OKLAHOMA ACCOUNTANCY BOARD

MINUTES OF MEETING AND HEARING

November 14, 2006

The Oklahoma Accountancy Board (OAB) convened in regular session on Tuesday, November 14, 2006 at the Raymond Estep Multi-Media Center, University Center on the campus of East Central University, Ada, Oklahoma. A tape recording of the meeting is on file in the OAB office. Members present at the meeting:

Janice L. Gray, CPA, Chair
Tom Volturo, Representing the Public, Vice Chairman
Vicky Petete, CPA, Secretary
J.H. "Jay" Engelbach, CPA, Member
Carlos Johnson, CPA, Member
Wade Biswell, CPA, Member

Also in attendance at the meeting: Staff: Edith Steele, Executive Director, Kelly Brown, Deputy Director; Donita Graves, and Colin Autin; David Kinney, Assistant Attorney General. Guests: Daryl HIll representing the Oklahoma Society of Certified Public Accountants (OSCPA); Peggy Johnson representing the Oklahoma Society of Accountants (OSA); Visitors to the meeting were Dr. Richard Rafes, JD, President of East Central University, Dr. Yvette Harjo, JD, CPA and students from East Central University.

Agenda Item #1a -- Call To Order: At 8:03 a.m. Chair Gray called the meeting to order.

Agenda Item #1b -- Declaration of Quorum: Chair Gray declared a quorum.

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

Agenda Item #1d – Announcement of Absences and Action, if Necessary, to Determine Whether Absence(s) Was Unavoidable Pursuant to Title 59, Section 15.3.B.5: Chair Gray noted Member St. John's absence. Due to his absence being unavoidable, his absence was declared excused.

Agenda Item #2 – Welcoming Comments – ECU Faculty: Dr. Richard Rafes welcomed the Board and made opening remarks.

Agenda Item #3 – Opening Chairman's Comments and Introduction of Board Members: Chair Gray made comments and recognized the attendance of accounting students at the meeting. Introductions of OAB members followed.

Agenda Item #4 – Announcement of Visitors: Executive Director Steele read the names of the visitors present.

Agenda Item #5 – Public Comment Period: Executive Director Steele advised the OAB she had not received any written requests or had been informed by any member of the public wishing to speak before the OAB.

Agenda Item #6 – Consent Agenda: The Consent Agenda contained 4 items for the OAB's consideration. (1) Approve the minutes of the October 20, 2006 Board Meeting; (2) Approve the errata addendum to the September 22, 2006 minutes; (3) Ratify verified experience of successful candidates for certification; (Appendix 1) and (4) Ratify actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

> Johnson moved the Consent Agenda be approved as submitted; Engelbach second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

Introduction of Assistant Attorney General Kinney and the Board staff followed. Chair Gray explained the purpose of the Consent Agenda for the benefit of the students present.

Agenda Item #7 – Discuss and Act on Proposed Board Meeting Schedule for Calendar Year 2007: Executive Director Steele addressed this item.

> Engelbach moved to approve the proposed meeting schedule; Johnson second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

Agenda Item #8 – Discuss and Act on Request from Marvin Chupack, CPA for a waiver of the AICPA Ethics Examination Requirement to Obtain a Permit to Practice Public Accounting: Executive Director Steele addressed this item and referenced the letter from Mr. Chupack. Due to various questions raised among OAB members, this item was deferred until later in the meeting when further information could be obtained from the OAB office.

Agenda Item #10a – Discuss and Act on Request from Noel A. Wyatt, CPA, to Terminate the Probationary Status of his CPA Certificate as Provided in the Order from Case No. 1481: Executive Director Steele addressed this item. Assistant Attorney General Kinney stated that he contacted the District Attorney's office and verified that the information contained in the applicant's petition is true and correct.

Johnson moved to lift the probationary status of Noel A. Wyatt based on his record of compliance with all of the requirements of the court as his actions did not incur the felony in any activity that related to his knowledge and ability to practice as a CPA; Petete second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

Agenda Item #10b – Discuss and Act on Recommendations by the Enforcement Committee: Vice Chairman Volturo presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

Information on the following ACO will not be published in accordance with Provision 1 under the Board's policy adopted September 28, 2001:

Case 1653 – Qualification Applicant

On the application to qualify as a CPA candidate, the applicant self reported that in February of 2006 she was arrested for driving while intoxicated in Arkansas. Further review of this matter revealed that Respondent was charged in Crawford County, Arkansas with (1) DWI 1st; (2) possession of a controlled substance; (3) improper passing; and (4) expired tags. The Enforcement Committee reviewed the explanation and documentation. An Administrative Consent Order is being presented in this case which provides for a probation period beginning with the effective date of the ACO and ending two years later. During the probation period Respondent must, at least annually and no later than June 30th of each year, and with each application to sit for the CPA examination, affirmatively report to the Board whether Respondent has been charged with or convicted of a crime of any sort with the final report due no later than the end of the probationary period. Respondent may sit for examination and in the event Respondent successfully passes the examination, receive the CPA certificate and may apply for a permit to practice public accounting. However, successful passing the examination will not discontinue the probation period. Respondent is also required to provide evidence of successful completion of the AICPA Ethics Examination with a score of 90 or more within six (6) months of the effective date of this ACO.

Files to Close:

File 1293-1 – CPA

A complaint was filed alleging that the CPA was contacting a former firm's clients and directing them to send payment to a new firm and that client files were taken. The CPA complainant has subsequently withdrawn the complaint so the Enforcement Committee recommends the file be closed.

File 1293-2 – CPA

A complaint was filed alleging that the CPA was contacting a former firm's clients and directing them to send payment to a new firm and that client files were taken. The CPA

complainant has subsequently withdrawn the complaint so the Enforcement Committee recommends the file be closed.

File 1322 – Reciprocal Applicant

The reciprocal applicant self reported an arrest in 1991, while a college student, of providing alcohol to a minor and was fined $120. The Enforcement Committee reviewed the documentation and recommends the file be closed.

File 1324 – Reinstatement Applicant

On the reinstatement application, the applicant answered "No" to the question as to whether there had been any previous arrests or convictions. Staff submitted the applicant to a routine OSBI background check; the report, however, reflected that the applicant had, in fact, been arrested for DUI and Minor in Possession of Alcoholic Beverage in 1992. The Executive Director requested an explanation as to why this was not reported. The Enforcement Committee reviewed the explanation and documentation and recommends the file be closed.

Assistant Attorney General Kinney explained the purpose of Consent Orders and the process for the benefit of the students in attendance.

> Volturo moved to approve the Consent Order for Case No. 1653; Biswell second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.
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> Volturo moved to close File Nos. 1293-1, 1293-2, 1322, and 1324; Engelbach second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

Assistant Attorney General Kinney explained the hearing process for the benefit of the students in attendance.

Case No. 1604-1 – Hearing in the Matter of Elmer E. Hoffman, Jr., CPA d/b/a Hoffman Accounting & Consulting, CPA, Certificate No. 1138: This matter came on for hearing at 8:36 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Respondent was not present nor represented by counsel. Assistant Attorney General David Kinney represented the State. No witnesses were called.

Assistant Attorney General Kinney presented a Consent Order signed by the Respondent under the following terms: (1) Respondent has violated Section 15.14B(6) of the Oklahoma Accountancy Act and OAC 10:15-39-8(b) under Count I of the Amended Formal Complaint; Section 15.14B(6) of the Oklahoma Accountancy Act and OAC 10:15-33-6(a) under Count II of the Amended Formal Complaint; and Section

15.14B(6) of the Oklahoma Accountancy Act and OAC 10:15-33-5(1) under Count III of the Amended Formal Complaint and shall immediately cease and desist from any further or future violations of the Act or Board Rules; (2) Respondent shall cease providing audit and attest services. If the respondent desires to perform audit and attest services in the future, he will notify the Board and be subject to pre-issuance reviews for one year and continuing professional education as prescribed by the sponsoring organization; (3) Any failure of Respondent to comply with any of the terms of this Order shall result in an immediate hearing before the Board. In addition, 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; (4) Respondent and the Board acknowledge that the Board has stated for the record that all violations of the Act or the Board's Rules are viewed as very serious in nature; and (5) A copy of the 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.

> Engelbach moved to approve the Consent Order in the matter of Elmer E. Hoffman, Jr., CPA d/b/a Hoffman Accounting & Consulting, CPA, Certificate No. 1138; Petete second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.
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> Johnson moved to adjourn the hearing; Volturo second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

The proceedings and the individual votes of the members were conducted in open session and were recorded. The evidence is contained in Docket File No. 1604-1.

For the benefit of the students present, Chair Gray explained the term "peer review" and how they are performed. Member Johnson explained the purpose of the OAB.

Agenda Item #18 – Visitor Question and Answer Segment: Chair Gray invited students in attendance to ask questions. Students asked questions which were responded to by members of the OAB.

Agenda Item #8 – Discuss and Act on Request from Marvin Chupack, CPA for a waiver of the AICPA Ethics Examination Requirement to Obtain a Permit to Practice Public Accounting [REVISITED]: Executive Director Steele and Donita Graves, Registration Coordinator answered the questions the OAB members had previously raised. Member Johnson recommended the Texas Board be notified that Mr. Chupack is using the CPA designation on his letterhead with a Dallas, Texas address.

> Johnson moved that the OAB deny the waiver of the permit to practice, based on the facts in the letter, that this matter be referred to the Enforcement Committee for follow up; Biswell second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

Agenda Item #9 – Discuss and Act on Proposed CPE Informational Brochures [deferred from the October meeting]: In Member St. John's absence, Secretary Petete presented the four separate brochures which had been developed by the OAB's CPE Committee and CPE Coordinator, Barbara Walker. Discussion followed regarding changes to the four brochures.

Chair Gray welcomed another group of students. Introduction of OAB members followed. Member Johnson explained the purpose of the OAB for the benefit of the students present. Introduction of Assistant Attorney General Kinney and the Board staff followed. Discussion resumed regarding changes to the four brochures.

> Petete moved that the information be approved with the changes approved today; and that these be approved to be put on the OAB website and distributed as information items; Volturo second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

Agenda Item #8 – Discuss and Act on Request from Marvin Chupack, CPA for a waiver of the AICPA Ethics Examination Requirement to Obtain a Permit to Practice Public Accounting [REVISITED]: For the benefit of the students in attendance, Member Johnson summarized this item and stressed the importance of maintaining the CPA certificate and permit to practice.

Agenda Item #11 – Discuss and Act on Cross-border Practice Mobility Issues: Member Johnson addressed this item and explained the issues involved in cross-border practice.

> Johnson moved that the Chairperson be permitted to sign the agreement with the state of Texas and other states as listed subject to an addendum being added which will be required by various Oklahoma statutes; Petete second. Biswell offered an amendment to the motion to allow the Executive Director to sign the agreement as well. Johnson and Petete accepted the amendment. Johnson added that the agreement be subject to the approval of the OAB's attorney. Petete accepted Member Johnson's amendment. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

Agenda Item #12 – Discuss and Act to Approve Recommendation by the Peer Review Committee to Approve the New York State Society of Certified Public Accountants as a Peer Review Sponsoring Organization: OAB Peer Review Coordinator Colin Autin addressed this item.

> Volturo moved to approve the New York State Society of Certified Public Accountants as a peer review sponsoring organization; Johnson second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

Agenda Item #13 – Discuss and Act on Proposed Policy for Upper Level Course Work Equivalency: Executive Director Steele addressed this item.

> Johnson moved to adopt the policy; Engelbach second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

OKLAHOMA ACCOUNTANCY BOARD
POLICY FOR UPPER LEVEL COURSE EQUIVALENCY

If the applicant completed courses that were classified at a lower division but transferred to a college which would have classified the same course at the upper level, the hours be considered equivalent as allowed in Section 15.8 and counted toward the seventy-six hours upper-level division requirement. This policy may not apply, however, if the applicant repeated the course which is being considered as equivalent at the upper level division.

Agenda Item #18 – Visitor Question and Answer Segment [REVISITED]: Chair Gray invited the second group of students in attendance to ask questions. Students asked questions which were responded to by members of the OAB.

Agenda Item #14 – Discuss and Act on Staff's Recommendation to Extend June 30, 2007 Permit Filing Deadline to Coincide with Registration Filing Deadline: Executive Director Steele addressed this item. Chair Gray stressed that this pertained to individuals only and not firms.

> Johnson moved to approve; Biswell second. Affirmative votes: Johnson, Engelbach, Volturo, Gray, Petete and Biswell. Excused: St. John.

Agenda Item #15 – Report from NASBA Annual Meeting: Member Biswell commented on the breakout sessions he attended regarding issues of mobility practice. Secretary Petete reported on the sessions she attended with regard to outreach and communications issues.

Secretary Petete explained that NASBA had formed a committee which reviewed and graded each state board's website. She suggested contacting that committee of NASBA to obtain the grade for the OAB's website. She suggested the inclusion of a consumer guide and an educator's page to the OAB's website in addition to enhancing licensure lookup capabilities. She addressed the students in attendance and shared job market statistics with regard to the accounting profession.

Member Johnson commented on the issues of mobility and education requirements. He cited examples of the accounting courses the Texas Board does not count when evaluating transcripts of those applying to sit for the CBT examination.

Chair Gray acknowledged NASBA's establishment of the Compliance Assurance Review Board and NASBA and the AICPA's efforts to encourage firms to voluntarily make their peer reviews public.

Agenda Item #16 -- Director's Report: Executive Director Steele presented a sample of the new document protector which will be used at the upcoming recognition ceremony for the CPA certificates.

Agenda Item #17a – Chair's Report: Chair Gray addressed the upcoming Recognition Ceremony to be held on Saturday, November 18, 2006.

Agenda Item #17b -- Next Meeting Date Announced: The next OAB Meeting is scheduled for 8:30 a.m., December 15, 2006 in Suite 20 at the Lincoln Office Plaza in Oklahoma City with the staff luncheon to follow.

Agenda Item #19 – New Business: No new business.

Agenda Item #20 – Adjournment: There being no further business to come before the OAB, at 11:15 a.m. Chair Gray called for a motion to adjourn the meeting.

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

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Janice L. Gray, Chair

ATTEST:

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Vicky Petete, Secretary

APPENDIX 1

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

Surrendering CPA Certificate due to the new CPE requirements:

Henry K. Mitchell, Certificate No. 12833-R issued August 19, 1994
Steven Eugene Thomas, Certificate No. 5799 issued July 27, 1981

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

Sue Ann Bement
Brad Aron Johnson
Brock Matthew Lakely

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):

16104	Michael L. Ferguson
16230	Joseph D. McKellar
16237	Karla M. Selle
16238	Nathan L. Geist
16248	Lee Dwayne Durbin
16250	Kyle L. Dover
16251	Chelsea Marie Dunlap
16253	Josh Joel Garth McHenry
16254	Beverly Dianne Travis
16256	Timothy K. Cunningham
16257	Tabitha Krista Sherrill
16262	Denis McCarthy

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

16266-R	Bryan G. Bower
16267-R	Kevin A. Hook
16268-R	Steven Glenn Wade

4877.

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

Kyle Green (Texas)
Christopher Bryan Hoffman (Texas)
Eric Minckler (Idaho)
Paula Marie Wehby (Texas)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

6624	Charles William John
7362	Mary Lynette Pebernat
7702	James P. Quillen
11368	Freda Ruth Mansfield
13816-R	Marta J. Koenig
15950	Michelle Victoria Mott
16178	Roderick A. Pickney
14910 -R	Kris S. Cummins