



THE BOA REPORT

Official Publication of
the Minnesota Board
of Accountancy

SPRING 2015 ISSUE

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2015 Legislative Bills in Committee

The Minnesota Board of Accountancy has bills in committee to address several changes, most notably to the definition of “attest” and to the civil penalty allowed under the statute.

Working with the Minnesota Society of CPAs (MNCPA) and the National Association of State Boards of Accountancy (NASBA), the Board has submitted changes to the section of the statute defining “attest” to align it with model language in the UAA, which was itself updated in May 2014. Such alignment allows for a consistent understanding of attestation services by all CPAs licensed in Minnesota, whether located in or outside of the state.

As currently written, the definition of attest is focused on financial statement services. The update clarifies the language by including the other attest engagements performed by CPAs. This inclusion ensures that all work performed using CPA professional standards for attestation are only

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Message from the Board Chair

Greg Steiner, CPA
Audit Partner, Grant Thornton, LLP



I am honored to serve as Chair of the State Board of Accountancy and hope to exceed the trust and expectations of the profession and the public. With over 30 years in public accounting, I am familiar with many of the issues facing CPAs, and I look forward to bringing my experience to the Board.

I work with very talented professionals and clients on a daily basis, yet I am amazed by the dedication and commitment of the Executive Director and Staff. They care about the work they do and the Board’s mission of protecting the public. They are very responsive to the

I, along with the members of the board, am honored to take on the role of ensuring the utmost integrity of the profession of public accountancy.

I would like to personally extend my appreciation to former Board members Rob Saunders and Kristine Eustice, who just completed their terms with the Board of Accountancy. Rob served many years on our Executive Committee and was recently the Chair. Kristine served on numerous committees as a public member. Both provided valuable insights and guidance to the Board.

enormous amount of requests they get on a daily basis. The Board also looks forward to improving our communication this year with the addition of Kay Weiss, a communication specialist, to the staff. My thanks to staff for all that they do.

I also want to comment on the outstanding work of the Board Staff.

Two issues that the Board continues to focus on are complaints and

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VISIT THE BOARD’S WEBSITE for license status of CPAs and CPA firms, to change your address, to file a complaint, to obtain application information, or to find information on statutes and board activity: **WWW.BOA.STATE.MN.US**

BOARD CONTACT INFORMATION:

Ph: 651-296-7938 ■ Fax: 651-282-2644 ■ TTY: 800-627-3529

2015 Board Members

Board Chair:
Gregory Steiner, CPA (2019)

Vice Chair:
Sharon Jensen, CPA (2018)

Secretary/Treasurer: Vacant

Other Members:

Thomas Lydon, CPA (2016)
Kate Mooney, CPA (2016)
Charles Selcer, CPA (2019)
Mark Sellner, CPA (2016)
Scott Van Binsbergen,
Public Member (2019)
Michael M. Vekich, CPA (2017)
Alan Wilensky, Public Member (2019)

(Year denotes term expiration)

Board Staff

Doreen Frost, Executive Director
doreen.frost@state.mn.us
651-757-1517

Bev Carey, Investigator
bev.carey@state.mn.us
651-757-1514

Sara Datko, Complaint Specialist
sara.datko@state.mn.us
651-757-1524

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State Program Administrator
holly.a.salmela@state.mn.us
651-757-1520

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vicky.oehrlein@state.mn.us
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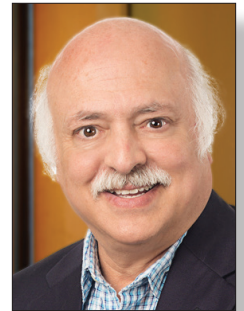
Board Appointments Announced

Selcer and Wilensky Join Board; Van Binsbergen and Steiner Reappointed

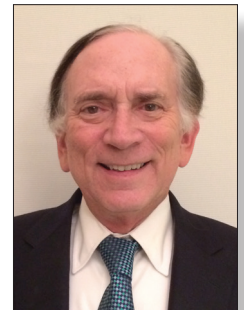
Governor Mark Dayton appointed two new members and reappointed two members to the Board of Accountancy effective March 17, 2015. Their terms will expire in January 2019. Terms for two members, Robert Saunders, CPA, and Public Member Kristine Eustice ended. Most recently they served as Board Chair and Secretary/Treasurer respectively. The Board gratefully acknowledges their dedication and service.

Short biographies for the new and returning members are below:

Charles Selcer, CPA, has a BA in Economics from Williams College in Williamstown, MA, and an MBA in Accounting from New York University. He was a partner in the national firm of Laventhol & Horwath and currently is a shareholder in Schechter Dokken Kanter Andrews & Selcer Ltd. Mr. Selcer is a member of AICPA and MNCPA. He serves on the MNCPA Ethics Committee and served four terms on the AICPA Technical Subcommittee (Ethics). He currently teaches ethics for CPA firms and at colleges and universities nationwide. He is a former recipient of MNCPA's R. Glen Berryman Award.



Alan Wilensky has practiced corporate and tax law in the Twin Cities and Washington, DC, for more than 40 years. His practice focuses on estate and business planning. A substantial portion of his practice involves the resolution of shareholder and family business disputes. He serves on the board of several private corporations. He served in 1992-83 as the Deputy and later the Acting Assistant Secretary for Tax Policy of the US Treasury in DC. He taught a tax policy course for many years at the Carlson Business School. He is a graduate of Yale University (JD) and Princeton University (AB).



Greg Steiner, CPA, returns to the Board, for which he currently serves as Board Chair. He has also served as Secretary/Treasurer and as Chair for the Continuing Professional Education Committee, in addition to other committee work. Greg is a partner at Grant Thornton, LLP. He has more than 30 years of accounting and auditing experience. He was previously a controller for a \$70 million manufacturing division of a public company. He has extensive experience working with private and public companies, SEC filings, and mergers and acquisitions.



Scott Van Binsbergen returns as a Public Member. During and after college Scott worked for Congressman Vin Weber as a legislative director and as an aide and consultant to US Senator Rudy Boschwitz. Scott also ran for the Minnesota House of Representatives in 2006. He owns a number of businesses, including Van Binsbergen & Associates LLC, Van Binsbergen & Associates Inc., Madsen Properties Inc., Burnsdale Apartment Housing LLC, and Health Providers Inc. In 2004 he received the Southwest Minnesota "Entrepreneur of the Year" Award. Scott has been active in numerous community and civic organizations.

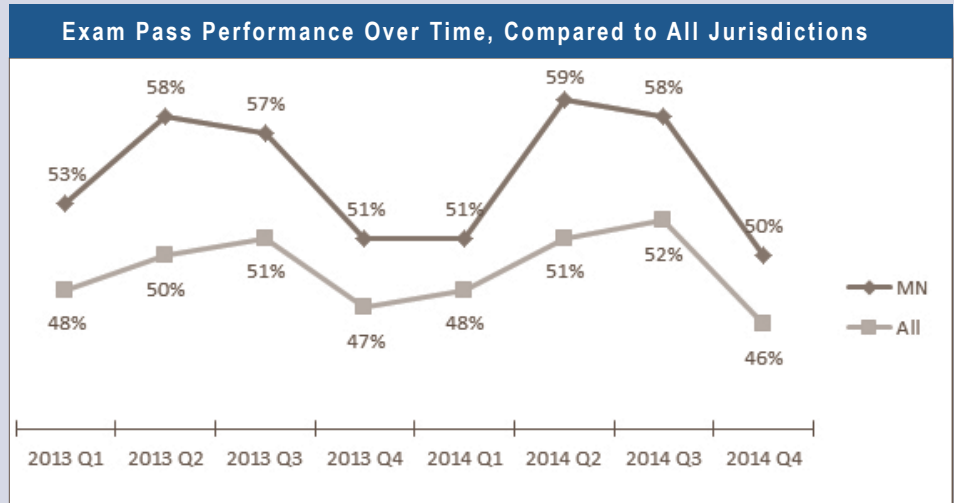


Minnesota Performs in the Top Third for 2014 Q4 Uniform CPA Exam

NASBA has issued the results of the Uniform CPA Examination for the fourth testing window of 2014. These reports are published at the end of each testing window and distributed as a service to the state Boards of Accountancy.

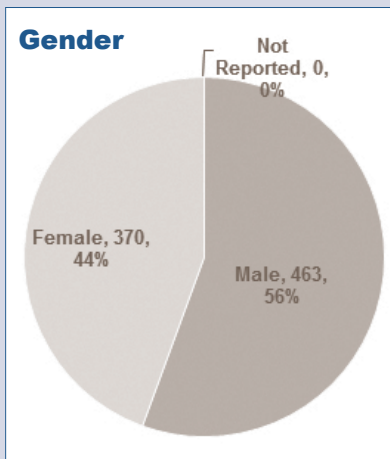
In comparison to other jurisdictions, Minnesota ranked in the top 33% in terms of section scores and overall average score and in the top 25% in pass rate. Utah, Wisconsin, and Oregon led the jurisdictions in terms of pass rate.

More statistics on Minnesota candidate performance are provided below.



OVERALL PERFORMANCE	
Unique Candidates	833
New Candidates	313
Total Sections	1143
Passing 4th Section	149
Sections per Candidate	1.37
Pass Rate	50.2%
Average Score	72.0

Demographics



RESIDENCY		
Location	Count	%
In-State Address	766	92%
Out-of-State Address	66	7.9%
Foreign	1	0.1%

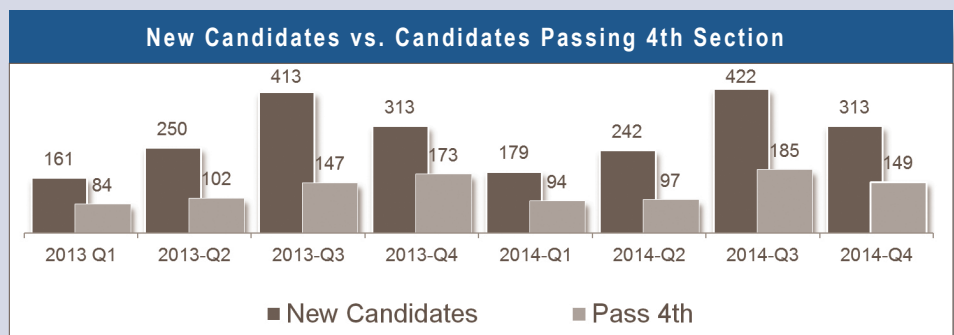
SECTION PERFORMANCE			
	Sections	Score	% Pass
First Time	679	72.2	52.1%
Re-Exam	464	71.7	47.4%
AUD	301	72.2	47.8%
BEC	262	75.0	60.3%
FAR	283	69.9	48.1%
REG	297	71.1	45.8%

DEGREE TYPE		
Location	Count	%
Bachelor's Degree	281	33.7%
Advanced Degree	22	2.6%
Enrolled/Other	530	63.6%

Average Age: 27.2
Minnesota has the fifth youngest candidates compared to all jurisdictions.

Notes About the Data

- The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 Jurisdictions.
- The demographic data related to Age, Gender, and Degree Type is provided by the individual candidates and may not be 100% accurate.



Congratulations to CPAs Newly Licensed in Q4 of 2014

The members and staff of the Minnesota Board of Accountancy welcome these CPAs to the profession. Our congratulations to you and our best wishes for success in your practice.

Shazreh Ahmed
Sarah Anderson
Shannon Ash
Danielle Assie

Ryan Baisch
Carly Baker
Steven Bermel
Jonathan Bindert
Leonard Bosire
David Bothwell
Jonathan Brennan
Sarah Bucka
Linda Bui

Chad Cadwell
Paul Cecere
Ashley Chandler
Amanda Charpentier
Matthew Chodosh
Christopher Chou
Robby Collins
Matthew Cross
Taylor Crawl

Lucas Dahling
Mary DesMarais
Andrew Dyrdaahl

Daniel Ellwein
Stephanie Erb

Marisa Feld
Lucas Ferrian
Samuel Fischenich
Valeria Fossa
Jillian Fox Mittelmark
William Fredricksen

Scott Giere
Carissa Gormally

Timothy Graner
Jeffrey Gray
Ethan Green
Emma Grumke

Christopher Hall
Cassandra Harlin
Hailey Haugen
Jourdan Hay
Andrew Heitzman
Sandra Hendrickson
Devan Henry
Erik Hermansen
Allison Hillman
Alana Hollenkamp

Brittany Jackson
Raza Janjua
Jonathan Jay
Andrew Jones
Andrew Jorgensen

Daniel Kemp
Katelyn Kerfeld
Taylor Keup
Douglas Kidrowski
Kristin Kinsella
Wylie Klawitter
Ryan Krebs
Joshua Kruger
Joshua Krupke
Brendan Kurvers
Robert Kuth

Irma Lain
Joseph Larson
Shqipe Latifi
Benjamin Lester
Linshan Li
John Licht

Jiamin Liu
Nicholas Ludwig
Kenneth Lui

Erin McRaith
Ashley Mertens
Joshua Metzger
Brady Miller
Megan Mitchell
Peter Molinaro
Braden Moore

Jennifer Nasifoglu
Josiah Nebo
Kelsey Niethammer

Patrick O'Brien
Kristine O'Brien
Reid Olson
Michael Onken
Erik Ordal
Lauren Ostlund
Susan Otto

Joshua Parks
Daniel Pesek
Rachel Peterson
Asta Petkute
Alicia Pfeninger
Anna Pinske
Melissa Price
Katiynne Provov

Benjamin Raygor
Alyssa Reichmuth
Douglas Richter
Stephen Rindelaub
Katherine Robart

Reed Sallstrom
Michelle Salmo

Andrea Sande
Andrew Sax
Travis Scepianiak
Mark Scheierl
Eric Schlangen
Vanessa Schmidt
Adam Schmidt
Ryan Schreck
Vincent Schultz
Dorothy Schwartzkopf
Mallory Shellum
Ying Shen
Casey Sherwin
Angela Silver
Benjamin Skubic
Christopher Smith
Kelsey St Mary
Kevin Stocker
Isaiah Streed
Anthony Synstegaard

Adam Tiffany
Elizabeth Traynor
Ashley Triestram

Keith Van Sloun

Geoffrey Wasmuth
Justin Wehrenberg
Jorie Weirich
Paige Wetterstrom
Christopher Wilhelm
Joseph Williams

Hong Zou

Errata / Addendum:

Raina de Witt | Miranda Enabnit
Jung Moon Lee | Joshua Mondor
Hannah Olson | Sydney Rasmussen
Meghan Ryan | Jessica St. Marie
Benjamin Van Straten
Matthew Westendorf
Gregory Wiora



Licensing Surcharge to Expire in July

The license surcharge collected by the Minnesota Office of Enterprise Technology will expire on July 1.

Check the BOA website boa.state.mn.us in July for an updated list of all fees associated with licensure, certification, and renewals.

Chair Message

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peer reviews. During the past year, the number of complaints filed with the Board continues to increase. The Complaint Committee has made good progress in dealing with these in a manner that we believe is fair to both the licensee and the complainant within a reasonable period of time. To help Investigator Bev Carey continue that progress, Sara Datko is joining the staff as a Complaint Specialist.

Peer reviews are one of the most effective tools available to the Board in the regulation of CPA firm compliance. These reviews have served both the public interest and the CPA profession as an effective method of self-regulation. Recent trends indicate an increase in the number of failed peer reviews. The AICPA recently released a discussion paper titled *Enhancing Audit Quality*. The stated long term goal is to transform practice monitoring while the short term goals include strengthening the existing peer review process. The Board will continue to monitor the progress of this effort and its impact to the profession in Minnesota.

Again, I, along with the members of the Board, am honored to take on the role of ensuring the utmost integrity of the profession of public accountancy. As always, we encourage members of the CPA community and the public to attend Board meetings, as well as to reach out to Board members and staff with ideas and input.

Rulemaking Update: Procedures Affecting Active Duty Military Members, Firm Renewals, Other Proposed Changes

During the 2014 Legislative Session, the legislature mandated that each professional licensing board establish a procedure to issue a temporary license or certificate to perform professional services to active duty military members, their spouses and veterans. The Board is currently writing rules to establish this procedure.

Additionally, the Board is modifying its rules for firm permit renewal. The firm permit may be renewed after a two-thirds majority of partners, including the firm managing partner and the signer of the firm permit renewal application, members, directors, and officers who hold a certificate and

whose principal place of business is in this state individually hold non-expired certificates with an active status. After sixty (60) days, if all of these individuals have not renewed their certificates, the permit of the firm will be automatically revoked.

Finally, the Board is making minor housekeeping modifications to existing rules for clarity and consistency. A draft of these rules is not yet available.

To add your name to the Board's rulemaking mailing list to receive updates and notifications, please contact Andrea Barker at 651-757-1511 or andrea.barker@state.mn.us.



Minnesota Licensing Information Now Available on CPAVerify.org

The Minnesota Board of Accountancy is now among the majority of state regulatory boards that are populating the CPAverify.org national database of CPAs, developed in a joint effort with the state boards and the National Association of State Boards of Accountancy (NASBA). The Minnesota Board will update the database with official regulatory CPA data on a regular schedule. CPAverify.org is free and open to the public.

A national database of this kind has been in high demand for some time as corporations, individuals, CPA firms and organizations such as the IRS and PCAOB have expressed a need for up-to-date access to CPA records across multiple jurisdictions. To address this growing need in the

marketplace, CPAVerify was designed as an outward-facing version of an internal CPA database that has been in operation by NASBA for many years and only available for use by authorized State Board personnel.

CPAverify.org provides individuals and organizations with a centralized way to conveniently and reliably research the official license status of a CPA across multiple states without the need for conducting a search of each state board website individually. The site also

provides a general license history for CPAs. In its initial launch in October 2011, CPAverify.org included licensee data for 22 states. Additional states are being added until all 55 US CPA licensing jurisdictions are included.



COMPLIANCE TRUST STANDARDS
DISCIPLINARY ACTIONS
 PUBLIC GOOD FACTS ORDER REGULATIONS GUIDELINES ETHICS CONSENT REMEDY RULES CODES

Disclaimer: Every effort has been made to ensure that the following summary of enforcement information is correct; however, this information should not be relied upon without verification from the Board office. It should be noted that the names of companies and individuals listed may be similar to names of parties who have not had enforcement actions taken against them. Disciplinary orders are public data and copies may be obtained by contacting the Board office.

The following are summaries of the facts for disciplinary actions taken since the last newsletter. **Full orders can be found on the Board's website.**

In the Matter of J. Patrick Conway, CPA; Firm Permit #04132

The Board issued a Stipulation and Consent Order on May 12, 2014.

Facts: Mr. Conway failed to complete a Peer Review and failed to respond to communications from the Board.

Remedy: Mr. Conway's CPA firm permit is CENSURED and REPRIMANDED and he shall pay a CIVIL PENALTY of \$1,000. Should Mr. Conway perform or become engaged to perform audit, review or compilation services at any time in the future, he shall engage an outside party to perform a pre-issuance review of the engagement.

In the Matter of Michael Allen Paradee; Certificate #16410 and Michael A. Paradee, CPA; Firm Permit #16410

The Board issued a Stipulation and Consent Order on May 12, 2014.

Facts: Respondent Paradee and Respondent Firm were hired by Ebenezer Lutheran Church in Alexandria, MN to perform its accounting and bookkeeping services. As a part of that activity, money was taken from the church.

Mr. Paradee wrote \$13,500 worth of checks, either to himself or to "cash," on the bank account of Ebenezer Lutheran Church without authorization or permission from the Church or its Board of Directors. He cashed

those checks and used the money for his personal use and benefit.

On September 6, 2013, Mr. Paradee was convicted of a felony, pursuant to his Petition to Enter a Guilty Plea.

The court placed Mr. Paradee on Supervised Probation for ten (10) years, and one of the conditions of his probation was: "not to be in any position to handle finances of anyone else during probation."

Mr. Paradee failed to report his conviction to the Board as required by M.R. 1105.5600, subpart 1.E.

Remedy: Mr. Paradee's CPA certificate and CPA firm permit are REVOKED and he shall pay a CIVIL PENALTY of \$2,000. Respondent Paradee and Respondent Firm shall not offer to perform or perform services required by law to be performed by a CPA and shall not use the designations "Certified Public Accountant" or "CPA" in connection with their names. Mr. Paradee shall not hold himself out as a CPA in any manner in the state.

In the Matter of Jeffrey L. Peterson, CPA; Firm Permit #21553

The Board issued a Stipulation and Consent Order on June 9, 2014.

Facts: Respondent's CPA firm permit expired on December 31, 2013. Respondent failed to renew its firm permit until March 28, 2014. Respondent held out to the public as

a CPA firm and offered to perform financial statement reviews and compilations on its website during the period its firm permit was expired.

Remedy: Respondent's firm permit is CENSURED and REPRIMANDED and he shall pay a CIVIL PENALTY of \$500.

In the Matter of Kinner & Company, Ltd.; CPA Firm Permit #00997

The Board issued a Stipulation and Consent Order on July 30, 2014.

Facts: A system review of Respondent's accounting practice for the period ended July 31, 2013, resulted in a peer review rating of "fail."

The principal quality review findings were:

- Significant deficiencies in documentation related to the risk-based standards, materiality, fraud testing, and documentation related to SSARS 19 and analytical procedures;
- Significant deficiencies in engagement performance and engagement review; surrounding compliance with Yellow Book/A-133 audit requirements, Clarity Standards, and required financial statement disclosures;
- Significant deficiencies in documenting the firm's understanding and adoption of the 2011 Yellow Book, resulting in noncompliance with testing and reporting requirements, leading to the issuance of an incorrect opinion;
- Deficiency in the firm's quality control policies and procedures identifying clients where management services are provided, which impairs independence; and
- A significant deficiency in the design of the firm's internal monitoring program. It failed to comply with the applicable quality review requirements. It took significant corrective actions.

Remedy: Kinner & Company, Ltd., shall pay a CIVIL PENALTY of \$2,000 and shall engage a peer reviewer to conduct a pre-issuance review of one (1) ERISA and two (2) Yellow Book audits performed during 2014. It shall provide the Board with a copy of the separate reports issued as a result of those reviews. It shall complete an annual peer review for the fiscal year ending July 31, 2015. It shall submit documentation of completion of eight (8) hours of continuing professional education in auditing by all professional staff who work on audit engagements and sixteen (16) hours of Yellow Book continuing professional education by all professional staff who work on Yellow Book/single audit engagements.

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STIPULATION AND CONSENT ORDERS AND ORDERS TO REINSTATE

Facts: Respondent's certificate expired and Respondent failed to renew the certificate or notify the Board that Respondent was electing exemption from renewal.

Remedy: Respondent's certificate is CENSURED and REPRIMANDED. Respondent shall pay the fees listed, apply for an active or inactive certificate and submit written documentation of the specified continuing education credits. The previous revocation order is rescinded. Inactive certificate holders shall not engage in activities requiring an active certificate.

In the Matter of	Certif. No.	Certif. Type	Stipulation & Order Issued	Certif. Expired	Date Revoked	Civil Penalty	Reinstatement Fees	CPE Hrs Completed
Adams, Robert Reed	12409	Inactive	01/16/2015	12/31/2006	04/21/2009	\$750.00	\$400.00	N/A
Andries, Brandon D.	22466	Active	09/15/2014	12/31/2006	07/15/2013	\$750.00	\$778.50	120
Bailey, Chad Brian	21025	Active	05/12/2014	12/31/2009	08/17/2012	\$750.00	\$488.50	120
Dysthe, Michael Howard	12460	Inactive	05/12/2014	12/31/2008	05/13/2011	\$750.00	\$275.00	N/A
Gerdes, Tiana Lee	24551	Active*	09/15/2014	12/31/2011	01/17/2014	\$750.00	\$136.00*	N/A*
<i>*Ms. Gerdes was granted a request to apply for an Inactive CPA certificate.</i>								
Groon, Kellie Darlaine	21469	Inactive	09/15/2014	12/31/2011	01/17/2014	\$750.00	\$136.00	N/A
Highness, Karen Hoisington	10609	Active	09/15/2014	12/31/2005	04/14/2008	\$750.00	\$873.50	120
Juntunen, Daniel Alfred	18571	Inactive	07/30/2014	12/31/2011	01/17/2014	\$750.00	\$136.00	N/A
Kozlicki, Stephen Eric	19161	Inactive	02/27/2015	12/31/2006	04/21/2009	\$750.00	\$476.00	N/A
Kraemer, Steven Farrell	05770	Inactive	06/09/2014	12/31/2011	01/17/2014	\$750.00	\$136.00	N/A
Krolak, Nicholas Scott	16545	Inactive	09/15/2014	12/31/2006	04/21/2009	\$750.00	\$396.00	N/A
Lindberg, Katherine Jeanne	15523	Inactive	09/15/2014	12/31/2008	05/13/2011	\$750.00	\$276.00	N/A
Marcotte, Daniel Burt	08774	Active	06/09/2014	12/31/2011	01/17/2014	\$1000.00	\$339.50	120
<i>During the period Mr. Marcotte's certificate was revoked, he held out to the public as a CPA by improperly using the CPA designation on his business website, Doxa Advisors, LLC.</i>								
McPhail, Jason P.	19592	Active	12/05/2014	12/31/2009	10/15/2012	\$750.00	\$488.50	120
Mische, Laura Ann	14822	Inactive	07/30/2014	12/31/2011	01/17/2014	\$100.00*	\$136.00	N/A
<i>*Ms. Mische's request for a reduction of the civil penalty was granted by the Complaint Committee on 05/06/2014.</i>								
Morris, Brandynn Young	23237	Active	01/16/2015	12/31/2011	01/17/2014	\$750.00	\$339.50	120
Mpafe, Ntchanang	24603	Active	06/09/2014	12/31/2011	01/17/2014	\$750.00	\$340.00	120
Nett, Stephen Bernard	02343	Active*	06/09/2014	12/31/1980	10/16/1998	\$750.00	\$1965.00*	N/A*
<i>*Mr. Nett was granted a request to apply for an Inactive CPA certificate.</i>								
Pederson, Dustin Alan	25138	Active	01/16/2015	12/31/2011	01/17/2014	\$750.00	\$339.50	120
Szyman, Catherine Mary	11915	Inactive	12/05/2014	12/31/2010	05/13/2013	\$750.00	\$200.00	N/A
Tokarski, Patrick John	20799	Inactive	02/27/2015	12/31/2004	04/27/2007	\$750.00	\$650.00	N/A
Weber, Donald Otto	04275	Active	10/20/2014	12/31/1981	10/16/1998	\$750.00	\$3204.00	120

Disciplinary Actions

Continued from page 6

In the Matter of Russell K. Emerson, Unlicensed

The Board issued a Cease and Desist Order on September 15, 2014.

Facts: Mr. Emerson does not currently and never has held a Minnesota CPA certificate. Mr. Emerson used the CPA designation on correspondence, envelopes and the PTIN directory while performing an audit in Minnesota. He admits to performing "Agreed Upon Procedures," which were part of an audit for Hill River Township in Polk County, Minnesota.

Remedy: Mr. Emerson shall pay a CIVIL PENALTY of \$500. He shall cease and desist from using "CPA" in conjunction with his name and shall not hold himself out to the public as a CPA in Minnesota in any other manner until he is issued a certificate from the Board.

Continued on page 8

Disciplinary Actions

Continued from page 7

In the Matter of Barley, McNamara, Wild, Martin (now known as Barley, McNamara, Wild); Unlicensed

The Board issued a Settlement Agreement and Cease and Desist Order on January 16, 2015.

Facts: Respondent does not now and never has held a CPA firm permit in Minnesota. Based on information received from the U.S. Department of Labor, Respondent performed an audit, pursuant to the Employee Retirement Income Security Act (ERISA), of the Open Access Technology International, Inc. 401(k) Plan ("the Plan") for a business whose corporate headquarters are located in Minnesota. Open Access Technology, Inc., the Plan sponsor, is located in Minneapolis. Respondent performed an audit for a client having its headquarters in Minnesota without obtaining a CPA firm permit.

Remedy: Respondent shall cease and desist from holding out as a CPA firm and from practicing public accounting in Minnesota until such time as it obtains a CPA firm permit. Until such time, it shall not hold itself out as a CPA firm in any manner in Minnesota, offer to perform or perform services required by law to be performed by a CPA firm and shall not use the designations "Certified Public Accountant" or "CPA" in conjunction with its firm name. Respondent shall apply for a MN CPA firm permit within 90 days. Respondent shall pay a CIVIL PENALTY of \$2,000.

In the Matter of Bohr, Dahm, Greif & Associates, P.C.; Unlicensed

The Board issued a Stipulation and Consent Order on January 16, 2015.

Facts: Respondent does not now and never has held a CPA firm permit in Minnesota. Based on information received from the U.S. Department of Labor, Respondent performed an audit, pursuant to the Employee Retirement Income Security Act (ERISA), of the Frank N. Magid Associates, Inc. 401(k) Profit Sharing Plan ("the Plan") for a business whose corporate headquarters are located in Minnesota. Frank N. Magid Associates, Inc., the Plan sponsor, is located in Minneapolis. Respondent performed an audit for a client having its headquarters in Minnesota without obtaining a CPA firm permit.

Remedy: Respondent shall cease and desist from holding out as a CPA firm and from practicing public accounting in Minnesota until such time as it obtains a CPA firm permit. Until such time, it shall not hold

itself out as a CPA firm in any manner in Minnesota, offer to perform or perform services required by law to be performed by a CPA firm and shall not use the designations "Certified Public Accountant" or "CPA" in conjunction with its firm name. Respondent shall apply for a MN CPA firm permit within 90 days. Respondent shall pay a CIVIL PENALTY of \$2,000.

In the Matter of Freyberg, Hinkle, Ashland, Powers & Stowell, SC; Unlicensed

Facts: Respondent does not now and never has held a CPA firm permit in Minnesota. Based on information received from the U.S. Department of Labor, Respondent performed an audit, pursuant to the Employee Retirement Income Security Act (ERISA), of the Bamco, Inc. 401(k) Profit Sharing Plan ("the Plan") for a business whose corporate headquarters are located in Minnesota. Bamco, Inc., the Plan sponsor, is located in Mankato. Respondent performed an audit for a client having its headquarters in Minnesota without obtaining a CPA firm permit.

Remedy: Respondent shall cease and desist from holding out as a CPA firm and from practicing public accounting in Minnesota until such time as Respondent obtains a CPA firm permit. Until such time, Respondent shall not hold itself out as a CPA firm in any manner in Minnesota, offer to perform or perform services required by law to be performed by a CPA firm and shall not use the designations "Certified Public Accountant" or "CPA" in conjunction with its firm name. Respondent shall apply for a MN CPA firm permit within 90 days. Respondent shall pay a CIVIL PENALTY of \$2,000.

In the Matter of Stuart R. Sayre, CPA; Firm Permit #16997

The Board issued a Stipulation and Consent Order on January 16, 2015.

Facts: Respondent's CPA firm permit expired on December 31, 2010 and Respondent failed to submit renewal applications until June 11, 2014. Respondent held out to the public as CPA firm and performed financial statement reviews and compilations during the period its CPA firm permit had expired.

Remedy: Respondent's CPA firm permit is CENSURED and REPRIMANDED and Respondent shall pay a CIVIL PENALTY of \$2,000.

In the Matter of Sean Alexander Frasier; Certificate #28457

The Board issued a Stipulation and Consent Order on January 16, 2015.

Facts: Mr. Frasier passed the CPA Exam on November 29, 2011 and was notified by the Board of his successful passing on January 20, 2012. Mr. Frasier was required to apply for a certificate within 60 days of notification of passing the exam, or upon meeting the education and experience requirements for issuance of a certificate. The Board received his application on July 21, 2014; one year, ten months and sixteen days after meeting the experience requirement on July 5, 2012. Mr. Frasier failed to apply for a certificate when required to do so.

Remedy: Mr. Frasier's certificate is CENSURED and REPRIMANDED and he shall pay a CIVIL PENALTY of \$250.

In the Matter of Ryan, Hodgins & Associates, PA; Firm Permit #00392

The Board issued a Stipulation and Consent Order on December 5, 2014.

Facts: A system review of Respondent's accounting and auditing practice for the period ended December 31, 2010, resulted in a peer review rating of "fail."

The reviewer's principal findings were:

- Significant Deficiency: Firm policy and procedures require audit and accounting engagements to be properly planned, performed, supervised, reviewed and documented in accordance with professional standards. The reviewer found that the firm tone at the top failed to reinforce those requirements. As a result, the reviewer noted numerous failures to adhere to audit, compilation and review services and accounting standards, both recently issued and established pronouncements. Areas included audit planning and performance, compilation and review reports and documentation, and failure to adhere to generally accepted accounting principles. An audit of a client in the not-for-profit industry failed to meet professional standards.
- Significant Deficiency: Failure to annually perform inspection of engagements in years not covered by a peer review and failure to annually review the firm's functional areas of quality control; Failure to comply with the requirements of statements on Quality Control Standards. During the year preceding the review, the firm's procedures were ineffective.

Respondent failed to comply with the applicable quality review requirements and set out in Minnesota statutes and rules.

Remedy: Respondent shall pay a CIVIL PENALTY of \$1,000 and comply with all standard peer review requirements. Respondent shall engage a peer reviewer to conduct a review of the firm's next audit engagement.

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**In the Matter of Hancock & Dana, PC;
Firm Permit No. F2020**

The Board issued a Stipulation and Consent Order on February 27, 2015.

Facts: Respondent was issued a Minnesota CPA firm permit on September 25, 2014. On June 3, 2014, the Board received information from the U.S. Department of Labor that the firm performed an audit, pursuant to the Employee Retirement Income Security Act (ERISA), of the Prairiecare, LLC 401(k) Profit Sharing Plan & Trust ("the Plan") for a business whose corporate headquarters are located in Minnesota. Prairiecare, LLC, Inc., the Plan sponsor, is located in Maple Grove, Minnesota. Respondent performed an audit for a client having its headquarters in Minnesota before obtaining a Minnesota CPA firm permit to practice.

Remedy: Respondent paid a \$2,000 CIVIL PENALTY.

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**In the Matter of Woodward & Associates,
Inc.; Firm Permit No. F2043**

The Board issued a Stipulation and Consent Order on February 27, 2015.

Facts: Respondent was issued a Minnesota CPA firm permit on December 5, 2014. On June 3, 2014, the Board received information from the U.S. Department of Labor that Respondent performed an audit, pursuant to the Employee Retirement Income Security Act (ERISA), of the Northland Dealers Investment Group 401(k) Retirement Plan ("the Plan") for a business whose corporate headquarters are located in Minnesota. Prairiecare, LLC, Inc., the Plan sponsor, is located in Duluth, Minnesota. Respondent performed an audit for a client having its headquarters in Minnesota before obtaining a Minnesota CPA firm permit to practice.

Remedy: Respondent paid a \$2,000 CIVIL PENALTY.

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**In the Matter of Clarence W. Maday
(formerly known as Professional Tax
Advisors, Inc.); RAP Firm Permit No.
F2034, and Clarence Willard Maday; RAP
Registration No. 22843**

The Board issued a Stipulation and Consent Order on February 27, 2015.

Facts: An Engagement Review Report issued by Schlenner, Wenner & Co. to "Clarence Maday, Professional Tax Advisors, Inc." on June 18, 2014, indicated that the firm had performed compilation and review engagements during 2013. Respondent submitted a RAP firm permit application on November 14, 2014, indicating that the firm performed compilation services during 2013 and 2014. Respondent Firm performed compilation and review services without a valid RAP firm permit, from January 1, 2013, to December 5, 2014. (The Board issued a RAP firm permit under the name "Clarence W. Maday" to Respondent Firm on December 5, 2014).

Remedy: Respondent paid a \$2,000 CIVIL PENALTY. Respondent shall not violate any statute, rule or order that the Board has issued or is empowered to enforce.

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**In the Matter of Lorelee Christine Farah;
Certificate No. 11912**

The Board issued a Stipulation and Consent Order on February 27, 2015.

Facts: Ms. Farah failed to complete 120 hours of CPE for the years ended June 30: 2009, 2010 and 2011. Ms. Farah failed to respond to Board communications.

Remedy: Ms. Farah's certificate is surrendered. Concurrent with future application for reinstatement, she shall:

- Complete and report 120 hours of CPE for 2009, 2010 and 2011. She shall also report 120 hours of CPE for subsequent years, as required by statutes and rules.
 - Pay the required CPE noncompliance fees, which will be calculated at the time of reinstatement.
 - Upon application for reinstatement, the Board may impose a CIVIL PENALTY based on the above-listed violations.
 - Ms. Farah shall cease and desist from violating any statute, rule or order that the Board has issued or is empowered to enforce.
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Continued on page 10



Disciplinary Actions

Continued from page 9

Other Actions

In the Matter of Roger Goetz, Jr., Unlicensed

The Board issued a Cease and Desist Order and Notice of Right to Hearing on June 10, 2014.

Facts: Mr. Goetz's CPA certificate was revoked by the Board on April 19, 2013. After revocation of his certificate, he used the "CPA" designation directly following his name, in conjunction with a Waseca, Minnesota business address, in the online National Directory of Registered Tax Return Preparers & Tax Professionals ("PTIN Directory"), which is located at www.ptindirectory.com. Mr. Goetz failed to take corrective action and continues to use the "CPA" designation in the PTIN directory.

In the Matter of Jael Delia Kuczmariski; Certificate #26817

The Board issued an Order for Suspension of CPA Certificate on June 25, 2014.

Facts: On June 25, 2014, the Board received a Notice of Noncompliance from Hennepin County Child Support, which advised the Board that Ms. Kuczmariski was not in compliance with a court order for child support. Under Minnesota Statutes section 214.101 (2012), the Board must suspend Ms. Kuczmariski's CPA Certificate.

Remedy: Ms. Kuczmariski's CPA Certificate is SUSPENDED. During the period of suspension, she shall not offer to perform or perform any services in this state that are required to be performed by a CPA, and she shall not hold out to the public as a Certified Public Accountant or "CPA" and shall remove the designation of being a CPA from all advertisements, business cards, business forms, and signage.

On January 28, 2015, the Board received a notice from Hennepin County Child Support to reinstate Ms. Kuczmariski's certificate, since she is now in compliance with the child support order. Ms. Kuczmariski's certificate is reinstated.

In the Matter of Jay Charles Johnson; CPA Certificate #08374

The Board issued a Findings of Fact, Conclusions of Law and Order on December 5, 2014.

Facts: Mr. Johnson failed to provide documentation to substantiate the Continuing Professional Education ("CPE") hours he reported to the Board for the years ending June 30, 2010, 2011 and 2012, as requested by the Board's CPE Audit. He failed to cooperate with the Board by not responding to communications from the Board and by failing to appear at a conference with the Complaint Committee. Mr. Johnson's conduct constituted grounds justifying the Board to impose disciplinary action against his CPA certificate.

Remedy: Mr. Johnson shall pay a CIVIL PENALTY of \$4,000. His CPA certificate is SUSPENDED until he:

- Provides documentation of completing 120 hours of continuing professional education required for the years ending June 30, 2010, 2011 and 2012;
 - Pays the civil penalty of \$4,000; and
 - Provides documentation of completing eight (8) hours of courses in professional ethics.
- Mr. Johnson shall not offer to perform or perform services required by law to be performed by a CPA and shall not use the title "Certified Public Accountant" or the abbreviation "CPA" in connection with his name. He shall not hold himself out as a Certified Public Accountant or CPA in any manner.

In the Matter of Bruce D. Keller; Unli- censed, and Bruce D. Keller, PC; Unlicensed

The Board issued a Settlement Agreement and a Cease and Desist Order on February 27, 2014.

Facts: Respondent Keller's CPA certificate expired on December 31, 2011 and was revoked by automatic revocation on January 17, 2014. Respondent Firm's permit expired on December 31, 2010. According to an engagement peer review report submitted to the Board office, Respondent Keller and Respondent Firm prepared financial statements and/or performed compilation and review services during 2012 without a valid certificate or a valid firm permit.

An acceptance letter from the MNCPA required all staff to participate in 8 hours of CPE in compilation and review CPE by May 31, 2014 and to complete a post-issuance review of the report, financial statements and working papers of a compilation and review engagement issued subsequent to the Firm's most recent peer review. Respondent firm received a peer review rating of "fail" for the year ended on December 31, 2012.

After the expiration of its firm permit, Respondent operated a website entitled

"Bruce D Keller PC CPA". The firm held itself out as a CPA firm in Minnesota by using the CPA designation in connection with its name and its business website, using a Thief River Falls, Minnesota business address.

Respondents failed to respond to Board communications.

Remedy:

- Respondents shall cease and desist from holding out as a CPA or CPA firm and from practicing public accounting in Minnesota.
- Respondents shall not offer to perform or perform services required by law to be performed by a CPA and/or CPA firm.
- Respondents shall not use the CPA or Certified Public Accountant designation in connection with their individual/firm names.
- Respondent Firm, upon reinstatement of its permit, will take all necessary steps to bring its peer review into full compliance with the MNCPA corrective action requirements and with all applicable Board statutes and rules.
- Respondent Keller shall immediately contact the webmaster of <http://brucekeller-cpa.com> to request removal of the "Bruce D Keller PC CPA website."
- Respondent shall take immediate action to clarify on all communication to the public or anyone doing business with Respondents, that Respondent Keller is licensed only in North Dakota.
- Respondent(s) shall pay a total CIVIL PENALTY of \$2,000 at the time of application to reinstate Respondent Keller's CPA certificate and/or Respondent Firm's firm permit.
- Respondents shall not violate any statute, rule or order that the Board has issued or is empowered to enforce.

In the Matter of FGМК, LLC; Unlicensed

The Board issued a Settlement Agreement and a Cease and Desist Order on February 27, 2014.

Facts: Based on information received from the U.S. Department of Labor, 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. FGМК, LLC, 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. FGМК, LLC, was unlicensed at the time the audit was performed. FGМК, LLC, was issued a Minnesota firm permit on December 5, 2014, but the permit expired

on December 31, 2014. The firm renewed the permit on February 4, 2015.

Remedy: FGMK, LLC, paid a \$2,000 CIVIL PENALTY. The firm shall not violate any statute, rule or order that the Board has issued or is empowered to enforce.

In the Matter of Robert Francis Foley; Certificate No. 06808

The Board issued an Order to Rescind Revocation of CPA Certificate on February 27, 2014.

Facts: The Board revoked Mr. Foley's CPA certificate on January 16, 2015, under the automatic revocation provision in Minnesota Statutes 326A.04, subdivision 11 (2014), for failure to renew the certificate for more than two years after expiration. The Board received Mr. Foley's renewal application and fees on December 4, 2014.

Remedy: The Order for Automatic Revocation of CPA Certificate issued to Mr. Foley on January 16, 2015, is hereby vacated and rescinded and shall have no further force and effect.

Automatic Revocations

Pursuant to Minnesota Statutes section 326A.04, subdivision 11 (2014) the CPA certificates of persons who have failed to renew their certificates for a period of more than two years shall be automatically revoked by order of the Board. The certificates listed below expired on December 31, 2012 and are hereby REVOKED.

Adopted and Implemented on January 16, 2015:

- Clifford Lee Albertson; Certif. No. 04820
- Marcus Raymond Althoff; Certif. No. 02503
- Alan Wayne Anderson; Certif. No. 06344
- Jan K. Anderson; Certif. No. 05135
- Gerald Reuben Anderson; Certif. No. 04234
- Donald F. Armbrust; Certif. No. 09314
- Peter Charles Barness; Certif. No. 03138
- Robert Joseph Behr; Certif. No. 05976
- Robert Michael Behringer; Certif. No. 04497
- Frank Joseph Beil; Certif. No. 08220
- Thomas James Bergeland; Certif. No. 08252
- Donn William Bergquist; Certif. No. 05668
- Marlin Wesley Berkland; Certif. No. 03207
- Brent G. Blackey; Certif. No. 06404
- Alan Marcus Boyden; Certif. No. 03968
- John Patrick Brinkman; Certif. No. 02286
- Renae Lynn Brown; Certif. No. 05432
- Robert B. Buck; Certif. No. 03110
- Gregory Lee Carlson; Certif. No. 03434
- Paul Gordon Christensen; Certif. No. 07550
- David W. Clark; Certif. No. 02858
- Charles T. Coggin; Certif. No. 04727
- Betty L. Coleman; Certif. No. 05994
- Jerome Francis Corcoran; Certif. No. 04632
- Rosemary Jean Cox; Certif. No. 06960
- William Troy Davis; Certif. No. 02777
- Jane Ann Deese; Certif. No. 09140
- Lawrence G. Dondelinger; Certif. No. 03976
- Kelly M. Doyle; Certif. No. 06788
- Stephen James Emanuel; Certif. No. 03415
- Mary Ann Emery; Certif. No. 07581
- Marilyn Jean Engstrom; Certif. No. 07205
- Patrick James Erlandson; Certif. No. 09256
- Russell Lee Fehl; Certif. No. 07587
- Aldona M. Ferraro; Certif. No. 06453
- Deborah Jean Ferris; Certif. No. 05511
- Timothy Patrick Flynn; Certif. No. 06016
- Harold Fogel; Certif. No. 04313
- Robert Francis Foley; Certif. No. 06808
- Richard Allen Foster; Certif. No. 09035
- Gary Michael Fredrick; Certif. No. 05194
- Lloyd Allen Froelich; Certif. No. 04508
- Daniel W. Fulton; Certif. No. 04136
- Gerald K. Furst; Certif. No. 02517
- David Lee Gandrud; Certif. No. 02664
- Bruce J. Gary; Certif. No. 04524
- Hal B. Gensler; Certif. No. 02607
- Larry Dale Gerber; Certif. No. 02022
- Scott Hewitt Gislason; Certif. No. 08330
- Linda Heinen Glembocki; Certif. No. 05950
- Carol May Goodoen; Certif. No. 06831
- John Arthur Gordon; Certif. No. 08334
- Paul Asmus Grangaard; Certif. No. 07607
- Paul Charles Griebel; Certif. No. 06834
- Richard Allen Haas; Certif. No. 03700
- Earl H. Hagg; Certif. No. 02080
- Nancy Kay Hansen; Certif. No. 08723
- Harriet H. Hanson; Certif. No. 04984
- James Bode Hartley; Certif. No. 02667
- Bruce Daniel Haslerud; Certif. No. 06822
- Robert W. Haugen; Certif. No. 03782
- Glen Joseph Hentges; Certif. No. 04869
- Scott Broback Hill; Certif. No. 05023
- Ronald Herbert Holm; Certif. No. 02647
- Kent Robert Holmberg; Certif. No. 06847
- Robin Clark Hoover; Certif. No. 02401
- Darryl G. Horsman; Certif. No. 03201
- Arthur W. Hultgren; Certif. No. 05213
- Marie Brand Humbert; Certif. No. 07937
- William F. Miller; Certif. No. 07714

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Sharon A. Jensen, CPA, Vice-Chair
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Thomas A. Lydon, CPA
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Gregory S. Steiner, CPA
Alan Wilensky

FIRM CREDENTIAL AND QUALITY REVIEW COMMITTEE

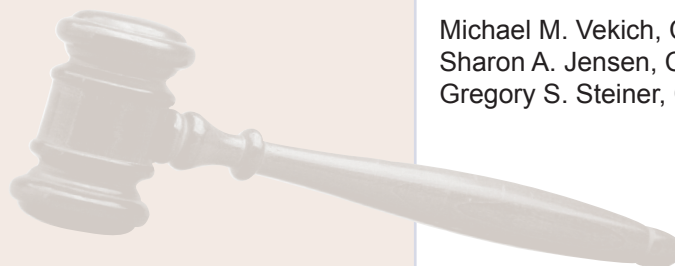
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2015 Legislation

Continued from page 1

performed by a licensed and regulated CPA.

The Board is also seeking in the bills to the raise the civil penalty from \$2,000 to \$5,000 per violation. The civil penalty has not been increased in over 35 years.

In just the past year, in addition to minor violations, the Board investigated and pursued disciplinary action in six egregious cases of theft, diversion of funds, and falsification of tax returns. In one case involving diversion of funds, the sum totaled over \$80,000. In another involving theft from a client, the sum involved was over \$135,000.

Evidenced by these egregious violations and the substantial sums involved, a stronger deterrent is both

appropriate and desirable to assist the Board in its mission to protect the public interest.

View the bills: Search for either of the companion bills, Senate Filing

No. 802 or House Filing No. 744, by number on the Minnesota Legislative website:

www.revisor.mn.gov/bills/status_search.php?

Calendar of Meetings May-October

May

13 Complaint Committee - 8:00 am
No Board Meeting held this month.

June

1 Board Meeting - 9:15 am
4 Complaint Committee - 8:00 am

July

8 Complaint Committee - 8:00 am
20 Board Meeting - 9:15 am

August

4 Complaint Committee - 8:00 am
No Board Meeting held this month.

September

10 Complaint Committee - 8:00 am
21 Board Meeting - 9:15 am

October

7 Complaint Committee - 8:00 am
23 Board Meeting - 9:15 am

Please consult the Board website for any changes to meeting dates or times.

Board meetings are open to the public, with the exception of Complaint Committee and disciplinary discussions as prescribed by Minnesota Statutes 13D.01 and 326A.08.