OKLAHOMA ACCOUNTANCY BOARD

MINUTES OF MEETING AND HEARINGS

July 31, 2002

The Oklahoma Accountancy Board convened in regular session on Wednesday, July 31, 2002 in Suite 165, 4545 N. Lincoln Boulevard, Oklahoma City, Oklahoma. 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 Board's office in compliance with the Open Meeting Act. A tape recording of the meeting is on file in the Board office. Members present at the meeting:

Archer M. Honea, Chairman
Tom Dugger, Vice Chairman
James A. Nickles, Secretary
Carlos E. Johnson, Member
E.B. St. John, Member
J.H. Jay Engelbach, Member
Jeanette C. Timmons, Public Member

In attendance at the meeting: Edith Steele, Deputy Director; Dan Connally, Assistant Attorney General and legal counsel to the Board; Jim Shepherd and Donita Graves, Board staff members. Daryl Hill and Rusty Hale represented the Oklahoma Society of CPAs. Roger Berryman and Peggy Johnson represented the Oklahoma Society of Accountants. Rick Chamberlain, Special Prosecutor, Hank Schafer, Respondent, Sheryl Colton, CPA, and Kristen Hillis, Respondent were also present for relevant segments of the meeting.

Call To Order: At 8:30 a.m. Chairman Honea called the meeting to order and declared a quorum present. Mr. Engelbach was absent at the convening.

Consent Agenda: The Consent Agenda contained 5 items for the Board's consideration: (1) Approve the minutes from the May 17, 2002 and June 21, 2002 Board meetings; (2) Authorize travel for Chairman to attend American Accounting Association 2002 Annual Meeting in San Antonio, TX; (3) Authorize surplus of furniture and computer equipment no longer needed by the Board; (4) Take official notice of the Board's financial statement for the year ended June 30, 2002; and (5) Take official notice of the files acted on by the Deputy Director since the previous meeting.

Mr. Johnson commented on the Board's financial statements and noted that the Board had an increase in receipts over cash paid out for the year and that the Board's expenses were under budget. He stressed the usage of e-mail as much as possible to decrease postage expenses. He stated that postage was $24,000 under budget and staff salaries were under budget. He explained the changes and summarized how GASB 34 affected the accounting reporting.

Mr. Engelbach arrived at 8:35 a.m.

Secretary Nickles asked about the deferral of income for biennial registration and whether this would be a deferred item under GASB 34. Mr. Johnson explained that under GASB 34, there are two sets of financials: one is government wide on the accrual basis to account for depreciation, Accounts Payable, and accrued revenue; the other is set at the old fund level, which is very similar to the past financial statements.

Mr. Johnson noted that the surplused furniture was worn out and no longer functional and that none of the items given to the Board by other agencies were in new condition.

Vice Chairman Dugger suggested the following changes to the June minutes. He recommended in the matter of Susan G. Whelchel, Case #1477-19, that it include that the Respondent agreed to the terms in the Consent Order presented. He also proposed that the discussion of substantial equivalency in the May minutes include his statement about notification on the individual substantial equivalency forms of the firms' requirement to register.

> Nickles moved to approve the Consent Agenda with amendments to the minutes; Johnson second. Unanimous affirmative vote.

Introduction of New Board Member: Chairman Honea introduced new member Jay Engelbach. Mr. Engelbach commented that he looked forward to serving on the Board.

Report on the FARB Leadership Conference: Deputy Director Steele reported that it was the consensus of the attendees at the conference that CPE alone does not measure or maintain competence. She mentioned that of the professions that required CPE, they require it from all of their registrants and not just the ones in public practice. She added that there were two professions that did not require CPE. Ms. Timmons asked which ones they were. Mr. Johnson replied that one of them was veterinary medicine. He added that a number of boards were represented at the conference as well as national groups. Deputy Director Steele explained that among the proposed alternatives to supplement CPE were self-assessment; re-examination in 5 or 6 year intervals, either external (Board reported) or internal (used as a self-assessment tool); peer review; and mentor programs. Mr. Johnson commented that there were a majority of professions which required oversight of CPE providers on an ongoing basis to ensure quality of the providers and of the courses. Mr. St. John replied that most of the professions have their own organizations that certify and approve courses. Deputy Director Steele clarified that it was providers and not always the courses which were certified and approved. Chairman Honea noted that there is a substantial number of course providers that have gone through the review process by NASBA. Mr. Johnson commented that the Board does not qualify providers. Chairman Honea responded that the state accountancy boards that do qualify courses typically say if the provider qualifies with NASBA, the provider qualifies with that state board. Mr. Johnson explained that of the organizations in attendance at the conference, the organizations

looked at CPE on a national basis as well as on a state basis. He added that social services had the most extensive requirements for becoming licensed and remaining licensed. Chairman Honea asked if there were any profession that required more than 40 hours of CPE per year. Mr. Johnson replied in the negative.

Mr. St. John spoke about the breakout group session in which he participated, saying that the group came up with the consensus that retesting should be done after five or six years and that for professions such as the law and accounting, an alternative requirement of retesting in specific areas or peer review might be more acceptable. Mr. Johnson added that more communication was needed with the academic community so that students would know what the continuing education requirements will be required once they enter the profession. Ms. Timmons asked if specialization in the area of retesting had been considered. Mr. Johnson replied that specialization had been discussed in terms of the BAR exam, the CPA exam, and the architectural exam. Deputy Director Steele added that these proposed re-exams were core-based. Mr. Johnson concluded that the consensus of the conference was that CPE needed peer review, some type of mentoring program or oversight, and that CPE should be required whether or not those in the profession practiced publicly due to the public's reliance on the professional designation. Chairman Honea restated the consensus as being that if an individual practices in private industry, that individual needs private industry related courses and if an individual practices publicly, that individual needs public practice related courses. Mr. Johnson concurred. Chairman Honea said that the individual in private industry, in order to perform public services, should not need any less CPE related to public practice than the individual who practices in public industry. Mr. Johnson replied that that issue of how a part-time public practitioner would split his or her CPE between public and private was never addressed or established. Chairman Honea asked how many people attended the conference. Mr. Johnson replied that there were 35 to 45 people.

Report on the Status of Portal Development, Furniture Purchases and New Computer System: IT Director Jim Shepherd reported that delivery of the remaining office furniture was scheduled for August 9 and that the new server and all workstations were running with the exception of the Executive Director's. Vice Chairman Dugger inquired about the backup procedures. Mr. Shepherd replied that a backup on the server is done every night and that the server and control unit have four batteries to enable the server to stay up for at least two hours after a power loss and that the individual workstations have a 15-20 minute battery backup. Mr. Johnson inquired about off-site data storage and recommended using the state library as a depository.

Mr. Shepherd reported that he had met with the portal development team three times and that they have gone through procedures for individual registration, firm registration and examination. He also presented prototypes of the three proposed designs for the Board's portal screen. Mr. Johnson asked about the expected date of implementation. Mr. Shepherd replied that the expected date was February 2003.

Hearing in Case No. 1452 – Harry J. Schafer, III and H.J. Schafer, III, CPA, P.C., an Oklahoma Corporation: This matter came on for hearing at 9:20 a.m. The members of the Board present were seated on the hearing panel. Assistant Attorney General

Dan Connally represented the Board. Special Prosecutor Rick Chamberlain represented the State. Mr. Schafer was present but was not represented by counsel. The purpose of the hearing was to determine whether (1) Respondent violated Section 15.11(A) and 15.11(B) of the Oklahoma Accountancy Act by using the CPA designation in connection with an announcement mailed to one or more of his clients while Schafer's CPA certificate was suspended and while neither Schafer nor Shafer, P.C., had a valid permit to practice public accounting; (2) Respondent violated Section 15.14A(A) of the Oklahoma Accountancy Act by holding himself out to the public as a Certified Public Accountant and by maintaining an office for the transaction of business as a Certified Public Accountant without being a certificate and permit holder, Schafer engaged in the unauthorized practice of public accounting; (3) Respondent violated Sections 15.14B(2) and 15.14B(6) of the Oklahoma Accountancy Act, and OAC 10:15-39-6(d), OAC 10:15-39-8(a) and OAC 10:15-39-9(3) and (4) by failing to prepare the 1997 and 1998 federal and state income tax returns of Betty Powell; and (4) Respondent violated Sections 15.14B(2) and 15.14B(6) of the Oklahoma Accountancy Act and OAC 10:15-39-7(b)(B), OAC 10:15-39-8(a) and OAC 10:15-39-9(3) and (4) by failing to respond to the requests of Powell, Powell's attorney, and Colton to produce Powell's financial records. Special Prosecutor Chamberlain called Sheryl Colton, CPA as a witness.

> Johnson moved to go into Executive Session; Nickles second. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Engelbach, and St. John.
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> Nickles moved to come out of Executive Session; Engelbach second. Affirmative votes: St. John, Engelbach, Nickles, Dugger, Honea, Timmons, and Johnson.

Mr. Connally noted for the record that the Board deliberated Case No. 1452 and that during deliberation the Board took no votes or other official action as that term is defined in the Open Meeting Act.

> Dugger moved that the Board find by clear and convincing evidence that Mr. Schafer is guilty of the charges presented in this hearing. Nickles second. Affirmative votes: St. John, Engelbach, Nickles, Dugger, Honea, Timmons, and Johnson.
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> Dugger moved with the advice of Counsel from the Attorney General's office in the finding against Mr. Schafer, Case No. 1452, the Board enter an order, having found him guilty by clear and convincing evidence, that the modified Consent Order of May 23 that was not returned shall be followed with the following modifications: that restitution be provided to Mrs. Powell of all regulatory penalties and interest, plus documented cost of another professional, attributed to Mr. Schafer's failure to properly perform his engagement; assessed fines of $5,000 plus cost; that this fine and cost be

paid after restitution and the first payment, 50% of the cost and fine within 6 months of today with the balance 12 months from today; that all CPE since the original suspension must be made up in its normal requirement of the 40 hours prior to seeking a show-cause hearing for reinstatement; Nickles second with the amendment that restitution should be paid within 90 days. Dugger accepted the amendment. Affirmative votes: St. John, Engelbach, Nickles, Dugger, Honea, Timmons, and Johnson.

Nickles moved to adjourn the hearing; Engelbach second. Unanimous affirmative vote.

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. 1452.

Hearing in Case No. 1489 – Kristen Rains Hillis, Non-Registrant: This matter came on for hearing at 10:46 a.m. The members of the Board present were seated on the hearing panel. Assistant Attorney General Dan Connally represented the Board. Special Prosecutor Rick Chamberlain represented the State. Ms. Hillis was present but was not represented by counsel. The purpose of the hearing was to determine whether (1) Respondent violated Sections 15.14A(A) and 15.14B(6) of the Oklahoma Accountancy Act, and OAC 10:15-3-1 and OAC 10:15-3-4 by engaging in the practice of public accounting in the State of Oklahoma without a reciprocal Oklahoma CPA certificate and without an individual permit to practice public accounting. Special Prosecutor Chamberlain presented a Consent Order for the Board's consideration which provides that Respondent shall (1) pay $450.00 for prosecuting costs due and payable prior to the July 31, 2002 hearing and (2) pay a fine in the amount of $350.00 due and payable prior to the July 31, 2002 hearing.

Nickles moved to go into Executive Session; Johnson second. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Engelbach, and St. John.

Dugger moved to come out of Executive Session; Johnson second. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Engelbach, and St. John.

Mr. Connally noted for the record that the Board deliberated Case No. 1489 and that during deliberation the Board took no votes or other official action as that term is defined in the Open Meeting Act.

Johnson moved that the Board enter into the Consent Order that has been negotiated with Ms. Hillis; Engelbach second. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Engelbach, and St. John.

Nickles moved to adjourn the hearing; Engelbach second. Unanimous affirmative vote.

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. 1489.

Hearing in Case No. 1474 – Patricia A. Harrington, CPA: This matter came on for hearing at 11:07 a.m. The members of the Board present were seated on the hearing panel. Assistant Attorney General Dan Connally represented the Board. Special Prosecutor Rick Chamberlain represented the State. Respondent was not present nor was she represented by counsel. The purpose of the hearing was to determine whether (1) Respondent violated Section 15.14B(3) of the Oklahoma Accountancy Act by pleading guilty to and being convicted of a felony in the case of *State v. Harrington,* Case No. CF-2000-1105, District Court, Cleveland County, Oklahoma.

Johnson moved to go into Executive Session; Nickles second. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Engelbach, and St. John.

Nickles moved to come out of Executive Session; Johnson second. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Engelbach, and St. John.

Mr. Connally noted for the record that the Board deliberated Case No. 1474 and that during deliberation the Board took no votes or other official action as that term is defined in the Open Meeting Act.

Dugger moved to find the Respondent, Patricia Harrington, guilty of two counts as presented in the hearing by clear and convincing evidence; Johnson second. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Engelbach, and St. John.

Johnson moved that the Board revoke Ms. Harrington's Certificate #14060 and enter a fine $10,000 per count plus costs; Dugger second with the amendment that her certificate be returned and that prior to her seeking a reinstatement of her revoked certificate, Respondent meet all CPE hours that would have been required, plus an additional 40 hours, 10 of which must be in Ethics, and that she meet all provisions imposed by the court in their sentencing prior to her showing up for a show cause hearing. Nickles added an amendment that Respondent show she has complied with both cases to the full extent; Johnson accepted Dugger's and Nickles' amendments; St. John second with Dugger's and Nickles' amendments. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Engelbach, and St. John.

Johnson moved to adjourn the hearing; Nickles second. Unanimous affirmative vote.

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. 1474.

Certification and Review of the Grades: The Board considered the official grade report from the May 2002 CPA and PA examination issued by the Advisory Grading Service of the American Institute of Certified Public Accountants. Certificates will be issued to 102 successful candidates from the Certified Public Accountant Examination and to four individuals based upon transferring four conditional credits on the examination from other states.

Johnson moved that the Board accept the scores on the May 2002 examination as presented; Engelbach second. Unanimous affirmative vote.

Certificate Number	Name	Certificate Number	Name
15377	ALLDREDGE, JASON L.	15404	FAIRCHILD, MISTY Z.
15378	ANTOSY, MATTHEW RICHARD	15405	FELLERS, JERRI KAY
15379	ARCHIBALD, DEBORAH E.	15406	FULLER, JEFFREY A.
15380	ASAD, MUHAMMAD ALI	15407	GILLIAM, JOHN WESLEY
15381	ASHBY, TROY DAVID	15408	GRAY, STEPHANIE S.
15382	BARGELIOTES, TASIA	15409	GUSTAFSON, LEE ERIN
15383	BARNHART, TODD ALAN	15410	HARDING, CARRIE ANN
15384	BLOOM, DAVID BRYAN	15411	HARMON, CRYSTAL A.
15385	BOWMAN, ELIZABETH R.	15412	HARRIS, TYLER S.
15386	BURROUGHS, CASSANDRA C.	15413	HART, DAWN DRISKELL
15387	CALDWELL, CHRISTOPHER M.	15414	HELVEY, AUBREE LEIGH
15388	CAMPBELL, JUDD RYDER	15415	HENRY, JOHN ERNEST
15389	CANTERBURY, EDWARD E. JR.	15416	HERRING, REBECCA L.
15390	CARROLL, TISHA LEANN	15417	HEWETT, LEANN G.
15391	CASSELMAN, LISA E.	15418	HIEKE, SARA P.
15392	CHANCE, KEVIN KEITH	15419	HOOVER, MARY H.
15393	CLARK, GEORGE ROY JR.	15420	HUNSINGER, RODNEY II
15394	COCKLE, CRAIG R.	15421	HUTCHISON, REGINA K.
15395	COURTNEY, RAYMOND L.	15422	JULIAN, SHERRI ANN
15396	CRAIG, A. ROGER JR.	15423	KEBBELL, ROSANNA B.
15397	CROWLEY, KAREN R.	15424	KIMERER, SANDRA L.
15398	DAVIS, MILENA K.	15425	KOGER, CHRISTY M.
15399	DROLL, JULIE LYN	15426	KUTMAS, TRACIE R.
15400	DUNCAN, JASON A.	15427	KWON, OHRYANG
15401	EASTERLING, GAIL SLEEPER	15428	LONG, SHEILA G.
15402	ELLIOT, CHRISTOPHER M.	15429	MAHONE, DAVID H.
15403	EVANS, AMANDA NORENE	15430	MALONE, JOGINA KAYE

15431	MAXWELL-FLING, LINDA	15457	ROWLEY, GEORGE E.
15432	MCANELLY, LORI E.	15458	SAWATZKY, JENNIFER
15433	MCCOY, JASON P.	15459	SCHANS, BRENDA LYNN
15434	MEADOWS, MISTY M.	15460	SMITH, LARRY T.
15435	METCALF, J. DAMON	15461	SOUTHARD, DENNIS E.
15436	MILLER, MICHELLE L.	15462	SPENCER, AARON D.
15437	MITCHELL, JAMEY B.	15463	STITES, GARY DON
15438	NEAL, LISA EILEEN	15464	STORMS, BRYAN L.
15439	NELSON, MICA FISCHER	15465	STUBY, MONICA MARIE
15440	NEMECEK, SHANDY LEE	15466	SWARTZ, PATRICA L.
15441	ODOM, JACOB KENT	15467	THAM, CHRISTOPHER
15442	OSBORN, JANE E.	15468	THOMAS, BECKY M.
15443	PARKER, SHELLEY ANN	15469	THOMASON, BRIAN .
15444	PATRICK, YAHNAH S.	15470	TODD, JESSE J.
15445	PERCIVAL, LORI	15471	TUCKER, RYAN DANE
15446	PETERSON, DANIEL P.	15472	TUGGLE, TONYA C.
15447	PHELAN, STEVEN MARK	15473	TWILLEY, SHIRLEY A.
15448	PHILLIPS, MANDI KAYE	15474	VASSER-MURRAY, VICKI
15449	PIERCE, ROBERT DEAN	15475	WAGGONER, JULIE L.
15450	POTTER, BRYAN S.	15476	WALTERS, JEFFREY B.
15451	DAY, TIFFANY POWELL	15477	WASEL, RONALD S. II
15452	PRITCHARD, SONJA D.	15478	WHEELER, LYNNE R.
15453	QUIGLEY, TAMMY M.	15479	WILSON, DONNA TODD
15454	RAULSTON, TOMMY	15480	WOLFE, MICHAEL C.
15455	RENNER, JONATHAN A.	15481	WOLFENBERGER, PAUL
15456	ROBERTSON, JOSEPH	15482	YAGER, PATRICK J.

Report on the Verification of the Administrative Posting of the Grades to the Board's Records: Chairman Honea recognized Mr. Johnson who reported that he performed all procedures as recommended by the AICPA and that based on the testwork he conducted on the grade recordings, he found no exceptions.

NASBA CPA Exam Review Board: The Board noted the official report from the NASBA CPA Exam Review Board on the grading of the May 2002 examination.

Administrative Actions Taken: Vice Chairman Dugger presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

Investigative Files:

Administrative Consent Orders:

Case No. 1496 – Examination Applicant

The applicant reported that on or about July 27, 1998, he pled guilty to three charges involving possession of drugs and drug paraphernalia. An Administrative Consent

Order is being offered in this case which provides that the Respondent shall be allowed to sit for examination. Respondent is subject to a probation period until Respondent successfully completes the probation for his criminal convictions. Along with each examination application, or if Respondent successfully passes the examination, with his initial and each subsequent registration Respondent must submit an official letter from Respondent's probation officer, or from the office in charge of his probation, stating that Respondent is in full compliance with the terms of his probation.

Files Recommended to be closed:

File No. 00-10-00 – Rex Williams, Jr., CPA

Registrant was a Respondent in Case No. 1453, in which he had failed to comply fully with the Board's Order issued in that case. Since he has now fully complied, the Vice Chairman recommends the file be closed.

File No. 01-03-05 – PriceWaterhouseCoopers

In an Administrative Hearing before the Board, Case No. 1458, *In the Matter of Curt Thomas Calaway, Non-Registrant,* the Board received evidence that Mr. Calaway was employed by this firm as a CPA for more than two years. The Vice Chairman requested that the firm explain what steps it has taken to avoid any similar violations. The firm's response satisfied the Vice Chairman's requirements and he recommends the file be closed.

File No. 01-08-01 – Lawrence Bryne Webb, CPA

Complainant alleged Mr. Webb would not return the tax records and failed to timely file her tax returns. A letter was issued to Mr. Webb requesting the records be returned to the client. Mr. Webb responded but the client further alleged that he failed to return all of the requested documents. The complainant, however, has been non-responsive to follow up calls placed by the Deputy Director and no further correspondence has been received since October 2001, so the Vice Chairman recommends the file be closed.

File No. 01-10-01 – Brian Roberts, CPA

Complainant alleged Mr. Roberts was withholding client records because he had not been paid. The complainant, however, has been non-responsive to follow up calls placed by the Deputy Director and no further correspondence has been received since the initial complaint was filed in October 2001, so the Vice Chairman recommends the file be closed.

File No. 01-12-02 – Name Withheld

A complaint was filed alleging criminal activity on the part of an Oklahoma CPA. The complaint was accompanied by a copy of a lawsuit filed against the CPA in a trust case. The complainant has been non-responsive to follow up calls placed by the Deputy Director and no further correspondence has been received since the initial complaint was filed in December 2001, so the Vice Chairman recommends the file be closed.

File No. 235 – Advantage Accounting, Inc., Non-Registrant

This company is listed in the Broken Arrow Yellow Pages under the heading "Accountants". A Cease and Desist letter was sent to the company by the Special Prosecutor. Ms. Cheatham responded that she had already corresponded with the telephone company when she noted the incorrect listing. A follow up revealed that this company is properly listed in the current Broken Arrow Yellow Page under bookkeeping services, so the Vice Chairman recommends the file be closed.

> Nickles moved to accept the Vice Chairman's recommendation to close files; Johnson second. Unanimous affirmative vote.

Act on the Reinstatement Application of Kent A. Rader: Mr. Rader's CPA Certificate was suspended on September 23, 2001 for one year because he failed to substantiate the CPE credit he claimed. Deputy Director Steele recommended that suspension be lifted since Mr. Rader has paid all of the fines and is not practicing. Chairman Honea asked if lifting the suspension was consistent with prior practices. Deputy Director Steele replied in the affirmative.

> Johnson moved to lift Mr. Rader's suspension; Dugger second. Unanimous affirmative vote.

Audit Authorized for Financial Records of Both FY01 & FY02: At the June 21 meeting, the Board approved authorization of $7,500 for the audit of the Board's FY 2001 financial records by the State Auditor and Inspector's office. Chairman Honea introduced Mr. Johnson's recommendation of doing a two-year audit for both FY 2001 and FY 2002 in the amount of $11,500. Chairman Honea stated that the audit will be conducted in compliance with GASB 34. Mr. Johnson noted that the engagement letter had not been signed by Pamela Lindsey. Deputy Director Steele explained that the engagement letter had been faxed to her by Terry Compton in order for it to arrive in time for the Board meeting.

> Nickles moved to authorize the audit for both FY 2001 and FY 2002; Johnson second. Unanimous affirmative vote.

Request from Nebraska Board to Endorse Their Proposed NASBA Bylaws Changes Dated July 8: Chairman Honea decided to defer this item until next month's meeting.

Presentation to Harold Russell: Chairman Honea recognized Harold Russell's exemplary service to the Board as a Board member and Chairman for two terms by presenting him with a plaque and a gavel. Chairman Honea invited Board members to attend a luncheon in honor of Mr. Russell's service.

Discussion of the Excusing or Unexcusing of Board Member Absences for Which There Has Been No Previous Ruling: Chairman Honea referenced the April Board meeting and noted that Mr. Russell was absent from the entire meeting due to illness

which was excused. He addressed the issue of Mr. Johnson being absent for the last part of the April meeting due to a wedding and whether the portion he missed could be determined as significant according to Section 15.3.B(5).

> Nickles moved to accept Mr. Johnson's absence as excused at the April meeting and that Mr. Johnson had attended a significant portion of the meeting; Dugger second. Unanimous affirmative vote.

Chairman Honea stated that Mr. Johnson had missed over an hour of the May Board Meeting. He added that he had deliberately deferred these absences in order to give Mr. Johnson an opportunity to explain his absences. Mr. Johnson replied that he was late by about 45 minutes. Chairman Honea maintained that his absence exceeded an hour. Mr. Johnson explained that he had been at the State Capitol, not as a Board member. Secretary Nickles noted that a hearing was in progress at the time of Mr. Johnson's arrival at the May meeting. Mr. St. John asked how significant portions of the meeting are measured. Chairman Honea replied that the previous ruling had been measured by the business that was conducted during the absence. He added that the law was not specific. Assistant Attorney General Connally affirmed that significance cannot be measured by how much time was spent in the room but what had transpired during the part a Board member is not in the room. Mr. St. John estimated that there were 14 items addressed at the meeting and Mr. Johnson had missed two of these items. Chairman Honea stated that among the items missed by Mr. Johnson was the election of officers and at least a substantial part of that hearing. Secretary Nickles noted that Mr. Johnson recused himself from the hearing.

> Nickles moved that the portion of the meeting was significant because of the hearing. Motion died for lack of second.
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> St. John moved that the portion of the meeting was not significant; Engelbach second. Affirmative votes: St. John, Timmons, Engelbach. Negative votes: Nickles, Dugger and Honea. Motion failed.

Assistant Attorney General Connally stated that the criteria for determining whether an absence is excused or not is that it was significant and unavoidable. Mr. Johnson stated that he was responding to a request from a legislator to explain SB 1429. Chairman Honea questioned whether Mr. Johnson was acting on behalf of the Board. Mr. Johnson replied that he was never acting on behalf of the Board. Mr. St. John clarified that one person without authorization cannot act as the Board but that Mr. Johnson was acting indirectly on behalf of the profession. Mr. Engelbach concurred that Mr. Johnson was representing the profession.

> Nickles moved that Mr. Johnson's absence was not unavoidable; Dugger second. Affirmative votes: Nickles, Dugger, and Honea. Negative votes: Engelbach, St. John, and Timmons. Motion failed.

Assistant Attorney General Connally stated that by default the Board must rule the absence as unavoidable. Vice Chairman Dugger commented that Board members should do everything possible to be at the meetings and in their entirety. Chairman Honea noted that it was a matter of law to rule on the significance of absences and if these are ruled significant, the absences must be determined as avoidable or unavoidable and that if such a law needs to be changed, it will have to be looked at later through the committee. Chairman Honea maintained that the Board has always ruled on absences.

Chairman Honea addressed Mr. Johnson's absence for the entirety of the June meeting and asked him where he was. Mr. Johnson stated that he had sent the Chairman an e-mail asking for the June meeting to be rescheduled as a result of a commitment he made a year prior. He added that he received an e-mail back that the meeting would be held as scheduled. Chairman Honea concurred. Mr. Johnson noted that he had announced his absence at the May meeting by saying that he had a house guest and he had committed to a golf tournament a year earlier. Chairman Honea ruled this absence as unavoidable.

Next Meeting Date Announced: The next Board Meeting is scheduled for 8:30 a.m., August 23 at the Board office in Oklahoma City.

Certificates Cancelled By Registrant's Request: **CPAs:** Curtis Ray Blakely, Certificate No. 6769-R, issued January 17, 1983, Rhett Henry Inhabinet, Certificate No. 15163-R, issued July 20, 2001, Donald Lee Luker, Certificate No. 14317-R, issued December 11, 1998

Deceased Registrants: **CPAs:** Roy Gene Brown, Certificate No. 857, issued January 23, 1953, Fred Louis Feigel, Jr., Certificate No. 1783, issued February 6, 1965

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

Applications for Reciprocal Certificates:

15483-R	Richard Lind Bell
15484-R	Gary Alan Edwards
15485-R	Dean William Fullinwider
15486-R	Karen Lynn Gilbert
15487-R	Kristin Rains Hillis
15488-R	Kevin Dale Moseley
15489-R	Rita F. Moseley
15490-R	Ricky Ryan Riddle
15491-R	Gregg R. Williams
15492-R	Scott A. Zeligson

Applications for Reinstatement of CPA Certificates:

7471-R	Terry Lynn Crain
13611-R	Kent A. Rader
11415	Roy B. Thompson

Initial Registrations of CPA Professional Corporations:

C.D. Wright, CPA, PC
Jerry Parsons CPA PC

Initial Registration of a CPA Professional Limited Liability Company:

SES Group, P.L.L.C.

Adjournment: There being no further business to come before the Board, at 11:50 a.m. Chairman Honea called for a motion to adjourn.

Nickles moved to adjourn the meeting; St. John second.
Unanimous affirmative vote.

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Archer M. Honea, Chairman

ATTEST:

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James A. Nickles, Secretary

4181.

[BLANK]