

**OKLAHOMA ACCOUNTANCY BOARD**  
**MINUTES OF MEETING AND HEARINGS**

July 18, 2008

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, July 18, 2008 in the Board Room of the Water Resources Board at 3800 N. Classen, Oklahoma City, Oklahoma. A recording of the meeting is on file in the OAB office. Members present at the meeting:

Vicky Petete, CPA, Chair  
Carlos Johnson, CPA, Vice Chair  
Barbara Ley, CPA, Secretary  
Tom Volturo, Representing the Public, Member  
Wade Biswell, CPA, Member  
E.B. St. John, PA, Member

Also in attendance at the meeting: Staff: Edith Steele, Executive Director, Donita Graves, Colin Autin and Matthew Sinclair, Board staff members; Guests: Patty Hurley representing the Oklahoma Society of Certified Public Accountants (OSCPA); Kellie Gowdy and Dean Taylor representing the Oklahoma Society of Accountants (OSA); and Assistant Attorney General John Crittenden. Randall Calvert, Special Prosecutor for the OAB; David Sewell, CPA, Respondent; Orbie Taylor, CPA, Respondent; Jon Anderson with OSF and Tony Lugafet with Business Imaging Systems, Inc. (BIS) were present for relevant segments of the meeting.

**Agenda Item #1a -- Call To Order:** At 8:34 a.m. Chair Petete called the meeting to order.

**Agenda Item #1b -- Declaration of Quorum:** Chair Petete 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 Petete acknowledged the absence of Member Gray and declared that her 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 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 5 items for the OAB's consideration. (1) Approve the minutes of the June 27, 2008 OAB Meeting; (2) Approve the verification of the administrative posting to the OAB's records and certification of scores for Window 2/2008 Examination (April – May 2008); (3) Take official notice of the OAB's Statement of Receipts and Disbursements for the Fiscal Year ending June 30, 2008; (4) Approve the list for verified experience of successful candidates for certification; (Appendix 1) and (5) Approve the actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

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

**Agenda Item #5 – Announce Appointments of FY 2009 OAB Committees and Task Forces:** Chair Petete addressed this item. She expressed her appreciation for those who volunteered to serve on the committees and noted that there will be the possibility of ad hoc committees being established in the future. No action was taken. (Appendix 2)

**Agenda Item #4 – Consent Agenda [REVISITED]:** Vice Chairman Johnson acknowledged the significant number of scores below 50% as indicated on the examination score report. He expressed concern and requested the staff prepare a report to determine if there is a pattern. He suggested the report include the names of the universities where the candidates with scores below 50% earned their accounting hours and the majority of their higher level education. He added that staff also research whether or not the maintaining of a candidate's active status was a factor. He also raised the question of whether any jurisdictions have rules in place requiring candidates to earn above a minimum score on each section of the examination. Executive Director Steele offered to research that issue. Chair Petete noted that the individuals who passed the examination and the universities they attended should also be considered in order to achieve a balanced perspective.

**Agenda Item #7 – Discussion and Possible Action on Proposal for Digital Imaging the OAB's Records:** As Chairman of the Technology Committee, Member Biswell pointed members to the responses of questions from the June meeting. Tony Lugafet from BIS fielded questions from the OAB members. Vice Chair Johnson noted this acquisition was on statewide contract through the Department of Central Services. Member Volturo requested staff begin the process of reviewing and revising the OAB's records disposition and destruction schedule and submit it to the Archives Commission for approval. Chair Petete requested a timeline be presented at the Board's next meeting regarding the process.

Biswell moved the OAB move forward with the contract at \$45,998.49; Johnson second. Affirmative votes: St. John, Volturo, Johnson, Petete, Ley and Biswell. Absent: Gray.

**Cases No. 1636 and 1637 -- Hearings in the Matter of Sewell & Taylor, LLP, Firm No. 12393 and Hearing in the Matter of Orbie D. Taylor, CPA, Certificate No. 1844:**

The parties agreed to hear both cases together because the facts were the same. These matters came on for hearing at 9:25 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden represented the Board. Respondents were present but not represented by counsel. Respondents testified on their behalf.

Special Prosecutor Randall Calvert represented the State. No witnesses were called for the State.

Vice Chairman Johnson recused himself on the basis that he was partners with Respondents Sewell and Taylor while at the firm, Peat Marwick.

Special Prosecutor Calvert presented a Consent Order signed by the Respondent under the following terms: (1) Respondent was in violation of Section 10:15-39-1(a)(b) & (d), and 10:15-39-9(1) of the Oklahoma Administrative Code by performing an agreed-upon procedures engagement for the Peoples State Bank, Tulsa, Oklahoma as of September 26, 2003 and October 21, 2004 while lacking independence and shall immediately cease and desist from any further or future violations of these sections; (2) Respondent is assessed a fine in the amount of \$1,000; (3) Respondent is assessed costs and fees of this matter not to exceed the amount of \$1000 in addition to the \$1398.38 in the order; (4) 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; (5) 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.

**Case No. 1637 --** This matter came on for hearing at 9:25 a.m. and was heard in conjunction with Case No. 1636. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden represented the Board. Respondents were present but not represented by counsel. Respondents testified on their behalf.

Special Prosecutor Randall Calvert represented the State. No witnesses were called for the State.

Vice Chairman Johnson recused himself on the basis that he was partners with Respondents Sewell and Taylor while at the firm, Peat Marwick.

Special Prosecutor Calvert presented a Consent Order signed by the Respondent under the following terms: (1) Respondent was in violation of Section 15.14B(6) of the Oklahoma Accountancy Act and Sections 10:15-39-1(a)(b) & (d), and 10:15-39-9(1) of

the Oklahoma Administrative Code by owning stock in the Peoples State Bank, Tulsa, Oklahoma while his firm, Sewell & Taylor, LLP performed an agreed-upon procedures engagement for the Peoples State Bank as of September 26, 2003 and October 21, 2004 and shall immediately cease and desist from any further or future violations of these sections; (2) Respondent is assessed a fine in the amount of \$1,000; (3) Respondent is assessed additional costs and fees of this matter not to exceed an additional \$1000; (4) Respondent shall complete twenty-four (24) hours of CPE in courses addressing independence within two-hundred eighty (280) days of approval of this Order by the Board. This CPE will not count toward the yearly CPE requirement of the Respondent and must be pre-approved by the CPE Coordinator; (5) 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; (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.

Volturo moved to approve the Consent Orders with the modification to add the additional costs not to exceed an additional \$1000; St. John second. Affirmative votes: St. John, Volturo, Petete, Ley and Biswell. Abstained: Johnson. Absent: Gray.

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

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File Nos. 1636 and 1637.

**Case No. 1706 -- Hearing in the Matter of Kent A. Mayberry, PA, License No. 1067:**

Special Prosecutor Calvert noted that the Respondent requested a continuance and that such a continuance would be granted on the condition that the Respondent meet with the OAB's investigator.

**Agenda Item #6 – Discuss and Act on Executive Director's Recommendation to Lift the Suspension of Certificate No. 8695, Ricky J. Taylor:**

Executive Director Steele addressed this item. Discussion followed among the OAB members concerning the procedure for lifting a suspension. Member Volturo recommended future suspension lifts be reviewed by the Executive Director and if there are no enforcement-related issues, the matter be put on the Consent Agenda for Board approval. If there are enforcement-related issues, that the application be forwarded to the OAB's enforcement committee for review.

St. John moved to approve the Executive Director's recommendation to lift the suspension of Certificate No. 8695; Biswell second. Affirmative votes: St. John, Volturo, Johnson, Petete, Ley and Biswell. Absent: Gray.

**Agenda Item #8 – Discussion and Possible Action on Report from the Technology Committee:** As Chairman of the Technology Committee, Member Biswell addressed this item and recommended an official notification be sent to registrants informing them of the extended deadline, waiver of late fee, and the automatic revocation date. Secretary Ley suggested the letter contain instructions for those who do not have access to the internet to contact the OAB office to request a form.

**Agenda Item #9 – Discussion and Possible Action on Report from the Outreach Committee:** As Chairman of the Outreach Committee, Member Biswell reported that the committee had not met to decide how the OAB's recognition ceremony will be conducted in the future.

**Agenda Item #10 -- Proposed Executive Session Pursuant to Title 25 O.S. Supp. 2006, Section 307(B)(1) for Discussion and Possible Action on Employment, Hiring Appointment, Promotion, Disciplining, Resignation, Changes to Existing Salaries, or Setting Salary Ranges for the Following Individual Positions: a) Executive Director, b) Deputy Director, c) Registration Coordinator, d) Examination Coordinator, e) CPE Coordinator, f) Administrative Assistant, g) Peer Review Coordinator, h) Records Coordinator, i) Receptionist, j) Information Systems Services Coordinator, and k) Legal Counsel (in house):** As Chairman of the Personnel Committee, Vice Chairman Johnson addressed this item.

Johnson moved that a cost of living increase of 4% be granted to all members of the OAB staff including the Executive Director with the exception that Ms. Finch be granted 2% and Mr. Sinclair be granted 1/6 of 4% based on date of hire; and that should the State grant a cost of living increase in the next year that this action today is part of that cost of living increase and that it be effective July 1, 2008; St. John second. Affirmative votes: St. John, Volturo, Johnson, Petete, Ley and Biswell. Absent: Gray.

**Agenda Item #11 – Discussion and Possible Action to Authorize FY 2009 Travel to Various Meetings Benefiting the Oklahoma Accountancy Board and the Public of Oklahoma for Board Members, Appropriate Staff Members and Appropriate Individuals on Contract Status Except for the Attendance at any June Meeting by any Outgoing Board Member Unless Specifically Approved by the Board:** Executive Director Steele addressed this item.

Biswell moved to authorize FY 2009 travel to meetings benefiting the Oklahoma Accountancy Board and the Public of Oklahoma for Board Members, appropriate staff members and appropriate individuals on contract status except for the attendance at any June Meeting by any outgoing Board Member; Ley second. Affirmative votes: St. John, Volturo, Johnson, Petete, Ley and Biswell. Absent: Gray.

**Agenda Item #12 – Director’s Report:** Executive Director Steele addressed the following issues:

- The OAB’s FY 2008 Budget Work Program (BWP) was filed on June 30 and staff received confirmation on July 9 that the BWP was approved by the OSF.
- David Costello’s response to the letter concerning information distribution to candidates regarding the ability to notify Prometric on weekends of their inability to sit for examination the following Monday.
- Report on the pros and cons for outsourcing examination procedures to NASBA is still in progress.
- The first draft of the OAB personnel policy and procedure manual is 95% completed.

**Agenda Item #13 – Presentation Commemorating Member Tom Volturo’s Service as Chair of the OAB from July 1, 2007 to June 30, 2008:** Chair Petete recognized former Chairman Volturo’s tenure as Chairman of the Board and presented him a gavel plaque commemorating his service.

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

**Agenda Item #14b – Next Meeting Date Announced:** The next regularly scheduled OAB meeting will be 8:30 a.m., Friday, August 22, 2008 at the Water Resources Board Room, 3800 N. Classen Blvd, 2<sup>nd</sup> Floor, Oklahoma City, OK 73118. Member Johnson invited NASBA Regional Director Kent Smoll to attend the August meeting. Craig Mills will be attending the September meeting in Tulsa.

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

**Agenda Item #16 – Adjournment:** There being no further business to come before the OAB, at 10:35 a.m. Chair Petete called for a motion to adjourn the meeting.

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

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Vicky Petete, Chair

ATTEST:

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Barbara Ley, Secretary

## APPENDIX 1

### **CERTIFICATES SURRENDERED BY REGISTRANTS:**

#### **CPAs:**

##### **No Longer practicing in Oklahoma:**

Kristy L. Siple, Certificate No. 16128-R issued October 31, 2005

##### **Out-of-State CPAs No Longer Practicing In Oklahoma:**

E. Alan Terry, Certificate No. 14795-R issued April 21, 2000

David Gerald Yarborough, Certificate No. 4572-R issued November 27, 1978

##### **Coming into Oklahoma to practice under Substantial Equivalency:**

Brian P. Bentz, Certificate No. 14921-R issued November 17, 2000

#### **Retired:**

Freddie Edmond Been, Certificate No. 1596 issued July 27, 1962

### **DISSOLVED FIRMS:**

#### **CPA Corporations:**

Brady, Martz & Associates, P.C.

D.G. Yarborough, CPA, PC

Greenwell & Co., P.C.

Jeffrey S. Anderson, CPA, P.C.

L. Myles Smith & Company

Rick D. Simpson Financial Services, Inc.

Terry & Stephenson, P.C.

#### **CPA Limited Liability Company:**

Crowe Chizek and Company LLC (Indiana)

**Grades Certified:** The OAB took official notice of the administrative posting of scores to the OAB's records for the Window 2/2008 Examination which were certified by the Executive Director.

The following 24 candidates successfully passed the Certified Public Accountant Examination Window 2/2008:

Name

\*Douglas Brent Allison  
 Shelley Renae Boileau  
 Doroteia Bozhidarova Bozhanova  
 Olena Vadimovna Brenning  
 Travis Bobby Combs  
 Lucius Drake Crandall  
 Robert Harvey Duncan  
 \*Devin Clark Gerrior  
 \*Taylor Gilpin  
 \*James Michael Gripka  
 \*Melissa Rae Haas  
 \*Nathan Hodges Helms  
 Greg M. Larson  
 \*Donald James Lawrence, II  
 Debra Ann Lee  
 Eric Clayton Lewis  
 Melissa Willis Lewis  
 Robert Michael Lively  
 Ursula H. Lundberg  
 Larissa P. Miller  
 Kiranmaye Nallayahgari  
 Rebecca Ann Thompson  
 Rebecca Lee Trudell  
 \*Caleb Clarence Van Dolah

\*Each section passed on first sitting.

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

Name

Jason Ray Moss  
 Santhosh Parameswaran  
 Eric Michael Procter  
 Jumao Wang  
 Zhenhua Xie

5139.

**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):**

16399	Anne Renee Obermueller
16465	Richard Dean Johnson II
16478	Justin Wayne Baldwin
16479	Ashley M. Everett
16483	Theron Luke Stoltzfus

**APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:**

10227	Kenneth D. Kearns
15076	Scott Michael Berter

**INITIAL REGISTRATION OF A CPA LIMITED LIABILITY PARTNERSHIP:**

Crowe Horwath LLP (Indiana)

**INITIAL REGISTRATION OF A CPA PROFESSIONAL CORPORATION:**

L. Myles Smith & Company, PC

**INITIAL REGISTRATION OF A CPA PROFESSIONAL LIMITED LIABILITY COMPANY:**

Sue Allen Lane, C.P.A., P.L.L.C.

**APPENDIX 2****Oklahoma Accountancy Board  
FY 2009 Committee List**

**CPE/Experience Verification:** Assist the CPE Coordinator with non-routine CPE issues and guidance or decisions related to the annual CPE audit. Research and consider development of Oklahoma CPE Ethics. Assist staff with experience verifications which are non-routine.

E.B. St. John, Chair  
Jay Engelbach  
Vicky Petete, Member

**Rules Promulgation:** Assess needs and develop draft of any proposed emergency or permanent rules.

Tom Volturo, Chair  
Vicky Petete, Member  
Wade Biswell, Member

**Legislative:** Assist the Executive Director and develop proposed amendments to the Oklahoma Accountancy Act, if needed to present to the full Board.

Janice Gray, Chair  
Carlos Johnson, Member  
Barbara Ley, Member

**Audit and Budget:** Review of the Board's Audit of Financial Statements before final report is issued to the full Board. Oversight and approval of the annual Budget Request and Budget Work Program drafts to present to the full Board.

Barbara Ley, Chair  
Tom Volturo, Member  
E.B. St. John, Member

**Technology:** Assist the Executive and IT Directors in assessing the OAB's technology needs.

Wade Biswell, Chair  
Janice Gray, Member  
Barbara Ley, Member

**Peer Review Oversight Committee:** Assist the Peer Review Coordinator with development of forms and procedures for the peer review program. Develop proposed amendments to the peer review rules, if needed. Assist Peer Review Committee as defined in Subchapter 33 of the Oklahoma Administrative Code.

Janice Gray, Chair  
Barbara Ley, Member  
Mike Crawford

**Enforcement:** As provided in the Board's rules, the Vice Chairman is responsible for enforcement matters and one other Board member, who is not an officer, shall be a designated member.

Carlos Johnson, Chair  
Wade Biswell, Member

**Personnel:** Perform evaluation of director, assist the director with recommendations for staff changes, hiring of new personnel, and salary adjustments.

Carlos Johnson, Chair  
Tom Volturo, Member  
Vicky Petete, Member

**Outreach Programs:** Assist staff with Recognition Ceremony and make recommendations for the OAB's Outreach Program.

Wade Biswell, Chair  
Vicky Petete, Member  
E.B. St. John, Member