

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

September 21, 2012

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, September 21, 2012, on the campus of Oklahoma Christian University, 2501 East Memorial Road, Edmond, Oklahoma, 73013. A recording of the meeting is on file in the OAB office. Members present at the meeting:

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

Board staff present at the meeting: Randy Ross, Executive Director; Colin Autin, Deputy Director; LaLisa Semrad, Enforcement Coordinator; Heather Smith, Administrative Assistant and Rebekah Flanagan, Administrative Assistant. Assistant Attorney General David L. Kinney and Special Prosecutor Randy Calvert were also present.

Agenda Item #1a – Call To Order: At approximately 8:40 AM Chair Petete called the meeting to order.

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

Agenda Item #1c – Announcement of Legal Meeting Notice: Executive Director 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): There were no members absent.

Agenda Item #2 – Announcement of Visitors: The following visitors were present for the appropriate time: Daryl Hill, representing the Oklahoma Society of Certified Public Accountants (OSCPA); Kellie Wright, representing the Oklahoma Society of Accountants (OSA) and the Court Reporter. The following Oklahoma Christian University faculty were present: Elaine Kelly, Associate Professor of Accounting; Jeff Bingham, Vice President for Finance; Ken Johnson, Associate Professor and Chair-Graduate Business; Dan Sorensen, Business Assistant Professor; Mick Cowan, Professor of Accounting. The following Oklahoma Christian University students were present: Kristin Mercado; Samone Tensley; Lawrence Pitts; Luke McFadden; Damon Fithian; Stacey Naizer; Ryan Parman; Carson Scott; Daniel Alderson; Taylor Parcus; Krista Stevens; Joseph Riley; Doug Broach; Jed Davis; Brian Baxter; Dan Li; Ian Morris;

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Breanna Smith; Lee Branch; Sam Ormcrod; Ryan Ripperton; Aubrey Pattison and Bob Clouse.

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 August 3, 2012, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for the month ended August 31, 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.

Motion by Sanner to approve the Consent Agenda. Second by Cunningham.

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

Note: Chair Petete moved around various Agenda items to accommodate the Oklahoma Christian University students who attended the meeting.

Agenda Item #7 – Discussion and possible action on report from the Audit and Budget Committee: Member Engelbach informed the Board that the proposed budget, through the Budget Request Program, must be submitted by October 1, 2012. The final budget will be presented in the second quarter of calendar year 2013.

Motion by Engelbach that the Board approve the proposed preliminary budget for FY 14. Second by Gray.

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

Agenda Item #8 – Discussion and possible action on National Association of State Boards of Accountancy Regional Director's Focus Questions: Vice Chair Gray briefly informed the Board that the purpose of the Focus Questionnaire is to give NASBA an indication of what the Boards are facing, so that they may develop ideas and courses for the annual and regional meetings which pertain to those issues.

Agenda Item #6 – Discussion and possible action on the report from the Outreach Committee: Chair Petete addressed this item.

- **Social media presentation**

Executive Director Ross introduced the OAB's new Facebook page to the students and the Board.

- **Oklahoma Accountancy Board PowerPoint presentation on the Uniform CPA Examination**

Chair Petete, Member Ley and Executive Director Ross gave a presentation to the students regarding the process of the Uniform CPA Examination.

Hearing Docket

Case No. 1924 – Hearing in the matter of Gary Wayne Gibson, CPA, Certificate No. 8533 – Revoked: This matter came on for hearing at 10:03 AM. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General David L. Kinney 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 proposed Consent Order signed by the Respondent.

Special Prosecutor Calvert moved that State's Exhibits 1-8 be entered into the record. Chair Petete accepted State's Exhibits 1-8 into the record.

The Special Prosecutor presented a Consent Order signed by the Respondent with the following terms: 1) Respondent violated Section 15.14A(A) of the Act and Sections 10:15-3-1 and 10:15-25-3 of the Board's Rules by failing to obtain a permit to practice public accounting; 2) Respondent violated Section 15.35(C) of the Act, and Section 10:15-30-5(a) of the Board's Rules by failing to complete the required CPE for the 2010 compliance period; 3) Respondent violated Section 10:15-30-5(b) of the Board's Rules by failing to submit the Reporting Form for the 2010 compliance period; 4) Respondent is assessed a fine in the amount of \$1,000.00; 5) Respondent is assessed costs and attorney fees associated with this disciplinary matter in the amount of \$758.80; 6) Should the Respondent apply for reinstatement, he will be required to appear before the Board and show cause as to why his Certificate should be reinstated. Prior to applying for reinstatement, Respondent must meet all requirements to return to active status, 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. All fines, costs and attorney fees must be paid prior to applying for reinstatement; 7) Upon reinstatement, Respondent's certificate will be placed on probation for three (3) years; 8) 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,

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authorizes the Board to take such other and further action as the Board may deem appropriate under the law; 9) Respondent agrees not to violate the Act or Board's Rules in the future; 10) 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; and 11) A copy of this Consent Order shall be on file in the Board's offices and shall be made available to any person who inquires and requests access to the Board's records. Further, notice of these proceedings 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 briefly updated the Board on the current status of the case.

Member Ley expressed her concern that Mr. Gibson was currently holding out as a CPA, considering his current status is revoked.

Member Sanner stated that he felt the current proposed Consent Order should be approved, and the issue of the Respondent continuing to hold out as a CPA could be a separate action the Board can address.

Special Prosecutor Calvert suggested the Board confer with its counsel regarding the jurisdiction the Board has over the Respondent since he is now revoked.

Member Ley inquired as to whether Special Prosecutor Calvert had any recommendations. He stated that he did not have a recommendation, but that the current Consent Order did not have the updated fees and costs.

A lengthy discussion took place regarding the options the Board could consider if it decided not to approve the Consent Order.

Motion by Ley that the Board issue a finding and order the items in the original Consent Order be included, with the exception of number five (5) being revised to reflect the current costs of \$1674.80, and that the Board issue an immediate cease and desist regarding the use of the CPA designation in any form. Second by Gray.

Member Cunningham expressed concern that there was not a timeline for the Respondent to have the fine and costs paid.

Motion amended by Ley to include that the fine and costs be paid within 30 days of signing the order. Vice Chair Gray seconded the amended motion.

Member Sanner expressed concern regarding the possible rejection of the Consent Order by the Respondent, and whether it would bring a hearing in front of the Board.

There was discussion among the Board members regarding the Respondent's options if he were to reject the Consent Order as amended by the Board. Member Sanner suggested the Board approve the Consent Order with the addition of the updated costs and the cease and desist demand.

Member Cunningham then suggested that the Board approve the Consent Order with the amendments as discussed, and include a cover letter containing the cease and desist demand.

Member Ley withdrew her initial motion and the motion as amended.

Motion by Ley that the Consent Order be approved upon the addition of provisions to the updated costs and attorney fees of \$1674.80, to be paid within an appropriate payment schedule. The fine of \$1000.00 will remain. Second by Gray.

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

Chair Petete entertained a motion to adjourn the hearing.

Motion by Gray to adjourn the hearing. Second by Cunningham.

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

The hearing was adjourned at approximately 10:45 AM.

Agenda Item #5 – Discussion and possible action on Administrative Actions and recommendations and report from the Enforcement Committee:

CASES TO DISMISS:

Case 1886 – Revoked CPA

This file was opened as a result of a referral by the CPE Coordinator that the registrant failed to complete eighteen hours of required CPE for the 2006-2008 compliance period. On the 2009 reporting form, the registrant attested to working in industry in Texas, although not certified in that state. The Special Prosecutor was unable to locate the registrant to serve the formal complaint and the registrant has since been administratively revoked. Therefore, the Enforcement Committee recommends that the case be dismissed, but that a note be placed in the registrant's file requiring a show cause hearing if the registrant applies for reinstatement.

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CPE Status: Registrant is not in compliance. Registrant claimed 20 hours of CPE in 2006 (includes 2 hours ethics); 40 hours in 2007 (includes 2 hours ethics); 42 hours in 2008 (includes 2 hours ethics); 40 hours in 2009 (includes 2 hours ethics); and did not file the reporting form to report CPE or claim the exemption for 2010.

Peer Review Status: N/A.

Case 1917 – Revoked 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's certificate has been administratively revoked; therefore, the Enforcement Committee recommends that the case be dismissed.

OAB Records Summary

CPE Status: Registrant is not in compliance. Registrant claimed the CPE exemption for 2008 and 2009, and did not file the reporting form to report CPE or claim the exemption for 2010.

Peer Review Status: N/A.

Motion by Gray that Case Nos. 1886 and 1917 be dismissed. Second by Ley.

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

FILES TO CLOSE:

File 1905 – Revoked 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. The registrant's certificate has been administratively revoked; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is not in compliance. Registrant claimed the CPE exemption for 2008 and 2009, and did not file the reporting form to report CPE or claim the exemption for 2010.

Peer Review Status: N/A.

File 1908 – Revoked 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. The registrant's certificate has been administratively revoked; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is not in compliance. Registrant claimed 42 hours of CPE in 2008 (includes 2 hours ethics); 43 hours in 2009 (includes 0 ethics); and did not file the reporting form to report CPE or claim the exemption for 2010.

Peer Review Status: N/A.

File 1909 – 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. The registrant has filed the reporting form and wishes to cancel registrant's certificate; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant has claimed the CPE exemption for 2008 through 2010.

Peer Review Status: N/A.

File 1919 – Revoked 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. The registrant's certificate has been administratively revoked; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is not in compliance. Registrant claimed 40 hours of CPE in 2008 (includes 4 hours ethics); 40 hours in 2009 (includes 0 ethics); and did not file the reporting form to report CPE or claim the exemption for 2010.

Peer Review Status: N/A.

File 1939 – CPA Firm

This file was opened as a result of a referral from the Licensing Coordinator that the registrant firm was approximately three months late informing the Board that the firm had converted from a PC to a PLLC. The Enforcement Committee recommends that the file be closed with a private reprimand issued to the firm.

OAB Records Summary

CPE Status: N/A

Peer Review Status: N/A.

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File 1948 – CPA Firm

This file was opened as a result of a referral from the Licensing Coordinator that the registrant firm was approximately eight months late informing the Board that the firm had converted from an LLP to a LLC. The Enforcement Committee recommends that the file be closed with a private reprimand issued to the firm.

OAB Records Summary

CPE Status: N/A
Peer Review Status: Registrant is in compliance.

Motion by Gray that File Nos 1905, 1908, 1909, 1919, 1939 and 1948 be closed. Second by Sanner.

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

Agenda Item #9 – Discussion and possible action to approve services contract for Wilsey Meyer Eatmon Tate PLLC [FY 13 Investigator]: Vice Chair Gray addressed this item.

Motion by Gray that the Board approve the services agreement contract with Tom Elliott, CPA, to be an investigator for the Board, with page one (1) amended to state, "Mr. Elliott, of Wilsey, Meyer, Eatmon and Tate and additional support staff that he may utilize." Second by Engelbach.

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

Agenda Item #10 – Discussion and possible actions on exposure drafts:

- **AICPA Professional Division Proposed Revised and New Interpretations and Proposed Deletion of Ethics Rulings**
- **AICPA Accounting and Review Services Committee Exposure Draft on Proposed Statements on Standards for Accounting and Review Services**

Vice Chair Gray addressed this item. Discussion among the Board took place regarding the exposure drafts. The consensus of the Board is to have Vice Chair Gray write a response, with input from Member Ley, regarding its concerns on the Proposed Statements on Standards for Accounting Review Services exposure draft. No action was taken.

Agenda Item #11 – Discussion and possible action on approval of revised Strategic Plan: Discussion took place among the Board regarding the newly revised Strategic Plan. Chair Petete felt the inclusion of the IT problems the OAB has experienced, due to the implementation of AMANDA, was an appropriate addition.

Executive Director Ross explained several of the issues the OAB has had in regards to the IT support providing ineffective assistance to the agency.

Note: Member Sanner stepped out of the Board meeting at 11:18 AM and returned at 11:29 AM.

Note: Chair Petete called for a break at approximately 11:20 AM and reconvened at 11:29 AM.

Motion by Cunningham that the Strategic Plan be approved.
Second by Manning.

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

Agenda Item #12 – Discussion and possible action for the selection of the OAB voting representative and alternate at the NASBA Annual Meeting:

Motion by Gray that Chair Petete serve as the first voting representative. Second by Engelbach.

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

Motion by Cunningham that Member Ley serve as the voting alternate. Second by Manning.

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

Agenda Item #13 – Presentation to commemorate Board member’s service to the Oklahoma Accountancy Board: Board members and Executive Director Ross presented Member Ley, former Chair, with an award commemorating her service to the OAB.

Agenda Item #14 – New Business: No new business.

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Agenda Item #15 – Executive Director’s Report: Executive Director Ross reported the following:

Updates

- Attended interim studies regarding modernization, consolidation of agencies, consolidation of administrative law judges and other subject matter impacting State agencies.
- Updated Strategic Plan.
- Launched Facebook site.
- Attended the Compliance and Assurance Committee meeting at the AICPA offices with Member Gray.
- We continue to refine our systems and work with OMES, formerly OSF, regarding all of our IT issues.
- AMANDA issues log now under 30 items.
- Made presentation to OU masters students.
- Continuing to develop desk processes and procedures related to AMANDA.
- CPA Recognition Ceremonies scheduled as follows:
 - November 17, 2012
 - May 18, 2013

Reception begins at 10:30 AM - Ceremony begins at 11:00 AM.

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

- BEP One; Aug 2012 rent - \$4,392.00
- Attorney General; Legal services for Aug 2012 - \$2,840.97
- Vicky Petete; Travel claim for NASBA’s Western Regional Mtg - \$2,929.96
- BEP One; Sep 2012 rent - \$4,392.00
- Attorney General; Legal services for Sep 2012 - \$2,840.97

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

N/A

Agenda Item #16 – Chair’s Announcements: There were no announcements.

Agenda Item #16b – Announce date and time of the next meeting: It was noted that the next meeting is scheduled to be held on Friday, October 19, 2012, at the Oklahoma Accountancy Board at 201 NW 63rd St., Ste. 210, Oklahoma City, Oklahoma 73116.

Agenda Item #17 – Adjourn: There being no further business to come before the Board, Chair Petete entertained a motion to adjourn.

Motion by Gray to adjourn the Board meeting. Second by Sanner.

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

The meeting was adjourned at approximately 11:39 AM.

Vicky Petete, Chair Date

ATTEST:

Jay Engelbach, Secretary Date

APPENDIX I

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

Leah D. Adwell
Lindsey M. Barbour (Non-CPA Verifier)
Michael Brent Bertelsen
James Lee Bryan
Carly D. Campbell
Gabrielle Marie Conchola
Aria J. Ghajar
Jerrica A. Kahle
Stephanie Kay Kitts
Kayla Nicole Lievsay
Colby Rey Loud
Casey Renee Morgan
Trevor John Morris
Brooke Noel Ogez
Blake Stephen Postelwait
Benedicta O. Reis
Shannon Dione Ritter
Jayme L. Rogers
Sydney Danielle Shepherd
Christine Ann Stunkart
Matthew Michael Willis
Nacole Dawn Woods

APPLICATIONS FOR TRANSFER OF EXAM CREDITS:

Michael Brent Bertelsen (Missouri)
Tyler Robert Caldwell (Missouri)
Jonathan Mark Clydesdale (Indiana)
Yihan Feng (Missouri)
Paige Elizabeth Wiese (Tennessee)

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

James Clayton Airington
Tyler Robert Caldwell
Rebecca Dawn Crowdis
Jarod Meadville Johns
Kayla Nicole Lievsay
Austin Tyler McNeely
Natasha Lea Morrison
Chelsi Layne Moss
Blake Stephen Postelwait

Benedicta Omowunmi Reis
 Cameron Green Robinson
 Joshua Lee Waggoner
 Whitney R. Webb
 Matthew Michael Willis

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

William Carey Carter (Texas)
 Gail Lynn Cioffi (Florida)
 L. Douglas Critser (Ohio)
 Cameron Darden (Texas)
 Kristi Lyn Isacksen (Texas)
 Eric R. Krautkramer (Wisconsin)
 Beth L. Tingey (Kentucky)
 Robert E. McKeirnan (Washington)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

14123	Katherine S. Townley
14867	Veronica Marshall
11005	Bruce Loren Swabb
12444	Wenjian Xing
15026	Carl T. Turner, Jr.

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:

Christopher M Caldwell, CPA, PLLC
 Jim Krause CPA, P.L.L.C.
 Kerby & Kerby, PLLC (Texas)
 Rita S. Craig, CPA, PLC
 Samerson, P.L.L.C.

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:

Auditwerx, Inc. (Florida)

INITIAL FIRM REGISTRATIONS OF LIMITED LIABILITY PARTNERSHIPS:

Durbin & Company, L.L.P. (Texas)

REINSTATEMENT OF FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:

OTV, Inc. A Professional Corporation
 Sharon A. Triplett, CPA, Inc.
 Suzanne M. Crews, P.C.

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CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

No Longer Practicing in Oklahoma:

Larry J. Kruckenberg	Cert. No. 1559	Issued Feb. 3, 1962
Judy C. McCullough	Cert. No. 3964	Issued Jan. 24, 1977
William Thomas Wilson	Cert. No. 6370	Issued July 22, 1982
James Curtis Peard	Cert. No. 10272	Issued Jan. 26, 1989
Dianne Janine Stoehr	Cert. No. 11227	Issued Jan. 31, 1991
Linda Harrington Hicks	Cert. No. 12263	Issued July 30, 1993
Edward R. Crater	Cert. No. 13602	Issued Oct. 11, 1996
Michael L. Oatman	Cert. No. 16142-R	Issued Dec. 19, 2005
Jeffrey M. Coffman	Cert. No. 16476-R	Issued May 6, 2008
April R. Gallagher	Cert. No. 16912-R	Issued July 20, 2010

Retired:

Gary Max Beauchamp	Cert. No. 1488	Issued July 29, 1961
Carolyn A. Shuey	Cert. No. 2844	Issued Jan. 26, 1973
Kenneth V. Spaulding	Cert. No. 5792	Issued July 27, 1981
Patricia Gail DeCastro	Cert. No. 14281	Issued July 3, 1998
Mary N. Keen	Cert. No. 15201-R	Issued Sept. 28, 2001

PAs:

No Longer Practicing in Oklahoma:

E. B. St. John	License No. 897	Issued June 23, 1969
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DECEASED REGISTRANTS:

CPAs:

Benjamin H. Payne	Cert. No. 1334	Issued Feb. 4, 1959
Ruth M. Loftin	Cert. No. 3489	Issued July 28, 1975

PAs:

Carl E. Jones	License No. 926	Issued Jan. 29, 1970
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INACTIVE FIRMS:

CPA Corporations:

Godwin & Co. P.C.
H. William Frizzell, C.P.A., P.C.