

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

November 10, 2011

The Oklahoma Accountancy Board (OAB) convened in regular session on Thursday, November 10, 2011, in the OAB Board Room, 201 N.W. 63<sup>rd</sup> Street, Suite 210, Oklahoma City, OK 73116. A recording of the meeting is on file in the OAB office. Members present at the meeting:

Barbara Ley, CPA, Chair  
Janice L. Gray, CPA, Vice Chair  
Mike Sanner, CPA, Secretary  
Vicky Petete, CPA Member  
Jay Engelbach, CPA, Member  
Karen Cunningham, Representing the Public, Member

Board staff present at the meeting: Randy Ross, Executive Director; Colin Autin, Deputy Director; Matthew Sinclair, Records Coordinator; Michael Mount, CPE Coordinator; Rebekah Flanagan, Administrative Assistant; and LaLisa Semrad, Enforcement Coordinator. Assistant Attorney General John Crittenden was also present.

**Agenda Item #1a – Call To Order:** At approximately 8:33 a.m. Chair Ley called the meeting to order.

**Agenda Item #1b – Declaration of Quorum:** Chair Ley declared a quorum.

**Agenda Item #1c – Announcement of Legal Meeting Notice:** Executive Director Ross 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 Ley noted that no members were absent.

**Agenda Item #2 – Announcement of Visitors:** The following visitors were present: Kelly Wright, representing the Oklahoma Society of Accountants (OSA), Jeff Detwiler, Respondent, Kerry John Patten, Respondent, and the court reporter.

**Agenda Item #3 – Public Comment Period:** Executive Director Ross advised the Board that he had not received any requests for public comment.

**Agenda Item #4 – Consent Agenda:** The Consent Agenda contained four items for the OAB's consideration; (1) Approve the Minutes of the September 30, 2011, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for FY 2012, for the month ended September 30, 2011, and October 31, 2011; (3) Take official notice of the experience verification applications which have been approved by

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the Executive Director; and (4) Approve the actions taken by the Executive Director on applications and registrations filed since the previous meeting.

Chair Ley requested Board members opinion on the need for Non-CPA verifiers to be provided in the Consent Agenda on a monthly basis. Board members confirmed it was no longer necessary for them to oversee the approval of experience by Non-CPA verifiers as long as the CPE committee continues to review and approve any and all verifications made by a Non-CPA verifier.

Motion by Gray that the Consent Agenda be approved with changes to Bill Chapman's association and placement under Announcement of Visitors in the September Minutes. Also, Staff is no longer required to provide Non-CPA verifiers in future Agendas. Second by Engelbach.

Affirmative Votes: Cunningham, Engelbach, Gray, Ley, Sanner, and Petete.

**Agenda Item #5 – Discussion and possible action on Administrative Actions and recommendations and report from the Enforcement Committee:** Vice Chair Gray addressed this item. Vice Chair Gray presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

**ADMINISTRATIVE CONSENT ORDERS:**

**Case No. 1904 – Sullivan CPA, PLLC, CPA Firm**

Respondent Firm signed an audit engagement as of October 31, 2009, but did not enroll in a peer review program until June 29, 2011. Therefore, Respondent failed to timely enroll in the peer review program. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$1,000 plus costs and attorney's fees in the amount of \$230, which must be paid within 30 days of the effective date of this Order. In addition, Respondent is required to complete the peer review process within 120 days from 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:

Not applicable.

Peer Review Status:

Registrant is now in compliance.

Motion by Gray to accept the Administrative Consent Order in Case No. 1904. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Cunningham and Engelbach.

## **FILES TO CLOSE:**

### **File No. 1755 – CPA**

The Board received a complaint alleging fraud and gross negligence by the registrant in dealing with a publicly traded company. The Enforcement Committee did not find sufficient evidence to prosecute the registrant in this matter and recommends that the file be closed.

#### **OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 40 hours of CPE for 2008 (includes 2 hours of ethics); 42 hours of CPE for 2009 (includes 2 hours of ethics); and 43 hours of CPE for 2010 (includes 4 hours of ethics).

Peer Review Status: Not applicable.

### **File No. 1757 – CPA Firm**

The out-of-state registrant firm submitted a peer review from an unapproved sponsoring organization. When told that the peer review was rejected, the firm refused to submit to another peer review that would be acceptable under our Board's qualifications. The firm requests cancellation of its registration and the manager claims that the firm has never performed an attestation engagement for an Oklahoma client; therefore, the Enforcement Committee recommends the file be closed with a letter of reprimand to the firm.

#### **OAB Records Summary**

CPE Status: Not applicable.

Peer Review Status: Registrant is not in compliance.

Motion by Gray to close File Nos. 1755 and 1757. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Engelbach, Sanner and Cunningham.

## **Files to be assigned to the Administrative Law Judge:**

The Vice Chair recommends the following files be heard before the Administrative Law Judge unless settled prior to the hearing: None

Vice Chair Gray addressed the pending files on the Enforcement Activity report. In July of 2011 there were approximately 59 files pending. There are currently 41, the lowest number in two years.

Vice Chair Gray also briefly addressed the Costs and Fines Receivable report. She stated that she did not have an issue with moving the placement of the report to the Consent Agenda with the other financial information. Discussion took place regarding the fact that the OAB books and records related to the Costs and Fines Receivable report has historically been adjusted annually when preparing the financial statements for the audit. The Costs and Fines Receivable report will continue to be provided to the board quarterly. Chair Ley stated that due to current workload demands of OAB staff it was not a problem for staff to adjust the financial statements annually at this time, the goal is to adjust quarterly in the future. Member Sanner expressed concern over the collection of past due fines and costs. Director Ross explained he has been working with the Tax Commission on intercepting registrants tax refunds when costs and fines are unpaid.

**Agenda Item #6 – Discussion and possible action on request from Earl Teske to reinstate Certificate No. 3400:** Director Ross addressed this item. Mr. Teske's certificate was revoked in August of 2002 due to failure to register. In 1999 Mr. Teske claimed he had attended a meeting at the OAB and at that time was informed that he was non-compliant with the Oklahoma Tax Commission (OTC). On October 17, 2011, the OAB received correspondence from Mr. Teske requesting that his certificate be reinstated. There was concern expressed among Board members that the date of the meeting Mr. Teske claimed took place, and the revocation, did not coincide. Director Ross stated that he did not retrieve the detailed information regarding the revocation because Mr. Teske's certificate was revoked more than five years prior. Thus Mr. Teske's request must be denied on the basis of the Statute.

Section 15.14(F)(3) of the Oklahoma Accountancy Act states the following:

"[A]n individual whose certificate or license has been expired, surrendered, canceled or revoked for five (5) years or more may not renew the certificate or license. The individual may obtain a new certificate or license by complying with the requirements and procedures, including the examination requirements, for obtaining an original certificate or license. This provision shall not apply to an individual who is licensed to practice in another jurisdiction for the five (5) years immediately preceding their application for reinstatement."

Motion by Gray that Mr. Teske's request be denied because it does not comply with Section 15.14(F)(3) of the Act.  
Second Petete.

Affirmative Votes: Cunningham, Engelbach, Petete, Gray, Sanner and Ley.

Note: At approximately 9:03 a.m. Chair Ley called for a brief recess. The meeting reconvened at 9:17 a.m.

### **HEARING DOCKET**

#### **Case 1900 – Hearing in the matter of Jeff Lee Detwiler, CPA, Certificate No. 13477:**

This matter came for hearing at 9:20 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel, with the exception of Member Engelbach who recused himself.

Assistant Attorney General John Crittenden advised the Board. The Respondent, Jeff Lee Detwiler, was present and was not represented by counsel. Special Prosecutor Calvert represented the State. Respondent testified on his own behalf. Special Prosecutor Calvert called Mr. Detwiler as a witness for the State.

The purpose of this hearing was to consider Respondent's failure to comply with the terms of the Findings of Fact, Conclusion of Law, and Order entered on February 18, 2011, and one additional count.

Following opening statements by the Special Prosecutor and by Respondent, Special Prosecutor Calvert presented the State's case. During the presentation of the State's case, Mr. Calvert moved individually, and not in numerical order, for the admission of State's Exhibits 1-14. Chair Ley accepted the Exhibits into the record.

During the presentation of Respondent's case, Respondent requested that Respondent's Exhibit 1 be entered into the record. Chair Ley accepted the Exhibit into the record.

Note: At approximately 10:43 a.m. Chair Ley called for a short break. The meeting reconvened at 10:50 a.m.

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

Motion by Gray that Case 1900 be reserved for Executive Session at the conclusion of all cases being presented.  
Second by Petete.

Affirmative Votes: Gray, Ley, Sanner, Petete, and Cunningham.

Note: Member Engelbach returned at approximately 11:08 a.m.

#### **Case 1905 – Hearing in the matter of Kerry John Patten, CPA, Certificate No. 5768:**

This matter came for hearing at 11:08 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, Kerry John Patten, was present and was not represented by counsel. Special Prosecutor Calvert represented the State. Respondent testified on his own behalf. No witnesses were called on behalf of the State.

Special Prosecutor Calvert moved for admission and approval of Exhibits 1-16, as well as the signed Consent Order. Chair Ley accepted the Exhibits into record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) Respondent violated Section 10:15-39-1 of the Board's Rules and Government Auditing Standards 5.12-.14, and 5.17-.18; 2) Respondent is assessed a fine in the amount of \$5,000; 3) Respondent will take an additional forty (40) hours of continuing professional education ("CPE") within twelve (12) months from the effective date of this Consent Order, in the subject areas of internal controls and government auditing standards, which will not count towards his annual CPE requirement; 4) Respondent's staff CPA is required to complete sixteen (16) hours of CPE in internal controls within twelve (12) months from the effective date of this Consent Order, which will count toward his annual CPE requirement; 5) Respondent is assessed costs and attorney fees associated with this disciplinary matter in the amount of \$5,426.00; 6) Respondent is required to pay fine, costs and attorney fees within thirty (30) days from the effective date of this Consent Order; 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, 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, 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 Certified Public Accountant'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 shall be reported by press release, in the Board's Bulletin, online through the Board's website, and as otherwise deemed appropriate by the Board.

At the conclusion of the presentation of the Consent Order, Chair Ley announced that the Board would take the case up in Executive Session after the presentations on all hearings scheduled for today.

**Case 1649 – Hearing in the matter of Mark Davidson, CPA, Certificate No. 5682:**

This matter came for hearing at 11:24 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 not present for the hearing. Special Prosecutor Calvert represented the State. No witnesses were called on behalf of the State.

Special Prosecutor Calvert moved for admission and approval of Exhibits 1-10, as well as the signed Consent Order. Chair Ley accepted the Exhibits into record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) Respondent violated Section 15.14B (2), (5) and (6) of the Act, and Sections 10:15-39-1, and 10:15-39-9 (3) and (4) of the Board's Rules by failing to comply with AICPA Ethics Standards 53, 55, 56, 77 and/or Rule 501 by issuing checks with a scanned signature without identifying appropriate documentation in church records of a corresponding benefit to the church; 2) Respondent violated Section 15.14B (2), (5) and (6) of the Act, and Sections 10:15-39-1, and 10:15-39-9 (3) and (4) of the Board's Rules by failing to comply with AICPA Ethics Standards 53, 55, 56, 77 and/or Rule 501 with regard to his activities surrounding the recording, book entries and disbursing of the \$12,000.00 check from Tulsa Metropolitan Baptist Association; 3) Respondent violated Section 15.14B (2), (5) and (6) of the Act, and Sections 10:15-39-1, and 10:15-39-9 (3) and (4) of the Board's Rules by failing to comply with AICPA Ethics Standards 53, 55, 56, 77 and/or Rule 501 with regard to the activities surrounding the year end salary bonus paid to Rev. Bales for 2002; 4) Respondent violated Section 15.14B (2), (5) and (6) of the Act, and Sections 10:15-39-1, and 10:15-39-9 (3) and (4) of the Board's Rules by failing to comply with AICPA Ethics Standards 53, 55, 56, 77 and/or Rule 501 by failing to file certain tax reporting documents or making improper book entries related thereto.

As a result of these violations, the BOARD HEREBY ORDERS the following: 5) Respondent must complete (16) hours of Compilation CPE, and eight (8) hours of ethics within one hundred and twenty (120) days from the effective date of this Consent Order; 6) Respondent will be placed on probation for three (3) years from the effective date of this Consent Order; 7) Respondent is assessed costs and attorney fees associated with this disciplinary matter in the amount of \$5,000; 8) Respondent is required to make thirty five (35) monthly payments in the amount of \$140, with a final payment in the amount of \$100. The first payment is due on or before December 10, 2011, with subsequent payments due on or before the 10<sup>th</sup> day of each succeeding month until all costs and attorney fees are paid in full; 9) 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, or the Board's Rules, authorizes the Board to take such other and further action as the Board may deem appropriate under the law; 10) Respondent agrees not to violate the Act or Board's Rules in the future; 11) Respondent and the Board acknowledge that the Board has stated for the record that all violations of this Consent Order, the Act, 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 Certified Public Accountant's certificate, license, and/or permit to practice public accounting which may, at that time, be held by the Respondent; 12) 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, in the Board's Bulletin, online through the Board's website, and as otherwise deemed appropriate by the Board.

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At the conclusion of the presentation of the case, Chair Ley entertained any motions regarding this action.

Motion by Petete that the Consent Order be approved as presented. Second by Engelbach.

Member Cunningham stated it was her preference to take this case into Executive Session.

Member Petete then withdrew her motion and Member Engelbach withdrew the Second.

Motion by Petete that the proposed Consent Order be held for discussion in Executive Session. Second by Cunningham.

Affirmative Votes: Cunningham, Sanner, Gray, Ley, Engelbach, and Petete.

**Case 1823 – Hearing in the matter of Lesley Don Cole, Revoked CPA, Certificate No. 9339-R:** This matter came for hearing at 11:37 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel with the exception of Member Sanner who recused himself.

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

Special Prosecutor Calvert moved for admission of Exhibits 1-10, as well as the signed Consent Order. Chair Ley accepted the Exhibits into record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) In lieu of proceeding with a formal complaint and hearing, the Board agrees to recognize the lapse of Respondent's Reciprocal CPA Certificate No. 9339-R for failure to renew. Respondent agrees to search for, and if he can locate, will immediately return his wall certificate, or provide the Board an Affidavit of Lost Certificate; 2) Should Respondent apply for reinstatement, Respondent will be required to demonstrate at a hearing that he 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 days (90) prior to applying for reinstatement. All costs and attorney fees must be paid prior to applying for reinstatement; 3) Respondent is assessed costs and attorney fees associated with this disciplinary proceeding in the amount of \$2,059.67, which are due within sixty (60) days from the effective date of this Consent Order; 4) 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, or the Board's Rules, authorizes the Board to take such other and further action as the Board may deem appropriate under the Law; 5) Respondent agrees not to violate the Act or



Board's Rules in the future; 6) Respondent and the Board acknowledge that the Board has stated for the record that all violations of this Consent Order, the Act, 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 Respondents eligibility to retain any Certified Public Accountant's certificate, license, and/or permit to practice public accounting which may, at that time, be held by the Respondent in the State of Oklahoma; 7) 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, in the Board's Bulletin, online through the Board's website, and as otherwise deemed appropriate by the Board.

Motion by Cunningham to approve the Consent Order.  
Second by Petete.

Affirmative Votes: Cunningham, Ley, Gray, Engelbach and Petete.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1823.

Note: Member Sanner returned at approximately 11:45.

**Case 1905 – Hearing in the matter of Kerry John Patten, CPA, Certificate No. 5768 [Revisited]:**

Motion by Sanner to approve the Consent Order with the change to costs and attorney fees totaling \$5,426.00, and eliminating "...while on probation.." from 3) in the Consent Order. Second by Petete.

Affirmative Votes: Gray, Ley, Sanner, Engelbach, Petete and Cunningham.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1905.

Note: At approximately 11:45 a.m. Chair Ley called for a short break. The meeting reconvened at 11:54 a.m.

**Hearing Docket – Executive Session – Case 1649 and Case 1900**

Motion by Cunningham that the Board go into Executive Session for deliberations on Case 1649 and Case 1900. Second by Sanner.

Affirmative Votes: Gray, Ley, Petete, Sanner, Cunningham and Petete

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The Board entered into Executive Session at approximately 11:56 a.m.

Motion by Cunningham to come out of Executive Session.  
Second by Petete.

Affirmative Votes: Ley, Gray, Cunningham, Engelbach and  
Petete.

Note: Member Sanner did not vote as he had stepped out of the meeting.

The Board came out of Executive Session at approximately 1:00 p.m. Chair Ley noted for the record that no votes were taken during the Executive Session.

Member Engelbach did not participate in the discussion regarding Case 1900.

Member Sanner left the meeting during the Executive Session.

**Case 1649 – Hearing in the matter of Mark Davidson, CPA, Certificate No. 5682**  
**[Revisited]:**

Chair Ley entertained a motion at this time.

Motion by Petete that the Consent Order be approved.  
Second by Cunningham.

Affirmative Votes: Cunningham, Ley, Gray, Petete and  
Engelbach.

Note: Member Sanner did not vote.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1649.

**Case 1900 – Hearing in the matter of Jeff Lee Detwiler, CPA, Certificate No. 13477 [Revisited]:**

Chair Ley entertained a motion at this time.

Motion by Gray that the formal complaint, allegations of fact, provisions of the Act and the Board's Rules be accepted and the Respondents certificate be revoked. Further, Vice Chair Gray moved that the following actions be met with regards to reinstatement: 1) Should respondent apply for reinstatement, Respondent must meet his burden of proof at a show cause hearing, and have 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. Respondent must complete one hundred twenty hours (120) of CPE, including at least four (4) hours of professional ethics. 2) All fines, costs and attorney fees must be current before applying for reinstatement. SOMETHING IS MISSING HERE press release, in the Board's Bulletin, online through the Board's website, and as otherwise deemed appropriate by the Board. Second by Cunningham.

Affirmative Votes: Ley, Gray, Cunningham, and Petete.

Note: Members Sanner and Engelbach did not vote.

The proceedings and the individual votes of the members were conducted in open session. The evidence is contained in Docket File No. 1900.

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

Affirmative Votes: Cunningham, Ley, Gray, Petete and Engelbach.

The hearings were adjourned at approximately 1:07 p.m.

Note: Member Sanner did not vote and returned to the meeting at approximately 1:11 p.m.

**Agenda Item #7 – Discussion and possible action on quarterly report from the Peer Review Oversight Committee:** Member Engelbach addressed this issue. He proceeded to direct the Board to the PROC report. Brief discussion took place regarding the Enforcement process for "failed" or "pass with deficiencies" on Peer Reviews. Deputy Director Autin noted the quarterly PROC report only cited referrals made by the

PROC to the Enforcement Committee. There have been referrals which were submitted administratively to the Enforcement Committee directly by the Peer Review Coordinator.

**Agenda Item #8 – Discussion and possible action regarding permanent rules for Non-CPA ownership in firms:** Vice Chair Gray addressed this issue. The Board approved the emergency rules presented in the September 30, 2011, Board meeting. The Rules Committee has added in the draft of proposed permanent rules “who is a resident of Oklahoma” under Section 10:15-23-2.1(a)(5) to clarify that only Oklahoma residents are required to register with the Board. A comment period will be from December 1, 2011, to January 3, 2012, and notification of the comment period will be posted on the OAB website. A public hearing will be held on January 5, 2012, at the Oklahoma Accountancy Board located at 201 N.W. 63<sup>rd</sup> Street, Suite 210, Oklahoma City, OK 73116.

Discussion took place regarding the desire to change several rules to allow for better clarification, and what the process was to achieve that. Director Ross explained the change in process for Rulemaking with the new legislation.

**Agenda Item #9 – Discussion and possible action regarding NASBA Exposure Draft: Statement on Standards for CPE Programs:** Member Engelbach addressed this issue. The comment period for the Exposure Draft has been extended to December 1, 2011. Member Engelbach inquired as to whether any Board members had comments. The CPE committee had no recommendations for changes to the Exposure draft and no Board members had comments which they felt needed to be made.

**Agenda Item #10 – Discussion and possible actions regarding the AICPA Exposure Draft on Proposed New and Revised Interpretations and Proposed Deletions of Ethics Rulings (AICPA Code of Professional Conduct):** Vice Chair Gray addressed this item. She pointed out that Tom Volturo serves on the Rules Committee as one of the members of Professional Ethics Executive Committee (PEEC). Chair Gray introduced changes Mr. Volturo suggested due to his past service on the Enforcement Committee.

Vice Chair Gray discussed the change in rules regarding client work papers and the ability to now withhold work papers if payment is not received. Board discussion took place regarding the clarification of notice informing the client of withholding if non-payment occurs. It was determined the best way to inform clients, in a clear manner, was to include the terms in the Engagement Letter. Director Ross expressed concern over Firms that do not provide an Engagement Letter to clients, and the lack of clarification it would cause; thus possibly producing increased complaints by clients whose returns are held.

Vice Chair Gray stated that she believed the purpose for the proposed changes is to clarify what work papers are for the member and client.

Motion by Sanner to work with Director Ross on drafting a comment letter expressing concern over withholding certain work product when registrants have not had clear communication of their right to do so, and suggested additions to the rules in order to reflect the change. Second by Petete.

Affirmative Votes: Sanner, Ley, Gray, Cunningham, Engelbach and Petete.

**Agenda Item #11 – Discussion and possible action on requiring professional oath for new Certified Public Accountants:** Member Petete addressed this issue. She stated that she had discussed the options for implementing a voluntary oath with Assistant Attorney General John Crittenden. A brief discussion took place as to the proper way to address the issue, whether it be through Statute, Rules or Administratively.

Chair Ley stated that the purpose for the oath is to stress the importance of being a CPA and the obligations that are associated with the profession. It was determined that the issue be referred to the committee level and recommendations be brought to the Board at the December meeting.

**Agenda Item #12 – Discussion and possible action regarding the Financial Accounting Foundation (FAF) proposal regarding Private Company reporting and comments due on proposed plan by January 14, 2012:** Vice Chair Gray addressed this item. The FAF proposal states there should be a separate Board created to oversee Generally Accepted Accounting Principals (GAAP) of private companies. The Board would be titled the Private Company Standards Improvement Council (PCSIC). Vice Chair Gray expressed concern over the Board Chair being a Financial Accounting Standards Board (FASB) member. She also stated that comment letters from other State Boards have expressed concern with the requirement of FASB members at every meeting. The National Association of State Boards of Accountancy (NASBA) has expressed concern over the oversight three year time period for evaluation. They feel it is too long for an evaluation of the process and whether it has been successful. Vice Chair Gray stated that the above issues should be included in the OAB's comment letter.

The proposal also suggests that the State Boards will be responsible for establishing GAAP principles for private companies. The Board briefly discussed this issue and Vice Chair Gray stated that she feels there needs to be a change in the rules for private companies versus public companies. Comment letters are due to the FAF in mid-January of 2012. Vice Chair Gray requested that Director Ross draft a comment letter with the following points:

- The PCSIC Chair not be required to be a FASB member.
- A review needs to be conducted earlier than three years after implementation of the PCSIC.
- Majority of FASB members be required to attend the meetings.

**Agenda Item #13 – Discussion and possible action on approval or adoption of the negotiated Mutual Recognition agreement between NASBA and Hong Kong:**

Director Ross addressed this issue. The Mutual Recognition agreement allows a reciprocal certificate to be granted to a Hong Kong CPA upon completion of certain requirements. The requirements include 150 hours education equivalency; three years experience both ways, and passing the IQEX. Every five years the Mutual Recognition agreement is reviewed to maintain equivalency. Director Ross recommended that the Mutual Recognition agreement be approved.

Motion by Petete that the Mutual Recognition agreement be approved. Second by Engelbach.

Affirmative Votes: Cunningham, Sanner, Gray Ley, Engelbach and Petete.

**Agenda Item #14 – Discussion and possible action upon review of and update of CPE compliance project:**

Member Engelbach addressed this issue. He directed the Board to the letter Mr. Mount, the CPE Coordinator, issued to registrants informing them of their CPE for the last three year rolling period. Member Engelbach also expressed hope that the letter would minimize the number of registrants who are out of compliance.

Mr. Mount informed the Board of the positive feedback he has received since issuing the letter. The Summary of 2008 – 2010 Compliance Project report showed that 288 registrants have been brought into compliance as of November 10, 2011. Discussion took place regarding the issue of fining the registrant \$1,000.00 for non-response to correspondence.

Mr. Mount corrected an error to the report under the Responses Received date; it should read November 10, 2011.

**Agenda Item #15 – Discussion and possible action on recommendation to support nomination of Carlos Johnson for Chair Elect of NASBA:**

Chair Ley addressed this item. She directed the Board to the letter Dr. Johnson drafted requesting the Board's support in his effort to become Vice Chair at NASBA.

Motion by Gray to write a letter of recommendation for Dr. Carlos Johnson to be Vice Chair for 2012 of NASBA. Second by Engelbach.

Affirmative Votes: Cunningham, Sanner, Gray, Ley, Petete and Engelbach.

**Agenda Item #16 – Discussion and review of NASBA annual meeting held in Nashville, Tennessee, and announcements of Oklahoma leadership positions:**

Chair Ley addressed this item. She pointed out that several Board members have positions at NASBA. Vice Chair Gray was reelected as Southwest Regional Director of NASBA for her second year and serves on the Board of Directors, and Member Petete is on the Accounting and Finance Committee. Also, Director Ross serves on the Compliance Assurance Committee. Chair Ley also serves on the AICPA Board of Examiners -State Board Committee as a NASBA member. Former OAB Executive Director Edith Steel serves on the ALD Committee. Carlos Johnson, former OAB member, serves as a director at large on the NASBA Board of Directors.

Chair Ley entertained comments on the NASBA annual meeting from Board members who attended. Brief discussion took place regarding the various national speakers and knowledge and benefits the Board members gained from attendance. It was the consensus that the meeting attendance and knowledge gained was beneficial to the OAB.

**Agenda Item #17 – Discussion and possible action to set proposed 2012 Board meeting dates:** Chair Ley addressed this item. Board members reviewed the proposed 2012 Board meeting dates. There was discussion regarding changes to the proposed dates.

Motion by Cunningham to approve the following schedule for Regular Board meetings in calendar year 2012: January 27, February 16, March 23, April 20, May 15, June 22, July 20, August 17, September 21, October 19, November 16, and December 14. Second by Petete.

Affirmative Votes: Cunningham, Sanner, Ley, Gray, Petete and Engelbach.

**Agenda Item #18 – New Business:** There was no new business discussed.

**Agenda Item #19 – Executive Director’s Report:** Director Ross reported the following:

**Updates**

- Participated in the Task Force studying licensing agencies as a resource
- Attended annual NASBA meeting in Nashville.
- Currently working with auditor to finalize FY-11 audit
- Working on permanent rule for Non-CPA owners
- Preparing Newsletter for committee and Board approvals in December
- Letters regarding the number of hours of CPE earned by registrants were mailed
- Fall Recognition Ceremony will be held at the State Capital, Saturday, November 19<sup>th</sup> Reception begins at 1:00pm (4<sup>th</sup> Floor Rotunda) and Ceremony begins at 2:00pm (House of Representatives Chambers)

**Expenditures made by the Executive Director between \$2,500 and \$5,000 since the preceding Board meeting:**

- BEP One; October 2011 rent - \$4,392.00
- Attorney General; Legal services for October 2011- \$2,715.03
- Office of State Finance; Programming fees for Arsys- \$3,327.50
- BEP One; November 2011 rent - \$4,392.00

**Expenditures made by the Executive Director with approval of the Chair between \$5,000 and \$10,000 since the preceding Board meeting:**

- State Auditor and Inspector; Auditing services for Sep 2011- \$7,681.25

**Agenda Item #20a – Chair’s Announcements:** Chair Ley announced the staff Christmas lunch will be the same day as the December Board meeting.

**Agenda Item #20b – Announce date and location of the next meeting:** It was noted that the next meeting will be held at 8:30 a.m. on Friday, December 16, 2011, at the OAB Board Room, 201 N.W. 63<sup>rd</sup> Street, Suite 210, Oklahoma City, OK 73116.

**Agenda Item #21 – Adjourn:** There being no further business to come before the Board, Chair Ley entertained a motion to adjourn.

Motion by Gray that the meeting be adjourned. Second by Petete.

Affirmative Votes: Gray, Ley, Petete, Sanner, Cunningham and Engelbach.

The meeting was adjourned at approximately 3:14 p.m.

\_\_\_\_\_  
Barbara A. Ley, Chair                      Date

ATTEST:

\_\_\_\_\_  
Mike Sanner, Secretary                      Date



## APPENDIX I

**EXPERIENCE VERIFICATION APPLICATIONS APPROVED BY THE EXECUTIVE DIRECTOR AS OF NOVEMBER 10, 2011:**

John Phillip Cornwell  
 Joseph R. Cowan  
 Joel S. Dash  
 Andrew Gene Duffle  
 Joshua Lon Elder  
 Kelly Joseph Harris  
 Christopher Douglass Heim  
 Whitney Nicole Hill  
 Tara Lynn Hoffman  
 Matthew Rokke Hoven  
 Jeffrey Daniel Jacques  
 Lysie Jo Johnson  
 Sara R. Jones  
 Jonathan L. Jordan  
 Brian A. Kouhdari  
 John Francis Kramer  
 Andrew Joseph Lopez  
 Julie Ann Pierce  
 Christopher Patrick Poe  
 Benjamin William Przywojski  
 Linn A. Roberson  
 Jonathan Brock Shanhan  
 Kyle D. Sides  
 Rafaela Souza  
 Graham Edley Steen  
 Charles Burton Walworth  
 Ahimsa Deva Neville Wilderom  
 Curtis Woods

Jennifer Dawn Frazier (Non CPA Verifier)  
 Luke T. Panter (Non CPA Verifier)  
 John David Sims (Non CPA Verifier)

**APPLICATIONS FOR TRANSFER OF EXAM CREDITS:**

Christopher Patrick Poe (Arkansas)

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

17014	Staci Dawn Nelson
17059	Nicole Elizabeth Wade
17062	Brian Joseph Blundell
17089	Rachel Elizabeth Mills

17100	Shweta Pandey Van Zandt
17103	Joshua Ryan Neil
17111	John Corbett Thompson Jr.
17127	Jordan Brown
17128	Sharada Ramani Saladi
17129	Andrew G. Duffle
17130	Kelly J. Harris
17131	Jeffrey Daniel Jacques
17132	Julie A. Pierce
17133	Charles B. Walworth
17135	Jonathan Jordan
17136	Joel Dash
17137	Christopher Douglass Heim
17138	Andrew Joseph Lopez
17139	Kyle D. Sides
17141	Linn A. Roberson
17142	Matthew Rokke Hoven
17143	Lynsie Jo Johnson
17144	Whitney Nicole Hill
17145	Brian Alaverdi Kouhdari
17146	Benjamin William Przywojski
17147	J. Brock Shahan
17148	Curtis Allen Woods
17149	John Francis Kramer
17150	Luke T. Panter
17151	Jennifer Dawn Frazier
17153	Sara Renee Jones
17154	J P Cornwell
17155	Graham Edley Steen
17157	Tara Lynn Hoffman
17159	Kyla Johanna Dinwiddie
17160	Tosha Marie Lackey
17161	Trent L. Roberts
17163	Rafaela Negreiros Falcão De Souza

**APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:**

17118-R	Sara Marie Kabana (Florida)
17123-R	Steven Joel Haaser (Arkansas)
17140-R	Erin VonDielingen (Missouri)
17162-R	Sidonie L. Quick (Arizona)

**APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:**

1938	Jerry Lee Champion
15554	Cory Sean Craddock
15979	Huma Sadiq Mahmood

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

Denney & Company, Certified Public Accountants, P.L.L.C.  
 Hillary M. Campagna CPA, PLLC  
 Janice W. Cox, CPA, PLLC  
 Michael W. Baker, Certified Public Accountant, PLLC

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

Vail & Knauth, LLP (Texas)

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

James C. Powell Jr., CPA (Texas)  
 Michael L. Henderson, CPA (Texas)

**REINSTATEMENT OF REGISTRATION OF PROFESSIONAL CORPORATION:**

Phillip Courtney Hogan P.C.

**CERTIFICATES SURRENDERED BY REGISTRANTS:**

**CPAs:**

**Coming into Oklahoma to practice under Mobility:**

L. Dean Bond	Certificate No. 3427-R	Issued April 20, 1975
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**No Longer Practicing in Oklahoma:**

Albert Jefferson Horne III	Certificate No. 9717	Issued Jan. 28, 1988
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**No Longer Residing in Oklahoma:**

Victoria Jean Rayson	Certificate No. 9713	Issued Jan. 28, 1988
Jeffrey Earle Howard	Certificate No. 12509	Issued Jan. 21, 1994
Clark Michael Rieves	Certificate No. 12597	Issued Jan. 21, 1994

**Retired:**

William Marlin Hawkins	Certificate No. 4280	Issued Jan. 23, 1978
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**INDIVIDUALS AUTOMATICALLY REVOKED ON September 1, 2011:**

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

1511	John Richard Mullins
1611	Argus Gearl Laughlin
2239	John S. Weiskopf, Jr.
2475	Patricia G. Swant
2559	Michael D. Roselius
3595	Jasper E. Bidy, III
4005	Randall Ray Simmons
4095	Michael J. Eckroat
4525	Kendall Wayne Tresler
5459	Sharon Whitfield Christie
5705	Carol Louise Gordon
5959	Alan N. Harris
6271	Elizabeth Jean Hager
6561	Tony R. Davis
6583	Patricia Lynn Haskell
8289	Diana S. Stamper
9013	Sondra A. Van Huss
9339	Lesley Don Cole
10637	Michael Todd Carroll
10857	Kirk Herman Fritschen
12445	Donald Wayne Bowman
12643	Mary Kay Fuqua
13459	Chris Earl Bockelman
14549	Jason Matthew Packard
14729	Tonya Marie Pryor
14877	Anesa A. Palmer
14913	Susan L. McClellan
15303	Jeremy Ray McCurley
15415	John Ernest Henry
15907	Karen Lee Zambrana
16087	Theodore J. Brooks
16131	Amie M. Lorson
16149	Teresa Jean Gardner
16505	Olena V. Brenning
16719	Privanka Garg
16761	Jeremy L. Gooding
17023	Bryan Kevin Hart

**INDIVIDUALS AUTOMATICALLY REVOKED ON October 1, 2011:**

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

4309	James R. McReynolds
8319	Eileen Peacock

10101	Rodney R. Davis
13063	Teresa A. Hane
13383	Debra J. Thompson
13553	Monica Parduhn
13645	Jimmy W. Brown, Jr.
13967	Kevin Lloyd Waters
14423	Jacob Douglas Tate

**DECEASED REGISTRANTS:**

**CPAs:**

Bruce Carlton Wood	Certificate No. 4730	Issued Jan. 29, 1979
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**DISSOLVED FIRMS:**

**CPA Corporations:**

Bassett & Young, P.C.

**CPA Limited Liability Companies:**

Denney & Baker Certified Public Accountants, P.L.L.C.

5977.

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