

OKLAHOMA ACCOUNTANCY BOARD
MINUTES OF MEETING AND HEARINGS

May 18, 2007

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, May 18, 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 and Barbara Walker, Board staff members; Guests: Barbara Ley, CPA, Board Member Designate effective July 1, 2007; Patty Hurley and Rusty Hale representing the Oklahoma Society of Certified Public Accountants (OSCPA); Dean Taylor, Lee Weeden, Kellie Gowdy representing the Oklahoma Society of Accountants (OSA); Assistant Attorney General John Crittenden; Brett Willis, Special Prosecutor for the OAB, Mark Schlachtenhaefen with Capitol Network News were also present for relevant segments of the meeting.

Agenda Item #1a -- Call To Order: At 8:07 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 Engelbach's absence but stated that he would be arriving later in the meeting.

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 3 items for the OAB's consideration. (1) Approve the minutes of the April 20, 2007 OAB Meeting; (2) Ratify verified experience of successful candidates for certification; (Appendix 1) and (3) Ratify actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

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

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. 1665; Petete second. Affirmative votes: Biswell, Petete, Gray, Volturo, Johnson, and St. John. Absent: Engelbach.

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

Administrative Consent Orders:

Case No. 1665 – Evelyn Libbert, Former Registrant

A complaint was filed with the OAB that the Respondent was continuing to hold out as a Certified Public Accountant on billing statements in violation of Section 15.11(A) of the Oklahoma Accountancy Act and Oklahoma Administrative Code 10:15-3-1 because Respondent's certificate was canceled in 2004. The Enforcement Committee authorized an investigator to look into this matter. The investigator reported that no other instances of use of the CPA designation were found. 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 must notify all clients who received the billing statements that Respondent is no longer a CPA and that the billing statement letterhead was in error; Respondent will furnish the OAB a copy of the letter sent and a copy of the distribution list of clients. 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 Renewal of Professional Services Contracts for FY 2008: Executive Director Steele requested this item be temporarily deferred until additional information requested by the OAB can be provided by staff later in the meeting.

Agenda Item #8 – Discuss and Act on Recommendations for the OAB FY 2008 Budget Work Program: As Chairman of the Budget Committee, Member Biswell addressed this item.

Biswell moved to allow the Budget Committee to get the budget done and approved and come back to the Board at the June meeting for ratification; Johnson second. Affirmative votes: Biswell, Petete, Gray, Volturo, Johnson, and St. John. Absent: Engelbach.

Agenda Item #7 -- Discuss and Act on Renewal of Professional Services Contracts for FY 2008 [REVISITED]: Executive Director Steele referenced the supplemental information provided with regard to the attorney contracts.

Johnson moved to approve the rates for the attorneys as submitted including the supplemental information which provides information regarding Brett Willis and David Kinney; Volturo second. Affirmative votes: Biswell, Petete, Gray, Volturo, Johnson, and St. John. Absent: Engelbach.

As Chair of the Audit Committee, Secretary Petete addressed the audit contract presented by Finley & Cook.

Petete moved to approve the proposal for Finley & Cook to perform the audit for 2007; Volturo second. Affirmative votes: Biswell, Petete, Gray, Volturo, Johnson, and St. John. Absent: Engelbach.

Executive Director Steele addressed the investigator contracts with regard to contracting, invoicing and 1099 issues. Of the contracts under a firm name, concern was expressed as to whether the OAB still had oversight as to which individuals within the firm will be performing the investigative work. Discussion followed and it was determined that the Executive Director and Deputy Director will be monitoring the contracts.

Johnson moved to approve the rates for the firms to provide professional services as investigators to the Board; St. John second. Affirmative votes: Biswell, Petete, Gray, Volturo, Johnson, and St. John. Absent: Engelbach.

Member Johnson requested a sample of the engagement letter for professional services be presented at the next meeting.

Agenda Item #9a – Discuss and Act on Letter from Wesley Johnson, Chair and David Costello, President of NASBA Concerning Scoring Issues in the 2nd, 3rd and 4th Quarters of 2006: At the request of Chair Gray, Executive Director Steele addressed the issue involved.

Member Engelbach arrived at the meeting at 8:48 a.m.

Petete moved the Board request that the second and third quarter also be re-examined for Oklahoma candidates; Volturo second. Petete amended the motion to include that in the letter of request that it is only fair that the AICPA make consideration to re-score all candidates; Volturo accepted the amendment. Affirmative votes: Biswell, Petete, Gray, Volturo, Johnson, and St. John. Abstained: Engelbach.

Agenda Item #9b – Discuss and Act on the Nomination of Carlos Johnson for NASBA Southwest Regional Director for the Ensuing NASBA Year: Member Johnson noted for the record that he recused himself from the discussion and vote on this item.

Engelbach moved the OAB nominate Carlos Johnson as Southwest Regional Director; Biswell second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach and St. John. Recused: Johnson.

Chair Gray noted that the letter endorsing Carlos Johnson's nomination would be mailed today.

Agenda Item #9c – Discuss and Act on Nominations for NASBA Director At Large Positions: Chair Gray addressed this item. Member Johnson referenced the list of nominees for NASBA Director At Large positions received from other state boards by letter.

Engelbach moved the OAB's nomination only be for Billy Atkinson which the OAB had already made and the OAB not nominate anybody else; St. John second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach and St. John. Abstained: Johnson.

Member Johnson noted for the record that he did not participate in the discussion of the motion or the vote since he is currently on the NASBA Board.

Case No. 1650 – Hearing in the Matter of Jeff Lee Detwiler, CPA Certificate No. 13477: Mr. Brett Willis, Special Prosecutor for the OAB requested this case be deferred until the June meeting.

Case No. 1666 – Hearing in the Matter of Rebecca Lynn Warren, CPA Certificate No. 15658: Mr. Brett Willis, Special Prosecutor for the OAB requested this case be deferred until the June meeting.

Agenda Item #9d – Discuss and Act on Report from the NASBA Joint Panel on Education Conference: Executive Director Steele presented her written report along with resumes of the speakers and materials that were distributed at the conference.

Chair Gray noted that she had been unable to attend the conference. No action was taken.

Agenda Item #9e – Discuss and Act on Letter from West Virginia on Proposed Alternative Approach to the 150-hour Requirement [deferred from April 2007 meeting]: Executive Director Steele explained that NASBA will be conducting extensive research as to whether the public would be harmed or would benefit by allowing candidates to sit for the CPA examination under the 120-hour requirement but require 150-hours for the certification requirement, according to the discussions she has had with David Costello. No action was taken.

Agenda Item #5 – Election of Board officers:

St. John moved to elect Vice Chairman Volturo as Chairman of the OAB for the next year; Petete second. No other nominations were made. Tom Volturo was elected by acclamation. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Biswell moved to elect Secretary Petete as Vice Chair of the OAB for the next year; Volturo second. No other nominations were made. Vicky Petete was elected by acclamation. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Engelbach moved to elect member Biswell as Secretary of the OAB for the next year; St. John second. No other nominations were made. Wade Biswell was elected by acclamation. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Agenda Item #10 – Discuss and Act on Recommendations for Nominations to the AICPA Board of Examiners and Related Committees: Chair Gray addressed this item and invited comments from any OAB member expressing interest in being nominated. No comments or motions were made.

Agenda Item #11 – Discuss and Act on Request for Comments – AICPA Peer Review Board’s Exposure Draft of Proposed Revisions to the Standards for Performing and Reporting on Peer Reviews due June 30, 2007: At the request of Chair Gray, this item will be deferred to the June meeting. She will be participating in a NASBA conference call next Thursday relating to the exposure draft.

Agenda Item #12 – Discuss and Act on Recommendations for Nominations to the PCAOB Standing Advisory Group due June 15, 2007: Chair Gray addressed this item. Member Johnson suggested that nominees should be from the public arena.

Petete moved for her to be empowered to contact either/or Randy Harp or Steve Williamson with Pre-Paid Legal Services to see if they would be interested in serving on the PCAOB Board nominations for the Standing Advisory Group for the upcoming year and if they are interested, that the Executive Director will be contacted for her to go forward with sending that information in; Volturo second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Johnson moved to request the Chairperson to appoint Vicky Petete as Chair of an ad-hoc committee to nominate individuals for this position and such nominations could be affirmed at the next Board meeting. Motion failed for lack of second.

Volturo moved that each Board member has the authorization to visit with other individuals who have an interest to serve on the PCAOB advisory group and submit the information to the Executive Director so the forms can be submitted by June 15; Engelbach second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Agenda Item #14 – Discuss and Act on Recommendation from the Experience Verification Committee that Ratification of Actions be placed on OAB Consent

Agenda: As Chairman of the Experience Verification Committee, Member St. John addressed this item.

St. John moved for non-CPA verifications of experience to be moved to the Consent Agenda as a separate line item rather than have as a separate line item on the Agenda; Johnson second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Agenda Item #15 – Discuss and Act on Appeal from Jerry L. White, PA, Not to be Included in the Next CPE Audit as Required by 10:15-30-6(e)(1):

Ms. Barbara Walker, OAB's CPE Coordinator addressed this item. Member Johnson noted that through the years, OAB members have been randomly selected in the CPE audit.

Johnson moved that his appeal be rejected; Engelbach second. Affirmative votes: Biswell, Petete, Gray, Volturo, Engelbach, Johnson, and St. John.

Chair Gray recommended that in the letter to be sent to Mr. White with regard to the OAB action and that it be expressed to him that no CPE credit will be given for reading the CPE rules.

Agenda Item #13 – Discuss and Act on Report from Legal Counsel Concerning Recent Ethics Commission Rulings as it Pertains to the OAB: Assistant Attorney General Crittenden summarized his report. He explained he will continue to work on this issue and provide a written report at the next OAB meeting. No action was taken.

Member Johnson left the meeting at 10:04 a.m.

Agenda Item #16 – Director’s Report: Executive Director Steele addressed the following issues:

- Proposed rule amendments approved by the Governor; legislative deadline is the estimated date of May 22 or sine die adjournment.
- Purchase of computers and software for Phase 1 of the staff’s computer upgrade.
- Statistics related to the portal activity for firm renewal.
- Status update on revising the OAB policy manual.
- SB69 affecting the Open Meeting Act effective November 1, 2007.

Member Johnson returned to the meeting at 10:06 a.m.

Agenda Item #17 – Chair’s Report: Chair Gray did not present a report.

Agenda Item 17b -- Next Meeting Date Announced: The next OAB Meeting is scheduled for 8:30 a.m., Friday, June 29, 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.

Agenda Item #18 – New Business: No new business.

Agenda Item #19 – Adjournment: There being no further business to come before the OAB, at 10:16 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

APPENDIX 1

CERTIFICATE SURRENDERED BY REGISTRANT:

Surrendering CPA Certificate due to the new CPE requirements:

CPA:

James Ralph Cummings, Certificate No. 1493 issued July 29, 1961

DISSOLVED FIRMS:

CPA Partnerships:

Cole & Company, Certified Public Accountants
Saunders & Associates

CPA Limited Liability Partnerships:

Larson, Allen, Weishair & Co., LLP (Minnesota)
Melton & Melton LLP (Texas)
UHY Mann Frankfort Stein & Lipp CPAS, LLP (Texas)

CPA Corporations:

Jayna Lawrence, Inc.
McGriff & Oliver CPA'S, PC
W. Brian Puckett, CPA, P.C.
Woody & Associates, P.C.

CPA Limited Liability Companies:

AMCPA, PLLC
Sallee & Scott, PLLC

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

Name

Tea Cantrell
Laura Michelle Dehart
Carol J. Kerr-Holmes
Travis Bergman Lowry
Kamas Lloyd Rooney
Kevin Michael Rueb
Rhett Alan Thomas
Jessica Ruth Wren

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):

16279	Darryl Turnbull
16315	Robert Scott Dolina
16318	Joseph Martin Birley
16320	Tara Reza Howell

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

16336-R	Janet L. Bruce
16337-R	Deborah Denise Foster
16338-R	Fred M. Johnson
16339-R	Daniel G. Simoni

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

Martha Zelman Carnes (Texas)
 Gregory Forrest Conaway (Texas)
 Shawn D. Finney (Illinois)
 Gregory Edward Hampton (Texas)
 John Robert Irby (Tennessee)
 Cynthia Ann Keith (Texas)
 Bradley Wade Leffler (Texas)
 James V. Leito (Texas)
 James Jefferson Lovelady (Arkansas)
 Todd A. Tudor (Texas)
 Jeffrey F. Ward (Missouri)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

13663	John M. Donaghue
13937	Shelley E. Russell

INITIAL REGISTRATION OF A CPA LIMITED LIABILITY PARTNERSHIP:

LarsonAllen LLP (Minnesota)

INITIAL REGISTRATIONS OF CPA PROFESSIONAL CORPORATIONS:

Cox, Holsted & Associates, P.C.
 Jayna Vaughn, P.C.

4935.

INITIAL REGISTRATION OF A CPA PROFESSIONAL LIMITED LIABILITY COMPANY:

Saunders & Associates, PLLC