

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

May 15, 2012

The Oklahoma Accountancy Board (OAB) convened in regular session on Tuesday, May 15, 2012, at 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  
Jody Manning, Member  
Karen Cunningham, Member

Board staff present at the meeting: Randy Ross, Executive Director; Colin Autin, Deputy Director; Rebekah Flanagan, Administrative Assistant; and Lalisa Semrad, Enforcement Coordinator. Assistant Attorney General John Crittenden and Special Prosecutor Randy Calvert were also present.

**Agenda Item #1a – Call To Order:** At approximately 8:31 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) Were 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: Patty Hurley and Nancy Hyde, representing the Oklahoma Society of Certified Public Accountants (OSCPA); Dean Taylor, representing the Oklahoma Society of Accountants (OSA); Russell Owen Hayes, Retired Registrant; 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 April 20, 2012, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for

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FY 2012, for the month ended April 30, 2012; (3) Take official notice of the experience verification applications which have been approved by the Executive Director; and (4) Approve the actions taken by the Executive Director on applications and registrations filed since the previous meeting.

Vice Chair Gray briefly discussed the Archambo & Mueggenborg, P.C., application for reinstatement. She felt that since the firm had previously dissolved, they must register as a new firm. Archambo & Mueggenborg, P.C., had a peer review due June 30, 2012. Vice Chair Gray suggested that as a condition to the firm being approved, it should undergo the previously scheduled peer review.

Chair Ley requested a minor change in the April 20, 2012, minutes.

Motion by Sanner that the Consent Agenda be approved with requested changes in the April 20, 2012, minutes and that Archambo & Mueggenborg, P.C. be approved as a new firm on the condition that it complete the previously scheduled peer review due on June 30, 2012, for work performed through December 31, 2011. Second by Engelbach.

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

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

#### **ADMINISTRATIVE CONSENT ORDERS:**

##### **Case No. 1928 – Tom L. Pate, CPA**

This case is a result of a referral by the CPE Coordinator that Respondent failed to complete thirty-two hours of required CPE for the three-year period 2008-2010. Respondent applied CPE hours taken in 2012 to the deficiency, and is now in compliance. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$500 and costs and attorney fees in the amount of \$162.50, which must be paid within thirty 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: Registrant is now in compliance. Registrant reported 43 hours of CPE for 2008 (includes 2 hours of ethics); 22 hours of CPE for 2009 (includes 2 hours of ethics); and 55 hours of CPE for 2010 (includes 2 hours of ethics).

Peer Review Status: N/A.

Motion by Gray for approval of the Administrative Consent Order in Case No. 1928. Second by Cunningham.

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

**FILES TO CLOSE:**

**File 1885 – CPA**

This file was opened as a result of a referral from the CPE Coordinator that the registrant was 24 hours short of CPE for the three year period 2008 – 2010. The registrant submitted additional hours taken in 2011 to cover the deficiency; therefore, the Enforcement Committee recommends that the file be closed with a private reprimand to the registrant.

**OAB Records Summary**

CPE Status: Registrant is now in compliance. Registrant reported 20 hours of CPE for 2008 (includes 2 hours of ethics); 56 hours of CPE for 2009 (includes 4 hours of ethics); and 44 hours of CPE for 2010 (includes 4 hours of ethics).

Peer Review Status: N/A.

**File 1916 – CPA**

This file was opened as a result of a referral from the Records Coordinator that the registrant failed to file the 2011 reporting form to report CPE and other activity for the 2010 compliance period. Once notified that an enforcement file had been opened, the registrant submitted the reporting form and a written request to cancel registrant's certificate; therefore, the Enforcement Committee recommends that the file be closed with a private reprimand to the registrant and that the registrant's certificate be cancelled.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant claimed an exemption for the last three years.

Peer Review Status: N/A.

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**File 1924 – CPA**

This file was opened as a result of a referral from the Records Coordinator that the registrant failed to file the 2011 reporting form to report CPE and other activity for the 2010 compliance period. Once notified that an enforcement file had been opened, the registrant submitted the reporting form; therefore, the Enforcement Committee recommends that the file be closed with a private reprimand to the registrant.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 61 hours of CPE for 2008 (includes 2 hours of ethics); 40 hours of CPE for 2009 (includes 2 hours of ethics); and claimed an exemption for 2010 due to retirement.

Peer Review Status: N/A.

Motion by Gray that File Nos. 1885, 1916 and 1924 be closed. Second by Engelbach.

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

**CASES TO DISMISS:**

**Case 1919 – CPA**

This case was opened as a result of a referral from the Records Coordinator that the registrant failed to file the 2011 reporting form to report CPE and other activity for the 2010 compliance period. The registrant submitted the reporting form, a written request to cancel registrant's certificate, and evidence that the registrant did communicate with the special prosecutor before the formal complaint was filed; therefore, the Enforcement Committee recommends that the case be dismissed and that the registrant's certificate be cancelled.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant claimed an exemption for the last three years.

Peer Review Status: N/A.

Motion by Gray that Case No. 1919 be dismissed. Second by Sanner.

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

**Agenda Item #6 – Discussion and possible action on the initial firm application for Anderson Law Firm, PLLC:** Executive Director Ross addressed this item. The issue at hand is whether the firm in question can be registered as Anderson Law Firm, PLLC,

and hold out as a CPA performing accounting services. It was the consensus of the Board that the firm name is misleading to the public. No action was taken because the applicant withdrew her firm application and decided to segregate her law practice from her accounting practice. She determined that she wanted to practice as a sole proprietor. Vice Chair Gray confirmed that she will still have to register as a firm.

**Agenda Item #7 – Discussion and possible action on report from the Technology Committee:** Member Petete addressed this issue and briefly informed the Board of the outcome from the meeting that occurred between Executive Director Ross, Chair Ley, Office of State Finance (OSF), CSDC, Ok.gov and herself. The meeting pertained to the new AMANDA licensing software and the status of issues in need of correction. Member Petete stated that a commitment of completion dates for unresolved issues was to be received by May 31, 2012.. The Board then discussed the online firm registration and the issues firms had when trying to register. Member Engelbach pointed out that when he registered his firm, he only received a confirmation of payment, not a permit. Executive Director Ross stated that the OAB is going to send registrants a courtesy email explaining how they can access and print their permit.

Note: Chair Ley called for a break at approximately 9:12 a.m. and reconvened at 9:25 a.m.

### **Hearing Docket**

**Case No. 1924 - Hearing in the matter of Gary Wayne Gibson, CPA, Certificate No. 8533- Revoked (Continued from April Board Meeting):** Continued to June 22, 2012, Board meeting.

**Case No. 1926 - Hearing in the matter of Julia A. Moler, CPA, Certificate No. 12560 (Continued from April Board Meeting):** Continued to June 22, 2012, Board meeting.

**Case No. 1923 - Hearing in the matter of David Karl Lee, CPA, Certificate No. 11161:** This matter came on for hearing at 9:30 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 and was not represented by counsel. Special Prosecutor Calvert represented the State.

The purpose of this hearing was to consider the failure of the Respondent to report the required number of CPE hours for years 2008 through 2010.

Special Prosecutor Calvert moved that State's Exhibits 1 through 4 be introduced into the record. Chair Ley accepted State's Exhibits 1 through 4 into the record.

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Special Prosecutor Calvert informed the Board that the Respondent has not contacted his office or the Board regarding the complaint. Special Prosecutor Calvert suggested that the Board revoke Mr. Lee's certificate and assess fines and costs.

Motion by Gray that the certificate for David Karl Lee, Certificate No. 11161, be revoked and that he be assessed a fine of \$1,000.00 for failure to respond to the Board, and \$1,000.00 for failure to comply with CPE requirements, plus costs of \$587.16. Second by Cunningham.

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

At approximately 9:37 a.m. Chair Ley entertained a motion to adjourn the hearings.

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

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

**Agenda Item #8 – Discussion and possible action on the report from the Audit and Budget Committee:** Member Sanner addressed this issue.

**a. Discussion and possible action on Fiscal Year 2013 Budget.**

Brief discussion occurred regarding the proposed budget with the Board.

Motion by Sanner that the Fiscal Year 2013 Budget be approved. Second by Engelbach.

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

**b. Discussion and possible action on professional contracts for Fiscal Year 2013.**

Executive Director Ross requested that the Board approve the professional contracts for attorneys, consultants and Peer Review Oversight Committee, but defer the contracts for investigators to a later date. The Board agreed.

Motion by Sanner that the professional contracts for attorneys, consultants and Peer Review Oversight Committee be approved. Second by Engelbach.

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

**Agenda Item #9 – Discussion and possible action on report from the Legislative**

**Committee:** Member Engelbach deferred the issue to Executive Director Ross. He stated that currently there are not any new bills that would affect the OAB. He also informed the Board that HJR1098, which is the Board's rules regarding non-CPA ownership in a firm, has cleared the House committee and the House floor, and is now in the Senate committee. It is on the calendar to go to the Senate floor, and there are no foreseeable problems.

Vice Chair Gray inquired about the bill pertaining to the military, and how it affects the OAB. Executive Director Ross stated that the bill refers to all licensing agencies giving preference to military applications. Vice Chair Gray expressed concern over the bill stating that all licensing agencies be required to allow education through the military, and for it to be equivalent. Executive Director Ross replied that he had spoken to other Executive Directors and feels that it is directed more towards technical trades. Vice Chair Gray informed the Board that the bill has a mandate that every licensing agency address it in their rules.

**Agenda Item #10 – Discussion and possible action on report from the Rules**

**Committee:** Vice Chair Gray addressed this issue.

- a. Discussion and possible action regarding Title 74 and how it relates to the Oklahoma Accountancy Board's list of auditors registered to perform attestation engagements for governmental entities.

Vice Chair Gray advised the Board that Mr. Crawford, with Crawford and Associates, inquired about the above Title and how it affects his firm regarding procedure engagements. The firm no longer conducts audits, but does perform procedure engagements. Therefore, he was unsure whether his firm needed to file with the State Auditor and Inspector.

Vice Chair Gray referred to Title 74 O.S. § 212A(1), 212A(2), 212A(B), and stated that she interpreted Section 212A(1) and 212A(2) to refer to all types of engagements, rather than audits alone. However, Section 212A(B) refers to the Oklahoma Accountancy Act, as well as contradicting the preceding Sections, as it only refers to audits. The Oklahoma Administrative Code, Section 10:15-43-1, also only refers to audits.

Vice Chair Gray referred to Staff's analysis, listed below, of Title 74:

“After reading the applicable Title 74 statutes, it would appear that any attestation work performed under governmental audit standards are required to register, report the engagements to the State Auditor and Inspector and pay fees. The listing of these participants whether they perform actual audits is inescapable.”

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Lengthy discussion took place amongst the Board. It was determined that a possible formal motion on the issue would be discussed further at the June 22, 2012 Board meeting.

**Agenda Item #11 – Discussion and possible action on report from the Outreach**

**Committee:** Member Petete addressed this issue. She reported on the Prometric OKC server November 2011 failure and the Committee's dissatisfaction with the explanations received thus far regarding lack of notification to candidates in a timely manner from Prometric. Member Petete stated that she would like to learn what recourse the Board has when Prometric does not inform candidates of issues in a timely manner.

Executive Director Ross reported on the procedural changes that have occurred within NASBA regarding this issue. The new procedure will include Prometric contacting more than one email address at NASBA with the intention of providing more timely notification to the state Boards.

Brief discussion took place among the Board regarding the Prometric server failure and intended changes.

Member Petete reminded the Board of the Recognition Ceremony to be held on Saturday, May 19, 2012.

Member Petete informed the Board that the Outreach Committee has begun the process of working on another outreach meeting that will take place in September. It is currently set to be held on the Oklahoma Christian University campus. A reception will also be held the evening before the Board meeting.

**Agenda Item #12 – Discussion and act on election of officers pursuant to Section 15.4.A of the Oklahoma Accountancy Act:** Chair Ley addressed this item. Chair Ley entertained motions related to the election of the Chair for the 2012-2013 fiscal year.

Motion by Gray that Vicky Petete be elected Chair of the OAB for FY 2013. Second by Sanner.

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

Chair Ley then entertained motions related to the election of a Vice Chair for the next fiscal year.

Motion by Engelbach that Janice Gray be elected as Vice Chair of the OAB for FY 2013. Second by Sanner.

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



Chair Ley then entertained motions related to the election of a Secretary for the next fiscal year.

Motion by Sanner that Jay Engelbach be elected as Secretary of the OAB for FY 2013. Second by Gray.

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

**Agenda Item #13 – New Business:** No new business.

**Agenda Item #14 – Executive Director’s Report:** Executive Director Ross reported the following:

### Updates

- Update on Archambo & Mueggenborg
- Regular updates to Committee Chairs
- Chair Ley and Member Manning appointments to the Board have been confirmed by the Senate.
- HJR 1098 agency rules were passed by Senate Committee
- Received confirmation of procedures to be taken by NASBA and Notification of OAB when there is a Prometric server for service center outage.
- Made a presentation at Rogers State University and with the distance learning centers at Bartlesville and Pryor.

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

- BEP One; May 2012 rent - \$4,392.00
- Attorney General; Legal services for May 2012 - \$2,715.03
- Arledge & Associates; Investigative services - \$2,990.00
- Calvert Law Firm; Legal services for Feb 2012 - \$4,918.10

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

Not Applicable

**Agenda Item #15 – Chair’s Announcements:** Chair Ley addressed this item.

**Agenda Item #15b – Announce date and time of the next meeting:** It was noted that the next meeting is scheduled to be held on Friday, June 22, 2012, at the OAB Board Room, 201 N.W. 63<sup>rd</sup> Street, Suite 210, Oklahoma City, OK 73116.

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**Agenda Item #16 – 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 Cunningham.

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

The meeting was adjourned at approximately 10:52 a.m.

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Barbara A. Ley, Chair      Date

ATTEST:

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

**APPENDIX I****CERTIFICATES SURRENDERED BY REGISTRANTS:****CPAs:****No Longer Residing in Oklahoma:**

William Lewis Brady	Cert. No. 3197	Issued July 26, 1974
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**No Longer Practicing in Oklahoma:**

Mary Adran Wagner	Cert. No. 8097	Issued Jan. 31, 1985
James Earle Hinton	Cert. No. 10601-R	Issued Nov. 16, 1989

**Retired:**

L. Duane Wilson	Cert. No. 3708-R	Issued Jan. 27, 1976
James Roy Turner	Cert. No. 4151	Issued July 18, 1977

**DECEASED REGISTRANTS:****CPAs:**

James Robert Flaherty	Cert. No. 3212	Issued July 26, 1974
Martin Moses Jr.	Cert. No. 3565-R	Issued Dec. 3, 1975
Bobby James Brown	Cert. No. 11922-R	Issued Sept. 23, 1992

**DISSOLVED FIRMS:****CPA Limited Liability Partnerships:**

McGladrey & Pullen, LLP (Iowa)

**CPA Corporations:**

William E. Patten, Inc.

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

Casey Marie Hopkins  
Covenant Noel Idell

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

Evan Daniel Byrd

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Amanda Carol Dexter  
Howard James Price III  
Sam Roberts  
Jennifer Ryane Ruley (Appeared on April Board meeting list in error- initially  
completed wrong ethics exam)  
Ashley Suzanne Voss

**APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:**

Timothy Andrew Barton (Texas)  
Richard D. Lobdell (Alaska)

**APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:**

13774          Eric Charles Soukup

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

Arthur White & Associates, L.L.C. (Missouri)  
Julie Luster, CPA, PLLC

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:**

Jarin Dykstra CPA PC

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

McGladrey LLP (Iowa)  
Archambo & Mueggenborg, P.C.

**INITIAL FIRM REGISTRATIONS OF OUT-OF-STATE SOLE PROPRIETORSHIP:**

Longcrier & Associates, CPA's (California)  
Rhett D. Cobb, CPA (Texas)