

**STATE OF MINNESOTA**  
**BOARD OF ACCOUNTANCY**

**In the Matter of  
Leo C. Neuman  
CPA Certificate No. 05516**

**STIPULATION AND  
CONSENT ORDER  
Board Files 2017-431 and 2018-374**

The Minnesota Board of Accountancy ("Board") is authorized pursuant to Minn. Stat. § 214.10 (2018); Minn. Stat. § 326A.02, subds. 4 and 6 (2018); and Minn. Stat. § 326A.08, subd. 1 (2018) to review complaints against certified public accountants and to take disciplinary action whenever appropriate.

The Board received information concerning Leo C. Neuman, 113 South Main Street, Post Office Box 898, Stillwater, Minnesota 55082 ("Respondent"). The Board's Complaint Committee ("Committee") reviewed that information.

It is hereby stipulated and agreed by Respondent and the Committee that without trial or adjudication:

1. For the purpose of this stipulation and consent order, Respondent waives all procedures and proceedings before the Board to which Respondent 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 Respondent and to dispute the appropriateness of discipline in a contested case hearing pursuant to Minn. Stat. ch. 14 (2018), and to dispute any civil penalty imposed by this stipulation and consent order. Respondent agrees that upon the *ex parte* application of the Committee, without notice to or appearance by Respondent, the Board may order the remedy specified in paragraph 7 below. Respondent waives 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.

3. In the event the Board in its discretion does not approve this stipulation and consent order, or propose a lesser remedy than specified herein, this stipulation and consent order shall be null and void and shall not be used for any purpose by either party. If this stipulation and consent order is not approved and the Committee initiates a contested case hearing is initiated by the Committee pursuant to Minn. Stat. ch. 14 (2018), Respondent agrees not to object to the Board hearing the case on the basis that the Board has become disqualified because of its review and consideration of this stipulation and consent order or of any records relating hereto.

#### **FACTS**

4. This stipulation and consent order is based upon the following facts. Respondent admits the facts referred to below and grants that the Board may, for the purpose of reviewing the record in paragraph 2 above, consider the following as true:

- a. The Board issued a certified public accountant certificate to Respondent on January 5, 1981; Respondent currently holds an active certified public accountant certificate from the Board. Respondent is subject to the jurisdiction of the Board with respect to the matters referred to in this stipulation and consent order.
- b. Respondent failed to correct errors made on a client's 2013, 2014, and 2015 corporate tax returns.
- c. On December 21, 2017, Respondent was disciplined by the Association of International Certified Professional Accountants for failing to complete a peer review and for failing to complete an engagement in accordance with professional standards.

d. Respondent failed to report the disciplinary action as required by Minnesota Rule 1105.5600, subpart 1.E. (2017).

5. Respondent admits that the facts and conduct specified in paragraph 4 above constitute violations of Minn. Stat. § 326A.08, subds. 5 (a)(1), 5 (a)(7), and 5(a)(10) (2018) and Minn. R. 1105.5600 subps. 1.C.(6) and 1 C.(7), 1105.7800 A. (in reference to AICPA Code of Professional Conduct section 1.400.040) and 1105.7800 C. (2017), 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 pursuant to Minn. Stat. § 326A.08 (2018).

6. This stipulation and consent order shall not limit the authority of the Board to proceed against Respondent by appropriate means on the basis of any conduct justifying disciplinary action which occurred before or after the date of this stipulation and consent order that is not directly related to the specific facts and circumstances set forth herein.

#### REMEDY

7. Upon this stipulation and record, as set forth in paragraphs 2 and 4 above, and without any further notice of proceedings, the Committee and Respondent agree that the Board may, in its discretion, issue an order to Respondent requiring compliance with the following:

- a. Respondent's certified public accountant certificate is **SUSPENDED.**
- b. During the period of suspension, Respondent shall not offer to perform, or perform, services required by law to be performed by a certified public accountant as set forth in Minn. Stat. ch. 326A (2018) and Minn. R. ch. 1105 (2017); and

- c. During the period of suspension, Respondent shall not use the designations "Certified Public Accountant" or "CPA" in connection with his name, nor shall Respondent hold himself out as a certified public accountant or CPA in any manner in the State of Minnesota.
- d. Respondent shall pay a **CIVIL PENALTY** of five thousand dollars (\$5,000.00). Respondent shall submit this civil penalty by check to the Board within sixty days of the Board's approval of this stipulation and consent order.
- e. Conditions for Reinstatement of CPA Certificate. Respondent agrees that he will not apply to reinstate his CPA Certificate until: (a) three (3) years after the Board's approval of this stipulation and consent order; **AND** (b) Respondent has completed the National Association of State Boards of Accountancy Center for Public Trust's Ethics training program with a required passing score of no less than 80% and submitted documentation of completion to the Board; **AND** (c) Respondent has timely paid the entire civil penalty to the Board as required by paragraph 7.d. above. Respondent's reinstatement application will be reviewed and considered by the Board pursuant to Minn. Stat. §§ 326A.04, .09 and other applicable Board statutes and rules in effect at the time the application for reinstatement is submitted.

8. Respondent 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. Respondent further 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, propose changes, 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.

9. Under the Minnesota Government Data Practices Act, this stipulation will be classified as public data upon its issuance by the Board. Minn. Stat. § 13.41, subd. 5 (2018). All documents in the record shall maintain the data classification to which they are entitled under the Minnesota Government Data Practices Act, Minn. Stat. ch. 13 (2018). They shall not, to the extent they are not already public documents, become public merely because they are referenced herein. A summary of this stipulation and consent 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.

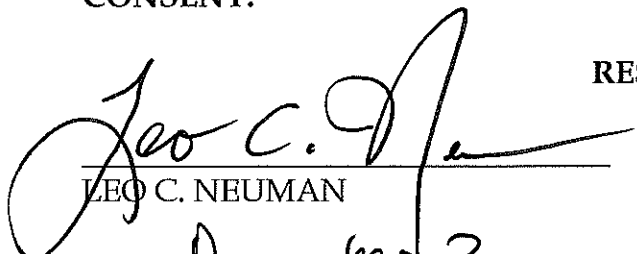
10. This Stipulation contains the entire agreement between the parties. Respondent is not relying on any other agreement or representation of any kind, verbal or otherwise.

11. Respondent is aware that he may choose to be represented by legal counsel in this matter. Respondent knowingly waived legal representation.

12. If approved by the Board, a copy of this Stipulation and Consent Order shall be served personally or by first class mail on Respondent. The Order shall be effective and deemed issued when it is signed by the Board Chair or designee of the Chair.

13. Pursuant to Minn. Stat. § 16D.17 (2018), ninety days after the Board's approval of this stipulation and consent order, the Board may file and enforce any unpaid portion of the civil penalty imposed by this stipulation and consent order as a judgment against the Respondent in district court without further notice or additional proceedings.

**CONSENT:**

  
\_\_\_\_\_  
LEO C. NEUMAN  
Dated: December 3, 2018

**RESPONDENT**

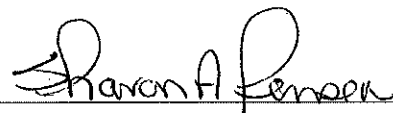
SUBSCRIBED and sworn to before me on  
this the \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
(Notary Public)

NOTARY SEAL

My Commission Expires: \_\_\_\_\_

**COMPLAINT COMMITTEE**

  
\_\_\_\_\_  
SHARON A. JENSEN, CPA  
Chair  
Dated: 3/14, 201~~8~~<sup>9</sup>

**ORDER:**

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

1. **IT IS HEREBY ORDERED** that all other terms of this Stipulation and Consent  
Order are adopted and implemented this 14 day of March, 201~~8~~<sup>9</sup>

STATE OF MINNESOTA  
BOARD OF ACCOUNTANCY



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GREGORY S. STEINER, CPA  
Chair

AFFIDAVIT OF SERVICE BY MAIL

RE: Leo C. Neuman; CPA Certificate No. 05516

STATE OF MINNESOTA        )  
  ) ss.  
COUNTY OF RAMSEY    )

Sara Datko, being first duly sworn, deposes and says:


That at the City of St. Paul, County of Ramsey and State of Minnesota, on this the 21<sup>st</sup> day of March, 2019, she served the attached Stipulation and Consent Order, by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class and certified postage prepaid, and addressed to:

Leo C. Neuman  
1266 Palisade Path  
Woodbury, Minnesota 55129

  
Sara Datko

CERTIFIED MAIL  
Return Receipt Requested  
7018 2290 0000 0508 4039

Subscribed and sworn to before me on  
this the 21<sup>st</sup> day of March, 2019.

  
(Notary Public)

