

**STATE OF MINNESOTA  
BOARD OF ACCOUNTANCY**

In the Matter of the CPA Firm Permit of

**STIPULATION AND  
CONSENT ORDER**

Tostrud & Temp, S.C.  
CPA Firm Permit No. 00348 (Expired)

Board File No. 2023-164

**STIPULATION**

Tostrud & Temp, S.C. ("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. 00348, is CENSURED and REPRIMANDED pursuant to Minn. Stat. § 326A.08 (2022).

B. Respondent shall pay to the Board a CIVIL PENALTY of Seven thousand Five Hundred dollars (\$7,500). Respondent shall submit the civil penalty by check to the Board within sixty (60) days of the Board's approval of this Stipulation and Consent Order.

C. With respect to the attest services completed during Respondent's lapse in licensure, Respondent shall comply with the AICPA Standards and Board Statutes and Rules in regard to the reports that were issued.

D. Respondent shall comply with all statutes and rules within the Board's jurisdiction. See Minn. Stat. ch. 326A (2022) and Minn. R. ch. 1105 (2023).

E. Respondent shall report in writing within ten days any 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 June 18, 1984.
2. Respondent's firm permit expired on December 31, 2022.
3. Respondent renewed its firm permit for 2023 on December 12, 2023.
4. During its lapse in licensure, Respondent held out and practiced as a CPA firm in Minnesota without a valid firm permit by offering and completing attest services.
5. In its response to the Board, Respondent listed 11 attest engagements that it had completed for Minnesota clients between January 1, 2023 and December 12, 2023. The attest services included:
  - a. Six audits.
  - b. Two compilations.
  - c. Two agreed upon procedures.
  - d. One review.
6. Respondent's Minnesota clients included cities and townships, city and county Housing and Redevelopment Authorities, Fire Reliefs, and various businesses.
7. Respondent completed work and billed its clients for attest services during the time of lapse and gained a significant economic benefit by doing so.
8. Respondent's 2022 peer review documentation was due to the Board no later than September 30, 2023, but Respondent did not submit the documentation by that deadline.

9. Respondent's 2024 firm permit renewal was returned on December 13, 2023 due to incomplete peer review documentation.

10. Respondent's firm permit expired on December 31, 2023.

11. Respondent received a rating of "pass with deficiency" on its peer review. This is the second consecutive "pass with deficiency" rating.

12. Respondent's completed peer review documentation was submitted to the Board on May 2, 2024, seven months after it was due to the Board.

13. Respondent's 2024 firm permit was renewed on May 3, 2024.

#### **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)(4) and 326A.10(d) (2022) and Minn. R. 1105.4200(C), 1105.5400(A), 1105.5600, subp. 1(C)(1), (6), (7) and (D), and 1105.7800(A), (C), and (D) (2023).

3. Respondent is subject to discipline pursuant to Minn. Stat. §§ 326A.08, subd. 5(a)(1), (2), (3), (8), and (10) (2022).

4. 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).

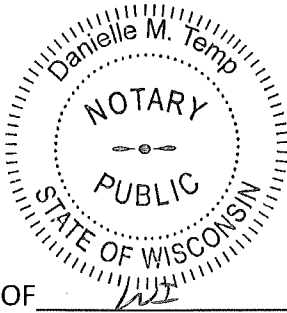
5. Respondent agrees that if this case comes before the Board again after it reviews and discusses this stipulation and consent order, Respondent waives any claim that the Board was prejudiced by its review and discussion of this stipulation and consent order and any records relating to it.

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.



STATE OF WI

COUNTY OF La Crosse

Matthew Z Durtse

Tostrud & Temp, S.C.

By: MATTHEW L DURTSCHE

Its: PRESIDENT


This instrument was acknowledged before me on May 30, 2024 by Danielle M Temp.

(stamp)

Danielle M Temp  
(Signature of notary officer)

My commission expires: 10/28/2024

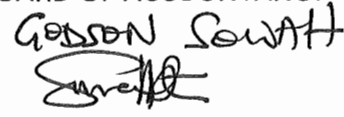
COMPLAINT COMMITTEE

  
\_\_\_\_\_  
ANN ETTER, CPA  
Chair

Dated: July 9, 2024

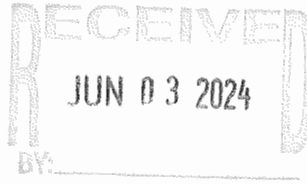
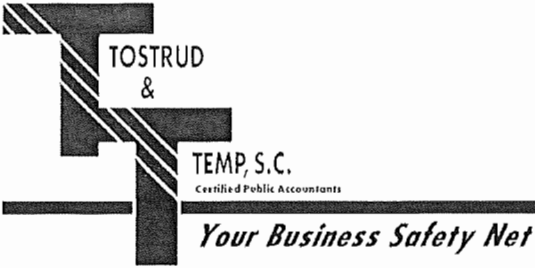
CONSENT ORDER

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 hereby ADOPTS the stipulation and issues the ORDER described above.

STATE OF MINNESOTA  
BOARD OF ACCOUNTANCY  


Dated: 08 / 01 /, 2024

FOR: \_\_\_\_\_  
CHARLES SELCER, CPA  
Board Chair



609 S. 4th Street, Suite B  
La Crosse, WI 54601  
Phone: 608-784-8060  
Fax: 608-784-8167

Minnesota Board of Accountancy  
85 East 7<sup>th</sup> Place Suite 125  
St. Paul, MN 55101-2143

May 30, 2024  
CONFIDENTIAL

Re: Tostrud & Temp, S.C.  
Firm Permit No. 00348  
Board File No. 2023-164

Dear State of Minnesota Board of Accountancy,

Please find enclosed the signed and notarized stipulation and consent Order for Tostrud & Temp, S.C. As the new majority owner of Tostrud & Temp, S.C., I am hopeful that we can resolve this previous matter and move forward in cooperation with the MN State Board of Accountancy. Prior to the transfer of ownership of our firm, the previous majority shareholder, Mike Temp, did share of this ongoing investigation and explained that this was a misunderstanding as he articulated in a letter to the Board on January 9<sup>th</sup>, 2024 (see attached). It is my understanding that Mr. Temp was cooperative and responsive in explaining the mistake and the timeline for corrective actions that were then promptly handled and would like to reiterate that this began with a mistake due to an administrative error that prolonged as the peer review process took longer than expected.

As the new owner, I look forward to upholding our profession and our firm in the best light moving forward.

Sincerely,

Matthew L. Durtsche, CPA  
President  
TOSTRUD & TEMP, S.C.



TOSTRUD  
&

TEMP, S.C.

Certified Public Accountants

609 S. 4th Street, Suite B  
La Crosse, WI 54601  
Phone: 608-784-8060  
Fax: 608-784-8167

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*Your Business Safety Net*

January 9, 2024

Ms. Holly Salmela  
Minnesota Board of Accountancy  
85 East 7<sup>th</sup> Place, Suite 125  
St. Paul, MN 55101-2143

Re: In the Matter of Tostrud & Temp, S.C.  
Firm Permit No. 00348  
Board File No. 2023-164

Dear Ms. Salmela:

We provide the following information regarding the above complaint/inquiry:

- 1) We received our firm license renewal letter (attachment #1) for the 2023 year. Page 2 of the letter stated in item #3 "If your firm's peer review is due before December 31, 2022, it must be submitted before you can renew the firm permit." Our firm's peer review was due on December 31, 2022. I misread/misunderstood item #3 and was thinking we needed to wait until our peer review was issued for our peer review year ended June 30, 2022. In discussing this with licensing, the peer review was not needed for the 2023 license renewal but was needed for the 2024 license renewal. This was not clear to me until my discussion with the person in licensing today. It is my fault that the renewal did not occur in a timely manner. I am not making excuses just explaining my reasoning, however faulty it was. I believe we have renewed our license timely in Minnesota for all 30 consecutive years prior to 2023, dating back to 1993, except possibly one.
- 2) We attempted to renew our license for 2024 in November of 2023. We received a letter back from the Board of Accountancy (attachment #2) stating that our license had expired on December 31, 2022 and that we first must submit the 2023 CPA Firm Permit Late Renewal Form and pay the late fee. Once we realized that the 2023 firm license had not been obtained, we filed the appropriate paperwork and paid the late renewal fee of \$118. The check was dated December 7, 2023, and was cashed on December 13, 2023. We then refiled for our 2024 license, but that was returned because our peer review was not completed in its entirety, including all corrective actions.
- 3) Our June 30, 2022 peer review fieldwork performed on November 9, 2022 by the Abdo LLC CPA firm. At our exit conference that day, we were told we would receive a rating of pass. We received a draft of the peer review report on December 30, 2022 reporting a pass (attachment #3). I was notified sometime in March 2023 that the peer review team captain and the technical reviewer did not necessarily agree on the pass rating but that they were still discussing. I inquired again about finalizing the peer review a couple of times between May and June via phone. I was told the review was still in process. In July 2023, I received a letter from the Peer Review Alliance (attachment #4) that the Alliance had not received requested information from the peer reviewer. On August 14, 2023, I received an email from the peer review captain (attachment #5) that the technical reviewer had insisted on pass with deficiencies. We discussed the issues at length, and I reluctantly agreed to the revised "Pass with Deficiencies" report. The report was finally accepted by the Peer Review Alliance on September 20, 2023 (attachment #5). I believe the peer reviewer was trying, during this extended time, to justify the pass rating for us. As a result of the final report, we had three corrective actions to complete. We have completed two of the three as of today and the third is in process and will be completed by the Alliance's due date of January 31, 2024, at the very latest.



January 9, 2024  
Ms. Holly Salmela

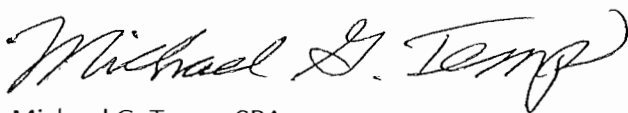
We try extremely hard to comply with all the rules and regulations. Please understand that any noncompliance is not because of a lack of effort or was in any way intentional. We have the utmost respect for our great profession.

In conclusion, regarding the licensing issue, I would like to reiterate that the 2023 late license renewal was a mistake on my part and completely unintentional due to misreading the renewal letter from the State Board of Accountancy. This was an administrative error of my own doing. Since we had just begun the peer review process, I incorrectly understood that we needed the peer review to be completed before submitting our 2023 firm renewal. Based on our initial peer review report letter, I thought that the peer review would be wrapped up quickly and we could immediately file the license application. As this process dragged on, I lost track of the fact that we hadn't filed for our 2023 license. I understand the importance of the licensing process and can assure you this will never happen again. I trust you will consider our long history of filing for our license on time. Please consider the explanations in this letter and the attached documents in your decision.

Regarding the June 30, 2022 peer review, we did not have any direction as to corrective actions until receiving a letter from the Peer Review Alliance dated September 20, 2023 about the corrective actions we needed to take. Upon receipt of this letter, we immediately went into PRIMA and agreed to the corrective actions, resulting in an acceptance letter from the Peer Review Alliance regarding our June 30, 2022 peer review dated September 25, 2023. It was an impossible timeline to complete corrective actions prior to September 30, 2023 due to the timing of the acceptance of the peer review. We have completed two of the three corrective action plan items by the prescribed time and the final item is in process, with a due date of January 31, 2024. We are aware and will not engage in any Minnesota attest services until our 2024 license has been processed and received.

Thank you for your time and consideration in reviewing our explanations for these two issues. We will await your decision.

Sincerely,

A handwritten signature in black ink that reads "Michael G. Temp". The signature is written in a cursive, flowing style.

Michael G. Temp, CPA  
Managing Partner