

**OKLAHOMA ACCOUNTANCY BOARD**  
**MINUTES OF MEETING AND HEARING**

June 23, 2006

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, June 23, 2006 in Suite 20, 4545 N. Lincoln Boulevard, Oklahoma City, Oklahoma. A tape recording of the meeting is on file in the OAB office. Members present at the meeting:

J.H. "Jay" Engelbach, CPA, Chairman  
Tom Volturo, Representing the Public, Vice Chairman  
Janice L. Gray, CPA, Secretary  
James A. Nickles, CPA, Member  
Carlos Johnson, CPA, Member  
E.B. St. John, PA, Member  
Vicky Petete, CPA, Member

Also in attendance at the meeting: Staff: Edith Steele, Executive Director, Kelly Brown, Deputy Director; Donita Graves, Jim Shepherd, and Colin Autin; David Kinney, Assistant Attorney General. Guests: Wade Biswell, CPA, Board Member Designate effective July 1, 2006; Daryl Hill and Rusty Hale representing the Oklahoma Society of Certified Public Accountants (OSCPA); Peggy Johnson representing the Oklahoma Society of Accountants (OSA);. Assistant Attorney General John Crittenden, Joseph E. Carlson, CPA, Ken Grasing, Kathy Carlson, Sheila Hawkins, Wilma Seikel, Vicki Way, Amanda O'Quinn, and David Buck, court reporter were also present for relevant segments of the meeting.

**Agenda Item #1a -- Call To Order:** At 8:35 a.m. Chairman Engelbach called the meeting to order.

**Agenda Item #1b -- Declaration of Quorum:** Chairman Engelbach declared a quorum.

**Agenda Item #1c – Announcement of Legal Meeting Notice:** Executive Director Steele confirmed the notice of the meeting was filed with the Secretary of State and the agenda for the meeting was posted in the reception area of the OAB's office and outside the building and meeting room in compliance with the Open Meeting Act.

**Agenda Item #1d – Announcement of Absences and Action, if Necessary, to Determine Whether Absence(s) Was Unavoidable Pursuant to Title 59, Section 15.3.B.5:** All members were present.

**Agenda Item #2 – Announcement of Visitors:** Executive Director Steele read the names of the visitors present.

**Agenda Item #3 – Public Comment Period:** Executive Director Steele advised the OAB she had not received any written requests or had been informed by any member of the public wishing to speak before the OAB.

**Agenda Item #4 – Consent Agenda:** The Consent Agenda contained 4 items for the OAB's consideration. (1) Approve the minutes of the May 19, 2006 Board Meeting; (2) Ratify the verification of the administrative posting to the OAB's records and certification of scores for Window 2/2006 Examination (April – May 2006); (3) Ratify verified experience of successful candidates for certification; (Appendix 1) and (4) Ratify actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

Gray moved to approve the Consent Agenda; Nickles second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

**Agenda Item #5 – Discuss and Act on Report from the CPE Committee:** Member St. John reported on the CPE Committee's recommendations with regard to revising the brochure and whether the 3-year, 120-hour CPE requirement should be for a rolling or fixed year period. The CPE Committee believed that the decision concerning the 3-year reporting period should be made by the Board. He addressed the CPE Committee's need for definitive guidelines for retired and inactive CPAs, under certain circumstances, are entitled to an exemption of the CPE requirement. Member Johnson suggested that the OAB's Rules Committee address exceptions to the CPE requirement with regard to those registrants who are inactive.

Secretary Gray raised the question of when the CPE reporting period starts for successful candidates who pass the CPA examination later in the year. She urged that it be made very clear on the registration forms that a minimum of 20 hours of CPE must be completed every year. Member Johnson recommended a policy be drafted with regard to those who pass the CPA examination later in the year as it relates to the CPE reporting requirement and that such a policy be presented at the next Board meeting.

St. John moved to adopt a rolling 3-year calendar period to obtain 120 hours of CPE; Johnson second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

**Case No. 1643 – Hearing in the Matter of Carlson & Cottrell Enterprises, Non-registrant:** This matter came on for hearing at 9:05 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel. Assistant Attorney General John Crittenden appeared as Counsel for the Board.

Respondent was present by General Partners Joseph (Joe) E. Carlson and Sheila Hawkins, who both testified.

Assistant Attorney General David Kinney represented the State. Edith Steele, Executive Director, testified for the State.

The purpose of the hearing was to determine whether (1) Respondent violated Sections 15.11(f), 15.15(A) and 15.15A(A) of the Oklahoma Accountancy Act by holding DeAndre Moore out as an "In-Charge Accountant" without specifically indicating he does not hold

a permit to practice public accounting and not being registered with the Board and having a valid firm permit to practice public accounting; (2) Respondent violated Sections 15.11(F), 15.15(A) and 15.15A(A) of the Oklahoma Accountancy Act by holding Ken Grasing out as an "Accountant" without specifically indicating he does not hold a permit to practice public accounting with Carlson & Cottrell Enterprises and not being registered with the Board; (3) Respondent violated Sections 15.11(A), 15.15(A), and 15.15A(A) of the Oklahoma Accountancy Act by holding Ken Grasing out as a CPA without having a permit to practice with Carlson & Cottrell Enterprises and not being registered with the Board and having a valid firm permit to practice public accounting; (4) Respondent violated Sections 15.1A(6), 15.15(A) and 15.15A (A) of the Oklahoma Accountancy Act by holding DeAndre Moore out as an "In-Charge Accountant" and stating "... He has been the Team Leader on such audits as the City of Enid and the City of Del City..."; by holding Wilma Seikel out as a "key person in the field of compliance auditing of numerous governmental entities"; by holding Vicki Way out as "Vicki has contributed significantly to our audit team"; by holding Tina Pollard out as a person who "inputs and produces audit reports"; by advertising for the position of "In-Charge Accountant" as a person who "help audit clients and audit teams achieve their goals"; by advertising for the position of "Accountant" as "entry to mid-entry level position with our financial and compliance audit team"; by advertising for the position of "associates" as "entry to mid-level associates for our compliance audit teams"; by making reference in "Charges of Our Services" to GAGAS and OMB Circular A-133, which are audit standards; not accounting principles, and not being registered with the Board and having a valid firm permit to practice public accounting.

Nickles moved to go into Executive Session; Gray second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Nickles moved to come out of Executive Session; St. John second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Assistant Attorney General Crittenden noted for the record that no official action was taken while the OAB was in Executive Session.

Johnson moved that based upon clear and convincing evidence, the OAB determines that the Respondent Carlson & Cottrell Enterprises is guilty of Counts 1, 2, 3, and 4 as alleged in the amended formal complaint; also Carlson and Cottrell Enterprises is ordered to cease and desist from the unlawful practice of public accounting; the OAB orders that Carlson & Cottrell Enterprises be fined \$1500 for each of the four counts as listed above for a total of \$6000; the special prosecutor may make application to recover administrative costs at a future hearing. The OAB determines that the general partners of Carlson & Cottrell Enterprises are Joseph Carlson, Mary

Katherine Carlson, and Sheila Hawkins; Gray second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Johnson moved that the amount of the fine be paid in full by August 1, 2006; St. John second. Member Johnson amended the motion that the costs attributable to this hearing be paid within 30 days after the determination by the OAB; St. John accepted the amendment. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

Gray moved to adjourn the hearing; Petete second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

The proceedings and the individual votes of the members were conducted in open session and were recorded by a court reporting service. The evidence is contained in Docket File No. 1643.

**Agenda Item #7 – Discuss and Act on Recommendation to Contract with Mike Crawford, CPA to assist the OAB with a response to the GAO’s request for comments to the 2006 revision exposure draft:** Executive Director Steele addressed this item. She noted that Mr. Crawford’s hourly rate is \$150 and that he estimates that the cost will not exceed 16 hours.

Johnson moved to approve Mike Crawford’s contract; Petete second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

**Agenda Item #8 – Discuss and Act on Recommendation to Renew the FY 2007 Contracts for the Current Peer Review Committee:** Secretary Gray requested this item be deferred to the next Board meeting.

**Agenda Item #9 – Discuss and Act on Recommendation from Budget Committee:** Secretary Gray explained that there are two budgets: one with the 5% proposed staff salary increase as provided by HB 1181XXX which had not been passed by the Legislature or signed by the Governor at this date and one without. She noted that certain portions of the budget had been circulated to the OAB’s Information Technology, Peer Review, and Enforcement Committees to determine if the amounts met the needs of those committees.

Gray moved to accept the budget and allow Deputy Director Brown to file the budget dependent on what the acts of the legislature are, as to which budget will be filed; Johnson second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

**Agenda Item #6a – Discuss and Act on Recommendations by the Enforcement Committee:** Vice Chairman Volturo presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

**Case No. 1644 – Examination Applicant**

Respondent self reported that in 1995, a guilty plea was entered of Unlawful Possession of Marijuana. Respondent received a deferred two-year sentence, ordered to perform community service and was assessed fines and costs. In 2002, the Respondent was again arrested and charged with Driving Under the Influence, placed on a one-year probation, ordered to pay fines and assessments and attend DUI school. An Administrative Consent Order is being offered in this case which provides that the Respondent is subject to a probation period for two years beginning with the effective date of the ACO. During the probation period Respondent must annually, no later than June 30<sup>th</sup>, report to the Board any charges or convictions of a crime of any sort. Respondent must provide evidence of successful completion of the AICPA Ethics Examination with a score of 90 or more within six months of the effective date of the ACO.

Volturo moved to approve Administrative Consent Order in Case No. 1644; Petete second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

**Agenda Item #6b – Discuss and Act on Whether to Renew the FY 2007 60% Contract with the Attorney General to Assist the Board with Legal and Administrative Duties:** Executive Director Steele addressed this item.

Johnson moved to accept the contract; St. John second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

**Agenda Item #10 – Discuss and Act on Request from Alice Yang, Prospective Applicant, to Accept Completion of the Course “2005 Edition – Professional Ethics for Certified Public Accountants” by the California CPA Education Foundation to Meet the Requirements of Section 15.9.E:** Executive Director Steele noted that this course was for the purposes of licensure. She summarized the results of a survey she conducted among the states to determine if other states accept the California Foundation's Ethics Examination in lieu of AICPA's; of the 35 states which responded, 16 states did not accept the California Ethics course, 2 states will accept the course but only from California registrants and only 5 states accept the California course.

Petete moved to accept the California exam for the ethics examination requirement; Nickles second. Affirmative votes: Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St. John.

**Agenda Item #11 – Report from the NASBA Western Regional meeting:** Member Johnson proposed this item be deferred to the next Board meeting.

**Agenda Item #12 – Presentation Commemorating Member Jim Nickles for Ten Years of Service as a Member of the OAB:** Chairman Engelbach recognized Member Nickles' tenure as a member and chairman of the Board and presented him an award commemorating his service. Member Nickles expressed that it was a pleasure to serve on the Board.

**Agenda Item #13 – Director's Report:** Executive Director addressed the following issues:

- Failure to launch individual registration and permit renewal services online on June 21 with no definite launch date scheduled.
- As of June 20, 2006, 20% of CPA/PA individuals have registered and 22% have renewed permits to practice.

**Agenda Item #14 – Chairman's Report:** Chairman Engelbach noted that this would be his last meeting as Chairman.

**Agenda Item #14b -- Next Meeting Date Announced:** The next OAB Meeting is scheduled for 8:30 a.m., July 21, 2006, in Conference Room 20 at the Lincoln Office Plaza in Oklahoma City.

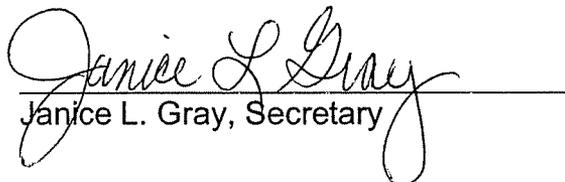
**Agenda Item #15 – New Business:** No new business.

**Agenda Item #16 – Adjournment:** There being no further business to come before the OAB, at 2:30 p.m. Chairman Engelbach called for a motion to adjourn the meeting.

Nickles moved to adjourn; Gray second. Affirmative votes:  
Johnson, Petete, Engelbach, Volturo, Gray, Nickles and St.  
John.

  
J.H. Engelbach, Chairman

ATTEST:

  
Janice L. Gray, Secretary

## APPENDIX 1

### **CERTIFICATES CANCELLED BY REGISTRANT'S REQUEST:**

#### **CPAs:**

#### **Canceling CPA Certificate due to the new CPE requirements:**

Larry C. Bittman, Certificate No. 2604 issued January 31, 1972

#### **Coming into Oklahoma to practice under Substantial Equivalency:**

John Andrew Blakeway, Certificate No. 7116-R issued September 26, 1971

Rodney G. Van Norden, Certificate No. 12854-R issued October 21, 1994

Monica J. Wilson, Certificate No. 15192-R issued August 24, 2001

#### **No longer serving Oklahoma clients:**

Sara Marie Barritt, Certificate No. 15940-R issued July 29, 2004

Garmon G. Dale, Certificate No. 14628-R issued December 17, 1999

Jerry T. Henderson, Jr., Certificate No. 15961-R issued October 29, 2004

Kenneth W. Lance, Certificate No. 2408-R issued September 8, 1970

#### **No longer residing in Oklahoma:**

William Anderson Bishop, Certificate No. 3596 issued January 27, 1976

Greg Kent Fick, Certificate No. 9168 issued January 29, 1987

Angela Lynne Goldstein, Certificate No. 6595 issued January 17, 1983

Jorja A. Hensley, Certificate No. 10096 issued July 28, 1988

William Jay McBrier, Certificate No. 12756 issued August 1, 1994

Claude Robert Soper, II, Certificate No. 8066 issued January 31, 1985

#### **No longer residing in Oklahoma or serving clients:**

Anthony L. Andreoli, Certificate No. 7846-R issued December 13, 1984

Frances M. Blackburn, Certificate No. 9974 issued July 28, 1988

Pamela Fultz Disheroon, Certificate No. 3434 issued June 3, 1975

Carole Mulzer Hersch, Certificate No. 7958 issued January 31, 1985

Robert W. Howell, Certificate No. 10104-R issued July 28, 1988

Dan E. Sasser, Jr., Certificate No. 4982-R issued November 30, 1979

#### **Retired and no longer wish to maintain the certificate:**

Leonard Aleman, Certificate No. 1464, issued February 4, 1961

Bill Joe Dismuke, Certificate No. 1344, issued July 28, 1959

Lawrence Harold Hammer, Certificate No. 5362-R issued July 25, 1980

John Cole Hull, Jr., Certificate No. 1756, issued August 1, 1964

Carl James Lester, Certificate No. 1052-R issued January 22, 1955

**Retired and no longer wish to maintain the certificate (cont'd):**

Genet Little Parks, Certificate No. 3118, issued January 28, 1974  
Robert E. Rawlings, Certificate No. 1998 issued August 5, 1967  
Robert L. Ross, Certificate No. 3878 issued November 22, 1976  
Jon Edward Trumbla, Certificate No. 1360 issued July 28, 1959  
John H. Walters, Certificate No. 2320 issued January 29, 1970  
Lauren L. York, Certificate No. 800 issued January 22, 1952

**PAs:**

**Retired and no longer wish to maintain the license:**

Thomas Aaron Duncan, License No. 346 issued October 4, 1968  
Richard Thomas Willis, License No. 338 issued October 4, 1968

**DECEASED REGISTRANTS:**

**CPAs:**

V.L. Auld, Certificate No. 926 issued January 21, 1954  
Arthur L. Bergman, Certificate No. 1704 issued February 8, 1964  
Paula Terese Chavez, Certificate No. 7969 issued January 31, 1985  
David Lynn Coatney, Certificate No. 2129 issued February 1, 1969  
Harlan Trevor Davis, Certificate No. 14028 issued February 2, 1998  
Jason Dene Dedmon, Certificate No. 15686 issued August 4, 2003  
Clifford E. Hutton, Certificate No. 1030 issued January 22, 1955  
Leroy H. Manuel, Certificate No. 912 issued July 24, 1953  
John L. Morrison, Jr., Certificate No. 1931-R issued December 22, 1966  
Lowell T. Sawyer, Certificate No. 589 issued January 30, 1949  
Doyle Bryan Watson, Certificate No. 1292 issued February 4, 1959

**DISSOLVED FIRMS:**

**CPA Corporations:**

Buckelew Accounting Solutions, L.L.C  
Eric Richardson CPA, P.C.  
Fiddner & Company, P.C.  
Fite, Stabler & Furrh, P.C.  
Grier, Reeves & Lawley, P.C.  
Ken Lance and Company, PC  
Richard A. Duffy, CPA, P.C.  
Steakley, Gilbert & Morgan, P.C.  
Timothy A. Brown, CPA, P.C.

**CPA Limited Liability Companies:**

Bogle, Hill & Keiser, PLLC  
 Love and Associates, P.L.C.  
 Wyatt & Littleton, PLLC

**Grades Certified:** The OAB took official notice of the administrative posting of scores to the OAB's records for the Window 2/2006 Examination which were certified by the Executive Director.

The following 9 candidates successfully passed the Certified Public Accountant Examination:

**Name**

Julie Dawn Aggus  
 Justin Robert Anderson  
 Jana Kay Barnes  
 Kimberly Sue Beaucourt  
 Marianne Renee Landoll  
 Ronnie Keith Morris Jr.  
 Aaron Kyle Roark  
 Sarah Elizabeth Smith  
 Andrew Eugene Speakes

**Applications Approved:** The OAB took official notice of the following experience verification applications which have been approved by the Executive Director:

Jay Daniel House  
 Marcus A. Huck  
 Crystal Brooke Stewart  
 Dana Beth Webb

**Applications and Registrations Approved:** The OAB took official notice of the following applications and registrations, which have been approved by the Executive Director:

**APPLICATIONS FOR CERTIFICATION (Successful Candidates):**

16076	Travis J. Nance
16151	James Robert Griffin
16166	DeAnn Fennell
16177	Melva Jean Parish

**APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:**

16207-R	Gerald Clifton Boon
16208-R	Patrick Henry Clay
16209-R	M. Beth Jeffcoat
16210-R	Gerald Neil Keating
16211-R	Natalie Michaelis
16212-R	Kathy M. Waddell

**APPLICATIONS FOR PRACTICE PRIVILEGES IN ACCORDANCE WITH SUBSTANTIAL EQUIVALENCY (Based on State SE Recognition):**

Thomas Blake Allen (Texas)  
 John Andrew Blakeway (Texas)  
 Jeffrey Michael Coffman (Missouri)  
 Raiyomand K. Daroga (Texas)  
 Maureen Patrice Foley (Texas)  
 Michael J. Giammalvo (Tennessee)  
 Scott W. Gold (Missouri)  
 Lauren Nicole Graves (Texas)  
 David Raymond Hazels (Missouri)  
 Adrienne Hirschler (New York)  
 Patrick Michael Jackson (Alabama)  
 George Sterling Lee, III (New York)  
 Michael David Lundberg (Iowa)  
 Deborah Ann McCoy (Missouri)  
 Bruce M. Pennington (Arkansas)  
 Jennifer Leigh Phipps (Texas)  
 Eric Charles Pierce (Texas)  
 Miguel Armando Ramirez (Missouri)  
 Amanda Barron Ray (Texas)  
 David Paul Stephanchick (Kansas)  
 Kenneth J. Stevens (Indiana)  
 Edwin Stewart Vandenburg (Texas)  
 Rodney G. Van Norden (Kansas)  
 James Jefferson White (Texas)  
 Monica J. Wilson (Kansas)

**APPLICATION FOR PRACTICE PRIVILEGES IN ACCORDANCE WITH SUBSTANTIAL EQUIVALENCY (Based on Individual SE Recognition):**

Brett Michale Baucom (Colorado)

**APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:**

9146	Charles Taylor Dennis
12761	Jonathan M. Meek
13877	Kerri Dion Hatton
15028	Catherine Anne Wall

**INITIAL REGISTRATIONS OF CPA LIMITED LIABILITY PARTNERSHIPS:**

BDO Seidman, LLP (New York)  
RubinBrown LLP (Missouri)

**INITIAL REGISTRATIONS OF CPA PROFESSIONAL CORPORATIONS:**

Duffy, Cox & Associates, CPAS, PC  
Misti Mosley, CPA Incorporated, P.C.

**REINSTATEMENT OF A CPA PROFESSIONAL CORPORATION:**

Bill Mitts, Inc.

**INITIAL REGISTRATIONS OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:**

H & J CPAS, PLLC  
Regier and Washecheck, P.L.L.C.

4797.

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