

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

December 17, 2010

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, December 17, 2010, in the Board Room of the Oklahoma Accountancy Board, 201 NW 63<sup>rd</sup> Street, Suite 210, Oklahoma City, Oklahoma. A recording of the meeting is on file in the OAB office. Members present at the meeting:

Janice L. Gray, CPA, Chair  
Barbara Ley, CPA, Vice Chair  
E. B. St. John, PA, Secretary  
Vicky Petete, CPA, Member  
Mike Sanner, CPA, Member  
Kim Shoemake, CPA, Member  
Tom Volturo, Representing the Public, Member

Board staff present at the meeting: Colin Autin, Interim Executive Director; Linda Ruckman, Interim Deputy Director; LaLisa Semrad, Enforcement Coordinator; and Matthew Sinclair, Records Coordinator. Assistant Attorney General John Crittenden was also present. Randall Calvert, Special Prosecutor for the OAB, was present for relevant segments of the meeting.

**Agenda Item #1a -- Call To Order:** At approximately 8:37 a.m. Chair Gray called the meeting to order.

**Agenda Item #1b -- Declaration of Quorum:** Chair Gray declared a quorum.

**Agenda Item #1c – Announcement of Legal Meeting Notice:** Interim Executive Director Autin confirmed the notice of the meeting was filed with the Secretary of State and the agenda for the meeting was properly posted in compliance with the Open Meeting Act.

**Agenda Item #1d – Announcement of Absences and Action, if Necessary, to Determine Whether Absence(s) Was Unavoidable Pursuant to Title 59, Section 15.3(B)(5):** Chair Gray announced that although Member Shoemake was not currently present, it was his intent to join the meeting later; however, if he was unable to do so, it would be an excused absence.

**Agenda Item #2 – Announcement of Visitors:** The following visitors were present: Dick Shanahan and Daryl Hill, representing the Oklahoma Society of Certified Public Accountants (OSCPA); Kellie Wright, representing the Oklahoma Society of Accountants (OSA); Justin Martino, representing eCapitol; Melissa Bradley, CPA; Stan Jay, CPA; Harry M. Shaw Jr.; Debra Shaw; Vernon Millsbaugh; Lisa L. Boggs; Don Jackson, Attorney; and Tamela Swartzentber.

**Agenda Item #3 – Public Comment Period:** Interim Executive Director Autin advised the Board that he had not received any written requests or been informed of any member of the public wishing to speak before the OAB.

**Agenda Item #5 - Discussion and possible action on report from the Outreach**

**Committee:** Member Ley addressed this item. She reported that there were delays in the printing of *The Bulletin* due to some issues at Central Printing; however, she was advised that *The Bulletin* was mailed to registrants in the last couple of days. Member Ley announced that final arrangements are being made for the February Board meeting to be held at Southwestern Oklahoma State University in Weatherford, Oklahoma. Member Ley also reported that she received very positive comments on the Recognition Ceremony held recently. She expressed appreciation to staff and Board members for their efforts to make it a success.

**Agenda Item #6 - Discussion and possible action on Administrative Actions and recommendations and report from the Enforcement Committee:**

Vice Chair Ley addressed this item.

**ADMINISTRATIVE CONSENT ORDERS:**

**Case No. 1761 – Mark Joseph Corjay, CPA**

Without admitting or denying allegations made in a civil injunctive action, Respondent entered into an Order with the SEC whereby Respondent was suspended from appearing or practicing before the SEC as an accountant for five years and ordered to pay \$100,000 in disgorgement of ill-gotten gains. Respondent is currently an out of state resident, and the activities which resulted in the SEC sanctions occurred while employed in the Respondent's resident state. Oklahoma is Respondent's state of original CPA licensure. In addition, Respondent failed to notify the Board within thirty days of the SEC sanctions. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent's certificate is revoked for cause, return of the CPA certificate is required, and Respondent is assessed costs and attorney fees in the amount of \$6,311.67. Should Respondent apply for reinstatement, Respondent will be required to demonstrate at a hearing that Respondent satisfies the requirements for reinstatement and has completed Professional Ethics: AICPA's Comprehensive Course, with a score of 90% and taken within ninety (90) days prior to applying for reinstatement. Any failure by the 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.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 42 hours of CPE for 2007 (includes 2 hours of ethics); 48 hours of CPE for 2008 (includes 8 hours of ethics); and 42 hours of CPE for 2009 (includes 2 hours of ethics).

Peer Review Status: Not Applicable.

**Case No. 1833 – Edwin G. Nichols, Jr., CPA**

This case is a result of a referral from the CPE Coordinator. Respondent failed to timely file the Individual Registrant Reporting Form reporting CPE earned in the 2007 compliance period or claiming an exemption to the CPE requirement for 2007. Respondent filed the form on June 2, 2010. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent agrees to a settlement amount of \$1,721.25, which must be paid within 30 days of the effective date of this Order. Any failure by the 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.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 32 hours of CPE for 2007 (includes 4 hours of ethics); 57.5 hours of CPE for 2008 (includes 0 hours of ethics); and 32 hours of CPE for 2009 (includes 4 hours of ethics).

Peer Review Status: Not Applicable.

**Case No. 1845 – Evelyn J. Noah, CPA**

This case is a result of a referral from the CPE Coordinator. Respondent failed to file the Individual Registrant Reporting Form reporting CPE earned in the 2008 compliance period or claiming an exemption to the CPE requirement for 2008. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent's certificate is revoked for "cause", return of the CPA certificate is required, and Respondent is assessed costs and attorney fees in the amount of \$195.46, which must be paid within thirty days of the effective date of the order. Should Respondent apply for reinstatement, Respondent will be required to demonstrate at a hearing that Respondent satisfies the requirements for reinstatement and has completed Professional Ethics: AICPA's Comprehensive Course, with a score of 90% and taken within ninety (90) days prior to applying for reinstatement. Any failure by the 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.

**OAB Records Summary**

CPE Status: Registrant is not in compliance. Registrant reported an exemption for 2006 & 2007.

Peer Review Status: Not Applicable.

**Case No. 1847 – Thomas M. Ennis, CPA**

This case is a result of a referral from the CPE Coordinator. Respondent failed to timely file the Individual Registrant Reporting Form reporting CPE earned in the 2008 compliance period or claiming an exemption to the CPE requirement for 2008, and obtain the required permit to practice. Respondent filed the form on March 23, 2010. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent must cease and desist from practicing public accounting until a permit is obtained and is assessed a fine of \$1,500 and costs and attorneys fees in the amount of \$389.21, which must be paid within 30 days of the effective date of this Order. Any failure by the 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.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 48 hours of CPE for 2007 (includes 2 hours of ethics); 36 hours of CPE for 2008 (includes 4 hours of ethics); and 36 hours of CPE for 2009 (includes 4 hours of ethics).

Peer Review Status: Not Applicable.

**Case No. 1849 – Christopher Olsen, Non-registrant; and C. G. Olsen & Company, PC, CPAs, Non-registered Firm**

This case is a result of a referral by the Licensing Coordinator. The assigned investigator concluded that Individual Respondent practiced public accounting in Oklahoma under Firm Respondent's name without an Oklahoma reciprocal certificate or permit. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondents whereby Respondents are assessed a fine of \$2,500 and costs and attorney fees in the amount of \$533.54. Respondents are required to make monthly payments in the amount of \$200 until all fines, costs, and attorney fees are paid in full, with the first payment due on or before January 17, 2011. Any failure by the Respondents 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. 1859 – Glen T. Kegin, CPA**

This case is a result of a referral by the CPE Coordinator. Respondent practiced public accounting without a permit and failed to complete the required CPE for compliance year 2008. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent must surrender Respondent's CPA certificate and is assessed costs and attorneys fees in the amount

of \$369.73, which must be paid within thirty days from the effective date of the Order. Any failure by the 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.

#### **OAB Records Summary**

CPE Status: Registrant is not in compliance. Registrant reported 20 hours of CPE for 2007 (includes 2 hours of ethics); 0 hours for 2008; and 0 hours for 2009.

Peer Review Status: Not Applicable.

#### **Case No. 1860 – Thomas R. Fawcett, CPA**

This case is a result of a referral by the Licensing Coordinator. For approximately a year and a half, Respondent employed an individual who was practicing public accounting without timely obtaining Oklahoma reciprocal certification and a permit to practice. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$1,000 and costs and attorney fees in the amount of \$507.54, which must be paid within 30 days of the effective date of this Order. Any failure by the 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.

#### **OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 45 hours of CPE for 2007 (includes 2 hours of ethics); 47 hours of CPE for 2008 (includes 4 hours of ethics); and 41 hours of CPE for 2009 (includes 4 hours of ethics).

Peer Review Status: In Compliance.

#### **Case No. 1861 – Rockwell Freed, Reciprocal Applicant**

This case is a result of a referral by the Licensing Coordinator. For approximately a year and a half, Respondent practiced public accounting without a permit after failing to timely file for an Oklahoma reciprocal certificate. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$1,000 and costs and attorney fees in the amount of \$469.29, which must be paid within 30 days of the effective date of this Order. Any failure by the 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. 1865 – Jann G. Knotts, CPA**

This case is a result of a referral by the Licensing Coordinator. Respondent held out as a CPA before obtaining an Oklahoma reciprocal certificate. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$2,500 and costs and attorney fees in the amount of \$483, which must be paid within 30 days of the effective date of this Order. Any failure by the 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.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant's Oklahoma certification date was April 27, 2010. Registrant reported 60 hours of CPE for 2009 (includes 12 hours of ethics).

Peer Review Status: Not Applicable.

Motion by Ley to accept the Administrative Consent Orders in Case Nos. 1761, 1833, 1845, 1847, 1849, 1859, 1860, 1861, and 1865. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Sanner, St. John and Volturo. Absent: Shoemake.

**CASE TO DISMISS:**

**Case No. 1655 – CPA**

This case was reopened after the Respondent failed to comply with an Administrative Consent Order entered into with the OAB. Respondent has come into compliance and has completed all required terms of the Order; therefore, the Enforcement Committee recommends the case be dismissed.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 103 hours of CPE for 2007 (includes 17 hours of ethics); 21 hours of CPE for 2008 (includes 2 hours of ethics); and 36 hours of CPE for 2009 (includes 0 hours of ethics).

Peer Review Status: Not Applicable.

Motion by Ley to dismiss Case No. 1655. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Sanner, St. John and Volturo. Absent: Shoemake.

**FILES TO CLOSE:****File No. 1601 – CPA Firm**

A complaint was filed informing the OAB of a class action settlement payout by the registrant firm involving an audit that did not catch improper accounting by a public company. The firm has submitted an affidavit stating that two Oklahoma CPAs billed de minimus time on that particular audit client during the relevant audit periods. One Oklahoma licensee billed six hours to the client's proposal to acquire another entity, and another Oklahoma licensee billed one hour to the client's audit code and two hours in connection with the client's subsidiary. Because only one hour was related to the subject audit, the Enforcement Committee recommends the file be closed.

**OAB Records Summary**

CPE Status: Not Applicable  
Peer Review Status: Registrant is in Compliance.

**File No. 1602 – CPA Firm**

A complaint was filed informing the OAB of a settlement payout by the registrant firm involving lawsuit allegations that the firm had negligently failed to detect massive fraud during an audit. The firm has submitted an affidavit stating that no Oklahoma office or CPA was involved in the subject audit. The Enforcement Committee recommends the file be closed.

**OAB Records Summary**

CPE Status: Not Applicable  
Peer Review Status: Registrant is in Compliance.

**File No. 1773 – CPA**

A complaint was filed alleging the registrant failed to timely return complainant's records after their romantic relationship ended, and that it was unethical for registrant to continue to work for complainant during the relationship. Complainant's attorney submitted a timeline that showed registrant did return the records in a timely manner and the work performed by the registrant for the complainant was not attestation work; therefore, independence was not required. The Enforcement Committee recommends the file be closed.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 32 hours of CPE for 2007 (includes 2 hours of ethics); 61 hours of CPE for 2008 (includes 2 hours of ethics); and 28 hours of CPE for 2009 (includes 2 hours of ethics).  
Peer Review Status: Not Applicable.

**File No. 1786 – CPA**

A complaint was filed alleging the registrant failed to return phone calls or timely provide complainant's tax return. The registrant's spouse had been hospitalized and therefore, registrant was behind in following up with clients. Complainant received the tax return and withdrew the complaint. The Enforcement Committee recommends the file be closed.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 22 hours of CPE for 2007 (includes 2 hours of ethics); 76 hours of CPE for 2008 (includes 2 hours of ethics); and 37 hours of CPE for 2009 (includes 2 hours of ethics).  
Peer Review Status: Not Applicable.

**File No. 1798 – CPA**

A complaint was filed alleging the registrant failed to properly inform the complainants on the procedure to pay the tax due on their personal tax return. The registrant submitted paperwork showing the procedure had been explained, but that the complainants confused the estimated tax voucher with the Form 1040-V. The Enforcement Committee recommends the file be closed.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 40 hours of CPE for 2007 (includes 2 hours of ethics); 58 hours of CPE for 2008 (includes 3 hours of ethics); and 90 hours of CPE for 2009 (includes 0 hours of ethics).  
Peer Review Status: Not Applicable.

Motion by Ley to close File Nos. 1601, 1602, 1773, 1786, and 1798. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Sanner, St. John, and Volturo. Recused: Sanner on File No. 1602 only. Absent: Shoemake.

**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): (1) By the Board; (2) By any member of the Board or a designee of the Board acting as a hearing examiner or Administrative Law Judge; or (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 Chair recommends the following files be heard before the Administrative Law Judge unless settled prior to the hearing:

File 1100  
File 1757  
File 1782  
File 1783

Motion by Ley that File Nos. 1100, 1757, 1782, and 1783 be assigned to the Administrative Law Judge unless settled prior to the hearing. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Sanner, St. John, and Volturo. Absent: Shoemake.

**Agenda Item #4 – Consent Agenda:** The Consent Agenda contained five items for the OAB's consideration; (1) Approve the Minutes of the November 19, 2010, Regular Meeting of the OAB; (2) Approve the minutes of the November 30, 2010, Special Meeting of the OAB; (3) Take official notice of the OAB's Statements of Receipts and Disbursements for the Month ended November 30, 2010; (4) Take official notice of the experience verification applications which have been approved by the Interim Executive Director; and (5) Approve the actions taken by the Interim Executive Director on applications and registrations filed since the previous meeting. (Appendix I)

Chair Gray announced that with regard to Item 5 of the Consent Agenda, the application for reciprocal CPA certificate submitted by Kristen K. Wehkamp is being stricken as it should not have been included on the list of applications approved by the Interim Executive Director.

NOTE: Member Shoemake joined the meeting at approximately 9:44 a.m.

Member Sanner stated that with regard to the financial statements, he would like to have more regular reporting on outstanding receivables related to enforcement actions. He recommended that on a quarterly basis, beginning in January 2011, a report be presented that covers the following:

- The portion of the outstanding receivables being paid in current terms.
- The portion not being paid under the agreed upon terms.
- Actions being taken with regard to those not being paid under the agreed upon terms.

Vice Chair Ley stated that she supports this recommendation. She felt the Board would be able to see over the next few months the efforts being made by the Enforcement Committee to bring before the Board any licensed individual not in compliance with a Board order. Chair Gray directed that this report be a part of the financial reporting on a quarterly basis beginning in January 2011. Vice Chair Ley noted that the Accountant and Enforcement Coordinator will need to work together in the preparation of this report.

Motion by Petete that the Consent Agenda be approved with the amendments to the Minutes of the November 19, 2010, Regular meeting and to the November 30, 2010, Special meeting as discussed and with the amendment to the list of applications listed in C-5 as discussed. Second by St. John.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, St. John, and Volturo. Abstentions: Petete, St. John and Volturo with regard to the Minutes of the November 30, 2010, Special Meeting of the OAB only.

**Agenda Item #7 - Discussion and possible action on report from the Personnel**

**Committee:** Member Volturo addressed this item. He reported that Interim Executive Director Autin has communicated with the Personnel Committee with regard to the hiring of an Administrative Assistant I. The Personnel Committee recommended that he proceed, with the instruction to consult with the Finance Committee to ensure the item is budgeted properly. Member Volturo stated that the Administrative Assistant I position is currently not in the budget; however, there is a vacant IT position, and Interim Executive Director Autin recommended to the Committee that the IT budgeted position be used to fill the Administrative Assistant I position. Going forward, the IT position would have to be re-evaluated and most likely changed to full-time Administrative Assistant I for the next year. Member Volturo inquired as to whether the Office of Personnel Management (OPM) had been contacted about this matter. Interim Executive Director Autin stated that the OAB would still be within its full-time equivalent (FTE) limits. OPM does not care about titles so long as an agency does not exceed its authorized FTE.

Chair Gray inquired as to whether or not the Technology Committee was consulted regarding the use of the IT position. Mr. Autin responded in the negative. Member Volturo indicated that Interim Executive Director Autin had indicated that he did not see a need going forward for the next six months to have the IT position filled. Member Ley stated that if the OAB goes forward with some sort of software conversion, there would need to be sufficient money in the budget for a consultant which would possibly be in lieu of the IT position. She stated that if staff feels comfortable that there is sufficient money in the budget for a consultant, she would not have any problem with the budgeted IT position being used to fill the Administrative Assistant I position.

Motion by Volturo that the Administrative Assistant I position be included in the budget in the annual salary range of \$26,000 to \$30,000 in lieu of the IT budgeted position. Second by Shoemake.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, St. John, and Volturo.

## **HEARING DOCKET**

**Case 1862 – Hearing in the matter of Jeff Lee Detwiler, CPA, Certificate No. 13477:** Special Prosecutor Calvert addressed this matter. He informed the Board that a letter was received yesterday from Mr. Detwiler requesting a continuance in the matter. He recommended that the request be granted. Chair Gray announced that Case 1862 would be deferred to the January Board meeting.

**Case 1613 - Show Cause in the matter of the Application to Reinstate the CPA certificate of Harry Mosser Shaw, Jr.:** 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 advised the Board. The applicant was present and was represented by counsel, Don Jackson. Special Prosecutor Calvert represented the State.

The purpose of the hearing was to determine if the certificate of Harry Mosser Shaw, Jr., should be reinstated.

Following opening remarks by Mr. Jackson and by the Special Prosecutor, the Special Prosecutor moved that State's Exhibits 1-4 be accepted into the record. Mr. Jackson stated that he had no objection. Chair Gray accepted State's Exhibits 1-4 into the record.

Testimony was then given by the applicant's witnesses, Vernon B. Millspaugh and Lisa Lynn Boggs. The Board was advised that another individual, Dr. Don Mitchell was scheduled to testify on behalf of applicant; however, Dr. Mitchell was recently hospitalized. It was noted that Dr. Mitchell had previously submitted a reference letter in support of the application to reinstate submitted by applicant. The applicant also testified on his own behalf.

Special Prosecutor Calvert moved that State's Exhibits 5 and 6 be introduced into the record. Mr. Jackson stated that he had no objection. Chair Gray accepted State's Exhibits 5 & 6 into the record.

At the conclusion of the presentation of the case by both parties, Chair Gray entertained any motions regarding this action. Hearing none, she announced that the Board would take the case up when the Board votes on whether to go into Executive Session after the presentations on all hearings scheduled for today.

**Case 1867 – Show Cause in the matter of Tamela Swartzentruber, Examination Applicant:** This matter came on for hearing at 10:55 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden advised the Board. The applicant was present and was not represented by counsel. Special Prosecutor Calvert represented the State.

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The purpose of the hearing was to determine if the Qualification Application for Eligibility submitted by applicant should be approved.

Applicant requested that Applicant's Exhibit 1 be accepted into the record. Special Prosecutor Calvert stated he had no objection. Chair Gray accepted Applicant's Exhibit 1 into the record.

Special Prosecutor Calvert moved that State's Exhibits 1-5 be entered into the record. Applicant stated she had no objection. Chair Gray accepted State's Exhibits 1-5 into the record.

At the conclusion of the presentation of the case by both parties, Chair Gray entertained any motions regarding this action.

Motion by St. John to approve the Qualification Application for Eligibility submitted by Tamela Swartzentruber. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, St. John, and Volturo.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1867.

**Case 1844 – Hearing in the Matter of Melissa VanMarel Bradley, CPA, Certificate No. 11035R – Consideration of Administrative Law Judge's Findings of Fact, Conclusions of law and Recommendations:** This matter came on for hearing at 11:07 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden advised the Board. The Respondent was present and was not represented by counsel. Special Prosecutor Calvert represented the State.

The purpose of the hearing was to consider the recommendations of the Administrative Law Judge (ALJ) that: 1) Respondent violated Section 15.14A(A) of the Act and Section 10:15-3-1 of the Board's Rules by practicing public accounting in Oklahoma since 2005 without a valid permit to practice, and should be assessed a fine in the amount of \$2,000.00; 2) Respondent should be placed on probation for one (1) year from the effective date of the final order; 3) Respondent should be assessed all costs of this disciplinary matter, including but not limited to attorney fees, investigation costs, hearing officer costs, renting of special facilities costs, and court reporter costs in an amount to be set by the Board; 4) Respondent should be required to pay all fines and costs within thirty (30) days from the effective date of the final order; 5) These Findings of Fact, Conclusions of Law and Recommendations should be considered at the Board meeting on October 29, 2010, at 9:00 a.m. (NOTE: Due to notice requirements, Hearing was originally set for November, 19, 2010. It was then continued to December 17, 2010.);

6) 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 in the Board's Bulletin, online through the Board's website, and as otherwise deemed appropriate by the Board.

Special Prosecutor Calvert moved that State's Exhibits A, B, B1 through B8 (State's Exhibits entered into the record at the ALJ Hearing), B1 (Respondent's Exhibit entered into the record during the ALJ hearing), and C be entered into the record. Respondent stated she had no objection. Chair Gray accepted the Exhibits into the record.

Arguments were presented by both parties. Steve Jay, CPA, provided testimony on behalf of Respondent.

Following the presentation of arguments by both parties, Chair Gray entertained any motions regarding this action. Hearing none, she announced that the Board would take the case up when the Board votes on whether to go into Executive Session after the presentations on all hearings scheduled for today.

### **Recess for Lunch**

At approximately 11:52 a.m. Chair Gray announced that the meeting was recessed for lunch. The meeting was reconvened at approximately 2:02 p.m. Chair Gray noted for the record that Member St. John would not be rejoining the meeting and his absence for the remainder of the meeting is excused. It was also noted that Member Shoemake was not present when the meeting reconvened but would be joining the meeting later.

**Agenda Item #9 – Discussion and possible action on report from the Legislative Committee:** Chair Gray addressed this item. She briefly reviewed with the Board changes to the Oklahoma Accountancy Act that are being proposed by the OSCP. It was discussed that the proposed changes to Section 15.12A of the Act are basically clean up language to get this Section of the Act in alignment with the definition of "attest" in Section 15.1A(5).

The proposed amendments to Section 15.15A of the Act would allow a non CPA to have ownership in a CPA firm and a non PA to have ownership in a PA firm. The amendments would require a simple majority of the ownership in a CPA firm to belong to CPAs and the simple majority of the ownership in a PA firm to belong PAs.

The proposed amendments to Section 15.30 of the Act adds all attestation services to the type of engagements which if performed could require the registrant to undergo a peer review. Chair Gray noted that the exception is for engagements performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board (PCAOB). This was included so that this section would not have to be amended again if the definition of "attest" is changed at some point in the future.

Chair Gray stated that the Legislative Committee has reviewed these proposed amendments to the Act and recommends that the Board support them.

Member Ley noted that there is currently no late fee or penalty assessed to a firm that is revoked for failure to register and then applies for reinstatement. It was discussed that an amendment to the Oklahoma Administrative Code would be required in order to assess a new fee. Chair Gray directed that staff make note to look into this matter when the Board's Rules are being reviewed for possible amendments to be proposed for promulgation during the 2012 Legislative Session.

Motion by Petete to support the amendments to the Act proposed by the OSCPA as presented. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, and Volturo.  
Absent: Shoemake and St. John.

**Agenda Item #10 - Discussion and possible action on National Association of State Boards of Accountancy Regional Director's Focus Questionnaire:** Chair Gray addressed this item. She advised the Board that the OAB's response to the questionnaire is due December 23. Chair Gray noted some formatting changes that need to be made to the response. Member Ley suggested that with regard to Question 5 the response should indicate that since the OAB is seeing cases referred by entities such as the SEC, the OAB would accept assistance from NASBA's Enforcement Committee in the future should it be necessary. Chair Gray stated that it should also be shown that input on the questions was received from all Board members and the Executive Director.

Motion by Petete to approve the proposed responses to NASBA's Regional Director's Focus Questionnaire with the amendments discussed. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Sanner, and Volturo.  
Absent: Shoemake and St. John.

**Case 1789 – Hearing in the matter of Ronnie S. Wasel, II, CPA, Certificate No. 15477:** This matter came on for hearing at 2:22 p.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden advised the Board. The Respondent was not present and was not represented by counsel. Special Prosecutor Calvert represented the State. No witnesses were called on behalf of the State.

Special Prosecutor Calvert moved for the admission of Exhibits 1-5 into the record. Chair Gray accepted Exhibits 1-5 into the record.

Special Prosecutor Calvert stated that this matter concerns the failure of Mr. Wasel to comply with the Administrative Consent Order entered into on February 26, 2010. That matter concerned failure to register and failure to respond to the Board. He requested that the Board assess the costs of this proceeding against Mr. Wasel, in addition to the

finances and costs assessed in the Administrative Consent Order, and that Mr. Wasel's certificate be revoked.

Assistant Attorney General Crittenden asked if revocation could be coupled together with a fine. There was discussion as to how the Board can collect unpaid fines and costs and as to whether the Attorney General's office is responsible for collecting same. Assistant Attorney General John Crittenden stated that the Board can go to District Court in order to collect. Special Prosecutor Calvert stated that there are attorneys whose sole practice is pursuing collections. Most collection matters are done on a contingency fee. He added that the Board would need advice from counsel as to the terms of a contract for such services.

Motion by Petete that CPA Certificate No. 15477 held by Ronnie S. Wasel, II, be revoked; that in addition to the fines and costs assessed in the Administrative Consent Order Mr. Wasel entered into on February 26, 2010, which total \$2,026.32, Mr. Wasel be assessed costs for this proceeding in the amount of \$1,568.82; and that should Mr. Wasel apply for reinstatement, he will be required to demonstrate at a hearing that he satisfies the requirements for reinstatement and that he has completed Professional Ethics: AICPA's Comprehensive Course, with a score of 90% or better, which was taken no earlier than ninety (90) days prior to applying for reinstatement; and that all fines, costs and attorney fees must be paid prior to applying for reinstatement. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, and Volturo.  
Abstentions: Shoemake. 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. 1789.

Note: Member Shoemake joined the meeting during the discussion on this Case, at approximately 2:27 p.m.

**Case 1846 – Hearing in the matter of Billy E. Clark, CPA, Certificate No. 5674 – Cancelled:** This matter came on for hearing at 2:34 p.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General John Crittenden advised the Board. The Respondent was not present and was not represented by counsel. Special Prosecutor Calvert represented the State. No witnesses were called on behalf of the State.

Special Prosecutor Calvert moved for admission of Exhibits 1 through 9. Chair Gray accepted Exhibits 1 through 9 into the record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) Respondent violated Section 15.14B(3) of the Act and Section 10:15-39-9(2) of the Board's Rules six (6) times as a result of each felony count indicated above; 2) Respondent violated Section 15.14(H) of the Act and Section 10:15-39-9(1) and (4) of the Board's Rules seventeen (17) times as a result of failing to report each charge indicated above to the Board within thirty (30) days; 3) Respondent violated Section 10:15-39-9(4) of the Board's Rules as a result of his dishonest and fraudulent withholding of material information in his CPA Individual Biennial Registration form when Respondent checked "no" to question 1 of the form after being charged and convicted with felony charges as indicated above; 4) Respondent's Oklahoma CPA Certificate No. 5674 is revoked for "cause"; 5) Should Respondent apply for reinstatement, Respondent will be required to demonstrate at a hearing that Respondent satisfies the requirements for reinstatement, and has completed Professional Ethics: AICPA's Comprehensive Course, with a score of 90% or better, which was taken no earlier than ninety (90) days prior to applying for reinstatement. All costs and attorney fees must be paid prior to applying for reinstatement; 6) Respondent is assessed costs and attorney fees associated with this disciplinary matter in the amount of \$613.56; 7) Any failure of Respondent to comply with any of the terms of this Consent Order shall result in an immediate hearing before the Board. In addition, a proven violation of this Consent Order, the Act, and/or the Board's Rules, authorizes the Board to take such other and further action as the Board may deem appropriate under the Law; 8) Respondent agrees not to violate the Act or Board's Rules in the future; 9) Respondent and the Board acknowledge that the Board has stated for the record that all violations of this Consent Order, the Act, and/or the Board's Rules 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 CPA's certificate, license and/or permit to practice public accounting which may, at that time, be held by the Respondent; 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 should be reported by press release, in the Board's Bulletin, online through the Board's website, and as otherwise deemed appropriate by the Board.

Motion by Petete to approve the proposed Consent Order in Case 1846. Second by Shoemake.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake and Volturo. 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. 1846.

#### **Hearing Docket – Executive Session – Case 1613 and Case 1844**

Motion by Sanner that the Board go into Executive Session for deliberations on Case 1613 and Case 1844. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake and Volturo. Absent: St. John.



The Board entered into Executive Session at approximately 2:45 p.m.

Motion by Ley to come out of Executive Session. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake and Volturo. Absent: St. John.

The Board came out of Executive Session at approximately 3:07 p.m. Chair Gray noted for the record that no votes were taken during the Executive Session.

**Case 1613 - Show Cause in the matter of the Application to Reinstate the CPA certificate of Harry Mosser Shaw, Jr. [Revisited]:**

Motion by Volturo to deny the application to reinstate submitted by Harry Mosser Shaw, Jr., for failure to show evidence to substantiate that applicant is of good moral character according to 59 O.S. Section 15.9. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake and Volturo. 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. 1613.

**Case 1844 – Hearing in the Matter of Melissa VanMarel Bradley, CPA, Certificate No. 11035R – Consideration of Administrative Law Judge's Findings of Fact, Conclusions of law and Recommendations [Revisited]:**

Motion by Shoemake to uphold the findings of the Administrative Law Judge in Case 1844, including the fine of \$2000.00 and costs involved in the amount of \$1441.18. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake and Volturo. Absent: St. John.

Chair Gray requested that Ms. Bradley be informed that the additional costs for today's proceedings were waived due to the fact Ms. Bradley was notified of, and went to, the wrong location for the hearing in November.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1844.

Motion by Petete to adjourn the hearings. Second by Shoemake.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake and Volturo. Absent: St. John.

The hearings were adjourned at approximately 3:12 p.m.

**Agenda Item #11 - Discussion and possible action on Ad Hoc Committee to research sharing a building with the Oklahoma State Board of Pharmacy:** Chair Gray addressed this item. Chair Gray appointed Kim Shoemake, Barbara Ley, and herself to serve on an Ad Hoc Committee to look at the possibility of either sharing in costs to build a building with the Oklahoma State Board of Pharmacy, or the possibility of signing a lease to be a long-term tenant in a building owned by the Oklahoma State Board of Pharmacy. She noted that Interim Executive Director Autin will be gathering information to provide the Committee. Chair Gray requested that Member Shoemake Chair the Committee.

**Agenda Item #12 - 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) Interim Executive Director/Executive Director, b) Interim Deputy Director/Deputy Director, c) Licensing Coordinator, d) Examination Coordinator, e) CPE Coordinator, f) Assistant CPE Coordinator, g) Peer Review Coordinator, h) Records Coordinator, i) Accountant II, and j) Enforcement Coordinator:**

Interim Executive Director Autin advised the Board that he did not have anything to discuss that required the Board to go into Executive Session. However, he did report that it has been brought to staff's attention that OPM has an issue with the incongruence regarding the effective date of the title change and the effective date of the change in salary related to the Interim Executive Director and Interim Deputy Director. OPM has advised that the effective date for the title and salary change must be the same in order for them to process payroll. Interim Executive Director Autin advised the Board that staff's recommendation is that the effective date for both the title and salary change be December 6, 2010. Chair Gray requested that the paperwork required for resolution of that issue be submitted to her for signature. Member Sanner noted that the 120 days that the salary change would be in effect would commence on December 6, 2010.

**Agenda Item #8 - Discussion and possible action on the Budget Request to be filed for FY 2012:** Member Sanner addressed this item. He reported that the principal difference between the 2011 budget and the proposed budget request for FY 2012 is that it was anticipated that all charges related to the enterprise software system would be incurred in FY 2011. Those expenses were basically taken out for purposes of developing the budget for FY 2012. Member Sanner also noted that the budget request has not been changed for the impact of the actions taken earlier regarding the Administrative Assistant I position. If it is concluded that the budget needs to be changed in that regard, adjustments could be submitted at a later date.

It was noted that some amendments were needed with regard to Agency/Organizational Related Information included in the proposed budget request.

Motion by Sanner to approve the FY 2012 Budget Request with the amendments to the Agency/Organizational Related Information as discussed. Second by Petete.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake and Volturo. Absent: St. John.

**Agenda Item #13– New Business:** There was no new business discussed.

**Agenda Item #14 - Interim Executive Director's Report:** Interim Executive Director Autin reported on the following:

- The response to the American College of Forensic Examiners has been sent.
- Expenditures made by the Interim Executive Director with approval of the Chair between \$2,500 and \$10,000 since the preceding Board meeting:
  - Attorney General October Services - \$2,706.20
  - Attorney General November Services - \$2,706.20
  - BEP One Limited (November Office Lease Agreement) - \$4,392.00
- A change has been made with regard to temporary personnel assigned to the front desk.

**Agenda Item #15a - Chair's Announcements:** Chair Gray announced that she has asked Member Sanner and Member St. John to serve on an Ad Hoc Committee to review the Board's records disposition schedule, sometimes referred to as the destruction policy. Member Sanner will serve as Chair. She noted that staff's research shows that the Board has not approved this policy. It was submitted to the Board in 2008, and staff was requested to make corrections and provide additional information. It was never resubmitted to the Board for any resolution. Chair Gray stated she has asked the Ad Hoc Committee to work with staff to ensure that the records disposition schedule/destruction policy is appropriate.

Member Volturo stated that the State Archives and Records Commission has to approve Board's schedule/policy. He inquired as to whether staff has look at the State's Records Disposition Schedule to match it against the OAB's records. Interim Executive Director Autin stated that the general records used by all agencies are on the State's schedule. The OAB's schedule contains documents that are unique to the OAB and that are not on the general schedule. Chair Gray asked Member Volturo if he would also like to serve on the Ad Hoc Committee. Member Volturo agreed to do so.

Chair Gray noted that procedures have been put in place that should prevent an item that is deferred from not being brought back to the Board for final resolution.

**Agenda Item #19b – Announce date and location of the next meeting:** It was noted that the next meeting is currently scheduled to be held on Friday, January 21, 2011, at the OAB Board Room, 201 N.W. 63<sup>rd</sup> Street, Suite 210, Oklahoma City, OK 73116.

**Agenda Item #16 – Adjourn:** There being no further business to come before the Board, Chair Gray entertained a motion to adjourn.

Motion by Ley that the meeting be adjourned. Second by Volturo.

Affirmative Votes: Gray, Ley, Petete, Sanner, Shoemake, and Volturo. Absent: St. John.

The meeting was adjourned at approximately 3:27 p.m.

\_\_\_\_\_  
Janice L. Gray, Chair

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
E. B. St. John, Secretary

\_\_\_\_\_  
Date

**APPENDIX I****CERTIFICATES SURRENDERED BY REGISTRANTS:****CPAs:****Surrendering CPA Certificate Due To The New CPE Requirements:** None**Coming into Oklahoma to practice under Mobility:** None**No Longer Practicing in Oklahoma:**

|                       |                       |                      |
|-----------------------|-----------------------|----------------------|
| Danny Wayne McDougal  | Certificate No. 2219  | Issued July 25, 1969 |
| Scott Alan Davis      | Certificate No. 5683  | Issued July 27, 2981 |
| Evelyn Arnold Venters | Certificate No. 7854  | Issued Jan. 31, 1985 |
| Sue Saylor Goff       | Certificate No. 7386  | Issued Jan. 26, 1984 |
| E. Gene Parker, Jr.   | Certificate No. 13359 | Issued Jan. 29, 1996 |

**No Longer Residing in Oklahoma:** None**Retired:**

|                   |                      |                      |
|-------------------|----------------------|----------------------|
| Bobby R. Brumback | Certificate No. 5448 | Issued Jan. 26, 1981 |
|-------------------|----------------------|----------------------|

**PAs:****Retired:** None**DECEASED REGISTRANTS:****CPAs:**

|                     |                        |                       |
|---------------------|------------------------|-----------------------|
| Neal Roy Ferguson   | Certificate No. 722    | Issued Jan. 21, 1951  |
| Roy Eugene Townsdin | Certificate No. 1691   | Issued Aug. 2, 1963   |
| Thomas E. Glenn     | Certificate No. 3930   | Issued Jan. 24, 1977  |
| Kerby Emlis Crowell | Certificate No. 4090   | Issued July 18, 1977  |
| Lance Jeffrey Agnew | Certificate No. 6846   | Issued July 28, 1983  |
| Randal J. Adams     | Certificate No. 8144-R | Issued March 21, 1985 |
| Marcus Geza Takach  | Certificate No. 16610  | Issued April 17, 2009 |

**PAs:**

None

5781.

**DISSOLVED FIRMS:**

**PA Partnerships:** None

**CPA Partnerships:** None

**PA Corporations:** None

**CPA Corporations:**

Copeland, Hild & Associates, Inc.  
Hudson Anderson & Associates, P.C. (Texas)

**PA Limited Liability Companies:** None

**CPA Limited Liability Companies:** None

**PA Limited Liability Partnerships:** None

**CPA Limited Liability Partnerships:** None

**INDIVIDUALS AUTOMATICALLY REVOKED ON December 1, 2010:**

**As a result of non-compliance with 68 O.S. § 238.1 and 59 O.S. § 15.14:**

**CPAs:**

| <b><u>Certificate No.</u></b> | <b><u>Name</u></b>   |
|-------------------------------|----------------------|
| 4334                          | Hershel Larry Richey |

**RESCINDMENT OF AUTOMATIC REVOCATION OF CPA CERTIFICATE PURSUANT TO OAC 10:15-23-3(B):**

Neal Roy Ferguson                      Certificate No. 722                      Issued Jan. 21, 1951

**INDIVIDUALS AUTOMATICALLY REVOKED ON November 1, 2010:**

**As a result of non-compliance with 68 O.S. § 238.1 and 59 O.S. § 15.14:**

**CPAs:**

| <b><u>Certificate No.</u></b> | <b><u>Name</u></b>     |
|-------------------------------|------------------------|
| 5936                          | Charlcie Evelyn Farley |

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

Andrew Thomas Ames  
 Rebecca Ann Brandt  
 Amanda Michelle Krittenbrink  
 Alison Marie Mackie  
 Norvin Ray Simmons  
 Candice Alicia Strong  
 Julie Ann Toben

**APPLICATIONS AND REGISTRATIONS APPROVED:**

The OAB approved the actions taken by the Interim Executive Director on the following applications and registrations filed since the previous meeting

**APPLICATIONS FOR CERTIFICATION (Successful Candidates):**

|       |                         |
|-------|-------------------------|
| 16901 | Tabitha Dawn Woodson    |
| 16964 | Christopher Thomas Zach |
| 16965 | Andrew Thomas Ames      |
| 16966 | Alison Marie Mackie     |
| 16967 | Norvin Ray Simmons      |

**APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:**

Susan Donelle Barnes (Virginia)  
 Ploykwan Leelaporn (Arkansas)  
 Louise Marie Leslie (Louisiana)

**APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:**

9567 Donn William Vickrey

**INITIAL FIRM REGISTRATIONS OF SOLE PROPRIETORSHIPS UNDER SECTION 15.15:**

None

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:**

Anderson, Marx & Bohl, P.C. (Texas)  
 Copeland, Hild & Trotter, P.C.  
 SWA Financial Consulting, PC

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:**

None

5783.

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:**

Crotts Lohrey & Associates, PLLC  
Neel D. Cook, CPA, PLLC  
RSMeacham CPAs & Advisors, PLLC  
Wingard, Ragsdale, Langley, CPA's PLLC

**REINSTATEMENT OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:**

None

**REINSTATEMENT OF CPA PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:**

None

**REINSTATEMENT OF CPA PROFESSIONAL CORPORATIONS:**

None

**REINSTATEMENT OF PA PROFESSIONAL CORPORATION:**

None