

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

In the Matter of the CPA Firm Permit of

Russell & Associates, LLC
CPA Firm Permit No. 01407

STIPULATION AND
CONSENT ORDER

Board File No. 2022-045

STIPULATION

Russell & Associates, LLC ("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 firm permit, No. 01407, 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 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).

D. 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. Respondent was issued a CPA Firm Permit on June 25, 2004.

2. Respondent was required to submit its peer review for the year ended May 31, 2020, to the Board no later than August 31, 2021. Respondent did not do so.

3. Respondent was mailed a CPA firm permit renewal notification on October 25, 2021.

4. Respondent's firm permit expired on December 31, 2021.

5. Respondent's renewal was received and returned on January 4, 2022, as incomplete, due to its required peer review documentation not being received.

6. Respondent was mailed a letter on January 13, 2022, informing it that it had not renewed its firm permit and that it must have a valid permit to practice or hold out as a CPA firm in Minnesota.

7. Respondent asserts that it did not receive the January 4, 2022 or January 13, 2022 mailings.

8. Respondent submitted its renewal and peer review documentation on April 5, 2022.

9. Respondent's firm permit was renewed on April 5, 2022.

10. Respondent held out and practiced as a licensed CPA Firm without a valid CPA firm permit from January 1, 2022, until April 5, 2022.

11. Respondent's website used the designation "Certified Public Accountants" during the lapse.

12. Respondent informed the Complaint Committee on April 29, 2022, that it had started or completed three audit engagements, three reviews, and fourteen compilations during the time of expiration.

13. In response to a data request made to the Minnesota Attorney General's Office ("AGO") on July 11, 2022, regarding a listing of the not-for-profit and nonprofit audit reports submitted by Respondent for the period of January 1, 2022 through April 5, 2022, it was found that the Respondent did not disclose one additional audit report in its response.

14. Respondent inadvertently failed to disclose all not-for-profit and nonprofit audit reports worked on or completed during Respondent's permit lapse.

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), (6), and (8), and 326A.10(d) (2022) and Minn. R. 1105.4200 subp. 1(B)(1), (2) and (3), 1105.5400A, 1105.5600, subp. 1(C)(1), 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).*

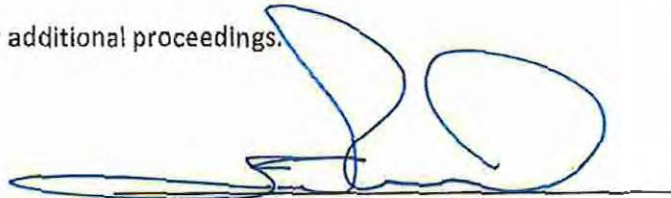
5. Respondent agrees that if this case comes before the Board again after it reviews and discusses this stipulation and consent order, Respondent waives any claim that the Board was prejudiced by its review and discussion of this stipulation and consent order and any records relating to it.

6. Respondent Firm 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.



Russell & Associates, LLC
By: BRIAN T. RUSSELL
Its: PRESIDENT

STATE OF MINNESOTA

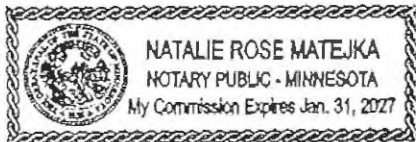
COUNTY OF WINONA

This instrument was acknowledged before me on 8/22/2023 by Russell & Associates, LLC.

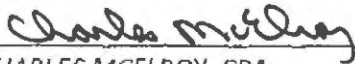
(stamp)

Natalie Rose Matejka
(Signature of notary officer)

My commission expires: 1/31/2027



COMPLAINT COMMITTEE


CHARLES MCELROY, CPA
Chair

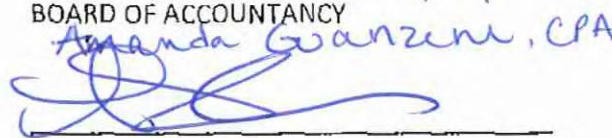
Dated: 9/19 2023

CONSENT ORDER

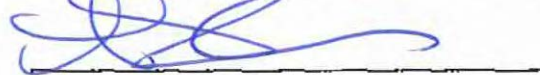
Upon consideration of this stipulation and consent order, and based upon all the files, records, and proceedings herein, all terms of the stipulation and consent order are approved. Accordingly, the Board orders as follows:

- A. Respondent's firm permit, No. 01407, 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 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).
- D. 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: September 27, 2023

For: 
CHARLES SELCER, CPA
Board Chair