BEFORE THE IOWA ACCOUNTANCY EXAMINING BOARD OF THE STATE OF IOWA

IN THE MATTER OF) CITATION O'CONNOR BROOKS & COMPANY) AND PERMIT NO. 92-0481) WARNING RESPONDENT)

WHEREAS, certain matters have come to the attention of the Towa Accountancy Examining Board which indicate that O'Connor, Brooks & Co. violated Board rule 193A - 11.3(1)(3) in that the firm prepared an audit for Dupaco Community Credit Union while the firm and partners negotiated and received a loan from the Credit Union; and

WHEREAS, the Iowa Accountancy Examining Board has investigated this matter; and

WHEREAS, following the investigation O'Connor Brooks & Co. were given the opportunity to appear voluntarily with legal counsel before the Board's Committee on Ethics and Enforcement to be apprised of the results of the investigation and to orally present additional data, views and comments at an informal conference held September 22, 1992; and

WHEREAS, O'Connor Brooks & Co. with full knowledge of the character of the investigation, its potential legal consequences, the right to counsel and the right to formal adjudicatory proceedings under Section 116.23 of the Code of Iowa, did appear voluntarily.

NOW, THEREFORE, the Iowa Accountancy Examining Board and O'Connor Brooks & Company do hereby Stipulate and agree as follows:

- 1. O'Connor Brooks & Co. admits the jurisdiction of the Iowa Accountancy Examining Board over the persons and subject matter of this action.
- 2. O'Connor Brooks & Co. holds Iowa CPA firm permit to practice number 92-0481.
- 3. The Iowa Accountancy Examining Board has determined that O'Connor Brooks & Co. did negotiate and secure a loan from Dupaco Community Credit Union, an audit client, which impaired the firm's independence. See Iowa Code Section 116.3(4) (1991) and Board rule 193A-11.3(1)(3).

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- 4. The Iowa Accountancy Examining Board further determined that O'Connor Brooks & Co. did cooperate in the investigation of this matter. Further O'Connor Brooks & Co. did pay off the loan, recalled the audit and no longer provides service to the Credit Union.
- 5. O'Connor Brooks & Co. is issued this Citation and Warning, for its violation of Board rule 193A 11.3(1)(3), as a resolution of this matter.
- 6. This agreement is entered into by O'Connor Brooks & Co. voluntarily and without coercion or threat of any kind by any person or body, and O'Connor Brooks & Co. fully realizes the legal consequences of this agreement.
- 7. This agreement is subject to appear of the full Board. If the Board fails to approve this agreement, it shall be of no force or effect to either party.
- 8. This agreement is voluntarily submitted by the Respondent to the Board for consideration.

Dated this 19th day of October, 1992.