OKLAHOMA ACCOUNTANCY BOARD

MINUTES OF MEETING AND HEARINGS

October 17, 2003

The Oklahoma Accountancy Board convened in regular session on Friday, October 17, 2003 in Suite 284, 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:

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

In attendance at the meeting: Edith Steele, Executive Director; Barbara Walker, Donita Graves, and Jim Shepherd, Board staff members. David Kinney, Assistant Attorney General and Special Prosecutor for the Board; and John Crittenden, Assistant Attorney General who was present only for pertinent parts of the meeting. Patty Hurley, Associate Executive Director, Rae Rice, CPA, and Don Orr, CPA, represented the Oklahoma Society of CPAs. Peggy Johnson and Dean Taylor represented the Oklahoma Society of Accountants.

Call To Order: At 8:36 a.m. Chairman Johnson called the meeting to order and declared a quorum present. At his request, Executive Director Steele read the names of the visitors present.

Public Comment Period: Chairman Johnson asked Executive Director Steele if she had received any written requests or had been informed by any member of the public wishing to speak before the Board. She replied that she had not.

Consent Agenda: The Consent Agenda contained 4 items for the Board's consideration: (1) Approve the minutes of the September 26, 2003 Board meeting; (2) Authorize the Executive Director to enter into a contract with the State Auditor and Inspector's office to perform an audit on the Board's FY 03 financial statements; (3) Ratify actions taken by the Executive Director on examination and transfer of credit applications which were denied; and (4) Ratify actions taken by the Executive Director on applications and registrations filed since the previous meeting.

Chairman Johnson stated that a timeline for the audit will be worked out later. He asked Pam Lindsey, Director of State Agency Audits of the State Auditor's office for her consideration in amending the engagement letter to implement SAS 99 in the upcoming audit. Mr. Dugger asked if the engagement letter for the two-year audit had been reviewed for purposes of consistency. Chairman Johnson responded in the affirmative. Ms. Gray raised the question of the difference in the amount between the engagement letter and the proposed timeline. Chairman Johnson clarified that the amount in the engagement letter was the one subject to approval by the Board and will be modified to include SAS 99.

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

Case Nos. 1549-21 through 1549-34 – Individual Permit Hearings: Special Prosecutor and Assistant Attorney General David Kinney summarized the hearing conducted by Administrative Law Judge Douglas Price on Friday, October 3, 2003. None of the respondents or representatives of the respondents were present at the hearing. He stated that in all the cases in which exhibits were offered, the findings were that notices of hearing had been properly given. The registrants failed to file the applications for permits to practice public accounting or failed to change the registration information on file with the Board to reflect that the registrants were no longer practicing public accounting in Oklahoma. Mr. Price recommended two-year suspensions for the following registrants if they fail to apply for permits by close of business on the Board meeting date. Mr. Kinney asked the Board to move to accept the findings and recommendations from the Administrative Law Judge in these hearings.

Registrant's Name	Case No.	CPA Certificate No.
Martin A. Dozier	1549-23	11770
Evelyn S. Libbert	1549-31	15044-R

> Dugger moved to accept the Administrative Law Judge's recommendation to suspend the CPA certificates of Martin A. Dozier and Evelyn S. Libbert immediately for a period of two years; Engelbach second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.

Assistant Attorney General Kinney explained that Administrative Law Judge Price recommended in the matter of Case No. 1549-21, that Mr. Holman be granted an extension until November 17, 2003 due to a series of chronic illnesses to complete the required CPE for the year and if the hours are not completed by the extension deadline, Mr. Holman's CPA Certificate be suspended instantaneously.

Mr. Nickles expressed concern about an automatic suspension of Mr. Holman's certificate. Chairman Johnson commented that Mr. Holman could apply for another extension and this matter could be brought before the Board again.

Nickles moved that in the matter of Case No. 1549-21, Robert Chasteen Holman be granted an extension until November 17, 2003 and that the Special Prosecutor will report at the Board's November meeting on Mr. Holman's status for further possible action; St. John second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.

Case Nos. 1570-1 through 1570-74 – Firm Registration Hearings: David Kinney, Assistant Attorney General and Special Prosecutor for the Board, summarized the hearing conducted by Administrative Law Judge Douglas Price on Friday, October 3, 2003. No representatives of the firms attended the hearing. He stated that in all the cases in which exhibits were offered, the findings were that notices of hearing were properly given. Mr. Price recommended revocation of the following firms which failed to register and pay the annual registration fee if the firms fail to apply for permits by close of business on the Board meeting date. Mr. Kinney asked the Board to move to accept the findings and recommendations from the Administrative Law Judge in these hearings.

The following firm registrations were revoked:

CPA Professional Corporations:

1570-1 Archer & Associates, CPA, P.C.
1570-2 Brenner & Company, P.C.
1570-12 Dimick Green Brown & Stark, P.C.
1570-20 Greg L. Hambay, CPA, P.C.
1570-28 Kenner & Company, P.C.
1570-37 Pharaoh and Associates, P.C.
1570-43 Roger Ely, C.P.A., P.C.
1570-47 The J. Henry Co. PC
1570-48 Thomas H. Ledbetter CPA, CFP, PC

PA Professional Corporation:

1570-74 Ratliff & Ketter, P.C.

St. John moved to revoke the firms listed in item 5b-2 provided the firms listed do not file before 5:00 p.m. today; Dugger second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.

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

Case No. 1507 – Non Registrant

This company was listed in the Yellow pages under the heading "Accountants—Public". A Cease and Desist letter was sent to the company by the former Special Prosecutor. When it appeared that no response was received, the Vice Chairman authorized formal charges and the file was assigned to the Administrative Law Judge. However, after the charges were filed, it was discovered that the Respondent did, in fact, respond to the Special Prosecutor so the Vice Chairman recommends that the case be dismissed by the Board.

File No. 1014 – CPA Individual

This complaint was a referral from the U.S. Department of Housing and Urban Development. An investigator was assigned to the file. Although the investigator did find some of the allegations valid, most were not. A letter to the registrant was authorized by the Vice Chairman to determine what steps the registrant has taken to avoid these deficiencies in the future. The response from the registrant satisfied the Vice Chairman and he recommends the file be closed.

File No. 1076 – CPA Individual

This complaint was filed by another CPA practitioner because the CPA registrant refused to return the client's records to the new CPA. Subsequent to the complaint, the new CPA received the records needed from the registrant so the Vice Chairman recommends the file be closed.

File No. 1079 – CPA Individual

Registrant responded affirmatively on the biennial registration to the criminal activity question. A letter requesting additional information was sent to the registrant but no response was received. After unsuccessful attempts by staff, the Assistant Attorney General was authorized to send a letter. The registrant finally responded with details which do not involve moral character. Her response satisfied the Vice Chairman and he recommends the file be closed.

> Engelbach moved that Case No. 1507 be dismissed; Gray second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.
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> Engelbach moved to close files in Case Nos. 1014, 1076, and 1079; Nickles second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.

Discuss and Act on Appeal of Denied Examination Application: Executive Director Steele explained that the applicant did not have the required number of hours in Accounting. She added that the applicant's employer requested consideration that the applicant's staff training be credited toward the accounting hour requirement in order to qualify for the CPA examination. Ms. Steele referenced 10:15:7-2(a)(2). She noted that the applicant would have qualified to sit for the CPA examination prior to July 1, 2003

had he applied but that the applicant did not apply until September 8th. Chairman Johnson asked when the applicant graduated. Ms. Steele replied that the applicant graduated May 10, 2003. Chairman Johnson noted that since he graduated in the period between April and June, he would have been eligible for the waiver of the requirement had he applied before June 30th.

At the request of the Board's Special Prosecutor David Kinney, Chairman Johnson stated for the record that neither the applicant nor a representative for the applicant was present.

Chairman Johnson commented that the 150-hour requirement had been in the Board's statute since 1998 and this requirement had been discussed at several Oklahoma Accounting Educators' Meetings since that time. Mr. Dugger suggested sending a letter reminding the faculty of all schools to notify their students about the 150-hour requirement which became effective July 1, 2003. Chairman Johnson noted that a number of professors had been present at the January meeting of the Oklahoma Accounting Educators' Conference and that information about the Board's 150-hour requirement had been included in the Board's recent newsletters and was also currently posted on the Board's website. Executive Director Steele added that she has also been speaking at Accounting Clubs about this requirement.

> Engelbach moved to deny the appeal; Volturo second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.

Determine Which Board Members Will Be On Call or In Attendance for the Examination on November 5 & 6: Executive Director Steele commented that this examination would be the last pencil and paper CPA examination. Chairman Johnson offered to be available on the 5th while Ms. Gray offered to be available on the 6th at the Oklahoma City site. Vice Chairman Engelbach also offered to be available on November 6th at the Oklahoma City site. Mr. Volturo offered to be available on November 5th at the Tulsa site. Secretary St. John, Mr. Dugger, and Mr. Nickles commented that they would check their schedules for availability on those dates for the Tulsa site.

Presentation of 15-year Service Pin to Sharon Wells, Examination Coordinator: Chairman Johnson presented Sharon Wells a pin in recognition of her 15 years of service to the Board.

Case No. 1504 – Hearing in the Matter of Scott Lewis Campbell, CPA, Certificate No. 4248: This matter came on for hearing at 9:22 a.m. The members of the Board present were seated on the hearing panel. Assistant Attorney General Crittenden represented the Board. Special Prosecutor David Kinney represented the State. Respondent was neither present nor represented by counsel. The purpose of the hearing was to determine whether the Respondent violated (1) Section 15.14A(A) of the Accountancy Act; OAC 10:15-39-8(a) and OAC 10:15-39-9(1) by filing his *2000 & 2002 CPA Individual Biennial Registration* and listing P.C. as his full-time employment, and engaged in the practice of public accounting with the corporation without P.C. having

ever been registered as a firm with the Board or ever having a permit to practice and; (2) Section 15.14B of the Oklahoma Accountancy Act and OAC 10:15-39-8(e) by not responding in writing to the certified mail letter mailed October 21, 2001.

No witnesses were called by the State. Special Prosecutor Kinney presented a Consent Order which had been signed by the Respondent. The terms of the Consent Order were: (1) the Respondent be assessed a fine in the amount of $300, which represents the fees the Respondent would have paid for the registration of the firm; (2) the Respondent be required to complete two hours of Ethics, pre-approved by the Board's Vice Chair within 180 days, in addition to the two-hour CPE Ethics requirement as part of the 40-hour CPE requirement; and (3) the Respondent is responsible for prosecution costs in the amount of $227.04.

> Engelbach moved to approve the Consent Order in Case No. 1504 as presented by the Vice Chairman and Special Prosecutor; Dugger second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.
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> Nickles moved to adjourn the hearing; Dugger second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1504.

Case No. 1556 – Hearing in the Matter of Richard L. Retherford, CPA, Certificate No. 4564-R: This matter came on for hearing at 9:34 a.m. The members of the Board present were seated on the hearing panel. Assistant Attorney General Crittenden represented the Board. Special Prosecutor David Kinney represented the State. Respondent was neither present nor represented by counsel. The purpose of the hearing was to determine whether the Respondent violated (1) Section 15.14A(A) of the Accountancy Act; OAC 10:15-39-8(a) and OAC 10:15-39-9(1) by filing his *2002 CPA Individual Biennial Registration* and listing Advisory Resource Group LLC as his full-time employment, and engaged in the practice of public accounting with the corporation without Advisory Resource Group LLC having ever been registered as a firm with the Board and ever having a permit to practice and; (2) Section 15.14B of the Oklahoma Accountancy Act and OAC 10:15-39-8(e) by not responding in writing to the certified mail letter mailed March 14, 2003.

No witnesses were called by the State. Special Prosecutor Kinney presented a Consent Order which had been signed by the Respondent. The terms of the Consent Order were: (1) the Respondent be assessed a fine in the amount of $75, which represents the fees the Respondent would have paid for the registration of the firm; (2) the Respondent, should he ever apply for a permit to practice, be required to complete two hours of Ethics, pre-approved by the Board's Vice Chair, in addition to the two-hour CPE Ethics requirement as part of the 40-hour CPE requirement; and (3) the Respondent is responsible for prosecution costs in the amount of $290.22.

Engelbach moved to approve the Consent Order in Case No. 1556 as presented by the Special Prosecutor; Gray second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.

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

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1556.

Case No. 1554-1 – Hearing in the Matter of William J. Roberts, Jr., CPA, Certificate No. 8039: This matter came on for hearing at 9:38 a.m. The members of the Board present were seated on the hearing panel. Assistant Attorney General Crittenden represented the Board. Special Prosecutor David Kinney represented the State. Respondent was neither present nor represented by counsel. The purpose of the hearing was to determine whether the Respondent violated (1) Section 15.14A(A) of the Accountancy Act; OAC 10:15-39-8(a) and OAC 10:15-39-9(1) by filing his *2001 CPA Individual Biennial Registration* and listing P.C. as his full-time employment, and engaged in the practice of public accounting with the corporation without P.C. having ever been registered as a firm with the Board and ever having a permit to practice and; (2) Section 15.14B of the Oklahoma Accountancy Act and OAC 10:15-39-8(e) by not responding in writing to the certified mail letter mailed March 14, 2003.

No witnesses were called by the State. Special Prosecutor Kinney presented a Consent Order which had been signed by the Respondent. The terms of the Consent Order were: (1) the Respondent be assessed a fine in the amount of $225, which represents the fees the Respondent would have paid for the registration of the firm; (2) the Respondent be required to complete two hours of Ethics, pre-approved by the Board's Vice Chair, within the next 180 days, in addition to the two-hour CPE Ethics requirement as part of the 40-hour CPE requirement; and (3) the Respondent is responsible for prosecution costs in the amount of $290.22.

Engelbach moved to approve the Consent Order in Case No. 1554-1 as presented by the Special Prosecutor; Nickles second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.

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

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1554-1.

Case No. 1510 – Hearing in the Matter of Tanra Eileen Mayes, CPA, Certificate No. 13439 and T.E. Mayes & Co., Certified Public Accountant: This matter came on for

hearing at 10:05 a.m. The members of the Board present were seated on the hearing panel. Assistant Attorney General Crittenden represented the Board. Special Prosecutor David Kinney represented the State. Respondent was neither present nor represented by counsel. The purpose of the hearing was to determine whether the Respondent violated (1) Sections 15.11(A), 15.11(G) and 15.14A(A) of the Accountancy Act; OAC 10:15-39-8(a) and OAC 10:15-39-9(1) by designating herself as a Certified Public Accountant and CPA without holding a valid Permit to Practice, and by engaging in the practice of public accounting without holding a valid Permit to Practice and; and (2) T.E. Mayes & Company violated Sections 15.11(B), 15.15(A), and 15.15A(A) of the Oklahoma Accountancy Act by holding itself out as a Certified Public Accounting firm without registering with the Board and receiving a valid Permit to Practice, and by engaging in the practice of public accounting without holding a valid Permit to Practice.

No witnesses were called by the State. Special Prosecutor Kinney presented a Consent Order which had been signed by the Respondent. The terms of the Consent Order were: (1) the Respondent be assessed a fine in the amount of $1000; (2) the Respondent be required to complete an additional sixteen hours of CPE during 2003 as part of the 40-hour CPE requirement; and (3) the Respondent is responsible for prosecution costs in the amount of $269.16.

> Engelbach moved to approve the Consent Order in Case No. 1510 as presented by the Special Prosecutor; Dugger second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.
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> Dugger moved to adjourn the hearing; St. John second. Affirmative votes: Gray, Volturo, Johnson, Engelbach, St. John, Dugger and Nickles.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1510.

Case No. 1554-2 – Hearing in the Matter of Elizabeth A. Nelson, CPA, Certificate No. 4427: Special Prosecutor Kinney stated that this matter had been tabled until the Board's next meeting.

Executive Director's Report: Executive Director Steele reported that six candidates had requested accommodations under the Americans With Disabilities Act and that these same arrangements had been previously approved by the Board and will be the same arrangements for this examination. She noted that there was still a vacancy in the Deputy Director position. She stated that the Budget Request was still under review by the Board's Budget Committee.

Chairman's Report: Chairman Johnson announced that Mr. Nickles had been added to the Legislative Committee and the Peer Review Committee at Mr. Nickles' request and that Mr. Dugger had been added to the Rules Committee at Mr. Dugger's request.

Next Meeting Date Announced: The next Board Meeting is scheduled for 9:00 a.m., November 21, 2003 in Conference Room 284 at the Lincoln Office Plaza in Oklahoma City. Chairman Johnson announced that he had invited Scott Vornich, the Chair Elect of the AICPA, to make a presentation to the Board about his vision for the future of the AICPA. Mr. Dugger suggested sending a courtesy letter to all universities informing them of Chair Elect Vornich's visit.

NOVEMBER 2003 APPLICATION DISAPPROVAL LIST

Initial Applicants:	Reason for Disapproval by Executive Director:
Kaya Birdsong	Did not meet educational requirement.
Charles Cross	Did not meet educational requirement.
Amy Dean	Did not meet educational requirement.
Robert Denard	Did not meet educational requirement.
Violeta Gandionco	Did not meet educational requirement.
Nathan Heath	Did not meet educational requirement.
Jamie Horner	Did not meet educational requirement.
Kevin Lawrence	Did not meet educational requirement.
Christie Littlefield	Did not meet educational requirement.
Becky Monk	Did not meet educational requirement.
Christopher Neurohr	Did not meet educational requirement.
Paige Redden	Did not meet educational requirement.
Steve Robison	Did not meet educational requirement
Tusneeya Sae-Mak	Did not meet educational requirement.
Janae Sheffer	Did not meet educational requirement.
Charlotte Shipman	Did not meet educational requirement.
Assel Talayeva	Did not meet educational requirement.
Brandon Wise	Did not meet good moral character.

Transfer of Credit:

Brian Morris	Did not meet educational requirement.

Re-Examinees:

James Fissel	Application received after filing deadline (remains active candidate)
Kelly Brown	Application received after filing deadline (remains active candidate)

Applications Withdrawn:

Hafez Aamer	Initial; Did not meet educational requirement
Jennifer Comingdeer	Initial: Did not meet educational requirement
Latoya Duncan	Initial; Did not meet educational requirement
John Sims	Initial;. Did not meet educational requirement
Ronnae Martin	Initial; Did not meet educational requirement
Chinh Nguyen	Initial: Did not meet educational requirement
Ryan Pace	Initial: Did not meet educational requirement

Deceased Registrants: **CPAs:** Tsai Yuan Chen, Certificate No. 11449-R, issued August 22, 1991; Orien Edward Franklin, Certificate No. 1866, issued February 5, 1966; Alfred Hayes Meese, Certificate No. 484, issued December 28, 1946.

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

Applications for Reciprocal Certificates:

J. Ken Ashley
Richard A. Burger
Gregory Ward Flesher
Paul Alan Peacock

Applications for Substantial Equivalency:

Frank P. Conroy (Texas)
James Curtis Willenborg (Texas)

Applications for Reinstatement of CPA Certificates:

6851 Elizabeth K. Banks
14509 Dion Bradley Hayes

Initial Registrations of CPA Professional Corporations:

Fox, Byrd & Company, P.C.
Schmidt & Associates, PC

Initial Registrations of CPA Professional Limited Liability Companies:

Justin K Stephenson, CPA, PLC
TJ Franz & Associates, PLLC

Adjournment: There being no further business to come before the Board, at 10:31 a.m. Chairman Johnson adjourned the meeting.

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Carlos E. Johnson, Chairman

ATTEST:

_____
E. B. St. John, Secretary

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