OKLAHOMA ACCOUNTANCY BOARD

MINUTES OF MEETING AND HEARINGS

September 28, 2001

The Oklahoma Accountancy Board convened in regular session on Friday, September 28, 2001 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
Harold L. Russell, Member
Carlos E. Johnson, Member
E.B. St. John, Member
Jeanette C. Timmons, Public Member

In attendance at the meeting: Edith Steele, Deputy Director; Douglas Price, Assistant Attorney General and legal counsel to the Board; and Donita Graves, Board staff member. Daryl Hill, Executive Director, and Rusty Hale, CPA, liaison, represented the Oklahoma Society of CPAs. Jim Nolen represented the Oklahoma Society of Accountants. Rick Chamberlain, Special Prosecutor; Rodney Watson, Attorney; Tracey Martinez, legal intern; John L. Quaid, CPA; Mike O'Neal; Al Silkey, attorney; Tracy Taylor, candidate; and John Peace, NASBA Chairman were also present for relevant segments of the meeting.

Call To Order: At 8:35 a.m. Chairman Honea called the meeting to order and declared a quorum present. All members were in attendance.

Consent Agenda: The Consent Agenda contained 2 items for the Board's consideration: (1) Approve staff's recommendation for surplus of certain Board property; (2) Take official notice of the files acted on by the Deputy Director since the previous meeting.

Russell asked if an official thank you letter should be sent from the Chairman to the Pharmacy Board for the furniture given to the staff and whether the Pharmacy Board's generosity should be considered in setting a price for their usage of the Board's certificate software program. Chairman Honea concurred.

> Russell moved to approve the Consent Agenda; Nickles second.
> Unanimous affirmative vote.

<u>Proposed Amendments to Publication and OSBI Background Check Policies:</u>

Publication Policy:

Vice Chairman Dugger asked for direction in developing exceptions to the publication policy regarding minor infractions of candidates to be exempt from the publication policy. Secretary Nickles asked if this policy covers all misdemeanors. Mr. Russell commented that all misdemeanors are not necessarily minor. Secretary Nickles and Ms. Timmons concurred. Chairman Honea posed the following criteria: (1) whether it is in the public interest for infractions not to be published and (2) whether by allowing exceptions, the Board is not expecting candidates to be grown up until they actually receive their certificates. Vice Chairman Dugger identified that there is a gap between initial candidates and successful candidates. Mr. Russell argued that it is not against the public interest whether the Board publishes or not. He further asked if the Vice Chairman would make this initial determination as to the severity of the misdemeanor. Vice Chairman Dugger replied that in these cases the counsel of the Board had been involved through phone calls and gathering information. Secretary Nickles suggested that the publication of minor misdemeanor infractions be determined by the Vice Chairman. Vice Chairman agreed but preferred to have additional review from Board counsel. Chairman Honea stated this policy should be limited to successful candidates up to receiving certification.

> Nickles moved to adopt the publication policy as re-written to read "dispositions involving successful candidates with minor misdemeanor infractions as determined by Vice Chairman"; Russell second. Unanimous affirmative votes.

POLICY ON PUBLIC NOTICE OF ENFORCEMENT ACTIONS

The Board will make available to the public notice of enforcement actions taken by the Board whether by Administrative Consent Order, Consent Order or by administrative hearing. In the public notices, the Board will set forth the violative act(s) of the Respondent(s) and the sanction(s) imposed.

All Board actions which result in sanctions imposed, including suspension or revocation of a CPA certificate, PA license, and/or permit to practice will be published. Public notifications will be published in the Board's *Bulletin* and will be posted on the Board's Website. Public notifications will also be disseminated through the press release service of the Oklahoma Press Association or other appropriate news agency.

A minimum of thirty (30) days must elapse after entry of the final Order and service of the final Order upon the Respondent before any notice of disposition may be published or posted on the Website

Each public notification will identify the Respondent(s) involved by name and city, provide a summary of the wrongful act(s), and the sanction(s) imposed. Facts for each summary will be taken directly from the Administrative Consent Order, Consent Order or the Board's Order regarding the case.

Exceptions to the Policy:

1. Dispositions involving initial applicants for the examination who are approved to sit will not be published.

2. Dispositions involving successful candidates with minor misdemeanor infractions as determined by the Vice Chairman.

3. If the Board votes that it is in the public interest, and is for good cause shown, all or a portion of a Board Order on an enforcement action may be withheld from publication in press releases, in the Board's *Bulletin* and/or the Board's Website. Such vote shall not be used to withhold any portion of the Respondent's public record from appropriate requests from the public.

OSBI Background Check Policy:

Vice Chairman Dugger addressed the need to expand OSBI background checks to include all examination candidates. Chairman Honea asked for clarification regarding whether this policy applies to all examination candidates for every exam. Vice Chairman Dugger replied in the affirmative and that it was his intent that this policy prevent cases from reaching the enforcement level later. Mr. Russell asked about the cost involved. Vice Chairman Dugger replied OSBI checks are $15.00 per individual. Deputy Director Steele commented that to run background checks on the successful candidates would cost approximately $1,500.00 and that there are approximately 1100 active candidates and 250 to 300 initial candidates.

Mr. Russell questioned whether the increase in cost would be passed on to the examinees. Vice Chairman Dugger replied that the cost is absorbed by the Board to serve the public interest and that there have been two amendments to the policy already. He also commented that fees for special investigators have increased by a significant amount and that he was looking at this policy as a cost control standpoint for future enforcement cases. Chairman Honea asked if there were any investigative costs on the OSBI checks conducted on the successful candidates. Vice Chairman Dugger replied that there had been investigative costs from the special prosecutor.
Chairman Honea proposed continuing background checks on only the successful candidates until the Board has gained more experience in this matter. He further reminded the Board of its appeal to the Society in the hopes the Society could advise people that the Board is checking every successful candidate.

Mr. St. John asked why not keep the policy to only the successful candidates since there are still investigative costs involved. Vice Chairman Dugger replied this new policy would preclude some people from sitting for the exam and serve the public interest better by never letting candidates get to the point of getting into a show cause hearing phase early in their careers. Mr. Russell asked if the Board had done an OSBI background check on successful candidates one time and how many of the successful candidates should not have taken the exam. Deputy Director Steele replied that none of them would have been denied and that two people had failed to report past activity. Vice Chairman Dugger offered the hearing from last month's meeting as an example.

Mr. Johnson posed a question as to whether the result would be the same if background checks were performed on all initial candidates and successful candidates. Vice Chairman Dugger agreed.

> Johnson moved to approve the policy to apply to all initial examination applicants and amend the other policy where there is one and not two policies; Nickles second. Unanimous affirmative votes.

Chairman Honea commented that some candidates have not lived in Oklahoma very long and an OSBI check might not apply. He further suggested that the Board might want to consider other forms of checking.

POLICY ON OSBI BACKGROUND CHECKS

Examination Applicants:

This policy shall also apply to all initial examination applicants.

Reinstatement Applicants:

This policy applies to all CPAs and PAs applying for reinstatement, whether he/she cancelled the certificate/license or the certificate/license was revoked or suspended.

As part of the initial processing of a reinstatement application, the Board's registration clerk will submit a written request to the Oklahoma State Bureau of Investigation (OSBI) for a record check into the criminal history files.

If the OSBI has no criminal history information on file for the applicant, the registration clerk will continue processing the reinstatement application. A copy of the OSBI's response will be part of the applicant's file.

Successful Candidates:

On the examination grade release date, a complete list of the successful candidates will be provided by the registration clerk to the OSBI for that agency to perform background checks for any criminal activity, regardless of whether the candidates answered positively or negatively to the felony questions on any initial examination and/or subsequent re-examination applications. This timing will give the Board opportunity to handle any possible enforcement action prior to the issuance of the actual certificate/license.

If criminal activity is reported on a successful candidate, the registration clerk will bring it to the attention of the Executive Director and the Vice Chairman for further action.

OSBI Background Checks – Successful Candidates Revisited: Vice Chairman Dugger reported on the status of two successful candidates with minor infractions. One

individual provided the Board with appropriate documentation and the actual court expungement record. The other individual's attorney was unable to obtain an expungement from Payne County. The attorney assured the Vice Chairman that the infraction was very minor. Vice Chairman Dugger stated that he had talked to the attorney as well as the individual and he believed that both individuals had met the burden of proof. as Vice Chairman Dugger and Ms. Timmons commented that as far as the court is concerned, there is no record.

Chairman Honea stated for the record that the Vice Chairman did the Board's due diligence as required at the last meeting and that the Vice Chairman recommends the Board close these issues and for successful candidates to receive certificates.

Show Cause Hearing in Case No. 1468 - John Michael O'Neal, Revoked CPA: This matter came on for hearing at 9:07 a.m. The members of the Board present were seated on the hearing panel. Douglas Price, Assistant Attorney General, represented the Board. Rick Chamberlain, Special Prosecutor, represented the State. Respondent was present and was represented by Al Silkey. The purpose of the hearing was to determine whether the Respondent's certification should be reinstated. The Respondent had been revoked in August 1995 for failure to register. No witnesses were called. A Consent Order was offered which provided for reinstatement to be granted on the condition that the Respondent complete 2 CPE hours of Ethics within 45 days of entry of Consent Order and 8 CPE hours of Financial Reporting topics such as audits, compilations, and reviews by the end of the year which must be approved by the Vice Chairman. Mr. Price asked for clarification of these two conditions of the consent order and when reinstatement is to be effective. Mr. Chamberlain replied the intent is for reinstatement to be effective immediately and not on completion of conditions and if conditions are not met, Respondent would be subject to additional disciplinary action.

> Russell moved to approve the recommendation of the Prosecutor and accept the Consent Order as presented; St. John second. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Russell and St. John.

Hearing in Case No. 1469 – George S. Nobles, CPA: This matter came on hearing at 9:15 a.m. The members of the Board were seated on the hearing panel. Douglas Price, Assistant Attorney General, represented the Board. Rick Chamberlain, Special Prosecutor, represented the State. Respondent was not present and was not represented by counsel. Rick Chamberlain, the Special Prosecutor, distributed a summary and requested a continuance.

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

Mr. Price noted for the record that the Board deliberated Case No. 1469 and that during their deliberation the Board took no votes or other official action as that term is defined in the Open Meeting Act.

Johnson moved to continue this matter in addition to giving the Vice Chairman authority to resolve the issue; St. John second. Affirmative votes: Johnson, Timmons, Honea, Nickles, Russell and St. John. Abstain: Dugger.

Hearing in Case No. 1471 – Charles Swinford Powell, CPA: This matter came for hearing at 9:47 a.m. The members of the Board present were seated on the hearing panel. Douglas Price, Assistant Attorney General, represented the Board. Rick Chamberlain, Special Prosecutor, represented the State. Respondent was not present and was not represented by counsel. Rick Chamberlain, the Special Prosecutor requested this matter be continued on the basis that there are disputed issues and that discovery is still outstanding due to the airline shutdown after September 11.

Russell moved for a continuance of this matter; Nickles second. Affirmative votes: Johnson, Timmons, Honea, Dugger, Nickles, Russell and St. John.

Case No. 1466 – Monty F. Rainwater, CPA: Rodney Watson, Attorney for the Respondent, presented his motion for Board reconsideration of costs assessed. Rick Chamberlain, the Special Prosecutor, represented the State. No witnesses were called.

Russell moved to deny reduction of fees; Nickles second. Affirmative votes: Johnson, Dugger, Nickles, Russell, and St. John. Recused: Timmons; Abstained: Honea.

Question and Answer Session with John Peace, Chairman of NASBA: Mr. Peace was present at the invitation by the Board to respond to questions the Board Members had concerning current issues. In a question and answer session, Mr. Peace discussed with the Board the following topics: the negotiation process involved in contracting with Prometric to administer the computerized CPA examination, maintenance of the proposed contract, whether state boards will have the ability to delay ratification of the contract should a fatal flaw be found in the contract, the issue of simulated essays, Briefing Paper #2, and the uniformity of the computerized exam.

Act on Minutes from August 24, 2001 Board Meeting: Mr. Russell asked about the usage of “maximum” with regard to Secretary Nickles’ motion in the hearing in the matter of Douglas Garrett. Mr. Johnson and Assistant Attorney General Douglas Price suggested the tape of the meeting be reviewed.

Mr. Russell left the meeting.

Act on Appeals from Examination Applicants whose Applications were Denied or Returned:

Tracy Taylor:

Deputy Director Steele explained the application was denied because Ms. Taylor did not appear to be a resident of Oklahoma. She has worked in Garland, Texas since January

2000 and lives in Lawton which would make commuting impossible. Under advice of Assistant Attorney General Douglas Price, Deputy Director Steele had contacted Ms. Taylor to determine if she had filed an Oklahoma income tax return in which she indicated she did not. Chairman Honea instructed Ms. Taylor that she must report her Texas income on an Oklahoma tax form since she is contending that she is a resident of Oklahoma.

Assistant Attorney General Douglas Price said the definition of a resident is not found in the Act under Section 15.A. Ms. Timmons asked Ms. Taylor if her voter's registration, car tag, and driver's license were in Oklahoma. She responded in the affirmative.

Chairman Honea asked Ms. Taylor if she would still apply to sit for the exam if she were required to file an amended tax return with the State of Oklahoma. She stated she would. Vice Chairman Dugger mentioned there could be an enforcement issue at hand in this matter since she had not filed a tax return in the state of Oklahoma. Assistant Attorney General Price replied that it was a tax law not complied with and not an accounting law.

> Nickles moved to allow Ms. Taylor to sit for the CPA examination in November. Johnson second.
>
> Vice Chairman Dugger amended the motion to include requirement that Ms. Taylor notify the Board she has filed a tax return with the Oklahoma Tax Commission prior to receiving a certificate. Amendment was accepted by Nickles and Johnson. Unanimous affirmative votes.

Larry Dotson:

Deputy Director Steele commented that his case is similar to that of Ms. Taylor's and that she believed they worked together. Prior to his leaving the meeting, Mr. Russell asked if the Oklahoma Tax Commission can be conferred with in this matter. Secretary Nickles instructed the Deputy Director to ask for the same information about what state Mr. Dotson has his voter's registration, driver's license, and car tag in and require him to file a tax return with the Oklahoma Tax Commission with such notification being faxed to the Board. Secretary Nickles recommended that if the determination can be made that Mr. Dotson has his voter's registration, driver's license, and car tag in Oklahoma, that he be allowed to sit for the examination as well.

William J. Quaid:

Deputy Director Steele expressed her reservations as to whether the letter sent by Mr. Quaid's employer verifies his temporary employment status. Vice Chairman Dugger reported that the Stillwater phone numbers provided by the applicant had been disconnected and that he had not heard of the company. Discussion led by Mr. Johnson with regard to Mr. Quaid's residency and employment status. Deputy Director Steele explained that Mr. Quaid was supposed to furnish a letter from his employer verifying he was in Oklahoma temporarily but the letter sent to the Board did not clarify this.

Dugger moved to ratify the Deputy Director's denial; Johnson second. Unanimous affirmative votes.

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

File No. 01-04-03

Complainant alleged that the CPA refused to give her copies of a joint tax return prepared on behalf of her and her former husband. She alleged that she was entitled to a copy since she was required to pay half of the fee charged for the tax return preparation. In the response, the CPA confirmed that she was engaged by the complainant's former husband but that the former husband was the party billing the complainant, not the CPA. The Vice Chairman recommended that a copy of the return be furnished to the complainant and to close the file after the CPA did so.

File No. 01-05-01

Complainant alleged that the CPA was rude and uncooperative about a federal tax return based on the Schedule K-1 for her in-laws. Upon investigation by the Vice Chairman, it was learned that the IRS has now recognized the full amount of taxes paid. The Vice Chairman recommended that this file be closed since it appears that the conflict with the IRS has been resolved.

File No. 01-09-03

A complaint was filed alleging that the CPA refused to return a former client's records and was threatening to destroy them because of a conflict as to the amount owed to the CPA. The CPA was contacted by the Vice Chairman whereby he agreed to inventory and return all original records to the former client. The Board is now in receipt of evidence that the CPA returned the records as agreed, so the Vice Chairman recommended that the file be closed.

File No. 215 – Robert Cornelius, Revoked CPA

Allegations were brought forth that the former registrant was practicing public accounting by preparing and signing an income tax return for a California resident. The former CPA was allegedly practicing in Shawnee, Oklahoma. There was no evidence in an investigation of the Shawnee address and telephone number to prove that he was holding out in Oklahoma. The Vice Chairman recommended that the file be closed for insufficient evidence.

Case No. 1479 – Examination Applicant

An Administrative Consent Order is being offered in this case, which provides that the Respondent shall be allowed to sit for examination, subject to a probation period beginning with the effective date of the Order and ending June 30, 2005. In the event

the Respondent successfully passes the examination, he will receive a CPA certificate and may apply for a permit to practice.

> Dugger moved for investigative files to be closed; Nickles second. Unanimous affirmative vote.

Minutes from August 24, 2001 Board Meeting: Deputy Director Steele noted an ambiguity in the minutes regarding the definition of "making application". The word, "he" should instead read "Chairman Honea" and she apologized for misspelling Secretary Nickles' name on page 7 in the matter of File No. 241. She also addressed Mr. Russell's prior question about the word "maximum" regarding the fines imposed in the matter of Douglas R. Garrett, CPA, and offered to review the tape again. Chairman Honea recommended the Deputy Director listen to the tape of the board meeting to determine whether he used the word "maximum". Johnson commented that the Oklahoma Society of CPA's position on proposed legislation had been included in the paragraph about the meeting with Cabinet Secretary Pam Warren and asked whether it should be in a separate paragraph. Secretary Nickles replied that it was appropriate. Vice Chairman Dugger concurred.

> Nickles moved to approve the minutes as amended with the caveat that Deputy Director Steele listen to the tape with regard to whether the word, "maximum" was used; Johnson second. Unanimous affirmative votes.

Report on Statistical Data of CPA Certificate and PA License Cancellations: As requested, a report was compiled by staff which identified the reasons CPAs and PAs were canceling their certificates and licenses. Many were the result of CPAs and PAs relocating and no longer practicing public accounting. Secretary Nickles asked if the Board required CPAs and PAs to return their certificates/licenses when they retire because of health. Deputy Director Steele replied that the Board does not and further added that staff will be compiling this report every year. Vice Chairman Dugger recommended the staff do this in the form of a year-to-year comparative report.

Request to Rescind Revocation of CPA Certificate – Bryan D. Morland: Deputy Director Steele reported that Mr. Morland's CPA certificate was revoked due to an error made by a Federal Express employee switching airbills and altering the dates so that it appeared the packages were timely delivered.

> Dugger moved to rescind Mr. Morland's revocation; Johnson second. Unanimous affirmative votes.

Proposed Budget Request – FY 2003/FY 2007 (Strategic Plan Project): Chairman Honea stated that the deadline of the strategic plan was Monday, October 1st as was the deadline for Mr. Johnson's review of the budgetary figures. Chairman Honea mentioned the staff's all day strategic planning session. Deputy Director Steele added that Mr. Russell was also present at the meeting. Mr. Johnson commented that he had reviewed the budgetary figures. Deputy Director Steele reported that the state had experienced severe computer problems for filing the strategic plan and Rollo Redburn,

Budget Division Director, allowed for late filings. Mr. Johnson reported that an extension letter from Rollo Redburn had been received. Chairman Honea asked if the extension letter gave a deadline. Deputy Director Steele responded that it did not but that an explanation will be provided to the Governor and Legislature as to why state agencies are filing late.

Secretary Nickles asked if a poll of the registrants was to be conducted. Chairman Honea replied that facilitator Ken King said a poll would be very difficult, if not close to impossible. Chairman Honea further commented that the strategic planning is an annual process and a poll could be done at another time. Mr. Johnson concurred, adding that substantial amendments might be done when the new Executive Director is hired.

Discussion of NASBA Bylaws: Chairman Honea elaborated on the following bylaw changes proposed by Oklahoma: (1) disqualification of non-committee members being candidates at the same time they were on the nomination committee; and (2) the regional director be nominated by the regions themselves instead of the national committee selecting the nominee and then be voted on by all 50 jurisdictions at the national meeting as to who will represent the region.

Johnson left the meeting.

Chairman Honea explained that he had sent a list of five to six questions that Mr. Peace was supposed to answer but could not answer for the sake of time. He further commented that unless specifically directed otherwise by the Board, if the NASBA Bylaws Committee proposed Bylaws changes must be voted on as a whole and they include the requirement that at least five NASBA regions must recommend a nomination of a candidate not selected by the Nominations Committee, he will vote against the proposed bylaws changes. Vice Chairman Dugger concurred.

Johnson returned to the meeting.

Secretary Nickles agreed and recommended that Chairman Honea vote for the Board and that bylaws be voted on a case by case basis. Chairman Honea commented that he had asked Mr. Peace to inform the Board of any other bylaws changes, but Mr. Peace did not answer while he was here.

Report from Oklahoma Society of CPA's Proposed Legislation: Daryl Hill reported that the Oklahoma Society of CPAs (OSCPA) proposed language that will amend the Oklahoma Accountancy Act to include the following concepts: (1) require one-year experience before awarding the certificate; (2) provide for practicing under the concept of substantial equivalency; (3) allow non-CPA ownership in an accounting firm at no more than 49%; (4) have language regarding the CPA examination requirement offered to indicate it can be in a format other than a written format; and (5) remove the limitation on examination fees and provide for the amount to be set by rule.

Mr. Johnson asked if the OSCPA would pursue amending the current Act and not introduce the UAA, but instead include UAA concepts. Chairman Honea asked Mr. Hill why the OSCPA was proposing all these items since substantial equivalency addresses

the one-year experience requirement if the objective was to be substantially equivalent. Secretary Nickles asked if this was an adoption of the UAA. Mr. Hill replied that the OSCPA's Board had voted to approve all of the aforementioned items and that the UAA concept had been approved by the OSCPA's Board several years ago.

Vice Chairman Dugger offered as a point of discussion his involvement with the CPE committee regarding the industry versus public practice issue as it pertains to the issuance of a permit. Mr. Johnson added that a task force would be formed by the OSCPA to invite comments by several different groups. Chairman Honea replied that he was not going to assign a committee at this point. Secretary Nickles disputed that non-ownership in a public accounting firm being in the public interest. Chairman Honea questioned the benefits of providing for fee changes in the Act and not the rule. Mr. Douglas Price added that the state legislature retains fee control. Chairman Honea commented he preferred there be an "up/down vote" on each of these issues being addressed and presented to the legislature and legislative committees including Cabinet Secretary Pam Warren. If asked to appear before a committee, Chairman Honea said the Board would be happy to comply because the Board has a position on these issues. Mr. Johnson asked if the Oklahoma Society of Accountants could be invited to make a report on proposed legislation at the next meeting. Vice Chairman concurred on the basis that it is a matter of equity. Mr. Nolen replied that he will check with Roger Berryman, who is acting Executive Director of the Oklahoma Society of Accountants

Report from Executive Director Search Evaluation Task Force:

> Johnson moved to go into Executive Session; Nickles second. Unanimous affirmative votes.
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> Dugger moved to come out of Executive Session; St. John second. Unanimous affirmative votes.

Mr. Price noted for the record that the Board discussed the Executive Director search as allowed by the Open Meeting Act and that the Board did not take any votes or other action.

Committee and Task Force Reports:

Forms and Attachments Committee: Deputy Director Steele reported that Mr. Russell requested information be sent to him and Secretary Nickles. Chairman Honea asked about the question on the registration form regarding being convicted of a crime. Deputy Director Steele reported that the question on the examination application had been revised to be all-inclusive and offered to have Assistant Attorney General Price review it again if preferred by the Board. Chairman Honea commented that the criminal activity question needs to be the same on all forms.

CPE Committee: Vice Chairman Dugger reported on the meeting with the OSCPA regarding legislative goals and the CPE audit process. Chairman Honea and Vice

Chairman Dugger took official notice that Mr. Johnson had been randomly selected for the CPE Audit.

Policy Committee: Chairman Honea reported on the meeting attended by himself, Mr. Russell and Ms. Timmons regarding deriving a policy on how the Board should interact with staff, Board Members, the legislature, and other state agencies. Chairman Honea explained that an outline had been developed and that he intended to get Pam Warren's legislative assistant involved in this process for a proposal to be submitted at the next board meeting.

Rules Committee: Chairman Honea informed the Board that he had appointed himself as Chairman with Mr. Johnson and Secretary Nickles as members. He also asked the Deputy Director when the staff's recommendations will be ready. Deputy Director Steele stated that a copy of the publication dates had been received this week. Chairman Honea suggested the need for a backup plan for the examination fee for computerization and will appoint a committee. Chairman Honea invited board members to submit all proposed rule changes to the Deputy Director.

Policy Passed in May Revisited: Chairman Honea addressed the Board's concerns regarding the limitations explained in the recusal process of who would be the hearing officer and who would succeed if a hearing officer must recuse himself or herself. Douglas Price commented that the intent of the policy was good but that it is difficult to write a standard policy for changing from one chairman to another during a hearing because this is always a case by case determination. Secretary Nickles agreed and added that he did not see the need for a policy. Johnson initiated discussion on how other state boards handle hearings and whether it would be in the interest of the Board to have the Assistant Attorney General preside as the hearing officer. Vice Chairman Dugger expressed a concern regarding challenges if a policy is adopted since it affects the vice chairman's involvement in a case prior to the hearing. Ms. Timmons asked if other agencies use legal counsel as hearing officers. Assistant Attorney General Price replied in the affirmative.

> Johnson moved to rescind the policy adopted at May's Board Meeting and to adopt the hearing guidelines that were adhered to prior to the May meeting as the Board knows them to be in the script hearing guidelines; St. John second. Dugger abstained.

CPA Examination Security Issue: Mr. Johnson reported that security issues cannot be ignored in light of the events on September 11th and due to increasing violence in public schools and in the workplace. He added that he had spoken with Joe Cote with NASBA regarding security and according to Mr. Cote, NASBA would re-visit the issue. Mr. Johnson suggested that, at a minimum, one male and one female armed police officer be present at both examination sites. Vice Chairman Dugger asked about the cost of the metal detectors. Mr. Johnson replied that the cost for both sites would be less than $5,000.00. Deputy Director Steele advised the Board that a special mailing could go out to all candidates informing them of security changes in addition to informing that two metal detectors will be used at each site.

Dugger moved to adopt the rental program for metal detectors for both exam sites and give the staff the flexibility to deal with the appropriate vendor on cost, in addition to staff sending out a communication to all applicants for the November exam and to have in place for the November exam.

Johnson offered an amendment that cost be limited to under $10,000.00 and that it be a turnkey operation. Dugger accepted amendment; Johnson second. Unanimous affirmative vote.

Johnson asked the Chairman to appoint him to assist the staff if needed. Ms. Timmons questioned whether the Board should establish a disaster plan. Deputy Director Steele stated that the agency had a disaster plan in place only for computer backups. Mr. Johnson concurred that the staff should look into this.

Request for Volunteers from Members of the Board to be on Call for Each Day of the Examination: Chairman Honea recommended that a Board Member be on location at both examination sites. Secretary Nickles and Chairman Honea volunteered for the Tulsa site. Mr. Johnson and Vice Chairman Dugger volunteered for Oklahoma City. Mr. St. John will also attend the Tulsa site in the afternoons. Chairman Honea offered clarification that if a Board member is unable to attend that they be on call.

Attendance of October Presentation Ceremony: Chairman Honea asked Vice Chairman Dugger and Mr. Johnson to attend the Presentation Ceremony to be held on Saturday, October 20, 2001 and they agreed.

Emergency New Business: Chairman Honea re-addressed the subject of the Board having a disaster plan. Mr. Johnson offered to work with Deputy Director Steele on developing a disaster plan for the Board.

Next Meeting Date Announced: The next Board Meeting is scheduled for 8:30 a.m., October 26, 2001, at the Mezzanine Room in the Shepler Building on the campus of Cameron University in Lawton, Oklahoma.

Deceased Registrants: **CPAs:** David Robert Gustavson, Certificate No. 14055 issued February 2, 1998; Terry J. Johnson, Certificate No. 4296, issued January 23, 1978; Jennifer Sue Mays, Certificate No. 7663, issued July 26, 1984; Michael A. Uhlmer, Certificate No. 2576, issued July 30, 1971. **PAs:** Joe Mack Parker, License No. 596, issued March 15, 1969.

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 CPA Certificates:

15194-R	David B. Baggett
15195-R	Kenneth R. Bernstein
15196-R	Spencer A. Coates
15197-R	Ainslee Nicole Crum
15198-R	Elizabeth A. Dothage
15199-R	Diana Kay Friest
15200-R	Katherine Anne Gronen
15201-R	Mary N. Keen
15202-R	Dee Ann Kelley
15203-R	John T. Kennedy
15204-R	Joseph R. Kiefer
15205-R	Charles Marcus Lux
15206-R	Tessa Lyn Martin
15207-R	Jennifer Morgan
15208-R	Andrew Michael Richards
15209-R	Cheryl N. Sanger
15210-R	Marc B. Scher
15211-R	Toby A. Soto
15212-R	Jared Earl Sponseller
15213-R	Jake Taylor
15214-R	Kris Michael Trainor
15215-R	Christopher G. Treece
15216-R	Brian J. Walker
15217-R	Alex S. Zimmerman
15218-R	Teresa R. Zion

Applications for Reinstatement of CPA Certificates:

3959	Cheryl D. Leavell
4393	Janice A. Mollenkopf
4881	Eva Marie Oliver
8489	Bruce Keith Compton
11241	Melissa Ann Walker
12474	Kami Doyle Ragsdale
13919	Michael D. O'Connor

Initial Registration of a CPA Partnership:

Strain & Strain

Initial Registration of CPA Professional Corporations:

Henderson & Ramsey, P.C.
Howerton, Morris & Simpson, P.C.
Sullivan & Young, P.C.
Vanderveen Tax Services, Ltd.
Woody & Associates, P.C.

Initial Registration of a CPA Limited Liability Company:

Ehrhardt and Co., P.L.L.C.

Adjournment: There being no further business to come before the Board, at 2:00 p.m. Chairman Honea called for a motion to adjourn.

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

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Archer M. Honea, Chairman

ATTEST:

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James A. Nickles, Secretary

[B L A N K]