

BEFORE THE ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

IN THE MATTER OF THE )  
COMPLAINT AGAINST: )  
KENNETH K. LIVESAY, CPA ) CASE NO. 03-7  
CERTIFICATE NO. 3309 )  
RESPONDENT. )

**ORDER**

COMES NOW the Alabama State Board of Public Accountancy ("the Board"), and, following a full and fair hearing before the Board on September 24, 2004, makes the following Findings of Fact and Conclusions of Law in the above styled case.

**FINDINGS OF FACT**

1. Respondent is a duly Certified Public Accountant in the State of Alabama, and was so registered at all times relevant to the complaint.
2. Respondent was provided notice of the hearing by certified mail, return receipt requested, and regular first class mail to the most recent address on file with the Board.
3. The certified mail receipt was signed and returned to the Board.
4. Respondent attended the hearing and presented oral argument on his own behalf.
5. Documentary evidence designated as Boards' Exhibits 1-4 were admitted into evidence and published to the Board.
6. The evidence presented at the hearing established that on June 3, 2004, the United States District Court, Northern District of Alabama adjudged the respondent guilty of the felony offenses of Conspiracy to Commit Fraud and Securities Fraud, False Books and Records, and Forfeiture in violation of 18 U.S.C. § 371; 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5) & 78ff and 18

U.S.C. § 2; and 18 U.S.C. 981(a)(1)(C) and 28 U.S.C. § 2461(c) respectively.

7. The Board finds that Respondent's conviction of the felony offenses of Conspiracy to Commit Fraud and Securities Fraud, False Books and Records, and Forfeiture, constitutes sufficient evidence that he committed acts or engaged in conduct discreditable to the public accounting profession.

#### CONCLUSIONS OF LAW

The Board finds that the facts as established at the hearing and as outlined above constitute a violation of Sections 34-1-1, et seq., Code of Alabama 1975, as follows:

1. The acts of the Respondent constitute a violation of the *Rules of Professional Conduct* established by the Board, specifically, Board Rule 30-X-6-.05(1), which is a cause for revocation under Section 34-1-12 (a)(4), Code of Alabama 1975.

2. The Respondent committed acts or engaged in conduct discreditable to the public accounting profession, which is a cause for revocation under Section 34-1-12 (a)(11), Code of Alabama 1975.

3. The acts of the Respondent resulted in his conviction of crimes, an element of which was dishonesty or fraud, under the laws of the United States, which is a cause for revocation under Section 34-1-12 (a)(5), Code of Alabama 1975.

3. The acts of the Respondent resulted in his conviction of felony offenses under the laws of the United States, which is a cause for revocation under Section 34-1-12 (a)(6), Code of Alabama 1975.

#### CONCLUSION

Based on the Findings of Fact and Conclusions of Law set forth above, the Board finds that the Respondent is guilty of all charges alleged in the Board's Complaint and, thus, his

Certified Public Accountant Certificate is due to be revoked on each of the charges, separately and severally.

It is therefore ORDERED, ADJUDGED and DECREED by this Board that the Certified Public Accountant Certificate and permit to practice of the Respondent be REVOKED, that Respondent is fined one thousand dollars (\$1,000.00), and that Respondent return the revoked Certified Public Accountant Certificate to the Board office immediately.

DONE this 24th day of September 2004.

ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

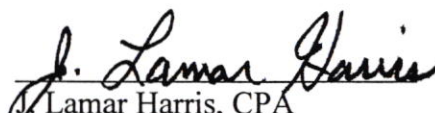
CONCUR:

MESSRS. CARDEN, PATTERSON,  
QUINN, SCOTT AND MS. INGRAM

RECUSED:

MR. KASSOUF

ATTEST:

  
Lamar Harris, CPA  
Executive Director  
October 15, 2004