

**STATE OF MINNESOTA
BOARD OF ACCOUNTANCY**

**In the Matter of
Michael Allen Paradee
Certified Public Accountant Certificate No. 16410
AND**

**STIPULATION AND
CONSENT ORDER
Board Files 2013-310 and 2013-311**

**In the Matter of
Michael A. Paradee, CPA
Firm Permit No. 16410**

The Minnesota Board of Accountancy ("Board") is authorized pursuant to Minnesota Statutes Section 214.10 (2012); Minnesota Statutes Section 326A.02, subdivisions 4 and 6 (2012); and Minnesota Statutes Section 326A.08 (2012) to review complaints against certified public accountants and CPA firms and to take disciplinary action whenever appropriate.

The Board received information concerning Michael Allen Paradee, CPA, ("Respondent Paradee") 115 Third Avenue West, Suite 101, Alexandria, Minnesota 56308-1366 and Michael A. Paradee, CPA ("Respondent Firm"). The Board's Complaint Committee ("Committee") reviewed that information.

On December 16, 2013, the Board's Complaint Committee, composed of Board members Robert P. Saunders, CPA, Michael M. Vekich, CPA, and Gregory S. Steiner, CPA, met to discuss allegations made in reference to this matter.

It is hereby stipulated and agreed by Respondent Paradee and Respondent Firm and the Committee that without trial or adjudication of any issue of fact or law and without any evidence or admission by any party with respect to any such issue:

1. For the purpose of this Stipulation, Respondent Paradee and Respondent Firm waive all procedures and proceedings before the Board to which Respondents

may be entitled under the United States and Minnesota constitutions, statutes, or the rules of the Board, including the right to dispute the allegations against Respondents and to dispute the appropriateness of discipline in a contested case hearing pursuant to Minnesota Statutes Chapter 14 (2012). Respondents agree that upon the *ex parte* application of the Committee, without notice to or appearance by Respondents, the Board may order the remedy specified in paragraph 7 below. Respondents waive the right to any judicial review of the order by appeal, by writ of certiorari, petition for review, or otherwise.

2. This Stipulation shall constitute the entire record of the proceedings herein upon which the Consent Order is based. All documents in the Board's files shall maintain the data classification to which they are entitled under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (2012). They shall not, to the extent they are not already public documents, become public merely because they are referenced herein.

3. In the event the Board in its discretion does not approve this Stipulation or a lesser remedy than specified in this Consent Order, this Stipulation and Consent Order shall be null and void and shall not be used for any purpose by either party. If this Stipulation is not approved and a contested case hearing is initiated by the Committee pursuant to Minnesota Statutes Chapter 14 (2012), Respondents agree not to object to the Board's initiation of the hearing and its hearing the case on the basis that the Board has become disqualified because of its review and consideration of this Stipulation or of any records relating hereto.

FACTS

4. This Stipulation is based upon the following facts. Respondents admit the facts referred to below and grant that the Board may, for the purpose of reviewing the record in paragraph 2 above, consider the following as true without prejudice to the

Respondents in any current or future proceeding of the Board with regard to these or other allegations:

a. The Board initially issued a Certified Public Accountant license to Respondent Paradee on July 21, 1994. Respondent Paradee currently holds an active Certified Public Accountant Certificate Number 16410, issued by the Board. Respondent Paradee is subject to the jurisdiction of the Board with respect to the matters referred to in this Stipulation.

b. The Board initially issued a Certified Public Accountant firm permit to Respondent Firm on December 31, 1998. Respondent Firm currently holds an expired Certified Public Accountant Firm Permit, Number 16410, issued by the Board. Respondent Firm is subject to the jurisdiction of the Board with respect to the matters referred to in this Stipulation.

c. On October 1, 2010, Respondent Paradee and Respondent Firm were hired by Ebenezer Lutheran Church in Alexandria, Douglas County, Minnesota to perform its accounting and bookkeeping services; and, as part of that activity, money was taken from the church.

d. Between October 1, 2010 and December 24, 2010, Respondent Paradee, working on behalf of and through Respondent Firm, wrote \$13,500.00 worth of checks, either to Respondent Paradee or to "cash," on the bank account of Ebenezer Lutheran Church in Alexandria, Minnesota without authorization or permission from the Church or its Board of Directors. Respondent Paradee cashed those checks and used the money for his personal use and benefit.

e. On September 6, 2013, in Case Number 21-CR-12-346, Douglas County District Court, Respondent Paradee was convicted of violating Minnesota Statutes section 609.52.2(5)(i) Theft-Indifferent to owner Rights, a felony, pursuant to Respondent Paradee's March 7, 2013 Petition to Enter Guilty Plea.

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

g. Respondent Paradee failed to report his conviction to the Board as required by Minnesota Rule 1105.5600, subpart 1.E.

5. Respondent Paradee and Respondent Firm admit that the facts specified in paragraphs 4 (b) and 4 (c) above constitute violations of Minnesota Statutes section 326A.08, subdivisions 5 (a)(1), 5 (a)(2), 5 (a)(4) and 5 (a)(10) (2012), and Minnesota Rules Chapter 1105.5600, subparts 1.B., 1.D(2) and 1.E. (2011).and are sufficient grounds for the remedy specified in paragraph 7 below, and that proof at hearing of any one or more of the allegations set forth would empower the Board to take disciplinary action against Respondent Paradee's CPA certificate and Respondent Firm's CPA Firm Permit.

6. This Stipulation shall not in any way or manner limit or affect the authority of the Board to proceed against Respondents by initiating a contested case hearing or by other appropriate means on the basis of any act, conduct, or admission of either Respondent justifying disciplinary action which occurred before or after the date of this Stipulation and that is not directly related to the specific facts and circumstances set forth herein.

REMEDY

7. Enforcement Action. Upon this Stipulation and record, as set forth in paragraph 4 above, and without any further notice of proceedings, the Committee, Respondent Paradee and Respondent Firm agree that the Board may, in its discretion, issue an order to Respondent Paradee and Respondent Firm as follows:

a. Revocation. Respondent Paradee's Certified Public Accountant Certificate is **REVOKED**.

b. Respondent Firm's Certified Public Accounting Firm Permit is **REVOKED**.

c. Cease and Desist. Respondent Paradee and Respondent Firm shall not offer to perform or perform services required by law to be performed by a Certified Public Accountant as set forth in Minnesota Statutes Chapter 326A (2012) and Minnesota Rules Chapter 1105 (2011); and Respondent Paradee and Respondent Firm shall not use the designations "Certified Public Accountant" nor "CPA" in connection with their names, nor shall Respondent Paradee hold himself out as a Certified Public Accountant or CPA in any manner in the State of Minnesota.

d. Civil Penalty. Respondent Paradee shall pay to the Board a **CIVIL PENALTY** of Two Thousand Dollars (\$2,000.00). Respondent Paradee shall submit a Civil Penalty of Two Thousand Dollars (\$2,000.00) by cashier's check or money order to the Board within sixty (60) days of the Board's approval of this Stipulation and Order.

8. Conditions for Reinstatement of CPA Certificate and CPA Firm Permit. Respondent Paradee agrees that he will not petition to reinstate his CPA certificate until five (5) years after the date the Board issues this Stipulation and Order OR the conclusion (discharge) of Respondent's probation in Douglas County District Court File #21-CR-12-346, whichever occurs later. Respondent Firm agrees that it will not petition to reinstate its firm permit until five (5) years after the date the Board issues this Stipulation and Order OR the conclusion (discharge) of Respondent's probation in Douglas County District Court File #21-CR-12-346, whichever occurs later. After the aforementioned period has been completed, Respondent Paradee may petition to reinstate his revoked CPA certificate and/or Respondent Firm may petition to reinstate its revoked CPA firm permit. Respondents' reinstatement petitions will be reviewed and considered by the Board pursuant to Minnesota Statutes Section 326A.04, Section 326A.09 and other applicable Board statutes and rules in effect at the time the petition is submitted.

9. Any appropriate court may, upon application of the Board, enter its decree enforcing the order of the Board.

10. By his signature below, Respondent Paradee represents that he has been duly authorized to sign this Stipulation on behalf of Respondent Firm. Respondent Paradee hereby acknowledges that he has read, understands, and agrees to this Stipulation and Consent Order and is freely and voluntarily signing the stipulation without threat or promise by the Board or any of its members, employees, or agents. When signing the stipulation, Respondent Paradee acknowledges that he is fully aware that the Stipulation and Consent Order must be approved by the Board. The Board may approve the Stipulation and Consent Order as proposed, approve the order subject to specified change, or reject it. If the changes are unacceptable to Respondent or the Board rejects the stipulation, it will be of no effect except as specified herein.

11. Under the Minnesota Government Data Practices Act, this Stipulation is classified as public data upon its issuance by the Board. (Minnesota Statutes Chapter 13.41, subdivision 5 (2012) All documents in the record shall maintain the data classification to which they are entitled under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (2012). They shall not, to the extent they are not already public documents, become public merely because they are referenced herein. A summary of this Order will appear in the Board's newsletter. A summary will also be sent to the national discipline data bank pertaining to the practice of public accounting.

12. This Stipulation contains the entire agreement between the parties. Neither Respondent Paradee nor Respondent Firm is relying on any other agreement or representation of any kind, verbal or otherwise.

13. Respondent Paradee and Respondent Firm each is aware that he or it may choose to be represented by legal counsel in this matter. Each Respondent is represented by Edward F. Kautzer, Esq.

14. If approved by the Board, a copy of this Stipulation and Consent Order shall be served personally or by first class mail on Respondent Paradee and Respondent Firm to his and its, respectively, last known address on file with the Board. The Order shall be effective and deemed issued when it is signed by the Board Chair or designee of the chair.

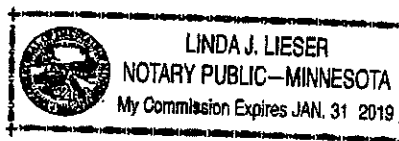
CONSENT:

RESPONDENT

Michael A. Paradee
MICHAEL ALLEN PARADEE

Michael A. Paradee CPA
MICHAEL A. PARADEE, CPA
(By: Michael Allen Paradee, CPA)
Its: *Self*

Dated: *May 2*, 2014



SUBSCRIBED and sworn to before me on this the *2* day of *May*, 2014.

My Commission Expires:

Linda J. Lieser
(Notary Public)

4/31/19

COMPLAINT COMMITTEE

Michael M. Vekich
MICHAEL M. VEKICH, CPA
Chair

Dated: *5/12*, 2014

ORDER

Upon consideration of the foregoing Stipulation and based upon all the files, records and proceedings, herein,

1. IT IS HEREBY ORDERED THAT Respondent Michael Allen Paradee's CPA Certificate is REVOKED.
2. IT IS HEREBY ORDERED THAT Respondent Firm's CPA Firm Permit is REVOKED.
3. IT IS HEREBY ORDERED that all other terms of this Stipulation and Consent Order are adopted and implemented this 12 day of May, 2014.

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY



ROBERT P. SAUNDERS, CPA
Chair

