

**STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
BOARD OF ACCOUNTANCY**

In the Matter of:

CONSENT AGREEMENT

Kathryn Nordstrom,
Licensee.

Case No. 101-24

License No. 944

Pursuant to South Dakota Codified Laws (SDCL) 36-1C-6 and 1-26-20, in consideration of the above-captioned matter, and as the full and final resolution of this matter, the undersigned parties do hereby consent and agree to the following:

1. The South Dakota Department of Labor and Regulation, Board of Accountancy (Board) has jurisdiction over this matter pursuant to SDCL Chapter 36-20B.
2. A complaint may be filed against a licensee for engaging in conduct constituting grounds for disciplinary action pursuant to SDCL 36-1C-2.
3. Through this agreement, Licensee waives her right to receive a written complaint under SDCL 36-1C-2 and to all other rights in SDCL 36-1C-3 through 36-1C-5, inclusive. This document shall serve as a complaint (SDCL 36-1C-2), response (SDCL 36-1C-3), and informal disposition (SDCL 36-1C-6).
4. The Board may take disciplinary action against a licensee on any of the grounds listed in SDCL 36-20B-40, including under subdivision (6) for a violation "of any provision of this chapter or rule, promulgated by the board pursuant to chapter 1-26, or violation of professional standards".

5. ARSD 20:75:05:05 states that a “licensee may not permit the licensee’s name to be associated with a report on financial statements as defined by SDCL 36-20B-3 unless the licensee complied with generally accepted auditing standards or accounting and review standards as applicable”.
6. Kathryn Nordstrom (Licensee) has held a certified public accountant (CPA) certificate with the Board since August 5, 1983.
7. On July 25, 2023, the Board office received a renewal form for Licensee’s CPA certificate.
8. On July 27, 2023, the Board office received a copy of a settlement agreement between Licensee and the Professional Ethics Committee of the American Institute of CPAs (AICPA). The settlement agreement found that Licensee failed to comply with the AICPA standards rule (1.310.001) related to auditing work done by Licensee.
9. The above facts constitute grounds for discipline pursuant to SDCL 36-20B-40(6).
10. Licensee is aware of and understands the nature of this matter. Licensee acknowledges that she has been informed of various rights she has in this matter. These rights include, but are not limited to, the right to:
 - a. be represented by a lawyer in this matter;
 - b. receive notice of any hearing in this matter;
 - c. have a contested case hearing, as defined in SDCL 1-26-1(2). A contested case hearing includes the right of the licensee to be present at the hearing, be represented by legal counsel, introduce

evidence, present testimony, call witnesses to testify, cross-examine all witnesses present, and submit argument on her own behalf; and

d. appeal any decision based on the contested case hearing to circuit court and the South Dakota Supreme Court, as provided by law.

Licensee agrees that, by signing this Consent Agreement, Licensee voluntarily **waives** all of these rights, procedures, and proceedings before the Board. Licensee further waives any other rights to which she may be entitled under state or federal law as applicable to this matter.

11. Licensee is not represented by an attorney in this matter and is representing herself in this matter.
12. Licensee understands that by entering into this Consent Agreement, the Board is making a finding that Licensee violated ARSD 20:75:05:05 and is subject to discipline pursuant to SDCL 36-20B-40(6). In addition, Licensee understands that by entering into this Agreement, the Board is taking formal disciplinary action against Licensee.
13. In return for Licensee's agreement to the provisions of this Consent Agreement, the Board agrees not file a separate complaint pursuant to SDCL 36-1C-2, not to proceed to formal hearing in this matter, and agrees that this Consent Agreement will constitute the final Board disposition of this matter.
14. Licensee agrees that this Consent Agreement shall serve as the final resolution of this matter, including any appeal. Licensee also agrees, in lieu of further contesting this matter, to the following terms and conditions:

- a. Licensee shall comply with all terms and conditions of her settlement agreement with the AICPA, a copy of which shall be attached to this agreement as **Exhibit A** and incorporated into this document by reference.
 - b. Licensee shall, within 10 days calendar days, inform the Board office in writing of any violations or alleged violations of her settlement agreement with the AICPA.
 - c. Upon completion of all terms and conditions of her settlement agreement with the AICPA, Licensee shall provide written documentation of said completion within 10 calendar days.
 - d. Licensee shall comply with all provisions of SDCL Chapter 36-20B and ARSD Article 20:75.
15. If Licensee fails to comply with any of the terms of this Consent Agreement, Licensee agrees that any such violation would constitute new grounds for further discipline.
 16. Licensee understands and agrees that the terms of this Consent Agreement shall be public, including the attached AICPA settlement agreement.
 17. Licensee consents, agrees, and acknowledges that this Consent Agreement must be submitted to the Board at a public meeting for acceptance or rejection. If the Board rejects this Consent Agreement, Licensee waives any right to claim prejudice or to request recusal of any Board member by reason of any factual basis submitted to the Board in an

effort to resolve this matter by Consent Agreement rather than by formal proceeding.

18. Licensee understands that nothing in this Consent Agreement will be deemed to restrict the Board from raising facts in reference to Licensee outside of those set forth in this Consent Agreement, if there are other material facts related to the matters under investigation that have not been set forth or disclosed herein.
19. Licensee understands that this Consent Agreement may be considered in any future licensing matters with the Board and for the purposes of determining the appropriate sanctions in any future actions by the Board for any violations of laws or regulations of the State of South Dakota or for failing to abide by any order or decision of the Board.
20. Licensee has read, understands, and agrees to this Consent Agreement and is freely and voluntarily signing it. This Consent Agreement contains the entire agreement between the parties relating to the matters referenced in the Consent Agreement. Licensee is not relying on any other representations of any kind, verbal or otherwise.
21. Licensee agrees to waive any rights and procedures afforded her under SDCL Chapters 1-26, 36-20B, 36-1C, and ARSD Article 20:75.
22. If this Consent Agreement is approved by the Board, a copy of the executed Consent Agreement will be served upon Licensee by email.
23. This Consent Agreement shall be effective on the date it is signed by the Board Chair.

Dated this 13 day of November 2023.
(month)

Deidre Budani
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Board Chair

CONSENT AND ACKNOWLEDGMENT

By signing below, I accept and agree to the terms of this Consent Agreement. I agree that I have read and understand the terms of this Consent Agreement and I understand that I am waiving my due process rights and my right to a hearing. I am freely and voluntarily entering into this agreement.

Dated this 3rd day of November 2023.
(month)

Kathryn J Nordstrom
Digitally signed by Kathryn J Nordstrom
Date: 2023.11.03 16:51:21 -05'00'

Kathryn Nordstrom
Licensee