

FILED 1/14/13 (Date)

*J.A. Anthony, Ex. Board*  
BOARD Board / Commission

BEFORE THE ACCOUNTANCY EXAMINING BOARD  
OF THE STATE OF IOWA

Signature, Executive Officer

IN THE MATTER OF:

Case No. 12-36

Frederick Fernatt  
CPA #R02377,

Respondent.

CONSENT ORDER

**A. Statement of Charges**

1. The Iowa Accountancy Examining Board ("Board") has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 542 (2011).
2. Respondent was issued Iowa CPA certificate number R02377 on December 6, 1978. His certificate lapsed on June 30, 2004. While his certificate was lapsed, Respondent performed public accounting services while using the CPA title. The certificate is now reinstated and will next expire on June 30, 2013.
3. The Board charges Respondent with practicing public accountancy on a lapsed certificate in violation of Iowa Code sections 272C.10(3), 542.10(1)(c), (d), and (j), and 542.13(3); and 193A Iowa Administrative Code 5.1(3), 5.5(8), 5.6(5), and 14.3(7)(k).
4. The Board and Respondent have agreed to fully resolve these charges through the following Consent Order, rather than proceed to contested case hearing.

**B. Settlement Agreement and Consent Order**

5. Respondent has a right to a hearing on the charges, but waives Respondent's right to hearing and all attendant rights, including the right to seek judicial review, by freely and voluntarily entering into this Order. This Consent Order constitutes discipline against the Respondent, and is the final agency order in the contested case, pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.4.
6. Respondent agrees the State's counsel may present this Order to the Board and may have ex parte communications with the Board while presenting it.
7. This Order shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any future disciplinary action to be imposed in the event of any future violations.
8. This Consent Order is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (2011).

9. Failure to comply with the provisions of this Order shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (2011). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

10. This Order is subject to approval of the Board: (a) If the Board fails to approve this Order, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter; (b) If the Board approves this Order, it shall fully dispose of all issues in this case.

**IT IS THEREFORE ORDERED:**

A. The Board reprimands Respondent for practicing on a lapsed Iowa CPA certificate.

B. Respondent shall pay a civil penalty of \$1,000 within thirty (30) days of the date this Consent Order is signed by all parties.

C. Respondent shall notify the following clients that he practiced public accounting on a lapsed certificate: any client for whom he performed public accounting services while using the title "CPA" from January 1, 2011 until the date of this Order. Respondent's written notification shall be pre-approved by the Board before he provides it to clients. He shall provide the Board a copy of each notification letter within thirty (30) days of the date this Consent Order is signed by all parties.

D. Until Respondent reinstates his Iowa CPA certificate to active status he shall not practice public accounting in Iowa, which includes using the title "CPA" while performing any of the services described in Iowa Code section 542.3(23) (2011).

**AGREED AND ACCEPTED:**

**The Respondent**

**The Iowa Accountancy Examining Board**

  
Frederick Fernatt

  
By: Carol A. Schuster, Chair

Date

1/9/13

Date

1/14/13

FILED 4/22/13 (Date)

IA Accountancy Ex. Board

Board / Commission

BEFORE THE ACCOUNTANCY EXAMINING BOARD  
OF THE STATE OF IOWA

Signature, Executive Officer

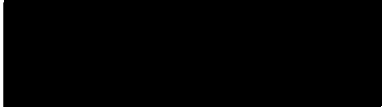
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IN THE MATTER OF: ) Case No. 12-36  
 )  
Frederick Fernatt ) RELEASE FROM CONSENT ORDER  
CPA # R02377 )

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Frederick Fernatt has fully satisfied all terms and conditions of his Consent Order.  
The Respondent is accordingly released from his consent order and Case No. 12-36 is closed.

Issued this 22<sup>nd</sup> day of April, 2013.



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