

OKLAHOMA ACCOUNTANCY BOARD
MINUTES OF MEETING AND HEARINGS

May 22, 2009

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, May 22, 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, Representing the Public, Member
Wade Biswell, CPA, Member
Janice L. Gray, CPA, Member
E.B. St. John, PA, Member

Also in attendance at the meeting: Staff: Edith Steele, Executive Director, S. Nicole Prieto Johns, Deputy Director, Colin Autin, Barbara Walker and Gloria Finch, Board staff members; Assistant Attorney General John Crittenden. Guests: Daryl Hill representing the Oklahoma Society of Certified Public Accountants (OSCPA); Kellie Gowdy representing the Oklahoma Society of Accountants (OSA); Brian Connally, CPA, Ben C. Kemendo, CPA, Lincoln W. Boyd, Respondent and Brett Willis, Special Prosecutor for the OAB were present for relevant segments of the meeting.

Agenda Item #1a -- Call To Order: At 8:40 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: 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 April 17, 2009 OAB Meeting; (2) Take official notice of the OAB's Statements of Receipts and Disbursements for the Month ending April 30, 2009; (3) Approve the list for verified experience of successful candidates for certification; (Appendix 1) and (4) Approve the actions taken by the Executive Director on applications and registrations filed since the previous meeting. (Appendix 1)

Secretary Ley inquired as to whether there was a mistake made by staff in putting the accounting experience list together and asked staff to check on the area in which Shehla Begum earned her accounting experience as indicated on Item C-3. Vice Chair Johnson recommended that when the end-date of the accounting experience is indicated as "Present" on the experience verification form, an actual date should be used and that date should be the date in which the experience was verified. Discussion followed among the OAB members regarding the experience verification and application for certification processes. Member Gray suggested changing the heading of the experience verification document under Item C-3 to reflect approval of experience.

Volturo moved to approve the Consent Agenda; Johnson second. Affirmative votes: St. John, Gray, Volturo, Johnson, Ley and Biswell; Petete abstained from the vote on Item C-1 of the Consent Agenda.

Case No. 1739 – Show Cause Hearing in the Matter of the Application to Reinstate the CPA Certificate of Lincoln Boyd: This matter came on for hearing at 9:12 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden represented the Board. The Applicant was present and testified on his behalf.

Special Prosecutor Brett Willis represented the State. Executive Director Edith Steele, Ben C. Kemendo, CPA and Brian Connally, CPA testified on behalf of the State.

The purpose of the hearing was to determine whether the Applicant's certification should be reinstated. The Applicant's certificate had been revoked for failure to register on August 31, 2007.

Gray moved to go into Executive Session; Ley second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

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

Assistant Attorney General Crittenden noted for the record that no official action or formal decisions were made during Executive Session.

Gray moved that in regard to the show cause hearing for reinstatement, Mr. Boyd be assessed a fine of \$2,500 plus costs for violation to properly register and obtain a permit and holding out to the public as a CPA through business cards, letterhead, an application, resume, etc.; and that the fine be paid prior to any reinstatement; that his certificate would be reinstated upon the payment of the fine and costs and that immediately upon reinstatement, it will be placed on probation for a period of three years during which time Mr. Boyd would be required to be included in each annual CPE audit that is conducted by the Board; and that he would be required to notify any employer or prospective employers with notification to the Board information that his certificate is on probation; that in the interim before he is reinstated, should he apply for a job, he should make very clear that he does not hold a certificate to call himself a CPA until that reinstatement occurs; Volturo second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

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

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1739.

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.

Administrative Consent Orders:

Case No. 1745 – Judith K. Ballard, CPA and Judith K. Ballard, C.P.A., P.C.

The CPA individual filed an initial firm registration on January 22, 2008; however, the CPA individual attested on the form that the firm had been practicing public accounting and holding out under the firm name since February 1, 2007. An Administrative Consent Order is being offered in this case which provides the Respondents are assessed a fine in the amount of \$1,000 which shall be paid within thirty (30) days from the effective date of this Order. Also, any audits or reviews which were issued during the time period that the firm did not hold a permit must be reissued and the clients notified. Recovery costs are also assessed in the amount of \$417.50 which is also to 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.

Gray moved to defer action on Case No. 1745 until further information can be obtained as to whether the firm has notified the Board of enrollment in a peer review program. Motion withdrawn.

Johnson moved as Chairman of the Enforcement Committee the Board accept the recommendation of the Enforcement Committee to accept the proposed Administrative Consent Order in Case No. 1745; St. John second. Gray amended the motion to include that the respondent be required to notify the Board when the reissuance for the audits and reviews occur. Ley offered an amendment to increase the costs by \$87.50 for a total of \$505.00. Volturo seconded the amendments. Johnson and St. John accepted the amendments. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

Case No. 1743 – Derrel S. White, CPA

The case is the result of the registrant's failure to file for a permit to practice public accounting and failure to respond to the OAB on a timely basis. An Administrative Consent Order is being offered in this case which provides the Respondent's certificate is placed on five year probation from the effective date of the Order; assessed a fine in the amount of \$1,000 for failure to respond and \$2,500 for failure obtain a permit to practice public accounting in a timely manner and recovery costs in the amount of \$2,005, both of which must be paid in four equal installments beginning thirty (30) days after this Order is in effect. Respondent also must complete the AICPA Comprehensive Course – Ethics, with a score of 90% or better no later than ninety (90) 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.

Johnson moved as Chairman of the Enforcement Committee the Board accept the recommendation of the Enforcement Committee to accept the proposed Administrative Consent Order as described in page 1 of 2 in the agenda in Case No. 1743; Volturo second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

Files to Close:**File No. 1544 - CPA Individual**

A complaint was filed that the registrant refused to return client records and performed substandard work. As instructed by the EC, an investigator was assigned to this case. The investigator was able to contact both parties and work out a resolution to the issues. Based on this resolution and as a part of the agreement between the two parties, the complainant dropped the complaint. The Enforcement Committee recommends the file be closed.

File No. 1515 – CPA Individual

This was a referral from the CPE Coordinator. Several unsuccessful attempts were made by staff to contact the registrant when the registrant failed to file the CPE reporting form or document to the Board that the registrant was exempt from the CPE requirement. Only after the file was opened, did staff learn that the registrant is disabled, confined to a nursing home and unable to file the required paperwork. The registrant's spouse and staff worked together to bring the registrant's reporting into compliance so the Enforcement Committee recommends the file be closed.

Johnson moved to close File Nos. 1544 & 1515 based on the evidence submitted to the Enforcement Committee; Ley second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

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:

1496

Johnson moved as Chairman of the Enforcement Committee to submit File No. 1496 to the Administrative Law Judge; Gray second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

Case No. 1727 – Hearing in the Matter of Candace J. Garcia, Certificate No. 5066 – Revoked: This matter came on for hearing at 11:55 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 she represented by counsel.

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

The purpose of the hearing was to consider the Administrative Law Judge's recommendations that: (1) Respondent's certificate which was revoked pursuant to 15.14(E)(2) of the Act, is also being revoked for Respondent violating Section 15.35(A) or (C) of the Act and Section 10:15-30-5(a) or (b) of the Board's Rules; (2) Respondent be assessed a fine of \$1,000 for each count of not timely responding to the Board, for a total fine of \$2,000; (3) Respondent be assessed a fine of \$2,500 for failing to complete continuing professional education, and/or failure to furnish evidence, or failure to provide evidence that respondent was exempt; (4) Respondent be assessed all costs in this hearing, including but not limited to attorney fees, investigation costs, hearing officer costs, renting of special facilities costs, and court reporter costs; (5) Should Respondent apply for reinstatement, she must meet her burden of proof at a show cause hearing, and have completed Professional Ethics: AICPA's Comprehensive Course, with a score of 90%, which was taken no earlier than ninety (90) days prior to applying for reinstatement; (6) These Findings of Fact, Conclusions of Law and Recommendations should be considered at the next available Board meeting; and (7) 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.

Johnson moved that the special prosecutor's recommendation to accept the Administrative Law Judge's findings of fact and conclusions of law and the fines be approved by the Board which includes the amended statement of costs and the court reporter costs in the total amount of \$2,322.10; St. John second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

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

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1727.

Agenda Item #6 – Discussion and Possible Action on Renewal of FY 2010 Professional Services Contracts: Vice Chair Johnson expounded upon the varied expertise of the investigators. He stated that his firm and Mr. Compton were former partners and Mr. Compton worked for KPMG in the past. He noted for the record that he had no input into Mr. Compton's proposed rate.

As Chair of the Peer Review Committee, Member Gray stated that Ann Fields will be coming back for re-appointment to the committee.

Johnson moved that the Board accept the proposed rates for the attorneys and the Administrative Law Judge including the contract with the Attorney General; Ley second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

Johnson moved that the Board accept the rates proposed for investigators as presented in Item 6; Volturo second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

Johnson moved to accept the rate for the consultant Crawford & Associates at a maximum rate not to exceed \$200 per hour and the rate be equivalent to the experience of the individual assigned to the engagement; Gray second. Johnson withdrew the motion and deferred the item until the Executive Director can provide more information; Gray accepted the withdrawal and deferment.

Gray moved to approve Jim Williamson, Thom McGuire and Ann Fields to be the Peer Review Oversight Committee members at a rate of \$150 per hour; Volturo second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

Agenda Item #7a – Discussion and Possible Action on the Renewal of Professional Service Contract for FY 2010 – CDS, Inc.: As Chairman of the Technology Committee, Member Biswell addressed this item.

Biswell moved to approve this contract structure for CDS as it relates to programming work done on CANSYS, ARSYS and the interface between them and Ok.gov; Volturo second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete, Ley and Biswell.

Agenda Item #7b – Discussion and Possible Action on Status of On-line Renewal Services: As Chairman of the Technology Committee, Member Biswell updated the Board on the status of the firm and individual renewal online services. No official action was taken on this item.

Agenda Item #8 – Discussion and Possible Action on Proposed Budget Work Program for FY 2010: As Chair of the Audit and Budget Committee, Secretary Ley addressed this item. She requested any comments from the Board members be directed to her and be received within the next few weeks so that the budget can be presented at the June meeting. She urged the committees to review closely the expenditures in their areas. No official action was taken on this item.

Agenda Item #9 – Discuss and Act on Election of Officers Pursuant to Section 15.4.A of the Oklahoma Accountancy Act:

Gray moved that the Board nominate Carlos Johnson to be Chair for the next fiscal year; Ley second. Affirmative votes: St. John, Gray, Volturo, Petete, Ley and Biswell. Abstained: Johnson.

St. John moved that the Board nominate Wade Biswell for the Vice-Chair for the next fiscal year; Gray second. Affirmative votes: St. John, Gray, Volturo, Johnson, Petete and Ley. Abstained: Biswell.

Volturo moved to nominate Janice Gray as Secretary for the next fiscal year; Biswell second. Affirmative votes: St. John, Volturo, Johnson, Petete, Ley and Biswell. Abstained: Gray.

Agenda Item #10 – Discussion and Possible Action on Staff's Proposed Survey/Questionnaire to Qualification Applicants, Examination Candidates and Successful Candidates: Chair Petete addressed this item. Discussion followed among the OAB members. Chair Petete deferred this item for staff to research vendors who offer online surveys. No official action was taken on this item.

Agenda Item #11 – Discussion and Possible Action on Recommendation by Ad Hoc Committee for Outsourcing the OAB's Qualification or Examination Process and Score Release to NASBA's CPA Examination Services (CPAes) [continued from April meeting]: Vice Chair Johnson requested this item be deferred until the Ad Hoc Committee has more information to present to the Board. He stated that representatives from CPAes will be attending NASBA's western regional meeting in June and the Ad Hoc Committee plans to meet with them. No official action was taken on this item.

Agenda Item #12 – Discuss and Act on Request by Jennifer Thornton for the OAB to Accept Acct. 4123 Internal Auditing Completed at Rogers University to Count Toward the Auditing Course Requirement of Section 15.8 of the Oklahoma Accountancy Act: Executive Director Steele addressed this item. Member Volturo stated that the accounting course has since been changed. Discussion followed among the OAB members. Since the Act and the Board rules do not distinguish the type of auditing class required, the members agreed that this course may, indeed, qualify. The members also discussed putting further clarification in the emergency rules so that future applicants will be aware of the intent. Vice Chair Johnson suggested that Ms. Thornton be informed that the content of the internal auditing course she took will not be tested on the exam.

St. John moved that the Board approve Jennifer Thornton's request to approve this course for her to take the exam; Ley second. Affirmative votes: St. John, Gray, Petete, and Ley. Abstained: Volturo, Johnson and Biswell.

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): Chair Petete requested this item be deferred. No official action was taken on this item.

Agenda Item # 14 – Director's Report: Executive Director Steele summarized the status of the following:

- Report on the Executive Directors' Conference held in Jacksonville, Florida.
- CPE Coordinator's report on the CPE Conference held in Jacksonville, Florida.
- Report on the Oklahoma Accounting Educators Seminar.
- Report on the NASBA Board of Directors' Meeting.
- Gubernatorial and Legislative status of the OAB's adopted amendments to the rules.
- The Audit and Budget Committee's review of the preliminary draft of the OAB's Strategic Plan.
- Draft of the Personnel Policy Manual and projected submission to the Personnel Policy Manual Ad Hoc Committee.

- The Office Move Ad Hoc Committee's request for a report on the meeting with Colonel Richard and a revenue forecast.
- NASBA's Center for Public Trust (CPT) honoring OKEthics Business Consortium with the "Making a Difference" award on May 20.

Agenda Item #15a – Chair's Report: Chair Petete addressed the following issue:

- NASBA's Regional Meeting in Oklahoma City.
- Re-scheduling the June 22nd Board meeting to June 26.

Agenda Item #15b -- Next Meeting Date Announced: The next regularly scheduled OAB meeting will be 8:30 a.m., Friday, June 26, 2009 at the Water Resources Board Room, 3800 N. Classen Blvd, 2nd Floor, Oklahoma City, OK 73118.

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

Agenda Item #17 – Adjournment: There being no further business to come before the OAB, at 1:22 p.m., Chair Petete called for a motion to adjourn.

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

Vicky Petete, Chair

ATTEST:

Barbara Ley, Secretary

APPENDIX 1**CERTIFICATES SURRENDERED BY REGISTRANTS:****CPAs:****Surrendering CPA Certificate Due To The New CPE Requirements:**

Alan S. Corey, Certificate No. 3329 issued January 27, 1975
Peter K. Dunkelberger, Certificate No. 2435 issued February 1, 1971
David Alan Paddock, Certificate No. 12321 issued July 30, 1993

Coming into Oklahoma to practice under Mobility:

Joseph Dart Bauer, CPA Certificate No. 6485-R issued December 16, 1982

Retired:

Jane Sullivan Elam, Certificate No. 2111-R issued August 20, 1968

No Longer Practicing in Oklahoma:

Jerry M. Bland, Certificate No. 13431-R issued June 7, 1996

No Longer Residing in Oklahoma:

Wilfredo R. Rodriguez Jr., Certificate No. 14883 issued July 31, 2000
Kent Steven Stos, Certificate No. 11406 issued July 28, 1991

DECEASED REGISTRANTS:**CPAs:**

Marcus R. Griffin, Jr., Certificate No. 852 issued January 23, 1953
William A. Martin, Certificate No. 1074 issued July 29, 1955

DISSOLVED FIRMS:**CPA Corporations:**

Dr. Charles W. Page, C.P.A., Inc.
Hupp, Bauer, Hanson & Lewis A Professional Corporation (Texas)
Lee C. Arbogast, Inc.
Rolf, Perrin & Associates, P.C. (Kansas)
S.S. Brassfield, CPA, Inc.

CPA Limited Liability Companies:

Crowe Chizek and Company LLC (Indiana)

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

Name

April Lynn Adams
Shehla Begum
Hyuk Chee Chan
Neel Cook
Marjorie June Creasey
Keith Alan Cundiff
Lauren Elizabeth Decker
Brian Todd Dedmon
Patrick Joseph Heringer
Joshua Steven Lewis
Catherine Marie Malaniuk
Christina McCrery
Joshua Lynn McKee
Randall Timothy Nerger
Christopher Don Pembrook
Desiree Dawn Pitts
Madiha Rafiuddin
Chase Harrison Schnebel
Jay Truman Soulek
Jeremy Gene Sudik
Jeremy Lynn Thomason
Guan Wang

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):

16539	Tyler Len Majors
16559	Elizabeth Lea Chandler
16567	Lysa Michelle Ross
16614	Amber Culbreath
16638	Lindsey Elizabeth Callery
16643	Neel Cook
16644	Brian Todd Dedmon
16646	Christopher Don Pembrook
16647	Guan (Ian) Wang

APPLICATION FOR A RECIPROCAL CPA CERTIFICATE:

16665-R Nathan Scott Rice

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

8972	Alan T. Richert
10536	Rachel Elizabeth Tullos
15701	Gaylon J. Garretson

INITIAL REGISTRATION OF A PROFESSIONAL CORPORATION:

Judith K. Ballard, C.P.A., P.C.

INITIAL REGISTRATIONS OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:

Charles W. Stidham, Certified Public Accountant, PLLC
Josh Litsch and Associates PLLC

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