

**MINUTES OF THE KANSAS BOARD OF ACCOUNTANCY
JUNE 7, 2019
LANDON STATE OFFICE BUILDING, ROOM 556A
TOPEKA, KS**

1. ADMINISTRATIVE MATTERS:

A. CALL TO ORDER:

Kathryn J. Mitchell, CPA, Chair, called the meeting to order. Ms. Mitchell welcomed Jeffery S. Bottenberg, the new Public Member to the Board. Other Board members in attendance were Ms. Mitchell; Corlene R. Lange, CPA; John R. Helms, CPA; Michael L. Marsh, CPA; Meredith Richey, Public Member, and Sean P. Weaver, CPA. Also in attendance was Susan L. Somers, Executive Director; Randall J. Forbes, Disciplinary Counsel to the Board; Darin M. Conklin, General Counsel to the Board; Natasha Schamberger, Jay Langley, and Rita Barnard, on behalf of the Kansas Society of CPAs; Dick Carter and Joyce Schartz, on behalf of the Public Accountants Association.

B. CONSENT CALENDAR:

1-3. The Board reviewed the minutes of the April 26, 2019 meeting; reciprocity certificates/permits to practice; firm registrations; and the May 31, 2019 financials. Mr. Helms moved, and Ms. Lange seconded to approve the Consent Calendar. Upon a vote, the motion carried.

2. CPA EXAM:

There were no exam issues to review or discuss.

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. Joseph Arnone, of Arnone & Co., P.A. appeared before the Board to request permission to commence issuing attest reports. Arnone & Co., P.A. is presently subject to the terms of a Consent Agreement and Final Order which mandates in part, that Arnone & Co. P.A., complete a pre-issuance review of all attest reports issued, and to refrain from issuing attest reports until such time as the pre-issuance review is complete and deficiencies if any, cited by the peer reviewer have been corrected to the satisfaction of the peer reviewer. A written statement documenting the peer reviewer's approval of the correction is to be submitted to the Board prior to the issuance of the attest report. After discussion, Mr. Weaver moved, and Mr. Marsh seconded to approve Marshal Hull of Regier, Carr & Monroe, to perform the pre-issuance reviews, and that Arnone & Co., P.A. could provide attest services subject to the terms of the existing Consent Agreement and Final Order. Upon a vote, the motion carried.

C. Discussion was held concerning the KSCPA's decision to discontinue administration of the Peer Review program for Kansas CPA firms. Ms. Somers reported that Oklahoma had expressed an interest in continuing their program and possibly administering the Peer Reviews for Kansas firms. Ms. Schamberger, of the KSCPA, indicated that she would circle back with the Board after conferring with Colorado and Oklahoma.

D. The Board reviewed a request from Kenneth Hite regarding the name of a new firm that he wanted to register with the Board. After discussion, the Board requested that this matter be set for a hearing for the July meeting.

4. HEARINGS AND OTHER DISCIPLINARY MATTERS:

A. ANGELA MARIE ANDERSON, CPA & AMA TAX, LLC STIPULATION AND CONSENT ORDER: John R. Helms, CPA, the investigator in this matter, recused himself. Ms. Anderson 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 and subsequent determination that the firm had engaged in the practice of certified public accountancy without holding a valid firm registration and Ms. Anderson had engaged in the practice of certified public accountancy without holding a valid permit and engaged in conduct reflecting adversely on her fitness to practice certified public accountancy. The terms of the Stipulation and Consent Order directed the Respondents to appear before the Board; the firm to pay a fine in the amount of \$1,500.00; Ms. Anderson to pay a fine in the amount of \$1,500.00 and costs, pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees incurred in the matter; approval of Ms. Anderson's application for initial permit to practice as a CPA in Kansas; approval of the firm's application for registration; and censure of the Respondents.

Ms. Richey moved, and Mr. Marsh seconded to go into closed session to deliberate the matter. Upon a vote, the motion carried, with Mr. Helms not participating.

When the Board reconvened, Mr. Weaver moved, and Ms. Richey seconded to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Helms not participating.

B. ERICKSON DEMEL & CO., PLLC STIPULATION AND CONSENT ORDER: Sean Weaver, CPA, the investigator in this matter, recused himself. Respondent appeared by telephone. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that the firm had failed to timely comply with Peer Review. The terms of the Stipulation and Consent Order directed the firm to appear before the Board; to pay 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; approval of the firm's application for registration; and censure.

Mr. Bottenberg moved, and Ms. Richey seconded, to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Mr. Weaver not participating.

C. DANIEL W. FORGY, CPA & FORGY FINANCIAL, LLC STIPULATION AND CONSENT ORDER: Kathryn J. Mitchell, CPA, the investigator in this matter, recused herself. Respondent 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 and subsequent determination that the firm had willfully violated a rule of professional conduct by utilizing a fictitious name without first registering it with the Board, and that Mr. Forgy had engaged in conduct reflecting adversely on his fitness to practice certified public accountancy. The terms of the Stipulation and Consent Order directed the Respondents to appear before the Board; Mr. Forgy to pay a fine in the amount of \$1,000.00 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 in-state CPA firm registration; and censured Mr. Forgy.

Mr. Weaver moved, and Mr. Marsh seconded, to accept the Stipulation and Consent Order. Upon a vote, the motion carried, with Ms. Mitchell not participating.

D. MELISSA B. PETERSEN, CPA, LLC REINSTATEMENT OF FIRM REGISTRATION: Ms. Petersen appeared by telephone and on behalf of the firm. Randall J. Forbes appeared on behalf of the Board. This matter was before the Board consideration of Respondent's application for firm registration. The Board had previously revoked Respondent's firm registration for failure to timely comply with Peer Review. After discussion, Mr. Helms moved, and Mr. Marsh seconded, for the Board to go into closed session to deliberate the matter. Upon a vote, the motion carried.

When the Board reconvened, Mr. Bottenberg moved, and Mr. Marsh seconded to approve Respondent's application for out-of-state firm registration. Upon a vote, the motion carried.

Mr. Weaver then moved, and Ms. Richey seconded to issue a protective order pursuant to K.S.A. 1-501(h) closing that portion of the agency records regarding the results and content of peer review. Upon a vote, the motion carried, with Mr. Weaver not participating.

E. BOYCE WILLIAM SOWARD REQUEST FOR HEARING ON SUMMARY ORDER OF REVOCATION FOR FAILURE TO COMPLY WITH BOARD ORDER; REQUEST FOR HEARING ON SUMMARY ORDER OF REVOCATION FOR FAILURE TO COMPLY WITH PEER REVIEW: Kathryn J. Mitchell and John R. Helms recused themselves from this matter. Mr. Soward appeared in person before the Board. Randall J. Forbes appeared on behalf of the Board. This matter was before the Board for a consolidated hearing following the issuance of a Summary Order of Revocation in Board case number 2019-42 premised on Respondent's failure to comply with a lawful Board Order and a Summary Order of Revocation in Board case number 2019-59 premised on Respondent's failure to timely comply with peer review.

After discussion, Mr. Bottenberg moved, and Mr. Weaver seconded to go into closed session to deliberate the matters. Upon a vote, the motion carried, with Ms. Mitchell and Mr. Helms not participating.

When the Board reconvened, Mr. Weaver moved, and Mr. Marsh seconded that in the matter of Case No. 2019-42 (Failure to comply with a Board Order), Mr. Soward is censured, ordered to pay a fine in the amount of \$500 within 45 days after the issuance of the Final Order, which cannot be paid by credit card and shall pay costs, pursuant to K.S.A. 1-206, to include attorney's fees and court reporter fees, to be determined upon a hearing before the Board; in the matter of Case No. 2019-59 (Failure to Comply with Peer Review), Mr. Soward is censured, ordered to pay a fine in the amount of \$1,000 within 45 days after the issuance of the Final Order, which cannot be paid by credit card, and shall pay costs, pursuant to K.S.A. 1-206, to include attorneys fees and court reporter fees, to be determined upon a hearing before the Board. Upon a vote, the motion carried, with Ms. Mitchell and Mr. Helms not participating.

F. TATE & TRYON, PC STIPULATION AND CONSENT ORDER: John R. Helms, CPA, the investigator in this matter, recused himself. Michael Tryon and Steve Dougherty appeared on behalf of the firm by telephone. This matter was before the Board for approval of a Stipulation and Consent Order arising from an investigation and subsequent determination that the firm had engaged in the practice of certified public accountancy without holding a valid firm registration. The terms of the Stipulation and Consent Order directed the Respondent to appear before the Board; to pay 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; 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 Mr. Helms not participating.

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

G. JEFFERY ALLEN THORNE & JEFFERY A. THORNE, CPA, P.A. SUMMARY ORDER OF REVOCATION OF CPA CERTIFICATE, PERMIT AND FIRM REGISTRATION: As to Mr. Thorne, the willful violation of a rule of professional conduct, specifically the failure to cooperate with a Board investigation. As to the Firm, the failure to meet the requirements of K.S.A. 1-308 and willful violation of a rule of professional conduct. Mr. Thorne's Kansas certificate and permit were revoked and he was directed to surrender his Kansas certificate and permit to the Board and to pay an administrative fine to the Board in the amount of \$5,000.00. Respondent Firm's registration was revoked, and it was directed to surrender its Kansas registration to the Board. Respondents were directed to pay costs pursuant to K.S.A. 1-206.

H. LSCV CPAS, P.C. FORMERLY KNOWN AS LINT, SINGLETON & STACHOWSKI, CPAS, P.C. SUMMARY ORDER AMENDING STIPULATION AND CONSENT ORDER APPROVED AUGUST 24, 2018: Release of pre-issuance review requirements.

I. JAMES M. HIGGINS SUMMARY ORDER OF REVOCATION OF CPA CERTIFICATE: Revocation of certificate based upon Missouri disciplinary action for

violating continuing education requirements and practicing without a valid firm permit; payment of a fine in the amount of \$500.00; reimbursement of costs pursuant to K.S.A. 1-206, to include attorney's fees; and surrender of CPA certificate to the Board.

5. OTHER:

A. The Board reviewed a proposed amendment to K.A.R. 74-1-3 to allow for continuous testing via the CPA Exam. After review, Mr. Helms moved, and Ms. Lange seconded to authorize Ms. Somers and Mr. Conklin to promulgate steps necessary to amend the Regulation. Upon a vote, the motion carried.

B. EXECUTIVE SESSION—PERSONNEL MATTERS: Mr. Weaver moved and Mr. Bottenberg seconded for the Board to go into executive session for 15 minutes to discuss personnel matters; specifically, staff evaluations. Upon a vote, the motion carried.

When the Board reconvened, Mr. Helms moved, and Ms. Lange seconded to approve an increase of 2.5% in salary for the Board's Executive Director, which is in addition to the pay increase approved by the legislature in the 2019 session, and a bonus of \$1,500, in recognition of her exceptional performance. Upon a vote, the motion carried.

6. ADJOURN

Upon motion of Mr. Weaver, seconded by Mr. Helms, the meeting was adjourned. Upon a vote, the motion carried.

/s/ Susan L. Somers

Susan L. Somers, Executive Director