

OKLAHOMA ACCOUNTANCY BOARD
MINUTES OF MEETING AND HEARING

February 27, 2009

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, February 27, 2009 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, Member Representing the Public
Wade Biswell, CPA, Member
Janice L. Gray, CPA, Member

Also in attendance at the meeting: Staff: Edith Steele, Executive Director, Nicole Prieto Johns, Deputy Director, Donita Graves, Colin Autin, and Barbara Walker, Board staff members; Guests: Daryl Hill representing the Oklahoma Society of Certified Public Accountants (OSCPA); Kellie Gowdy representing the Oklahoma Society of Accountants (OSA); Assistant Attorney General John Crittenden. Kelly Bounds with Capitol News Now and Brett Willis, Special Prosecutor for the OAB were present for relevant segments of the meeting.

Agenda Item #1a -- Call To Order: At 8:38 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 St. John and noted 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 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 January 30, 2009 OAB Meeting; (2) Take official notice of the OAB's Statements of Receipts and Disbursements for the Month ending January 31, 2009; (3) Ratify the CPE/Experience Verification Committee's approval of the verifications of experience by non-registrant individuals; (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; Johnson second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. Absent: St. John.

Member Gray expressed concern about OAB members not being able to recuse themselves on administrative actions because they do not know the identities of those individuals and/or firms involved at the time the administrative actions are presented to the Board during the meeting and the publication of these individuals and/or firm's names when the minutes are presented to the Board for approval at a later meeting.

After discussion among the OAB members and Assistant Attorney General Crittenden, Chair Petete proposed adding the following verbiage to future minutes: "As a matter of record, votes were taken and members of the Board, other than members of the enforcement committee, had no prior knowledge of the individuals involved in the cases." Member Gray agreed to this verbiage.

Executive Director Steele offered to advise OAB members who have contacted her about recusing themselves from an upcoming case when that case comes before the Board.

Case No. 1706 – Hearing in the Matter of Kent A. Mayberry, PA, License No. 1067:
This matter came on for hearing at 9:20 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden represented the Board. Respondent was not present nor was he represented by counsel.

Special Prosecutor Brett Willis represented the State. No witnesses were called on behalf of the State.

Special Prosecutor Willis presented a Consent Order signed by the Respondent under the following terms: (1) Respondent has violated Sections 10:15-39-8(b), 10:15-43-1, 10:15-33-4(a), and 10:15-39-1(a) and (b) of the Oklahoma Administrative Code as set fourth in the second amended formal complaint; (2) Respondent will be place on probation for five (5) years from the effective date of this Consent Order; (3) Respondent is assessed a fine in the amount of \$3,000 for failing to respond in writing to three (3) letters from the Board requesting a response; (4) Respondent is assessed a fine in the amount of \$2,500 for failing to enroll in the peer review program; (5) Respondent must have a peer review of the subject audits performed within ninety (90)

days from the effective date of this Order; (6) Respondent's scope of practice is limited in that he cannot perform audits; (7) Respondent is assessed the costs of this proceeding in the amount of \$5,007.46; (8) The fines and costs set forth above shall be paid in quarterly payments in the amount of \$525.37, said payments commencing April 1, 2009, and due every three months thereafter on the first day of the month until paid, unless said fines and costs are paid off sooner; (9) 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 Oklahoma Accountancy Act, or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Act; (10) 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 Public Accountant's license and/or permit to practice public accounting which may, at that time, be held by the Respondent; (11) 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.

Johnson moved as Chairman of the Enforcement Committee for the OAB to accept the Consent Order; Gray second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. Absent: St. John.

Gray moved to adjourn the hearing; Ley second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. 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. 1706.

Agenda Item #5 -- Discussion and Possible Action on Recommendations by the Enforcement Committee: Vice Chairman Johnson presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

As a matter of record, votes were taken and members of the Board, other than members of the Enforcement Committee, had no prior knowledge of the individuals involved in the cases.

Johnson moved that the Enforcement Committee recommends in Case Nos. 1717, 1723 and 1726, based on the information presented to the OAB, the OAB enter into Administrative Consent Orders with these individuals and/or firms; Volturo second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. Absent: St. John.

Johnson moved that the Enforcement Committee recommends File Nos. 1178, 1187 and 1510 be closed; Volturo second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. Absent: St. John.

Johnson moved that the Enforcement Committee recommends File Nos. 1499, 1501, 1507, 1520, 1526, 1569 and 1571 be submitted to the Administrative Law Judge for the appropriate action; Volturo second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. Absent: St. John.

Administrative Consent Orders:

Case No. 1717 – Dennis & Company, PC and Christine Dennis, CPA

This case was the result of a referral from a client alleging substandard audit work. As instructed by the Enforcement Committee an investigator was assigned to the file. In the report, the investigator concluded that there were seven items specifically designated as professional misconduct and failure to follow certain professional standards. An Administrative Consent Order is being offered in this case which provides that the Respondents' CPA certificate and firm's standing will be placed on probation for three (3) years from the effective date of this Order; a fine of \$2,500 is assessed which must be paid no later than thirty (30) 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. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

Case No. 1723 – Melissa J. Johnson

The Respondent in this case applied for reciprocity on April 14, 2008; however, the Respondent had been employed by Oklahoma public accounting firms since September 2007 without obtaining a certificate or a permit to practice public accounting. An Administrative Consent Order is being offered which provides that the Respondent's certificate, when issued, is subject to a probation period of two years and assessed a fine in the amount of \$1,000 for failing to apply for a reciprocal certificate, which shall be

paid no later than 30 days from the effective date of the Order. Any failure to 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 the ACO, 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 Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

Case No. 1726 – Belinda Marie Petri

The Respondent in this case applied for reciprocity on December 17, 2008; however, the Respondent had been employed by an Oklahoma public accounting firm since October 2007 without obtaining a certificate or a permit to practice public accounting. An Administrative Consent Order is being offered which provides that the Respondent's certificate, when issued, is subject to a probation period of two years and assessed a fine in the amount of \$1,000 for failing to apply for a reciprocal certificate and costs in the amount of \$175.00, which shall be paid no later than 30 days from the effective date of the Order. Any failure to 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 the ACO, 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 Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

File to Close:

Files 1178 and 1187 – CPA and Non-Registrant

A complaint was filed that the CPA had an unlicensed employee who was being held out as an "accountant" and was a partner in the registrant's firm. As instructed by the Enforcement Committee, an investigator was assigned to the file. In the investigator's report, the investigator concluded that there was no evidence that the unlicensed employee was a partner, but he did find where the employee was being held out as an "accountant". Subsequent to the investigation, the CPA sold the practice and retired. The Enforcement Committee recommends the file be closed but that correspondence be sent to the CPA that the holding out of an employee in this manner was in violation of the Oklahoma Accountancy Act and, if in the future, the CPA returns to practice, that the CPA cease and desist from holding any unlicensed employee out to the public as an accountant.

File 1510 – CPA

This was a referral from the CPE Coordinator that the registrant failed to report CPE or document that the registrant was exempt from the CPE requirement. Several attempts had been made by the CPE Coordinator to locate the registrant without success. Subsequent to the referral, a change of address was received for the registrant. The registrant explained to the Enforcement Committee the circumstances as to why no form was filed and notified the OAB that the registrant has now retired. The Enforcement Committee recommends the file be closed with a reprimand pointing out

the responsibility, as a holder of a CPA certificate, to timely notify the OAB of changes in address and employment status.

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:

1499
1501
1507
1520
1526
1569
1571

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 Promulgation Committee, Member Volturo addressed this item. He referenced the rules draft resulting from public comments received by the OAB in addition to recommendations from the Rules Promulgation Committee.

Volturo moved the OAB accept the Rules Promulgation Committee's recommendation to accept the rules; Johnson second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. Absent: St. John.

Discussion followed among the OAB members about CPE issues involving the return to active status. Member Gray suggested staff draft an article to educate registrants about how the return to active status process works. Secretary Ley advised such an article be on the OAB's website and in the trade publications and that the format should read like a reference guide complete with examples.

Discussion followed among the OAB members about proposed language in 10:15-32-2(c). In the interest of time, Vice Chairman Johnson suggested tabling this item temporarily so the OAB's CPE Coordinator Barbara Walker could work on revising the language in 10:15-32-2(c).

Agenda Item #7a – Discussion and Possible Action on Request from David W. Elshire, Inc. for a Waiver of the Peer Review Requirements: As Chair of the Peer Review Committee, Member Gray addressed the request from David Elshire.

Gray moved that the Board accept the Peer Review Committee's recommendation that David W. Elshire's request be denied; Johnson second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. Absent: St. John.

Agenda Item #7b – Discussion and Possible Action on Report from the Peer Review Oversight Committee: The OAB's Peer Review Coordinator, Colin Autin presented his report. Mr. Autin fielded questions from the OAB members. No official action was taken on this item.

Agenda Item #8 – Discussion and Possible Action on Report from the Legislative Committee: As Chair of the Legislative Committee, Member Gray addressed this item. She noted that an emergency clause had been added to the legislation in order for it to be effective immediately. No official action was taken on this item.

Agenda Item #6 – Review Comments Received, Discuss and Act on Proposed Draft of Permanent Rules Promulgation – Title 10; Chapter 15 [REVISITED]: The OAB's CPE Coordinator Barbara Walker presented proposed language for 10:15-32-2(c) to read: "Self-study courses considered for CPE credit must be: (1) offered by sponsors registered with NASBA's National Registry of CPE Sponsors; or (2) courses offered by the AICPA, or other such organizations as determined by the Board."

Ms. Walker suggested making the same language change to 10:15-32-5(b).

Volturo accepted the amendment to his motion to include the modified language to 10:15-32-2(c) and 10:15-32-5(b); Johnson accepted the amendment as the second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. Absent: St. John.

Member Johnson left the meeting at 11:20 a.m.

Agenda Item #9 -- Discussion and Possible Action on Report from the Technology Committee: As Chairman of the Technology Committee, Member Biswell stated that the committee did not have a report for this meeting. No official action was taken on this item.

Agenda Item #10 – Discussion and Possible Action on Recommendation Proposed by Staff for Outsourcing the OAB's Qualification or Examination Process and Score Release to NASBA's CPA Examination Services (CPAes): Chair Petete requested this item be tabled to allow the OAB members to review supporting documentation for proposed staff recommendation.

Member Johnson returned to the meeting at 11:24 a.m.

Agenda Item #11a – Discussion and Possible Action on Request from NASBA for Vice Chair Recommendations for 2009-2010: Vice Chairman Johnson addressed this item and requested Executive Director Steele draft the nomination letter and fax to Anita Holt today.

Johnson moved as Vice Chair of the OAB, the OAB support Mark Harris who is a Board member of the Louisiana Board and an At-Large member of NASBA as Vice Chair-Elect; Gray second. Affirmative votes: Gray, Volturo, Johnson, Petete, Ley and Biswell. Absent: St. John.

Agenda Item #11b – Discussion and Possible Action on Request from NASBA’s CPA Licensing Examinations Committee for Feedback on Aspects of the Examination: Chair Petete addressed this item. In response to their request for feedback, she suggested the staff prepare a standard questionnaire for candidates regarding their experience in taking the examination. Questions were raised among the OAB members as to the committee’s specific focus. Executive Director Steele offered to contact NASBA’s CPA Licensing Examinations Committee for input. Chair Petete requested Ms. Steele report to her on this issue and she will summarize the information and bring back to the Board at its next meeting. No official action was taken on this item.

Agenda Item #12 – Discussion and Possible Action on Request from Brent Wille to Waive the Oklahoma Residency Requirement for Eligibility to become a Candidate for Examination: Executive Director Steele addressed this item and recommended the staff’s denial of Mr. Wille’s application be upheld. Discussion followed among the OAB members. At the recommendation of the OAB members, staff will obtain further information. No official action was taken on this item.

Agenda Item #13 -- Proposed Executive Session Pursuant to 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 requested this item be deferred until a later board meeting. No official action was taken on this item.

Agenda Item #14 – Director’s Report: Executive Director Steele addressed the following issues:

- The Score Analysis Reports for Windows 3 and 4 of 2008 with staff distributing these reports to the colleges in Oklahoma shortly after the Board meeting.
- Report from the Examination Coordinator regarding the affect of the ice storm on Oklahoma candidates.

- Draft of the January 2009 NASBA Focus Questionnaire due April 1, 2009.
- Staff's meeting with the Director of the Department of Central Services regarding moving the OAB office.
- A previously deferred item regarding a registrant's request for a waiver of the peer review requirement was tabled and will not be coming back to the Board due to the registrant's request being subsequently withdrawn.
- Update regarding the NASBA Western Regional Meeting to be held in Oklahoma City in June 2009.
- NASBA's Center of Public Trust award will be presented to OKEthics on May 20, 2009.
- Status update of the policy manual.

As a result of the discussion regarding the effect of the ice storm on Oklahoma candidates, the OAB members requested a policy ruling from Prometric regarding rescheduling without penalty when it involved weather and medical reasons.

Agenda Item #15a – Chair's Report: Chair Petete did not present a report.

Agenda Item #15b – Next Meeting Date Announced: The next regularly scheduled OAB meeting will be 8:30 a.m., Friday, March 27, 2009 at the Water Resources Board Room, 3800 N. Classen Blvd, 2nd Floor, Oklahoma City, OK 73118. Chair Petete noted that she would be unable to attend the April 17 Board Meeting and that Vice Chairman Johnson would chair that meeting.

Agenda Item #16 – New Business: No new business.

Agenda Item #17 – Adjournment: There being no further business to come before the OAB, at 12:13 p.m., Chair Petete adjourned the meeting.

Vicky Petete, Chair

ATTEST:

Barbara Ley, Secretary

APPENDIX 1

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

Surrendering CPA Certificate Due To The New CPE Requirements:

Merideth Lynn Kimbro, Certificate No. 2368 issued July 27, 1970

Coming into Oklahoma to practice under Substantial Equivalency:

Edwin Earl Holt, Certificate No. 14603-R issued September 22, 1999

Not residing or practicing in Oklahoma:

Leslie Leigh Anderson, Certificate No. 9655 issued January 28, 1988

DISSOLVED FIRMS:

CPA Corporations:

Gabbard & Company, P.C.
Zeller and Zeller, CPA's, P.C.

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

Name

Jonathan Ben-Nathanael Albarran
Laura Beth Anderson
Eric William Armstrong
Deepa Bharani
Andrew Wayne Boeckman
Bryan Matthew Cox
Melissa Ann Hull
LyanGoo Kim
William Sanford Matthews
Joel Aaron Mendez
Ryan Scott Myers
Zachary Allen Parker
Hilary Lee Penrod
Marcus Geza Takach

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):

16563	LeAnne Michelle Eakin
16564	Beth A. Miller
16565	Adrienne Maria Smith
16566	Alecia Kay Paschal
16570	Amanda Rachel Vermillion
16573	Sabrina Myers
16574	Carla Reijan Caughron
16575	Yin Dyn Clara Chan
16576	Jennifer Dawn Ely
16578	Ryan P. Harris
16579	Kyle Edward Haugen
16580	Kermit V. Jones
16581	Billye G. Kraus
16582	Caleb D. Mullins
16584	Mary M. Pang
16585	Nathaniel Mark Parris
16586	Ross H. Roye
16587	Chelsey Marie Trevino
16588	Brian R. Vu

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

16593-R	Rachel Ruth Guthrie
16594-R	Scott William Wallace
16595-R	Joyce Ann White
16596-R	April Dawn Winfrey
16597-R	Belinda Marie Petri
16611-R	Melissa J. Johnson

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

Terrence Eugene Ammons (Georgia)
 Gene Kim (California)
 Courtney Lamkin (Arkansas)
 Christopher Galen Nickell (Alabama)
 Traci Sowersby (Arkansas)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

1504	Patricia M. Laner
2964	Greta P. Hicks
7830-R	Robert Mark Rasor
12484	John M. Gibson
15415	John Earnest Henry
15938-R	Kelly Chase Lindner

INITIAL REGISTRATIONS OF CPA PROFESSIONAL CORPORATIONS:

Barbara D. Cooper CPA PC
Katherine L. Zeller, CPA, PC

INITIAL REGISTRATIONS OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:

Gabbard & Company, PLLC
Internal Controls Specialists, PLLC
Shelly D. Harry, C.P.A., P.L.L.C.
Wright & Moore, PLLC