STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

In the Matter of
FGMK, LLC
Unlicensed

SETTLEMENT AGREEMENT
AND
CEASE AND DESIST ORDER
Board File 2014-304

TO: FGMK, LLC
Robert M. Emerick, Jr., Partner
2801 Lakeside Drive, Third Floor
Bannockburn, Illinois 60015

The Minnesota Board of Accountancy ("Board") is authorized pursuant to Minnesota Statutes section 214.10 (2014), Minnesota Statutes section 326A.02, subdivisions 4 and 6, and section 326A.08, subdivisions 1 and 4 (2014) to review complaints concerning the unauthorized practice of public accounting and the unauthorized use of the terms "CPA" or "certified public accountant," and to take action pursuant to those statutes whenever appropriate.

The Executive Director of the Board initiated a complaint concerning FGMK, LLC ("Respondent"). The Board's Complaint Committee ("Committee") reviewed the information. The parties have agreed that the matter may now be resolved by this Settlement Agreement and Cease and Desist Order.

SETTLEMENT AGREEMENT

IT IS HEREBY AGREED by and between Respondent and the Committee as follows:

1. Jurisdiction. Pursuant to Minnesota Statutes section 326A.08, subdivision 4 (2014), the Board is authorized to issue an order requiring an unlicensed firm to cease and desist from holding itself out as a CPA firm and from offering to perform or performing services that only licensed CPA firms are authorized to perform in

Minnesota. Respondent is subject to the jurisdiction of the Board with respect to the matters referred to in this Settlement Agreement and Cease and Desist Order.

2. Facts. This Settlement Agreement is based upon the following facts:

a. The Board issued a Certified Public Accountant ("CPA") Firm Permit to Respondent on December 5, 2014. Respondent's CPA Firm Permit expired on December 31, 2014.

b. It is alleged, based on information received from the United States Department of Labor on June 3, 2014, that before the Board issued a CPA Firm Permit to Respondent, Respondent performed an audit, pursuant to the Employee Retirement Income Security Act (ERISA), of the Meridian Behavioral Health, LLC 401(k) Retirement Savings Plan ("the Plan") for a business whose corporate headquarters are located in Minnesota. Meridian Behavioral Health, LLC, the Plan sponsor, is located in New Brighton, Minnesota.

c. Board records show that after the audit was performed, Respondent applied for and received a Minnesota CPA Firm Permit, which has since expired. At the time of issuance of this Settlement Agreement and Cease and Desist Order, Respondent does not hold a valid Minnesota CPA Firm Permit.

d. It is alleged that Respondent performed an audit for a client having its headquarters in Minnesota without obtaining a Minnesota CPA Firm Permit to practice, as required by Minnesota Statutes 326A.05, subdivision 1 (a)(4) (2014).

3. Violations. Respondent admits that the facts specified above constitute violations of Minnesota Statutes section 326A.05, subdivision 1(a)(4) and section 326A.10 (d) (2014); and Minnesota Rules 1105.5600, subpart 1.C.(1) (2013) and are sufficient grounds for the action specified below.

4. Enforcement Action. Respondent and the Committee agree that the Board may issue an Order in accordance with the following term(s):

a. Cease and Desist Order. Respondent shall cease and desist from holding out as a CPA firm, and from practicing public accounting in the State of Minnesota until such time as Respondent reinstates its Minnesota CPA Firm Permit.

b. Until such time as Respondent reinstates its Minnesota CPA Firm Permit, Respondent shall not offer to perform or perform services required by law to be performed by a CPA firm as set forth in Minnesota Statutes Chapter 326A (2014) and Minnesota Rules Chapter 1105 (2013).

c. Until such time as Respondent reinstates its Minnesota CPA Firm Permit, Respondent shall not use the designations "Certified Public Accountant" nor "CPA" in conjunction with its firm name, nor shall Respondent hold itself out as a CPA firm in any manner in the State of Minnesota.

d. Respondent shall pay to the Board a CIVIL PENALTY of Two Thousand Dollars ($2,000.00). Respondent shall submit a Civil Penalty of Two Thousand Dollars ($2,000.00) by check, payable to the Board, within sixty (60) days of the Board's issuance of this Settlement Agreement and Cease and Desist Order

e. Respondent shall not violate any statute, rule or order that the Board has issued or is empowered to enforce.

5. Waiver of Respondents' Rights. For the purpose of this Settlement Agreement, Respondent waives all procedures and proceedings before the Board to which Respondent may be entitled under the Minnesota and United States constitutions, statutes, or the rules of the Board, including the right to dispute the allegations against Respondent and to dispute the appropriateness of discipline in a contested case proceeding pursuant to Minnesota Statutes Chapter 14 (2014). Respondent agrees that upon the application of the Committee without notice to or an

appearance by Respondent, the Board may issue an Order requiring the action specified in paragraph 4 herein. Respondent waives the right to any judicial review of this Settlement Agreement and Cease and Desist Order or the attached Board Order by appeal, writ of certiorari, or otherwise.

6. Board Rejection of Settlement Agreement and Cease and Desist Order. In the event the Board in its discretion does not approve this Settlement Agreement and Cease and Desist Order, this Settlement Agreement shall be null and void and shall not be used for any purpose by either party hereto. If this Settlement Agreement is not approved and a contested case proceeding is initiated pursuant to Minnesota Statutes Chapter 14 (2014), Respondent agrees not to object to the Board's initiation of the proceeding and hearing the case on the basis that the Board has become disqualified due to its review and consideration of this Settlement Agreement and the record.

7. Record. The Settlement Agreement, related investigative reports and other documents shall constitute the entire record of the proceedings herein upon which the Order is based. The investigative reports, other documents, or summaries thereof may be filed with the Board with this Settlement Agreement.

8. Data Classification. Under the Minnesota Government Data Practices Act, this Settlement Agreement is classified as public data upon its issuance by the Board. (Minnesota Statutes Section 13.41, subdivision 5 (2014)). All documents in the record shall maintain the data classification to which they are entitled under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (2014). They shall not, to the extent they are not already public documents, become public merely because they are referenced herein. A summary of this Order will appear in the Board's newsletter. A summary will also be sent to the national discipline data bank pertaining to the practice of public accounting.

9. Unrelated Violations. This settlement shall not in any way or manner limit or affect the authority of the Board to proceed against Respondent by initiating a contested case hearing or by other appropriate means on the basis of any act, conduct, or admission of Respondent justifying disciplinary action which occurred before or after the date of this Settlement Agreement and which is not directly related to the specific facts and circumstances set forth herein.

10. Entire Agreement; Authorized Representative. The undersigned representative of Respondent, whose signature appears below, hereby represents and warrants that the undersigned representative has been duly authorized by Respondent to sign this Settlement Agreement and Cease and Desist Order on its behalf, and that s/he has read, understands, and agrees to this Settlement Agreement and Cease and Desist Order and is freely and voluntarily signing it. The Settlement Agreement and Cease and Desist Order contains the entire agreement between the parties. Respondent is not relying on any other agreement or representations of any kind, verbal or otherwise.

11. Counsel. Respondent is aware that it may choose to be represented by legal counsel in this matter. Respondent knowingly waived legal representation.

12. Service. If approved by the Board, a copy of this Settlement Agreement and Cease and Desist Order shall be served personally or by first class mail on Respondent. The Settlement Agreement shall be effective and deemed issued when it is signed by the Chair of the Board.

RESPONDENT

FGMK, LLC
By: Robert M. Emrick Jr.
Its: Partner

Dated: February 2, 2015

OFFICIAL SEAL
KATHLEEN MCGINNISS
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 04/17/2018

SUBSCRIBED and sworn to before me on this the 2nd day of FEBRUARY, 2015.

Kathleen McGinniss
(Notary Public)

My Commission Expires:
4-17-2018

COMPLAINT COMMITTEE

MICHAEL M. VEKICH, CPA
Chair

Dated: 2/27, 2015

ORDER

Upon consideration of the foregoing Settlement Agreement and based upon all the files, records and proceedings herein, all terms of the Settlement Agreement are approved and hereby issued as an Order of this Board on this the 27 day of February, 2015.

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

GREGORY S. STEINER, CPA
Chair

AFFIDAVIT OF SERVICE BY MAIL

RE: FGMK, LLC; Firm Permit No. F2033

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Bev Carey, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on this the 27th day of February, 2015, she served the attached Settlement Agreement and Cease and Desist Order, by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with prepaid first class postage, and addressed to:

FGMK, LLC
Robert Emerick, Partner
2801 Lakeside Drive, Third Floor
Bannockburn, Illinois 60015

Bev Carey

Bev Carey

Subscribed and sworn to before me on this the 27th day of February, 2015

Victoria E Oehlein
(Notary Public)

VICTORIA ELIZABETH OEHRLEIN
NOTARY PUBLIC
MINNESOTA
My Commission Expires Jan. 31, 2020