

**BEFORE THE IOWA ACCOUNTANCY EXAMINING BOARD  
OF THE STATE OF IOWA**

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**IN THE MATTER OF:**

**Dan Heard, David Halse, and  
Wells Heard Halse & CO**

**RESPONDENTS.**

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) **CASE NO. 05-18**  
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) **CONSENT ORDER**  
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The Iowa Accountancy Examining Board (Board) and Dan Heard, David Halse, and Wells, Heard, Halse and Co (Respondents) enter into this Consent Order (Order), pursuant to Iowa Code section 17A.10 (2005) and 193 Iowa Administrative Code 7.42:

1. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 272C, and 542 (2005).

2. The individual Respondents hold certificates as certified public accountants. Their certificates have lapsed, but remain subject to reinstatement. The firm Respondent holds a lapsed permit to practice as a CPA firm. The Respondents have reinstated their CPA certificates as well as the firm permit to practice.

3. The Board charged Respondents with practicing on lapsed individual CPA certificates and a lapsed firm permit, in violation of Iowa Code sections 272C.10(3), 542.10(1)(c), (d), (i) and (j); 542.13 (3), (4), and (7), and 193A Iowa Administrative Code 5.5, (2) and (5), 7.4(2) and (4), 14.2, particularly 14.2(9).

4. The Respondents have the right to a hearing on the charges, but waive their right to hearing and all attendant rights by freely and voluntarily entering into this Order. This Consent Order is the final agency order in the contested case.

5. Respondents agree the State's counsel may present this Order to the Board and may have ex parte communications with the Board while presenting it.

6. This Order shall be part of the permanent record of the Respondents and shall be considered by the Board in determining the nature and severity of any disciplinary action to be imposed in the event of any future violations.

7. This Order and the Statement of Charges are public records available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (2003).

8. Failure to comply with the provisions of this Order shall be grounds for

disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (2003). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

9. 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. Reprimand**

The Respondents are reprimanded for practicing public accounting and holding out as a "CPA" while their CPA certificates and firm permit were lapsed.

**B. Civil Penalty**

The Respondents are each assessed a civil penalty in the amount of \$1,000, for a total collective civil penalty of \$3,000. The civil penalty must be paid by October 1, 2005, or the Respondents shall be subject to discipline for failure to comply with this consent order.

**C. Notification**

The Respondents shall notify all clients for whom they provided services while using the title "CPA" that they were not properly registered during the period July 1, 2002 to the present. The notification shall be sent to clients by October 1, 2005, with copies of the notifications sent to the Board by November 30, 2005.

**D. Future Compliance**


Respondents shall cease all actions for which proper certification is required until such time as each has reinstated. Respondents shall strictly comply in the future with all laws and rules of the Board, and, in particular, those relating to proper renewal of certificates and firm permits.

**AGREED AND ACCEPTED:**

**The Respondents**

**The Iowa Accountancy Examining Board**

  
*Dan Heard*

**Dan Heard**  


**David Halse**

*August 24, 2005*  
**Date**



*Susan Day WPS STATE*  
*8/29/05*

**Date**

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**IN THE MATTER OF:** )

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**RESPONDENTS** )

**CASE NO. 05-18**

**STATEMENT OF CHARGES**

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COMES NOW, the Complainant, Glenda Loving, and states:

1. Glenda Loving is an Executive Officer with the Professional Licensing and Regulation Division of the Iowa Department of Commerce. She files this Statement of Charges on behalf of the Iowa Accountancy Examining Board (“Board”) solely in her official capacity.
2. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 272C, and 542 (2003, 2005).
3. Respondents Dan Heard and David Halse hold certificates as certified public accountants, are holding out to the public as CPAs, and are the partners of Wells, Heard, Halse & Co., a firm holding out as a CPA firm. The individual certificates of Heard and Halse lapsed on June 30, 2002. The firm permit lapsed on June 30, 2003. Each certificate and permit has been reinstated.
4. Respondents, although not properly licensed, have been offering services and practicing as certified public accountants, including performing attestations functions, such as audits.
5. Under laws and rules applicable between 2002 and the current day, CPA certificate holders are required to renew certificates on a biennial basis, and to demonstrate compliance with continuing education as a condition of renewal. See, Iowa Code § 542.6(2) and 193A Iowa Admin. Code ch. 5. Persons holding lapsed certificates may restore a lapsed certificate pursuant to 193A Iowa Admin. Code 5.2(2), but Respondents failed to do so in a timely manner.
6. The “practice of public accounting” includes using the title “CPA” while performing any of the services related to the practice, including a tax practice. Iowa Code §542.3(20); 193A Iowa Admin. Code 1.1.
7. Continuing to practice public accounting on a lapsed certificate without complying with continuing education requirements is a ground for discipline. Iowa Code §542.10(1)(c); Iowa Code § 542.13(3); 193A Iowa Admin. Code 14.2(9).

8. CPA firms are required to renew their certificates on an annual basis. Iowa Code §542.7 and 193A Iowa Admin. Code 7.2. Continuing to hold out as a CPA firm following lapse is a ground for discipline, pursuant to 193A Iowa Admin. Code 7.4(4).

9. The Board has found probable cause to charge the Respondents as follows:

### COUNT I

Respondents are charged with providing services and offering to provide services as CPAs and using the CPA title on lapsed individual CPA certificates and a lapsed firm permit, in violation of Iowa Code sections 272C.10(3), 542.10(1)(c), (d), (i) and (j); 542.13 (3), (4), and (7), and 193A Iowa Administrative Code 5.5, (2) and (5), 7.4(2) and (4), 14.2, particularly 14.2(9).

WHEREFORE, the complainant prays that a hearing be held in this matter and that the Board take such action as it deems appropriate under the law.

Dated this \_\_\_ day of \_\_\_\_\_, 2005.

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Glenda Loving, Executive Officer