OKLAHOMA ACCOUNTANCY BOARD

MINUTES OF MEETING AND HEARING

April 20, 2007

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, April 20, 2007 in Suite 20, 4545 N. Lincoln Boulevard, Oklahoma City, Oklahoma. A 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
E.B. St. John, PA, Member
Wade Biswell, CPA, Member

Also in attendance at the meeting: Staff: Edith Steele, Executive Director, Kelly Brown, Deputy Director; Donita Graves, Colin Autin, Barbara Walker and Naimah Bond, Board staff members; Guests: Daryl Hill representing the Oklahoma Society of Certified Public Accountants (OSCPA); Jim Nolen and Peggy Johnson representing the Oklahoma Society of Accountants (OSA); Assistant Attorney General John Crittenden; Randall Calvert, Special Prosecutor for the OAB, Melinda Wall, court reporter were also present for relevant segments of the meeting.

Agenda Item #1a -- Call To Order: At 8:30 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: All members were present.

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 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 #4 – Consent Agenda: The Consent Agenda contained 4 items for the OAB's consideration. (1) Approve the minutes of the March 23, 2007 OAB Meeting; (2)

Ratify the verification of the administrative posting to the OAB's records and certification of scores for Window 1/2007 Examination (Jan – Feb 2007); (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 to approve the Consent Agenda; Engelbach second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Agenda Item #5 – Discuss and Act to Establish Policy for Peer Review Attestation Letter and Attestation Form: The OAB's Peer Review Coordinator, Colin Autin addressed this item. Members of the OAB presented changes to the template for the attestation letter.

> Volturo moved to make the recommendation to approve the policy with the changes noted on the two letters from the Executive Director taking "adverse" out; on the second letter replacing "OSCPA" with "the sponsoring organization" and modifying the 30 days with the correct proper rule; St. John second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Agenda Item #6 – 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.

> Volturo moved to approve the Administrative Consent Order in Case No. 1664; Petete second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Vice Chairman Volturo noted that there are no files to be assigned to the Administrative Law Judge.

Case No. 1664 – Daniel Conner Howard, CPA

On the Respondent's 2006 permit application, Respondent attested to performing audits and the first engagement was dated March 24, 2005. However, Respondent failed to notify the OAB with proof of enrollment in an OAB approved sponsoring organization within one year of the performance of services that require a peer review. An ACO is being offered in this case which provides that Respondent will cease and desist from any further or future violations of these acts, Respondent's CPA certificate is immediately placed on probation for a period of two years, assessment of a fine in the amount of $2,500, costs in the amount of $485 and successful completion of the AICPA Ethics Examination with a score of 90 or more within six months of the effective date of the ACO. In addition, any failure of Respondent to comply with any of the terms of this ACO shall result in an immediate hearing before the OAB. A proven violation of the

ACO, the OAA, or the Board's rules authorizes the OAB to take such other and further action as the OAB may deem appropriate under the Act.

Agenda Item #7 – Discuss and Act on Recommendation to Replace Utilizing the Oklahoma State Bureau of Investigation's Applicants' Background Checks for a National Background Search Vendor (deferred from March 2007 Meeting: Executive Director Steele addressed the obstacles in changing to a national background check but noted that the OAB is continuing to use the OSBI in obtaining background checks. Assistant Attorney General Crittenden explained the federal regulations involved with national background checks and credit reporting issues based on the current business model in place and recommended that more study is necessary. Chair Gray instructed the OAB staff to continue its research until a more definitive answer is ascertained and bring this item back to the OAB at a later date.

Case No. 1591 – Hearing in the Matter of Adel & Company, Silver Spring, Maryland, Non-registrant and T.H. Adel, Silver Spring, Maryland, Non-registrant: This matter came on for hearing at 9:04 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden represented the Board. Special Prosecutor Randall Calvert represented the State. No witnesses were called by the State. Respondent was not present nor represented by counsel.

The purpose of the hearing was to determine whether the Consent Order presented by Assistant Attorney General Kinney at the March 26, 2006 Board meeting and signed by the Respondent was binding since the OAB at its March 26, 2006 meeting moved to amend the fine in the amount of $2500. In a letter from the Respondent, the Respondent took exception to the OAB's rejection of the Consent Order.

The Consent Order signed by the Respondent and the Respondent's attorney were under the following terms: (1) Respondent accepted he was in violation of Sections 15.1A(31), 15.15(A) and 15.15A (A) of the Oklahoma Accountancy Act by issuing an attestation report on company letterhead on March 27, 2004 and not being registered with the Board and having a valid firm permit to practice public accounting; Sections 15.1A (31), 15.11(A), 15.14(A) and 15.14.A(A) of the Oklahoma Accountancy Act by signing the attestation report as a "CPA" on March 27, 2004 and not being registered with the Board and having a valid individual permit to practice public accounting; (2) Respondent shall in the future abide by the restrictions set forth in the Oklahoma Accountancy Act and Rules on non-registrants; (3) Respondent be fined $1000; (4) Respondent be assessed administrative costs; and (5) The OAB shall notify the Maryland Board of Accountancy of the discipline taken in this Consent Order.

On July 14, 2006, the OAB's Administrative Law Judge heard this matter and recommended, based on findings of fact and clear and convincing evidence, that (1) Respondents had violated the Act and Board Rules and should be fined $2500; (2) Respondents should be assessed all costs in this hearing, including but not limited to investigation costs, hearing officer costs, renting of special facilities costs, and court

reporter costs; and (3) A copy of the Board Order should be on file in the Board's offices and should be made available to any person who inquires and requests access to the Board's records. Further, notice of these proceedings should be reported by press release and in the Board's Bulletin, and as otherwise deemed appropriate by the Board.

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

Chair Gray noted for the record that no votes were taken while the OAB was in Executive Session.

> Biswell moved the OAB accept the ALJ's findings of fact and conclusions of law and recommendations from July 14, 2006; further the OAB make a finding that the OAB is not bound by the Consent Order initially offered in this case; St. John second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.
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> St. John moved to adjourn the hearing; Engelbach second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1591.

Agenda Item #8a – Discuss and Act on Request from NASBA to Comment on Additions and Modifications to Uniform Accountancy Act Model Rules due by April 30, 2007 [deferred from March 2007 meeting]: Member Johnson summarized the proposed changes which include a new definition of agreed upon procedures, a definition of audit, a definition of professional engagement, clarification of notification period, definition of good moral character, addition of an ethics CPE requirement, international qualifications, and clarification of the UAA with regard to peer review and substantial equivalency for firms.

> Johnson moved for the OAB to support the changes in the model rules as submitted; Biswell second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Agenda Item #8b – Discuss and Act on Request from AICPA/NASBA for Comments to the Proposed Revisions to AICPA/NASBA Uniform Accountancy Act Section 23 due by May 15, 2007 [deferred from March 2007 meeting]: Member Johnson addressed this item and noted that the changes were related to Sections 23 as

well as Sections 7 and 14. He explained the proposed revisions with regard to the availability of substantial equivalency for firms if the firms comply with the enforcement requirements of the receiving state.

> Johnson moved for the OAB to support the changes proposed by the NASBA and AICPA committees on the Uniform Accountancy Act as defined in the amended exposure draft; Petete second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Agenda Item #9a -- Discuss and Act on OAB Participation in the NASBA Joint Panel on Education April 30, 2007: Chair Gray directed the members to a copy of the questionnaire that was approved by the Executive Committee. The questionnaire was due by April 19, which was before this meeting, so it has already been sent to NASBA. She informed the members that she and Executive Director Steele will be attending the meeting on April 30, 2007.

Members Engelbach and Johnson left the meeting at 10:28 a.m.

Agenda Item #9c – Discuss and Act on Request from NASBA CPA Licensing Examinations Committee for Feedback on the Examination [deferred from January 2007 meeting]: Chair Gray addressed this item and explained the purpose of the committee. She invited comments from OAB members. No comments were made so there was no action taken on this item.

Member Engelbach returned to the meeting at 10:30 a.m.

Agenda Item #9e -- Discuss which Members will be in Attendance at the NASBA Regional Meeting, June 20 through June 22: Executive Director Steele reminded the OAB members of the deadlines for hotel reservations and meeting registration. Chair Gray noted that she, Vice Chairman Volturo, Secretary Petete and Members St. John, Biswell and Johnson would be in attendance as well as Executive Director Steele.

Agenda Item #9f – Discuss and Act on the OAB Voting Representative at the NASBA Regional Meeting:

> Engelbach moved to designate Chair Gray as the voting representative; Volturo second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, and St. John. Absent: Johnson.

Member Johnson returned to the meeting at 10:33 a.m.

> St. John moved to nominate Secretary Petete as an alternate; Volturo second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Agenda Item #9b – Discuss and Act on Request from the Nominating Committee for Directors At Large, Regional Directors and Nominating Committee Members: At the request of Chair Gray, Member Johnson addressed this item. Member Johnson requested OAB staff to obtain statements of qualification for Gaylen Hansen and Ted Long.

> Johnson moved for the OAB to support Coalter Baker as a member of the Nominating Committee for the '07-08 and '08-09 years; Petete second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.
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> Petete moved to recommend the nomination of Billy Atkinson as a Director at Large; Johnson second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Agenda Item #9d – Discuss and Act on Letter from West Virginia on Proposed Alternative Approach to the 150 Hour Requirement: Chair Gray recommended deferring this item until the May OAB meeting.

Agenda Item #10 – Discuss and Act on Certification of Certificate Applicant(s) whose Experience is Verified by an Individual(s) who must be Approved by the OAB: As Chairman of the Experience Verification Committee, Member St. John addressed this item.

> St. John moved to approve Kathleen Croy and her approval of the experience of Joseph Birley under tab 10; her qualifications are listed in a letter from her to Donita Graves; Volturo second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Name

Joseph Martin Birley

Agenda Item #11 – Director's Report: Executive Director Steele addressed the following issues:

- Update on the proposed amendments to the rules submitted to the Governor and Legislature.
- Introduction of Naimah Bond, the OAB's new Records Coordinator.

Agenda Item #12 – Chair's Report: Chair Gray addressed the following issue:

- OAB staff's updating of the policy manual

Executive Director Steele commented that the policy manual would be compiled and available for the OAB's review at its next meeting.

Agenda Item #12b -- Next Meeting Date Announced: The next OAB Meeting is scheduled for 8:30 a.m., Friday, May 18, 2007. Meeting room may be relocated from 4545 North Lincoln, Suite 20 in Oklahoma City, OK. An announcement will be distributed when meeting room relocation has been finalized.

Chair Gray stated she will be attending the Presentation Ceremony at the State Capitol tomorrow in addition to Vice Chair Volturo, Secretary Petete, and Member Biswell. She confirmed that notice will be posted that a majority of OAB members will be present at the ceremony.

Agenda Item #13 – New Business: No new business.

Agenda Item #14 – Adjournment: There being no further business to come before the OAB, at 10:48 a.m. Chair Gray called for a motion to adjourn the meeting.

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

_____
Janice L. Gray, Chair

ATTEST:

_____
Vicky Petete, Secretary

4923.

APPENDIX 1

CERTIFICATE SURRENDERED BY REGISTRANT:

CPA:

William L. Wessels, Certificate No. 6462-R issued October 28, 1982

DECEASED REGISTRANT:

CPA:

John Robert Shoush, Certificate No. 4912 issued July 27, 1979

DISSOLVED FIRMS:

CPA Limited Liability Partnership:

Weikel, Johnson & Rouse, PLLP

CPA Corporation:

Braun & Company PC

CPA Limited Liability Company:

Evans, Gaither & Associates, PLLC

Grades Certified: The OAB took official notice of the administrative posting of scores to the OAB's records for the Window 1/2007 Examination which were certified by the Executive Director.

The following 16 candidates successfully passed the Certified Public Accountant Examination:

Name

Lynzi Black
Tea Cantrell
Barbara Jean Coppedge
Batbayar Delger
Kendra Rose Horner
Kimberly Marie Johnson
Carol J. Kerr-Holmes
Joshua Wayne Ketter

Joshua Drew Litsch
Travis Bergman Lowry
Christopher Colby Papin
Phoebe Roberts
Kamas Lloyd Rooney
Kevin Michael Rueb
Rhett Alan Thomas
Keri Jean Wright

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

Name

Robert Scott Dolina
Kendra Rose Horner
Tara Reza Howell
Joshua Wayne Ketter
Joseph Dirk Kramer
Patrick Jon McFeeters
Phoebe Roberts
Ronald E. Schwarz
Rita Susanne Steinhart
Garren Wayne Taylor

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):

16185	Melanie R. Laster
16272	Kimberly S. Faught
16289	Virginia B. Holtzman
16291	Richard A. Rose
16292	David Michael Schuermann
16295	Patricia B. Braswell
16296	Stefanie Dawn Shields
16298	John Thomas Cunningham
16300	LaToya Hope Duncan
16301	Laurie Adawn (White) Ehmen
16302	Jennifer Ellison
16303	Kelly DeAnn Luelf
16305	Jonathan M. Mitchell
16306	Christy Dawn Schellenberg
16307	Kenneth Adam Schwerd
16308	Megan Elizabeth Stone
16309	Li-Uei Tsai

16310	Thomas Ashley Williams
16316	Phoebe Roberts
16317	Ronald E. Schwarz

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

16326-R	Harvey R. Glick
16327-R	Kenneth S. Ruth

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

Christopher Brian Gingrich (Texas)
Karen Hammock Johnson (Tennessee)
Heather Tai Jones (Tennessee)
Joseph W. Richardson (Texas)
Robert Purcell Roche (New Jersey)
Jonathan M. Wilke (Texas)
Kenneth Paul Wood (Georgia)

INITIAL REGISTRATIONS OF CPA PROFESSIONAL CORPORATIONS:

Johnson, Miller & Co., C.P.A., P.C.
Kimberlye R. Mayer, CPA, P.C.

APPENDIX 2

OKLAHOMA ACCOUNTANCY BOARD

Policy for Peer Review Attestation Letter and Attestation Form

Staff proposes that all firms having a peer review accepted by its sponsoring organization on the condition that it cease performing an engagement which requires a peer review by the OAB, be sent an attestation letter notifying it of the possible suspension of its peer review requirements.

Furthermore, the firm is given the option to attest on a form provided by the OAB that it will no longer engage to perform a service which requires a peer review in the future. Should the firm decline to submit this attestation, the OAB would require the firm to resume its original peer review schedule.