# OKLAHOMA ACCOUNTANCY BOARD

## MINUTES OF MEETING AND HEARINGS

December 17, 2004

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, December 17, 2004 in Suite 284, 4545 N. Lincoln Boulevard, Oklahoma City, Oklahoma. A tape recording of the meeting is on file in the OAB office. Members present at the meeting:

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

In attendance at the meeting: Edith Steele, Executive Director and Kelly Brown, Deputy Director; Jim Shepherd, Donita Graves, and Barbara Walker, OAB staff members; David Kinney, Assistant Attorney General; Daryl Hill represented the Oklahoma Society of CPAs; Dean Taylor and Jim Nolen represented the Oklahoma Society of Accountants; Nate Atchison and Traci Rigney, CPAs from the firm of Finley & Cook, PLLC; John Crittenden, Assistant Attorney General and Melinda Hall, court reporter were also present for relevant segments of the meeting.

**Agenda Item #1a -- Call To Order:** At 8:08 a.m. Chairman Johnson called the meeting to order.

**Agenda Item #1b -- Declaration of Quorum:** All members were present and Chairman Johnson declared a quorum present.

**Agenda Item #1c – Announcement of Absences and Action, if Necessary, to Determine Whether Absence(s) Was Unavoidable Pursuant to Title 59, Section 15.3.B.5:** No absences pursuant to Title 59, Section 15.3.B.5 were declared.

**Agenda Item #1d – Announcement of Legal Meeting Notice:** Notice of the meeting was filed with the Secretary of State and the agenda for the meeting was posted in the reception area of the OAB's office in compliance with the Open Meeting Act.

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

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

**Agenda Item #7 – Discuss and Act on Report on the Audit of the Financial Statements for the Fiscal Year Ended June 30, 2004 Issued by Finley & Cook, P.L.L.C.:** Nate Atchison, CPA, from Finley & Cook, PLLC presented the Annual Financial Statements & Independent Auditors' Reports As Of & For The Fiscal Years Ended June 30, 2004 & 2003 to the OAB. The report contained no reportable conditions or findings of non-compliance or instances of fraud and contained an unqualified opinion.

> Petete moved to accept the financial statements as presented; Engelbach second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

**Agenda Item #4 – Consent Agenda:** The Consent Agenda contained 2 items for the OAB's consideration. (1) Approve the minutes of the November 19, 2004 Board Meeting; and (2) Ratify actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

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

**Agenda Item #5 -- Discuss and Act On Decision to Utilize Short or Long Version of Minutes:** Assistant Attorney General Kinney recommended removing the discussion portion of the minutes and adopting a shorter format of the minutes to be more consistent with other state agencies. Chairman Johnson directed Assistant Attorney General Kinney to research the Records Retention Act for state agencies with regard to the period required to retain the tapes of board meetings.

> Volturo moved that the OAB follow the advice and recommendation of legal counsel to change the method that the OAB has used to record the minutes of the OAB to a shorter version; the format would record the motion or motions made, reflect the Board member who made and seconded the motion or motions and any subsequent actions and vote of each Board member and reference the agenda item; Engelbach second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John and Gray; Negative vote: Nickles. Motion passed.

**Agenda Item #6 – Discuss and Act on Proposed Draft of Permanent Rules Promulgation:** Executive Director Steele noted a scrivener's error with regard to 10:15-30-2. Required CPE for Issuance of an original permit.

> Engelbach moved to approve the proposed rules to be submitted to the public; Petete second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

**Agenda Item #8a – Discuss and Act on the Presentation Ceremony Committee Report:** Chairman Johnson directed Executive Director Steele to send to the Board members and the Societies the results of the survey staff sent to the successful candidates from Window 1 and 2 with regard to the type of ceremony they prefer, the survey sent to the executive directors of other state boards as to whether or not their Boards conduct presentation ceremonies and whether or not any recognition is made for those candidates who earn the highest scores.

**Agenda Item #8b -- Discuss and Act on the Review Procedures and Qualifications of Independent Auditors Filing Reports Committee Report;** As Chair of the Independent Auditors Filing Reports Committee, Member Volturo reported that 4,696 letters had been mailed to all CPA firms in addition to those registrants who practice public accounting. Chairman Johnson directed Executive Director Steele to send a second request to those firms which have not responded to the letter.

**Agenda Item #8c – Discuss and Act on the CPE Committee Regarding Grass Roots Seminar:** As Chair of the CPE Committee, Secretary St. John requested this item be deferred until the January meeting.

**Agenda Item #8d – Discuss and Act on Budget Committee Regarding FY06 Budget Request:** As Chair of the Budget Committee, Member Gray requested that the Budget Committee be authorized to review and make changes if needed to the budget request for the purpose of timely filing with the Office of State Finance.

**Chairman Johnson left the meeting at 9:35 a.m. Vice Chairman Engelbach presided as Chairman.**

**Agenda Item #9a – Review and Ratify Verified Experience of Successful Candidates for Certification:** As Chairman of the Experience Verification Committee, Secretary St. John verified that the Committee had approved the experience submitted by the two applicants.

> Nickles moved to ratify the applicants' experience; St. John second. Affirmative votes: Petete, Volturo, Engelbach, St. John, Nickles and Gray. Abstained: Johnson

Name:

CUFF, NANCY LYNN
HOLMAN, DEANNA E.

**Agenda Item #9b – Take Official Notice of CPA Examination Review Board's Report on the Grading of the Window 2 Examination (July-August 2004):** Executive Director Steele acknowledged that a signed copy of the CPA Examination Review Board's Report had been received by the OAB.

**Chairman Johnson returned to the meeting at 9:37 a.m. and resumed as Chairman.**

**Case No. 1506 -- Hearing in the Matter of John Cuevas:** This matter came on for hearing at 9:38 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel. Assistant Attorney General John Crittenden represented the Board. Respondent was not present nor represented by counsel. No witnesses were called by the State.

Assistant Attorney General David Kinney offered a Consent Order with the following terms: (1) Respondent has violated 59 O.S. 2001, 15.1A(33) of the Oklahoma Accountancy Act, and shall immediately cease and desist from any further or future violations of these sections; (2) Respondent will abide by the restrictions of the Oklahoma Accountancy Act and Board Rules on non-registrants in the future; (3) Respondent is assessed the costs of this proceeding in the amount of $453.00; (4) Respondent is not assessed a fine; (5) A proven violation of this Consent Order, the Act, or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Law; and (6) A copy of this Consent Order shall be on file in the Board's offices and shall be made available to any person who inquires and requests access to the Board's records. Further, notice of these proceedings shall be reported by press release and in the Board's Bulletin, and as otherwise deemed appropriate by the Board.

> Nickles moved to accept the Consent Order as presented by the Special Prosecutor in this case; St. John second. Affirmative votes: Gray, Nickles, St. John, Engelbach, Johnson, Volturo and Petete.
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> Gray moved to adjourn the hearing; Nickles second. Affirmative votes: Gray, Nickles, St. John, Engelbach, Johnson, Volturo and Petete.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1506.

**Case No. 1563 – Hearing in the Matter of Charles R. Burkhard, Non-Registrant:** This matter came on for hearing at 9:52 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel. Assistant Attorney General John Crittenden represented the Board. Respondent was not present nor represented by counsel. No witnesses were called by the State.

Assistant Attorney General David Kinney offered a Consent Order with the following terms: (1) Respondent has violated Sections 15.1A(6), 15.14(A), and 15.14A(A) of the Oklahoma Accountancy Act, and shall immediately cease and desist from any further or future violations of these sections; (2) Respondent will abide by the restrictions of the Oklahoma Accountancy Act and Board Rules on non-registrants in the future; (3) Respondent is assessed the costs of this proceeding in the amount of $453.00; (4) Respondent is assessed a fine in the amount of $500.00; (5) Respondent will pay the costs and fine as follows: (A) $100.00 on approval of this Consent Order by the Board; (B) $100.00 per month for the next eight (8) months after approval by the Board; (C) Balance due ten (10) months after approval by the Board; (6) A proven violation of this

Consent Order, the Act, or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Law; and (7) A copy of this Consent Order shall be on file in the Board's offices and shall be made available to any person who inquires and requests access to the Board's records. Further, notice of these proceedings shall be reported by press release and in the Board's Bulletin, and as otherwise deemed appropriate by the Board.

> Gray moved to accept the Consent Order as presented by the Special Prosecutor in this case; Nickles second. Affirmative votes: Gray, Nickles, St. John, Engelbach, Johnson, Volturo and Petete.
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> Nickles moved to adjourn the hearing; St. John second. Affirmative votes: Gray, Nickles, St. John, Engelbach, Johnson, Volturo and Petete.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1563.

**Case No. 1576 – Hearing in the Matter of H & H Bookkeeping Service, Non-Registrant:** This matter came on for hearing at 10:02 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel. Assistant Attorney General John Crittenden represented the Board. Respondent was not present nor represented by counsel. No witnesses were called by the State.

Assistant Attorney General David Kinney offered a Consent Order with the following terms: (1) Respondent has violated Sections 15.1A(6), 15.15(A), and 15.15A(A) of the Oklahoma Accountancy Act, and shall immediately cease and desist from any further or future violations of these sections; (2) Respondent will abide by the restrictions of the Oklahoma Accountancy Act and Board Rules on non-registrants in the future; (3) Respondent is assessed the costs of this proceeding in the amount of $285.00; (4) Respondent is assessed a fine in the amount of $1,000.00; (5) Respondent will pay the costs and fine as follows: (A) $100.00 on approval of this Consent Order by the Board; (B) $100.00 per month for the next ten (10) months after approval by the Board; (C) Balance due eleven (11) months after approval by the Board; (6) A proven violation of this Consent Order, the Act, or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Law; and (7) A copy of this Consent Order shall be on file in the Board's offices and shall be made available to any person who inquires and requests access to the Board's records. Further, notice of these proceedings shall be reported by press release and in the Board's Bulletin, and as otherwise deemed appropriate by the Board.

> Gray moved to accept the Consent Order as presented by the Special Prosecutor in this case; Engelbach second. Affirmative votes: Petete, Volturo, Johnson, Engelbach, St. John, Nickles and Gray.

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

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1576.

**Case No. 1577 – Hearing in the Matter of Evalyn Roy Carter, CPA, Certificate No. 8813 Consideration of Proposed Findings of Facts and Conclusion of Law from Administrative Law Judge:** This matter came on for hearing at 10:08 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel. Respondent was not present nor represented by counsel. No witnesses were called by the State.

The purpose of the hearing was to consider the Proposed Findings of Facts and Conclusions of Law issued by the Administrative Law Judge on October 22, 2004. Assistant Attorney General David Kinney introduced evidence into the record and made oral arguments in favor of the Board adopting the Findings of Facts and Conclusions of Law.

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

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

Engelbach moved to accept the findings of fact and conclusions of law of the Administrative Law Judge and revoke Certificate No. 8813 issued to Evalyn Roy Carter and that she surrender her CPA wall certificate to the OAB and the OAB impose a fine for the 37 violations of the Oklahoma Accountancy Act in the total amount of $40,000 plus cost of $1,062.00 which is a reasonable amount; St. John second. Affirmative votes: Gray, Nickles, St. John, Engelbach, Johnson, Volturo and Petete.

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

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1577.

**Case No. 1592 – Show Cause Hearing in the Matter of the Application to Reinstate the CPA Certificate of Robert C. Burcham:** Assistant Attorney General Kinney stated that this matter will be continued to the next OAB meeting.

**Agenda Item #10 -- Director's Report:** Executive Director Steele requested this item be deferred to the next meeting.

**Agenda Item #11a – Chairman's Report:** Chairman Johnson stated that this item will be deferred to the next meeting.

**Agenda Item #11b – Next Meeting Date Announced:** The next OAB Meeting is scheduled for 8:30 a.m., January 21, 2005 in Conference Room 269 at the Lincoln Office Plaza in Oklahoma City.

**Agenda Item #12 – New Business:** No new business.

**Agenda Item #13 – Adjournment:** There being no further business to come before the OAB, at 11:33 a.m. Chairman Johnson called for a motion to adjourn.

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

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Carlos E. Johnson, Chairman

ATTEST:

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E. B. St. John, Secretary

## APPENDIX 1

**Certificates Cancelled by Registrant's Request:**

**CPAs:** Robert Gregory Cobb, Certificate No. 14600-R, issued September 17, 1999; Randy Booth Robbins, Certificate No. 14607-R, issued September 17, 1999. **(Reason for Cancellations: SE)**

**Deceased Registrant:** **CPA:** Sherman Graham Smith, Certificate No. 302 issued December 11, 1937

**Dissolved Firms:** **CPA Corporations:** Johnston & Crain, C.P.A.'S, P.C.;
Lynn E. McCaslin, CPA, P.C., Inc.

**Applications and Registrations Approved:**

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

Applications for Certification (Successful Candidates):

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|---|---|
| 15945 | Justin Patric Meyers |
| 15964 | Nathan Dale Anderson |
| 15965 | Darrin Dee Bell |
| 15969 | William Daniel Clark |
| 15984 | Melissa Marie Scott |
| 15985 | Rohit Chandra Sharma |
| 15987 | Holly Jayne Stuart |
| 15988 | Catherine Denise Terrell |
| 15962 | Gary Alan Scarborough |
| 15992 | Trent Robert Wells |

Applications for Reciprocal Certificates:

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|---|---|
| 15997-R | Susan Edwards Foster |
| 15998-R | Brian Ray Morris |
| 15999-R | Deborah Lynn Rodesney |
| 16000-R | Jodi L. Taylor |

Applications for Substantial Equivalency (Based on State SE Recognition):

Robert Leon Allen (Texas)
Michael J. Beacom (Texas)
Jerry Allen Blair (Texas)
Robert Gregory Cobb (Texas)
William T. Healey (Texas)
Teresa Michelle Scroggins Hickox (Texas)

4618.

Bruce Rodney Levi (Texas)
Nick Myers (Missouri)
Randy Booth Robbins (Texas)

Applications for Reinstatement of CPA Certificates:

| | |
|---|---|
| 9784 | Judy A. Poltera |
| 13910 | Morris A. Miller |

Initial Registrations of CPA Professional Corporations:

David Parker CPA, P.C.
Dianna H. Rowland, CPA, P.C.
McCaslin CPA & Associates, PC
Raystar Accounting Solutions, P.C.
Stacy Brandon CPA, PC

Application for Reinstatement of a CPA Professional Corporation:

Hupp & Bauer, A Professional Corporation

4619.

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