in the matter; approval of the firm's application for registration; and censure of both Mr. Nail and the firm. Ms. Mitchell moved, and Mr. Marsh seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Lange not participating.

G. JEFF ALLEN PINKNEY, CPA, AND JEFF PINKNEY, CPA, INC. STIPULATION AND CONSENT ORDER: Ms. Denning, the investigative Board member, recused herself from this matter. Respondents were not required to appear before the Board. This matter was before the Board for consideration of an amendment to a prior Stipulation and Consent Order issued regarding pre-issuance reviews of certain attest

work issued by Jeff Allen Pinkney, CPA, and Jeff Pinkney, CPA, Inc. After discussion, Mr. Anderson moved, and Ms. Richey seconded to approve the Stipulation and Consent Order amending the Stipulation and Consent Order approved by the Board on December 8, 2017, with costs assessed to Mr. Pinkney pursuant to K.S.A. 1-206. Upon a vote, the motion carried, with Ms. Denning not participating.

H. BYRON G. PORTER, CPA & PORTER & CAVANAUGH, P.A. STIPULATION AND CONSENT ORDER: Ms. Lange, the investigator in this matter recused herself. Mr. Porter appeared in person and on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration and Mr. Porter engaged in conduct reflecting adversely on his fitness to practice certified public accountancy in the State of Kansas. The terms of the Stipulation and Consent Order required Mr. Porter and the firm to appear before the Board; 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 incurred in the matter; approval of the firm's application for registration; and censure of both the firm and Mr. Porter. Ms. Denning moved, and Ms. Mitchell seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Lange not participating.

I. EDW. B. STEPHENSON & CO., CPAS CHARTERED STIPULATION AND CONSENT ORDER: Ms. Lange, the investigator in this matter, recused herself. Aaron Iverson appeared in person on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration. The terms of the Stipulation and Consent Order required the firm to appear before the Board; to pay a fine in the amount of \$250.00; to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of the firm's application for registration; and censure. Ms. Denning moved, and Ms. Mitchell seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Lange not participating.

J. M K STRAIGHT, CPA, LLC STIPULATION AND CONSENT ORDER: Ms. Lange, the investigator in this matter, recused herself. M. Kathleen Straight appeared by telephone on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration. The terms of the Stipulation and Consent Order required the firm to appear before the Board; to pay a fine in the amount of \$250.00; to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of the firm's application for registration; an censure. Ms. Denning moved, and Mr. Anderson seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Lange not participating.

K. BRADLEY R. THIES, CPA AND BARR ASSURANCE AND ADVISORY, INC. STIPULATION REGARDING AMOUNT OF COSTS: Mr. Forbes, the Board's Disciplinary Counsel presented to the Board a Stipulation wherein it was agreed that Respondents shall pay costs pursuant to K.S.A. 1-206 to the Board in the amount of

\$7,097.89, to be paid in three installments— no later than April 30, May 15, and June 15, 2018. Ms. Lange moved and Mr. Marsh seconded to accept the Stipulation. Upon a vote, the motion carried.

I. KDWALLSTREET FINANCIAL SERVICES, LLC STIPULATION AND CONSENT ORDER: Ms. Lange, the investigator in this matter, recused herself. Korwin Wall appeared in person on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration. The terms of the Stipulation and Consent Order required the firm to appear before the Board; to pay a fine in the amount of \$250.00; to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of the firm's application for registration; and censure. Ms. Richey moved, and Mr. Marsh seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Lange not participating.

M. SELENE RENEE' WERKOWITCH, CPA & SRW TAX, LLC STIPULATION AND CONSENT ORDER: Mr. Marsh, the investigator in this matter, recused himself. Ms. Werkowitch appeared in person. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration and Ms. Werkowitch had engaged in conduct reflecting adversely on her fitness to practice certified public accountancy in the State of Kansas. The terms of the Stipulation and Consent Order required Ms. Werkowitch and the firm to appear before the Board; Ms. Werkowitch 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 incurred in the matter; approval of the firm's application for registration; and censure of Ms. Werkowitch and the firm. Ms. Mitchell moved, and Ms. Lange seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Marsh not participating.

N. CANDICE WHEELER STIPULATION AND CONSENT ORDER: Ms. Mitchell, the investigator in this matter, recused herself. Ms. Wheeler appeared in person. This matter was before the Board for approval of a Stipulation and Consent Order arising from Ms. Wheeler's submission of an application for permit renewal and an investigation and subsequent determination that Ms. Wheeler had committed an act of dishonesty in obtaining a permit by failing to disclose on her application form that she had tax warrants filed against her in the past seven years, aside from those previously disclosed to the Board; had engaged in the practice of certified public accountancy without holding a valid permit; and had failed to timely notify the Board of a change in her employer and address. The terms of the Stipulation and Consent Order required Ms. Wheeler to appear before the Board; approval of her application for a renewal of her permit to practice; payment of 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 incurred in the matter; and censure. After hearing testimony, Ms. Richey moved, and Ms. Denning seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Mitchell not participating.

O. CHAD E. COWAN, CPA, P.A. STIPULATION AND CONSENT ORDER: Ms. Lange, the investigator in this matter, recused herself. Ms. Cowan appeared in person on behalf of the firm. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation wherein it was determined that the firm had engaged in the practice of certified public accountancy in the State of Kansas without a lawful firm registration. The terms of the Stipulation and Consent Order required the firm to appear before the Board; to pay a fine in the amount of \$250.00; to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of the firm's application for registration; and censure. Mr. Marsh moved, and Ms. Richey seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Lange not participating.

P. BERKOWER, L.L.C. STIPULATION AND CONSENT ORDER: Ms. Denning and Ms. Mitchell, the investigators in this matter, recused themselves. Michael Mullen appeared by telephone on behalf of the firm. This matter was initially before the Board in response to a request for hearing relative to a Summary Order of Censure and Imposition of Fine for Failure to Comply with Peer Review issued against the firm. Thereafter the parties proposed a Stipulation and Consent Order which is presently before the Board of consideration. The terms of the Stipulation and Consent Order required the firm to appear before the Board; to pay a fine in the amount of \$1,500.00; to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of the firm's application for registration; and censure. Ms. Lange moved, and Ms. Richey seconded, to accept the terms of the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning and Ms. Mitchell not participating.

Q. BROWDER & ASSOCIATES, P.C. FINAL ORDER: Ms. Denning, the investigator in this matter, recused herself. James Perry appeared by telephone on behalf of the firm. This matter was before the Board in response to a request for hearing relative to a Summary Order of Imposition of Censure and Fine for Failure to Comply with Peer Review being issued against the firm. After hearing testimony, Ms. Richey moved, and Mr. Marsh seconded, for the Board to go into closed session to deliberate the matter.

When the Board reconvened, Ms. Mitchell moved, and Ms. Richey seconded to dismiss the Summary Order of Imposition of Censure and Fine for Failure to Comply with Peer Review. Upon a vote, the motion carried, with Ms. Denning not participating.

R. LE COMPTE, P.C. STIPULATION AND CONSENT ORDER: Ms. Denning, the investigator in this matter, recused herself. Craig Le Compte appeared by telephone on behalf of the firm. This matter was before the Board for consideration of a Stipulation and Consent Order relating to Respondent's failure to comply with applicable professional standards. The terms of the Stipulation and Consent Order required the Respondent to appear before the Board by phone, and to pay costs pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter. Furthermore, and until further order of the Board, Respondent shall notify the Board within ten days of acceptance of an engagement to perform attest services for a Kansas client. Respondent shall undergo pre-issuance review by a reviewer, pre-approved by the Board, of all attest engagements undertaken by Respondent for Kansas entities. Pre-issuance review findings are to be provided to the Board in accordance with the terms of

the Stipulation and Consent Order. Respondent is required to immediately correct deficiencies identified during the pre-issuance review and shall refrain from issuing said attest reports to Kansas clients until such time as the pre-issuance review is complete and the deficiencies corrected. Respondent shall pay all costs associated with the pre-issuance reviews. Respondent is censured by the Board. After hearing testimony, Mr. Anderson moved, and Ms. Lange seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Denning not participating.

Mr. Anderson then moved, and Mr. Marsh seconded, to issue a Protective Order, pursuant to K.S.A. 1-501(h) prohibiting the disclosure of those portions of the agency record wherein there is a discussion or admission into evidence of the peer review report documents. Upon a vote, the motion carried, with Ms. Denning not participating.

The Board reviewed the following Summary Orders issued, which required no further action by the Board:

S. KAY CARTER SUMMARY ORDER OF REVOCATION: Revocation of certificate, imposition of fine; and reimbursement of costs for failure to cooperate.

T. KENNEY D. HALES, CPA, PC SUMMARY ORDER OF IMPOSITION OF CENSURE AND FINE FOR FAILURE TO COMPLY WITH PEER REVIEW: Censure; imposition of fine; reimbursement of costs.

U. KELLY ANN K. RICE, SUMMARY ORDER OF REVOCATION OF CERTIFICATE AND IMPOSITION OF FINE: Revocation of certificate; imposition of fine; reimbursement of costs for practicing without a lawful permit and failure to cooperate with a Board investigation.

V. LEE A. SHAFER, PC SUMMARY ORDER OF IMPOSITION OF CENSURE AND FINE FOR FAILURE TO COMPLY WITH PEER REVIEW: Censure; imposition of fine; reimbursement of costs.

W. ARTHUR WHITE & ASSOCIATES, LLC SUMMARY ORDER OF REVOCATION OF FIRM REGISTRATION AND IMPOSITION OF FINE: Revocation of firm registration; imposition of fine; and reimbursement of costs for violation of a Board order.

5. **OTHER:**

A. DISCUSSION OF NASBA ED/LEGAL CONFERENCE: Ms. Somers presented a power point presentation provided to attendees of the NASBA Executive Directors/Legal Counsel Conference held in March. The presentation entailed the new “Pathway to CPA Licensure” being presented and considered by the AICPA and NASBA to afford those with technological and analytic expertise a different pathway (exam) to becoming a CPA--the result being that the CPA gained through this pathway will be identical to the CPA obtained through taking the Uniform CPA Exam. Ms. Somers indicated that this information had been disseminated to the six regent colleges and Washburn University, as this would have an impact on the accounting programs that each of them offer. More discussion will be had on this subject at the Board’s June 15, 2018 meeting, where the professors of the colleges are invited to attend.

B. APPROVE CONTRACTS FOR DISCIPLINARY AND GENERAL COUNSEL: Ms. Somers reported that the contracts for general counsel and disciplinary were set to expire June 30, 2018 and that RFP’s for new contracts had been issued and bid upon. The procurement committee, consisting of Mr. Helms, Ms. Somers, and a representative of the Kansas Department of Administration, had reviewed and approved the bids submitted by Alderson, Alderson, Weiler, Conklin, Burghart & Crow, LLC for general counsel, and Frieden, Unrein & Forbes, LLP for disciplinary counsel. Both contracts are for a duration of 5 years to expire June 30, 2023. After discussion, Ms. Lange moved, and Ms. Denning seconded to authorize Ms. Somers to sign the contracts. Upon a vote, the motion carried.

C. AUTHORIZATION FOR CHAIR OR VICE CHAIR TO HANDLE BOARD MATTERS BETWEEN MEETINGS: Ms. Somers reported that there are occasions where a matter needs to be decided between Board meetings that cannot wait until the next regularly scheduled meeting of the Board. Ms. Denning moved, and Ms. Lange seconded to authorize the Chair, or the Vice-Chair, to handle all matters that require Board action when something arises between Board meetings. Upon a vote, the motion carried.

6. **ADJOURN**

Upon motion of Ms. Lange, seconded by Mr. Marsh, the meeting was adjourned.

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