

**STATE OF MINNESOTA
BOARD OF ACCOUNTANCY**

**In the Matter of
Lori Ann Huston-Vadnais, unlicensed; and
Lori Ann Huston-Vadnais, CPA, unlicensed**

**SETTLEMENT AGREEMENT
AND
CEASE AND DESIST ORDER
Board File Nos. 2016-331,
2017-215 and 2017-216**

**TO: Lori Ann Huston-Vadnais
1317 Pacific Avenue
Post Office Box 201
Benson, Minnesota 56215**

The Minnesota Board of Accountancy ("Board") is authorized pursuant to Minnesota Statutes section 214.10 (2016), Minnesota Statutes section 326A.02, subdivisions 4 and 6, and section 326A.08, subdivisions 1 and 4 (2016) 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 received information and initiated a complaint concerning Lori Ann Huston-Vadnais ("Respondent") and Lori Ann-Huston Vadnais, CPA ("Respondent Firm"), 1317 Pacific Avenue, Post Office Box 201, Benson, Minnesota 56215 (collectively, "Respondents"). 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 Respondents and the Committee that without trial or adjudication of any issue of fact or law and without any evidence or admission by any party with respect to any such issue:

1. Jurisdiction. Pursuant to Minnesota Statutes section 326A.08, subdivision 4 (2016), the Board is authorized to issue an order requiring an unlicensed individual or firm to cease and desist from holding itself out as a Certified Public Accountant or CPA firm and from offering to perform or performing services that only licensed Certified Public Accountants or 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. Respondent was issued a Certified Public Accountant Certificate No. 05951 ("CPA Certificate") by the Board on March 2, 1981, which expired on December 31, 2015.

b. Respondent was issued a Sole Proprietor CPA Firm Permit No. 05951 ("CPA Firm Permit") on January 1, 2004, which expired on December 31, 2014.

c. The Board received information from the Minnesota Office of the State Auditor, that Respondents performed an audit of financial statements for the City of Holloway, Minnesota, on June 30, 2016, and Respondents performed an audit of financial statements for the City of Murdock, Minnesota, on September 29, 2016.

d. The Board received information from the Department of Labor and Industry, that Respondents performed an ERISA audit for Step by Step Montessori Schools, Inc. 401(k) Plan and Trust on October 13, 2016.

e. Respondents offered and performed various attest services, as defined by Minnesota Statutes section 326A.01, subdivision 2 (2016), to the City of Holloway, Minnesota and City of Murdock, Minnesota, to Step by Step Montessori Schools, Inc., and to the public, which requires a valid Certified Public Accountant Certificate and CPA Firm permit, pursuant to Minnesota Statutes section 326A.05, subdivision 1 (a)(1)(2016).

3. Violations. Respondents admit that the facts specified above constitute violations of Minnesota Statutes section 326A.05, subdivision 1 (a)(1) and section 326A.10 (a), (c) and (d) (2016) and Minnesota Rules 1105.4200, B(1) and (2), and 1105.5600, subpart 1 C. (1) (2015), and are sufficient grounds for the action specified below.

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

- a. Cease and Desist Order. Respondents shall cease and desist from practicing public accounting in the State of Minnesota until such time as Respondent obtains a Certified Public Accountant Certificate and Respondent Firm obtains a CPA firm permit from the Minnesota Board of Accountancy.
- b. Civil Penalty. Respondents shall pay to the Board a CIVIL PENALTY of Seven Thousand, Five Hundred Dollars (\$7,500.00). Respondents shall submit Seven Thousand, Five Hundred Dollars (\$7,500.00) by check to the Board within sixty (60) days of the Board's approval of this Stipulation and Consent Order.
- c. Until such time as Respondent obtains a Certified Public Accountant Certificate and Respondent Firm obtains a CPA firm permit from the Minnesota Board of Accountancy, Respondents shall not offer to perform or perform services required by law to be performed by a Certified Public Accountant or CPA firm as set forth in Minnesota Statutes Chapter 326A (2016) and Minnesota Rules Chapter 1105 (2015).
- d. Respondents 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, Respondents waive all procedures and proceedings before the Board to

which Respondents 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 Respondents and to dispute the appropriateness of enforcement action in a contested case proceeding pursuant to Minnesota Statutes Chapter 14 (2016). Respondents agree that upon the *ex parte* application of the Committee, without notice to or an appearance by Respondents, the Board may issue an Order requiring the action specified in paragraph 4 herein. Respondents waive the right to any judicial review of this Settlement Agreement and Cease and Desist Order or the attached Board Order by appeal, by 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 or a lesser enforcement action than specified herein, this Settlement Agreement shall be null and void and shall not be used for any purpose by any party hereto. If this Settlement Agreement is not approved and a contested case proceeding is initiated pursuant to Minnesota Statutes Chapter 14 (2016), Respondents agree 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 relating hereto.

7. Record. This 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. 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 (2016). They shall not, to the extent they are not

already public documents, become public merely because they are referenced herein. This Settlement Agreement is classified as public data upon its issuance by the Board. Minnesota Statutes Section 13.41, subdivision 5 (2016). 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. Other Violations. This Settlement Agreement shall not in any way or manner limit or affect the authority of the Board to base future action, including, but not limited to decisions whether to issue Respondents any certificate, registration, or permit, on the June 30, 2016 audit of financial statements for the City of Holloway, Minnesota and the September 29, 2016 audit of financial statements for the City of Murdock, Minnesota, that are identified in paragraphs 2.c. and 2.d. above.

10. Unrelated Violations. This Settlement Agreement shall not in any way or manner limit or affect the authority of the Board to proceed against Respondents by initiating a contested case hearing or by other appropriate means on the basis of any act, conduct, or admission of Respondents 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.

11. Entire Agreement; Authorized Representative. Respondent hereby acknowledges that she has read, understands, and agrees to this Settlement Agreement and Cease and Desist Order and is freely and voluntarily signing it without threat or promise by the Board or any of its members, employees, or agents. When signing the settlement agreement, Respondent acknowledges that she is fully aware that the Settlement Agreement and Cease and Desist Order must be approved by the Board. Respondent Firm hereby acknowledges that it agrees to this Settlement Agreement and Consent Order and that its representative named below is freely and voluntarily signing the settlement agreement without threat or promise by the Board or any of its members,

employees, or agents. Respondent Firm warrants that it has duly authorized its representative named below to sign this Settlement Agreement and Cease and Desist Order on its behalf and that its representative acknowledges that the Settlement Agreement and Consent Order must be approved by the Board. The Board may approve the Settlement Agreement and Cease and Desist Order, as proposed, approve the order subject to specified change, or reject it. If the changes are unacceptable to Respondents or the Board rejects the Settlement Agreement, it will be of no effect except as specified herein. The Settlement Agreement and Cease and Desist Order contains the entire agreement between the parties. Respondents are not relying on any other agreement or representations of any kind, verbal or otherwise.

12. Counsel. Respondents are aware that they may choose to be represented by legal counsel in this matter. Respondents knowingly waived legal representation.

13. 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 and Respondent Firm. The Settlement Agreement shall be effective and deemed issued when it is signed by the Chair of the Board.

14. Collections. Pursuant to Minnesota Statutes Section 16D.17 (2016), ninety (90) days after the Board's approval of this Settlement Agreement and Cease and Desist Order, the Board may file and enforce any unpaid portion of the civil penalty imposed by this Order as a judgment against the Respondents in district court without further notice or additional proceedings.

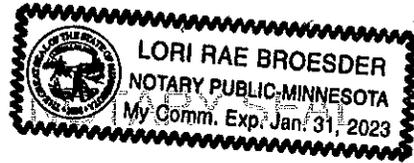
RESPONDENT

[Signature]
LORI ANN HUSTON-VADNAIS

Dated: 2/2/18

SUBSCRIBED and sworn to before me on
this the 2 day of February, 2018.

[Signature]
(Notary Public)



My Commission Expires: 1-31-2023

RESPONDENT FIRM

[Signature]
LORI ANN HUSTON-VADNAIS, CPA

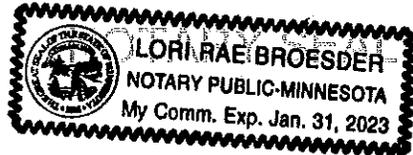
By: [Signature]

Its: _____

Dated: 2/2/18

SUBSCRIBED and sworn to before me on
this the 2 day of February, 2018.

[Signature]
(Notary Public)



My Commission Expires: 1-31-2023

COMPLAINT COMMITTEE


SHARON A. JENSEN, CPA
Chair

Dated: 4/19, 2018

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 19 day of April, 2018.

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY


GREGORY S. STEINER, CPA
Chair

AFFIDAVIT OF SERVICE BY MAIL

RE: Lori Ann Huston-Vadnais CPA; Unlicensed and Lori Ann Huston-Vadnias; Unlicensed

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Sara Datko, being first duly sworn, deposes and says:

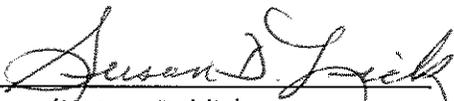
That at the City of St. Paul, County of Ramsey and State of Minnesota, on this the 25 day of April, 2018, she served the attached Settlement Agreement and Cease and Desist Order, by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class and certified postage prepaid, and addressed to:

Lori Ann Huston-Vadnais
Lori Huston-Vadnais
1317 Pacific Avenue
Post Office Box 201
Benson, Minnesota 56215


Sara Datko

CERTIFIED MAIL
Return Receipt Requested
7017 3040 0000 1240 8625

Subscribed and sworn to before me on
this the 25 day of April, 2018


(Notary Public)

