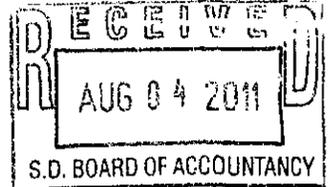


STATE OF SOUTH DAKOTA  
BOARD OF ACCOUNTANCY



IN THE MATTER OF THE )  
CPE AUDIT BY THE SOUTH DAKOTA )  
BOARD OF ACCOUNTANCY )  
AGAINST DOUGLAS P. HRUBY )

NEGOTIATED  
CONSENT AGREEMENT

The above-named parties in the interest of resolving the action between them enter into this Consent Agreement upon the terms and conditions set forth below.

1. The Board has jurisdiction of this matter pursuant to SDCL 36-20B.
2. Douglas P. Hruby (Hruby) is a public accountant (PA) and holder of South Dakota certificate number 654.
3. Hruby is also the holder of South Dakota firm permit number 91, doing business as "Douglas Hruby, PA"
4. Hruby is subject to the provisions of SDCL 36-20B and ARSD 20:75.
5. Pursuant to SDCL 36-20B-27 a licensed PA is required to complete 120 hours of continuing professional education (CPE) in each three-year renewal cycle. Pursuant to ARSD 20:75:04:07 the PA is required to complete a minimum of 20 CPE hours in a one year renewal period.
6. Pursuant to ARSD 20:75:04:11 the PA is subject to verification of all CPE submitted to the board. A PA selected for a review must provide documentation to verify attendance or completion of all courses reported to the board for CPE credit.
7. Pursuant to ARSD 20:75:04:15 the PA is required to keep documentation as acceptable evidence of completion for claimed CPE courses.
8. On October 18, 2010, Hruby was sent a letter in regards to being randomly selected for a CPE audit. Hruby was informed that the deadline for submission of the documentation to verify claimed CPE was December 1, 2010.
9. Hruby submitted documentation on November 16, 2010.
10. On December 23, 2010, Executive Director Kasin spoke with Hruby and informed him that submitted CPE documentation was insufficient to verify all CPE hours claimed for the 3 year period. Hruby stated he could not provide the required documentation.

11. Hruby failed to submit verification for some of the CPE claimed during the three year period.

12. Hruby acknowledges that he failed to submit sufficient documentation to verify CPE courses reportedly taken in the period of July 1, 2007 to June 30, 2008. He provided documentation for 16 hours of CPE for the period ending June 30, 2008. He failed to provide documentation for 20 hours of CPE claimed for the period ending June 30, 2008. He failed to provide documentation to verify that he met the minimum of 20 hours of CPE each year as required in ARSD 20:75:04:07.

13. Hruby acknowledges that he has failed to maintain documentation for CPE as required in ARSD 20:75:04:15.

14. Hruby acknowledges that he failed to submit documentation to verify the 120 hours of CPE claimed for the period ending June 30, 2008.

15. Hruby acknowledges that he failed the CPE audit for the three year period ending June 30, 2010, by not submitting verifying documentation for all claimed CPE.

16. Hruby acknowledges that this agreement constitutes an admission as to the factual allegations contained in paragraphs 8 through 15 and that his actions, as set forth above, constitute violations of ARSD 20:75:04:11, which requires certificate holders subject to maintain verification of all CPE submitted to the board.

17. In exchange for the satisfactory fulfillment by Hruby of the promises contained in paragraph 18 of this agreement, the Board agrees not to take any additional disciplinary action against Hruby as a result of the findings contained in paragraphs 8 through 15.

18. In exchange for the promises of the Board contained in paragraph 17 of this agreement, Hruby agrees to the following:

- a) Hruby will have 16 CPE hours rolled back from the period ending June 30, 2009, into the period ending June 30, 2008. A CPE extension will be placed on his file for period ending June 30, 2008.
- b) Hruby will have 12 CPE hours rolled back from the period ending June 30, 2010, into the period ending June 30, 2009. A CPE extension will be placed on his file for period ending June 30, 2009.
- c) Hruby will be granted an extension to complete the 16 hours of CPE for period ending June 30, 2010. The 16 hours must be completed within 90 days of the signed agreement by the Vice Chair.

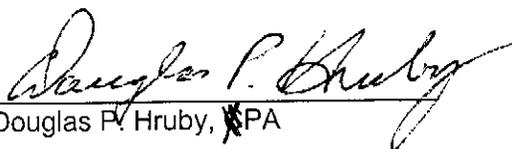
- d) Hruby will agree to submit proof of completion for all claimed CPE courses taken through the extension timeframe and for the next three renewal periods.
- e) Hruby will not be eligible for an extension to complete CPE for the next three renewal periods.
- f) Hruby will be required to file his next three renewals before or on the deadline of August 1.
- g) Hruby will be assessed an administrative fee in the amount of \$150. The administrative fee must be paid within 30 days of the signed agreement by the Vice Chair.

19. It is further understood and agreed that this settlement shall resolve all allegations contained within paragraphs 8 through 15 in favor of the Board and that any problems of compliance with this agreement by Hruby will only require the Board to establish noncompliance with the terms of the Consent Agreement.

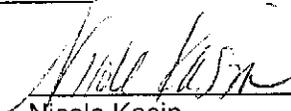
20. Hruby understands that noncompliance with this Consent Agreement could result in an adversarial hearing in which the Board could revoke any certificate or permit, suspend any permit, reprimand, censure or limit the scope of his practice or place him on probation, all with or without terms, conditions or limitations, impose an administrative fee not exceeding \$1000, require the satisfactory completion of the CPA and ethics examination, and the payment of any costs associated with this or any other proceeding involving Hruby.

21. Hruby understands that by signing this agreement he waives his right to a contested case proceeding pursuant to SDCL 1-26, wherein he has the right to be present and represented by legal counsel, call witnesses on his behalf, and that these and other due process rights will be forfeited if they are not exercised at the hearing. Hruby further understands that he has the right to use the Office of Hearing Examiners by giving notice to the Board of Accountancy and that any decision from such a hearing may be appealed to the circuit court and the South Dakota Supreme Court as provided by law. By signing this agreement, Hruby has waived his right to an adversary hearing in this matter and the Board may proceed as set forth in this agreement.

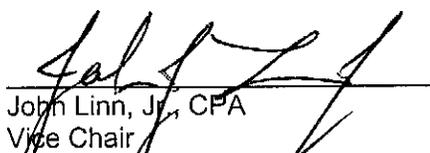
Dated this 3<sup>rd</sup> day of August, 2011.

  
Douglas P. Hruby, CPA

Dated this 4 day of August, 2011.

  
Nicole Kasin  
Executive Director  
South Dakota Board of Accountancy

Dated this 8<sup>th</sup> day of August, 2011.

  
John Linn, Jr., CPA  
Vice Chair  
South Dakota Board of Accountancy