

OKLAHOMA ACCOUNTANCY BOARD
MINUTES OF MEETING AND HEARINGS

February 22, 2008

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, February 22, 2008 in Suite 269, 4545 N. Lincoln Boulevard, Oklahoma City, Oklahoma. A recording of the meeting is on file in the OAB office. Members present at the meeting:

Tom Volturo, Representing the Public, Chairman
Vicky Petete, CPA, Vice Chair
Wade Biswell, CPA, Secretary
Janice L. Gray, CPA, Member
Carlos Johnson, CPA, Member
Barbara Ley, CPA, Member

Also in attendance at the meeting: Staff: Edith Steele, Executive Director, Donita Graves, Colin Autin, and Gloria Finch Board staff members; Guests: Daryl Hill representing the Oklahoma Society of Certified Public Accountants (OSCPA); Dean Taylor representing the Oklahoma Society of Accountants (OSA); and Assistant Attorney General John Crittenden. Randall Calvert, Special Prosecutor for the OAB and Todd Bevins from OK.gov were present for relevant segments of the meeting.

Agenda Item #1a -- Call To Order: At 8:35 a.m. Chairman Volturo called the meeting to order.

Agenda Item #1b -- Declaration of Quorum: Chairman Volturo 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: Chairman Volturo acknowledged the absence of Member St. John due to illness and declared that his absence was excused. All other 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 that Dean Taylor and Daryl Hill requested to speak before the OAB. Mr. Taylor, Executive Vice President of the OSA, spoke on the organization's behalf expressing opposition to Senate Bill 1010 particularly with regard to the proposed national background check for examination applicants which would result in escalating the cost of taking the CPA examination. Mr. Hill, Executive Director of the OSCP commented

that several surveys had been conducted on a national level and by the OSCP as to whether an increase in fees deterred potential candidates from pursuing an accounting degree and entering the profession; an increase in fees was not an issue.

Agenda Item #4 – Consent Agenda: The Consent Agenda contained 3 items for the OAB's consideration. (1) Approve the minutes of the January 25, 2008 OAB Meeting; (2) Approve the list for verified experience of successful candidates for certification; (Appendix 1) and (3) Approve the actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

Petete moved that the Consent Agenda be approved; Ley second. Petete amended her motion to approve all items other than the registration of the CPA Professional Limited Liability Company CPA+, PLC until further information as to the specifics about that entity can be received; Ley accepted the amendment. Affirmative votes: Ley, Biswell, Volturo, Petete, Gray and Johnson. Absent: St. John.

Agenda Item #5 – Discuss and Act on Recommendations by the Enforcement Committee: Vice Chair Petete presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

Petete moved that the Administrative Consent Order in Case No. 1687 be approved; Biswell second. Affirmative votes: Ley, Biswell, Volturo, Petete, Gray and Johnson. Absent: St. John.

Petete moved that the following File Nos. 1354, 1372, 1379, 1386, 1400, 1411, 1418, 1476, 1488 and 1490 be closed; Gray second. Affirmative votes: Ley, Biswell, Volturo, Petete, Gray and Johnson. Absent: St. John.

Vice Chair Petete noted that there were no files to be assigned to the Administrative Law Judge.

Administrative Consent Order:

Case No. 1687 - Julia A Moler, CPA

The Respondent in this case was originally referred to the Enforcement Committee (EC) by the Peer Review Committee for failure to timely enroll in an approved peer review program within one year of the performance of services that require a peer review. An Administrative Consent Order is being offered in this case which provides for the Respondent's CPA certificate to be placed on probation for two years and if Respondent performs any audit engagements requiring a peer review in the future, Respondent must have pre-issuance reviews. Respondent is required to complete the AICPA's Comprehensive Ethics Course with a score of 90% or better within thirty days from the effective date of this Order, assessed a fine in the amount of \$2,500 and costs in the amount of \$345. The fine and cost shall be paid no later than thirty days from the

effective date of this Order. In addition, any failure of the Respondent to comply with any of the terms of this Order shall result in an immediate hearing before the Board. A proven violation of this Administrative Consent Order, the Act, or the Board's Rules shall authorize the Board to take such other and further action as the Board may deem appropriate under the Act.

Files to Close:

File 1354 – Former CPA firm

The formerly-registered firm was listed in the Greater Oklahoma City Area AT&T Yellow Pages and the Shawnee/Tecumseh Local Directory under the headings "Accountants – Certified Public". A Cease and Desist letter was sent by the Executive Director. A response was received which indicated that the CPA owner of the formerly-registered firm understood the violation and complied with the requirements of the cease and desist letter which included sending letters to the both Yellow Page Directory companies instructing them to remove the listings from this category. The response satisfied the EC so it recommends the files be closed.

File 1372 – Former Registrant

The name of the revoked CPA was listed in the Greater Oklahoma City Area AT&T Yellow Pages under the heading "Accountants – Certified Public". A Cease and Desist letter was sent by the Executive Director. The letter was returned by the U.S. Postal Service as undeliverable. The telephone number listed in the telephone directory is no longer a working number so the EC recommends the file be closed.

File 1379 – Former CPA firm

The formerly-registered firm was listed in the Greater Oklahoma City Area AT&T Yellow Pages under the heading "Accountants – Certified Public". A Cease and Desist letter was sent by the Executive Director. The letter was returned by the U.S. Postal Service as undeliverable. The telephone number listed in the telephone directory is no longer a working number so the EC recommends the file be closed.

File 1386 – Deceased CPA

The name of a deceased CPA was listed in the Greater Oklahoma City Area AT&T Yellow Pages under the heading "Accountants – Certified Public". A Cease and Desist letter was sent by the Executive Director. The letter was returned by the U.S. Postal Service as undeliverable. The telephone number listed in the telephone directory is no longer a working number so the EC recommends the file be closed.

File 1400 – Non-Registrant

The entity firm was listed in the Greater Oklahoma City Area AT&T Yellow Pages under the heading "Accountants – Certified Public". A Cease and Desist letter was sent by the Executive Director. The letter was forwarded by the U.S. Postal Service to an out-of-

5077.

state address and the telephone number listed in the telephone directory is no longer a working number. The EC recommends the file be closed.

File 1411 – Former Registrant

The name of the revoked CPA was listed in the Greater Oklahoma City Area AT&T Yellow Pages under the heading “Accountants – Certified Public”. A Cease and Desist letter was sent by the Executive Director. The letter was returned by the U.S. Postal Service as unclaimed but the telephone number listed in the telephone directory is no longer a working number. The EC recommends the file be closed.

File 1418 – CPA

A complaint was filed that the CPA was using the professional designation in connection with advertisements for a company not associated with the accounting profession and the registrant did not hold a permit to practice public accounting. A Cease and Desist letter was sent by the Executive Director. A response was received which indicated that the CPA understood the violation and complied with the requirements of the cease and desist letter which included notifying the advertisement company to remove the professional designation from the advertisements. The responses satisfied the EC so it recommends the files be closed.

File No. 1476 – Non-registrant

A complaint was filed that the non-registrant was listed in the Ponca City Yellow Pages under the heading “Accountants – Certified Public”. A Cease and Desist letter was sent by the Executive Director. A response was received that the individual understood the violation and complied with the requirements of the cease and desist letter which included sending a letter to the Yellow Page Directory company instructing it to remove the listing from this category. The response satisfied the EC so it recommends the files be closed.

Files 1488 and 1490 - Non-Registrants

A complaint was filed that the individuals or entities were listed in the YellowPage.Com for El Reno, Oklahoma under the headings “Accountants – Certified Public” or “Accountants – Public”. Cease and Desist letters were sent by the Executive Director. Responses were received which indicated that each individual or entity understood the violation and complied with the requirements of the cease and desist letters which included sending letters to the internet listing company instructing it to remove the listings from these categories. The responses satisfied the EC so it recommends the files be closed.

Files to be assigned to the Administrative Law Judge:

Subchapter 10:15-37-6(e) of the Oklahoma Administrative Code provides “Hearings will be conducted by one (1) of the following methods, **as determined by the Board** (emphasis added): (3) By an attorney licensed to practice law in this state appointed by the Board to act as a hearing examiner or Administrative Law Judge”

The Vice Chairman recommends the following files be heard before the Administrative Law Judge:

None

Agenda Item #6 – Review Comments Received, Discuss and Act on Proposed Draft of Permanent Rules Promulgation – Title 10; Chapter 15: As Chairman of the Rules Committee, Member Johnson reported on the rules hearing held on February 15, 2008. He acknowledged the appearance and comments made at the hearing by Ms. Leanne Roberts CPA, her husband, and Mr. Charles Carter, CPA, regarding the use of d/b/a names. He stated that comments had also been received prior to the hearing related to the ethics CPE requirement. The Rules Committee met after the hearing via conference call. He referenced the housekeeping amendments and rule conversion from Board policies into the proposed rules as recommended by staff and the Rules Committee. Member Johnson noted that although absent from the meeting, Member St. John, as a member of the Rules Committee, supports the recommendations.

Johnson moved that the Rules Committee makes the recommendation in Subchapter 30-9 that the CPE requirement be changed to be in compliance with the Uniform Accountancy Act and the major state in the Southwest that the ethics requirement be changed effective January 1, 2009 that at least 4 hours of CPE in ethics be earned every 3 years; and that there be no change to the rule 10:15-39-8 (the use of fictitious names) based on the public hearing and public comments and that the rule remain as it currently is; Biswell second. Affirmative votes: Ley, Biswell, Volturo, Petete, Gray and Johnson. Absent: St. John.

Case No. 1671 – Hearing in the Matter of Powell W. Cooke, Revoked Registrant:

This matter came on for hearing at 9:00 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden was counsel for the Board. Special Prosecutor Randall Calvert represented the State. Witness for the State was Executive Director Steele. Respondent was not present nor represented by counsel.

Special Prosecutor Calvert presented a Consent Order signed by the Respondent under the following terms: (1) Respondent is in violation of Section 15.14A of the Oklahoma Accountancy Act and Oklahoma Administrative Code 10:15-25-3(b) by practicing without a permit; (2) Respondent is in violation of Oklahoma Administrative Code 10:15-39-8(b) for not responding to the Board within thirty (30) days; (3) Respondent is assessed a fine in the amount of \$1,000 for not responding to the Board within thirty (30) days; (4) Respondent is assessed costs and fees of this matter in the amount of \$500; (5) Fines, costs and fees are to be paid by Respondent before July 31, 2008; (6) Respondent will surrender his certificate to the Board; (7) Respondent is prohibited

from filing for reinstatement until fines, costs and fees are paid in full; (8) A proven violation of this Consent Order, the Oklahoma Accountancy Act, or the Oklahoma Administrative Code, authorizes the Board to take such other and further action as the Board may deem appropriate under the Law; (9) Respondent and the Board acknowledge that the Board has stated for the record that all violations of the Oklahoma Accountancy Act and/or the Oklahoma Administrative Code are viewed as very serious in nature. Any further violations by Respondent will be grounds for the Board to convene a hearing to determine Respondent's eligibility to retain any Certified Public Accountant's certificate/license and/or permit to practice public accounting which may, at that time, be held by the Respondent; and (10) 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.

Petete moved that the proposed Consent Order under Tab 5 be approved; Gray second. Affirmative votes: Ley, Biswell, Volturo, Petete, Gray and Johnson. Absent: St. John.

Johnson moved to adjourn the hearing; Petete second. Affirmative votes: Ley, Biswell, Volturo, Petete, Gray and Johnson. Absent: St. John.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1671.

Case No. 1610 – Hearing in the Matter of Sharon A. Triplett, CPA, Inc.: The Special Prosecutor for the OAB requested the hearing be deferred.

Case No. 1673 – Hearing in the Matter of Stephen F. Worthley, Certificate No. 2240: The Special Prosecutor for the OAB requested the hearing be deferred.

Agenda Item #7 – Discuss and Act on Report from the Legislative Committee: As Chairman of the Legislative Committee, Member Johnson referenced the committee substitute of SB1010 introduced Monday in the General Government Committee of the Senate. He explained that SB1010 was amended to include only the mobility provision as submitted by Section 23 of the Uniform Accountancy Act (UAA) and also was in compliance with amendments made to that section which were exposed and adopted in July 2007 by the AICPA and NASBA. He referenced the housekeeping amendments submitted to the OAB's Legislative Committee from the Board staff which was then submitted to the OSCPA.

Member Johnson noted that representatives from the OSA were present at the Senate Committee Hearing to oppose the bill. He explained that the Committee Substitute of the bill had been passed by the Senate committee but the title had been stricken. He explained that the concepts previously approved by the OAB such as the peer review

requirement for compilations and non-CPA ownership had been removed from this bill. He reiterated that the only substantive language change to the bill was to Section 15.12A regarding mobility with no fee, no notification and no escape. He explained that the mobility provision would apply to individuals regardless of how they entered the state to practice. He noted that firms entering the state to perform audits of Oklahoma firms still must register with the OAB as provided in the current statute. He explained that the only individuals eligible to practice under the mobility provision are those from the 55 jurisdictions which offer the CPA examination and not residents from nations such as India or China which do not have the CPA credential. He commented that the revenue impact on the OAB is almost nil. He maintained that the Committee Substitute of SB1010 will not increase the cost of the CPA examination. He added that the OAB is very concerned about the cost of taking the CPA examination and the OAB has worked to keep that cost to a minimum. He stated that the purpose of a national background check is to protect the public. Executive Director Steele cited examples of previous enforcement cases. He concluded that mobility is a trend both nationally and among the states; 14 states currently have passed similar legislation.

Johnson moved that the Legislative Committee recommends that the OAB support SB1010 Committee Substitute as heard in the General Government Committee; Biswell second. Affirmative votes: Ley, Biswell, Volturo, Petete, Gray and Johnson. Absent: St. John.

Agenda Item #12 – Discuss and Act on Report from the Technology Committee:

As Chairman of the Technology Committee, Secretary Biswell addressed this item and referenced the two proposed contracts as submitted by OK.gov for rewriting the registration renewal online process. One contract proposed a \$2 per transaction fee every year to cover the costs of this rewrite and any future modifications. The other contract was a time/materials based agreement which proposed a fixed price of \$36,300 for this rewrite. Discussion followed among the OAB with regard to which contract should be entered into. Mr. Todd Bevins from OK.gov fielded questions from the OAB members.

Vice Chair Petete expressed concern about the indirect requirement of signing off on the project after testing but prior to launch and the timing of when payment is made. She referenced the sample letter included in Appendix B. She proposed amending the statement within the time/materials contract: "Payment is due upon receipt of invoice" to read: "Payment is due upon receipt of invoice and completion of Letter as required under Appendix B." Member Johnson also proposed language: "Payment is due upon completion of deliverables as noted on Page 2 and signing of the acceptance letter."

Biswell moved that the Board approve the time/materials contract; Johnson second. Biswell amended his motion that the time/materials contract be approved with that additional language; Johnson accepted the amendment. Affirmative votes: Ley, Biswell, Volturo, Petete, Gray and Johnson. Absent: St. John.

Secretary Biswell reported on the meeting between the Technology Committee, the Board staff and the OAB's currently contracted database programmer, Jeff Carlin. He addressed Mr. Carlin's proposal to upgrade the OAB's registrant and candidate ten-year-old databases. The cost of upgrading the OAB's registrant database would be \$24,000 and take six months to complete. The cost of upgrading the OAB's candidate database would be \$18,000 and take six months to complete.

Biswell moved to approve these two contracts; Johnson second. Affirmative votes: Ley, Biswell, Volturo, Petete, Gray and Johnson. Absent: St. John.

Agenda Item #10 – Discuss and Act on Report of the History of the OAB's Database Systems: This item was discussed in connection with Item #12. No official action was taken.

Agenda Item #11 – Discuss and Act on Report for Comparative Processes and Costs on CPAES Services: This item was discussed in connection with Item #12. Executive Director Steele added that sufficient information had not yet been received from NASBA in order to perform an adequate comparison. No official action was taken.

Agenda Item #8 – Discuss and Act on Recommendation from Budget and Audit Committee Concerning a Contract for Financial Services: As Chair of the Budget and Audit Committee, Member Ley reported on the meeting she had with the Office of State Finance (OSF). She also reported on her meeting with the OAB staff concerning the state's financial reporting system and the capability of generating monthly financial reports for the OAB to utilize. She anticipates having the first report available at the OAB's March meeting. No official action was taken.

Agenda Item #9 – Discuss and Act on Recommendation from Enforcement Committee to Streamline the Complaint/Enforcement Process: As Chair of the Enforcement Committee, Vice Chair Petete reported her discussions with Ed Barnicott of NASBA. NASBA has the capability to customize its current enforcement tracking system to fit the Enforcement Committee's needs at no cost to the OAB for at least two years. She explained the advantages to utilizing the system NASBA offered. No official action was taken.

Agenda Item #13 – Director's Report: Executive Director Steele requested the OAB's input before she drafted her responses to the NASBA's Quarterly Focus Questionnaire which is due by April 2, 2008. She stated that her draft will be available at the OAB's March meeting.

Agenda Item #14a – Chair’s Report: Chairman Volturo did not present a report.

Agenda Item #14b – Next Meeting Date Announced: The next OAB meeting is scheduled for 8:30 a.m., Friday, March 28, 2008 at the Water Resources Board Room, 3800 N Classen Blvd, 2nd Floor, Oklahoma City, OK 73118.

Agenda Item #15 – New Business: No new business.

Agenda Item #16 – Adjournment: There being no further business to come before the OAB, at 11:20 a.m. Chairman Volturo called for a motion to adjourn the meeting.

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

Tom Volturo, Chairman

ATTEST:

Wade Biswell, Secretary

APPENDIX 1

DISSOLVED FIRMS:

CPA Limited Liability Partnership:

Deloitte & Touche USA LLP

CPA Limited Liability Company:

Demaranville & Kramer, CPA'S, L.L.C. (Kansas)

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

Name

Kari Kay Catlett
Jarin Louis Dykstra
Mandy Kay French
Kyle James Johnson
Christopher Douglas Ramsey
Abigail Jean Shurigar
Tao Tao
Melanie Elaine Warren

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):

16323	Patrick Jon McFeeters
16390	Natascha Marie Brown
16410	Erin Elisabeth Gerner
16412	James C. Bennett
16414	Jason Lee Engstrom
16415	Timothy Michael Helms
16416	Aaron Timothy Kesler
16417	Kristi Mahaffey
16418	Michael Winston Matthews
16419	Zack (Zibing) Pan
16420	Aaron Kent Penix
16421	Andreas Rydholm
16423	Traci Michele Trasky
16424	Wesley Milton Tur
16426	Andrew William Ward

APPLICATION FOR A RECIPROCAL CPA CERTIFICATE:

16440-R Angela Wheeler Spencer

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

David Michael Coleman (Arkansas)
John Brent Gianola (West Virginia)
Lori A. Greenawalt (Pennsylvania)
Peter Joseph Keller (Minnesota)
Anthony B. Kramer (Kansas)
Joseph Frederick Kuehn (New York)
Kar Lo (Pennsylvania)
Michael J. Odiorne (Massachusetts)
Michael Strype (New York)
Gloria Wai Ying Sung (California)
Susan P. Wheeler (West Virginia)

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

Gregory S. Buczynski (Colorado)
Charles Ulrich Klein (Florida)

APPLICATION FOR REINSTATEMENT OF A CPA CERTIFICATE:

9168 Greg Kent Fick

INITIAL REGISTRATION OF A CPA LIMITED LIABILITY PARTNERSHIP:

Deloitte LLP

INITIAL REGISTRATION OF A CPA PROFESSIONAL CORPORATION:

Phillip Courtney Hogan P.C.

INITIAL REGISTRATIONS OF CPA PROFESSIONAL LIMITED LIABILITY
COMPANIES:

Kramer & Associates CPAS, L.L.C. (Kansas)
Stanley K. Holden, CPA, PLLC
Woodrum, Kemendo, Tate & Westemeir, PLLC

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