

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

**In the Matter of  
KLJ & Associates LLP  
CPA Firm Permit No. F1884**

**STIPULATION AND  
CONSENT ORDER  
Board File 2019-181**

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

The Board received information concerning Respondent KLJ & Associates LLP, 5201 Eden Avenue Suite 300, Edina, Minnesota 55436. The Board's Complaint Committee reviewed that information.

It is hereby stipulated and agreed by Respondent 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 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. 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 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 firm permit ("CPA Firm Permit") to Respondent on September 17, 2012; Respondent currently holds a certified public accountant firm permit from the Board. The firm is organized as a partnership, owned by partners Ronald A. Burgmeier and Kent Lee Jensen. Respondent is subject to the jurisdiction of the Board with respect to the matters referred to in this stipulation and consent order.
- b. On April 8, 2019, Respondent self-reported to the Board that the firm had been disciplined by the Securities and Exchange Commission ("SEC") on April 5, 2019, in SEC Administrative Proceeding file no. 3-19132 ("SEC Order").

- c. The SEC determined that the Respondent failed to comply with the Public Company Accounting Oversight Board's professional auditing standards on ten audits for the years ended June 30, 2012 through December 31, 2015, and eleven reviews for the periods ended September 30, 2014 through March 31, 2016, for five public companies.
- d. The SEC Order states: "KLJ and Jensen failed to: (i) obtain sufficient appropriate evidence to provide a reasonable basis for KLJ's audit reports, properly evaluate management's accounting estimates and adequately document the audit procedures performed; (ii) document required communications with the issuers' audit committees; (iii) document analytical procedures for reviews of interim financial information; (iv) obtain written representations from management; (v) prepare engagement completion documents; and (vi) exercise due professional care and professional skepticism. Moreover, Burgmeier failed to (i) comply with the requirements for engagement quality reviews (EQR) and (ii) exercise due professional care and professional skepticism. By failing to conduct the audits and interim reviews in accordance with PCAOB standards, Respondents engaged in improper professional conduct."
- e. Respondent was suspended from practicing before the SEC. Respondent may apply for reinstatement after a period of five years.
- f. Respondent has not performed any audits in 2018 or 2019.

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, subp.1 C. (6), and 1105.7800 A. and F. (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 and 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 that:

- a. Respondent's CPA Firm Permit is **CENSURED and REPRIMANDED.**
- b. Respondent shall pay to the Board a CIVIL PENALTY of twenty thousand dollars (\$20,000.00). Respondent shall submit to the Board payment of the civil penalty by check payable to the Board of Accountancy within sixty days of the Board's approval of this stipulation and consent order.
- c. Respondent SHALL perform no further audits effective the day of the Board's approval of this stipulation and consent order.

8. Respondent's representative hereby acknowledges that he or she has read, understands, and agrees to this stipulation and consent order and is freely and voluntarily signing the stipulation on behalf of Respondent without threat or promise by the Board or any of its members, employees, or agents. When signing the stipulation, Respondent acknowledges that he or she are 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 proposed 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 is 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 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 it may choose to be represented by legal counsel in this matter. Respondent is represented by Jacob Frenkel, Esq.

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 order as a judgment against the Respondent in district court without further notice or additional proceedings.

CONSENT:

RESPONDENT

KLJ & ASSOCIATES, LLP

KLJ & ASSOCIATES LLP

By: Ronald A. Bremer

Its: KANON KN

Dated: 11/23, 2019

SUBSCRIBED and sworn to before me on this the 23<sup>rd</sup> day of NOVEMBER, 2019.

Shanthathevy Rajalingam  
(Notary Public)



My Commission Expires: 01.31.2022

COMPLAINT COMMITTEE

Sharon A. Jensen

SHARON A. JENSEN, CPA

Chair Charles Selco

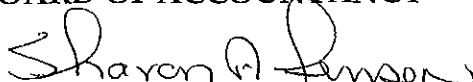
Dated: 1/22, ~~2019~~ 2020

**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 22 day of Jan, 2019.

**STATE OF MINNESOTA  
BOARD OF ACCOUNTANCY**

  
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GREGORY S. STEINER, CPA  
Chair

**AFFIDAVIT OF SERVICE BY MAIL**

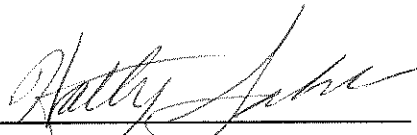
RE: KLJ & Associates LLP; Firm Permit No. F1884

STATE OF MINNESOTA        )  
  ) ss.  
COUNTY OF RAMSEY        )


Holly Salmela, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on this the 27th day of January, 2020, 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:

Gisele Alexander, Attorney  
Dickinson Wright PLLC  
1825 I St NW Ste 900  
Washington, DC 20006

  
\_\_\_\_\_  
Holly Salmela

Subscribed and sworn to before me on  
this the 27<sup>th</sup> day of January, 2019.

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

