

STATE OF SOUTH DAKOTA
BOARD OF ACCOUNTANCY

IN THE MATTER OF THE)
CPE AUDIT BY THE SOUTH DAKOTA)
BOARD OF ACCOUNTANCY)
AGAINST WILLIAM S. MERKLE)

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. William S. Merkle (Merkle) is a certified public accountant (CPA) and holder of South Dakota certificate number 1363.
3. Merkle is subject to the provisions of SDCL 36-20B and ARSD 20:75.
4. Pursuant to SDCL 36-20B-27 a licensed CPA 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 CPA is required to complete a minimum of 20 CPE hours in a one year renewal period.
5. Pursuant to ARSD 20:75:04:11 the CPA is subject to verification of all CPE submitted to the board. A CPA selected for a review must provide documentation to verify attendance or completion of all courses reported to the board for CPE credit.
6. Pursuant to ARSD 20:75:04:15 the CPA is required to keep documentation as acceptable evidence of completion for claimed CPE courses.
7. On October 18, 2010, Merkle was sent a letter in regards to being randomly selected for a CPE audit. Merkle was informed that the deadline for submission of the documentation to verify claimed CPE was December 1, 2010.
8. On December 3, 2010, Merkle was sent a second letter indicating documentation for claimed CPE had not been received for his CPE audit. The board requested him to submit the required documentation for claimed CPE within 15 days.
9. Merkle submitted partial documentation on December 3, 2010.

10. On December 21, 2010, Executive Director Kasin sent an email to Merkle in regards to the documentation for the CPE audit. The documentation that had been submitted was insufficient to verify all CPE hours claimed for the 3 year period.

11. On January 21, 2011, Merkle contacted Executive Director Kasin inquiring about his CPE audit. Executive Director Kasin explained the email that was sent and the extensive documents that still needed to be submitted to complete the CPE audit. Merkle was asked to submit the documentation to verify claimed CPE by February 4, 2011.

12. Merkle failed to submit verification for some of the CPE claimed during the three year period.

13. Merkle 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 0 hours of CPE for the period ending June 30, 2008. He failed to provide documentation for 40 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.

14. Merkle acknowledges that he failed to submit sufficient documentation to verify CPE courses reportedly taken in the period of July 1, 2008 to June 30, 2009. He provided documentation for 0 hours of CPE for the period ending June 30, 2009. He failed to provide documentation for 53 hours of CPE claimed for the period ending June 30, 2009. 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.

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

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

17. Merkle acknowledges that he failed to submit documentation to verify the 120 hours of CPE claimed for the period ending June 30, 2009.

18. Merkle acknowledges that he failed to submit documentation to verify the 120 hours of CPE claimed for the period ending June 30, 2010.

19. Merkle 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.

20. Merkle acknowledges that this agreement constitutes an admission as to the factual allegations contained in paragraphs 7 through 19 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.

21. In exchange for the satisfactory fulfillment by Merkle of the promises contained in paragraph 22 of this agreement, the Board agrees not to take any additional disciplinary action against Merkle as a result of the findings contained in paragraphs 7 through 19.

22. In exchange for the promises of the Board contained in paragraph 21 of this agreement, Merkle agrees to the following:

- a) Merkle will have 29 CPE hours rolled back from the period ending June 30, 2010, into the period ending June 30, 2008. A CPE extension will be placed on his file for period ending June 30, 2008.
- b) Merkle will have 38.5 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) Merkle will be granted an extension to complete the 52.5 hours of CPE; 21.5 hours for the period ending June 30, 2009, and 31 hours for the period ending June 30, 2010. The 52.5 hours must be completed within 90 days of the signed agreement by the Vice Chair.
- d) Merkle 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) Merkle will not be eligible for an extension to complete CPE for the next three renewal periods.
- f) Merkle will be required to file his next three renewals before or on the deadline of August 1.
- g) Merkle will be assessed an administrative fee in the amount of \$400. The administrative fee must be paid within 30 days of the signed agreement by the Vice Chair.
- h) The Board will issue a public reprimand to Mr. Merkle.

23. It is further understood and agreed that this settlement shall resolve all allegations contained within paragraphs 7 through 19 in favor of the Board and that any problems of compliance with this agreement by Merkle will only require the Board to establish noncompliance with the terms of the Consent Agreement.

24. Merkle 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 Merkle.

24. Merkle 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. Merkle 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, Merkle has waived his right to an adversary hearing in this matter and the Board may proceed as set forth in this agreement.

Dated this 2 day of August, 2011.



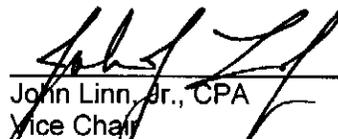
William S. Merkle, CPA

Dated this 8 day of August, 2011.



Nicole Kasin
Executive Director
South Dakota Board of Accountancy

Dated this 21st day of September, 2011.



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