

**STATE OF MINNESOTA  
BOARD OF ACCOUNTANCY**

In the Matter of the CPA Firm Permit of

**STIPULATION AND  
CONSENT ORDER**

Muckala & Werhan, PLLC  
CPA Firm Permit No. F1830 (Expired)

Board File No. 2022-050

**STIPULATION**

Muckala & Werhan, PLLC ("Respondent") and the Minnesota Board of Accountancy's Complaint Committee stipulate that, subject to Board's review and discretionary approval, the Board may issue a consent order that imposes the following sanctions:

A. Respondent's CPA firm permit, No. F1830 is CENSURED and REPRIMANDED pursuant to Minn. Stat. § 326A.08 (2022).

B. Respondent shall pay to the Board a CIVIL PENALTY of Five Thousand Dollars (\$5,000). Respondent shall submit a civil penalty of \$5,000 by check to the Board within sixty (60) days of the Board's approval of this Stipulation and Consent Order.

C. Respondent shall CEASE and DESIST from holding out or practicing as a Certified Public Accountant (CPA) Firm until such time as Respondent Firm obtains an Active CPA Firm Permit with the Board.

D. Respondent shall CEASE AND DESIST from performing work on any audit, review, or compilation engagements until such time as Respondent obtains an active CPA Firm Permit with the Board.

E. Respondent shall remain law abiding and comply with all statutes and rules within the Board's jurisdiction. See Minn. Stat. ch. 326A (2022) and Minn. R. ch. 1105 (2021).

F. Respondent shall report in writing within ten days any and all violations of this stipulation and consent order to the Board's Executive Director.

Respondent and the Committee enter into this stipulation based on the following findings of fact, conclusions of law, and other stipulated provisions:

#### **Findings of Fact**

1. The Board issued Respondent a CPA firm permit on November 18, 2011.
2. Respondent's firm permit expired on December 31, 2017.
3. Respondent has held out as a CPA firm on its website during the period of expiration.
4. Respondent offered attest services on the firm's website during the period of expiration.
5. Respondent informed the Complaint Committee on January 20, 2023, that it had completed eight attest services during the time of expiration.
6. Respondent Owner states in his response: "When I was in the process of trying to renew the permit and obtain a peer review I was told the price would be approximately triple what it had been in prior peer reviews. The firm has not changed much from the earlier reviews. At the time I felt that this was excessive and decided to look elsewhere. I have subsequently been very busy, as are most accountants these days, and have not been able to find a reasonably priced peer review."
7. Respondent Firm failed to comply with the peer review requirements by failing to submit the peer reviews for the years ended December 31: 2015, 2018, and 2021 by the required deadlines.

### **Conclusion of Law**

1. The Board has authority to license and regulate certified public accountants and to take disciplinary action as appropriate. Minn. Stat. ch. 326A (2022).
2. Respondent violated Minn. Stat. §§ 326A.05, subd. 1(a)(1), (2) and (3), 326A.08, subd. 5(a)(1), (2), (3), (8) and (10), and 326A.10(a) and (d) (2022) and Minn. R. 1105.4200(B)(1), (2) and (3), 1105.5400(A), 1105.5600, subp. 1(C)(1) and (7), and 1105.7800(A), (C), and (D) (2021).
3. This stipulation and consent order is in the public interest.

### **Other Stipulated Provisions**

1. This stipulation and consent order must be approved by the Board to become effective.
2. Respondent agrees that the Committee may move the Board *ex parte*, with or without advance notice to the Respondent, to approve this stipulation and consent order. Respondent understands that the Board may either approve the stipulation and consent order or not approve it. This stipulation and the files, records, and proceedings associated with this matter may be reviewed by the Board in its consideration of the Committee's motion.
3. If approved by the Board, this stipulation and consent order shall be classified as public data. Minn. Stat. § 13.41, subd. 5 (2022).
4. If the Board does not approve this stipulation and consent order, then the matter remains unresolved and the Committee may either seek to negotiate a revised stipulation and consent order with Respondent to present to the Board or issue an order commencing a contested-case hearing before an Administrative Law Judge at the Office of Administrative

Hearings. See Minn. Stat. §§ 14.57–.62, 214.10, subd. 2 (2022) (describing administrative hearing process).

5. Respondent agrees that if this case comes before the Board again after it reviews and discusses this stipulation and consent order, Respondent waives any claim that the Board was prejudiced by its review and discussion of this stipulation and consent order and any records relating to it.

6. Respondent acknowledges that they were advised by the Committee of their right to a contested-case hearing in this matter before an Administrative Law Judge, to file exceptions and make argument to the Board after the hearing, and to seek judicial review from any adverse decision rendered by the Board. Respondent hereby expressly waives those rights. Respondent was further advised by the Committee of their right to be represented by counsel and that they knowingly waive that right.

7. Respondent has read, understands, and agrees to this stipulation and has voluntarily signed it. It is expressly understood that this stipulation contains the entire agreement between the parties, there being no other agreement of any kind, verbal or otherwise. If approved by the Board, a copy of the final stipulation and consent order shall be served personally or by first class mail on Respondent. The Board's order shall be effective when it is signed by the Chair of the Board or the Chair's designee.

8. Pursuant to Minn. Stat. § 16D.13 (2022), any civil penalty imposed by this stipulation and consent order shall begin to accrue simple interest in accordance with that section thirty days after the civil penalty is due. Pursuant to Minn. Stat. § 16D.17 (2022), thirty days after any civil penalty imposed by this stipulation and consent order is due, the Board may

file and enforce any unpaid portion of the civil penalty as a judgment against Respondent in district court without further notice or additional proceedings.

Muckala & Werhan

Muckala & Werhan, PLLC

By: MICHAEL WERHAN

Its: Owner

STATE OF Minnesota

COUNTY OF St. Louis

This instrument was acknowledged before me on May 18<sup>th</sup>, 2023 by Michael Charles Werhan.

(stamp)



[Signature]  
(Signature of notary officer)

My commission expires: 01/31/2027

**COMPLAINT COMMITTEE**

Charles Mcelroy  
CHARLES MCELROY, CPA  
Chair

Dated: June 7, 2023

## CONSENT ORDER

Upon consideration of this stipulation and consent order, and based upon all the files, records, and proceedings herein, all terms of the stipulation and consent order are approved.

Accordingly, the Board orders as follows:

A. Respondent's CPA firm permit, No. F1830 is CENSURED and REPRIMANDED pursuant to Minn. Stat. § 326A.08 (2022).

B. Respondent shall pay to the Board a CIVIL PENALTY of Five Thousand Dollars (\$5,000). Respondent shall submit a civil penalty of \$5,000 by check to the Board within sixty (60) days of the Board's approval of this Stipulation and Consent Order.

C. Respondent shall CEASE and DESIST from holding out or practicing as a Certified Public Accountant (CPA) Firm until such time as Respondent obtains an Active CPA Firm Permit with the Board.

D. Respondent Firm shall CEASE AND DESIST from performing work on any audit, review, or compilation engagements until such time as Respondent obtains an Active CPA Firm Permit with the Board.

E. Respondent shall remain law abiding and comply with all statutes and rules within the Board's jurisdiction. See Minn. Stat. ch. 326A (2022) and Minn. R. ch. 1105 (2021).

F. Respondent shall report in writing within ten days any and all violations of this stipulation and consent order to the Board's Executive Director.

STATE OF MINNESOTA  
BOARD OF ACCOUNTANCY

Dated: 6-7-, 2023

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CHARLES SELCER, CPA  
Board Chair

 FOR