

OKLAHOMA ACCOUNTANCY BOARD**MINUTES OF REGULAR MEETING**

June 21, 2013

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, June 21, 2013, at the OAB Board Room, 201 N.W. 63rd Street, Suite 210, Oklahoma City, OK 73116. 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
Mike Sanner, CPA, Member
Jody Manning, Member
Karen Cunningham, Member

Board staff present at the meeting: Randy Ross, Executive Director; Colin Autin, Deputy Director; 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 8:30 a.m. Chair Petete called the meeting to order.

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

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

Agenda Item #2 – Announcement of Visitors: The following visitors were present for the appropriate time: Patty Hurley and Nancy Hyde, representing the Oklahoma Society of Certified Public Accountants (OSCPA); Kellie Wright, representing the Oklahoma Society of Accountants (OSA); Randy Calvert from the Calvert Law Firm; Court Reporter Trena Bloye and David Greenwell, Oklahoma Accountancy Board member beginning July 1, 2013.

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 five items for the OAB's consideration; (1) Approve the Minutes of the May 17, 2013, Regular Meeting of

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the OAB; (2) Take official notice of the preliminary OAB financial statements for FY 2013, for the month ended May 31, 2013; (3) Take official notice of the experience verification applications which have been approved by the Executive Director; (4) Approve the actions taken by the Executive Director on applications and registrations filed since the previous meeting and (5) Approve the verification of the administrative posting to the OAB's records and certification of scores for Window 2/2013 Examination, April and May 2013.

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

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

Note: Member Ley arrived at approximately 8:39 a.m.

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

ADMINISTRATIVE CONSENT ORDERS:

Case No. 1961 – John J. Nedelka, CPA

This case was opened as a result of a referral by the Licensing Coordinator that Respondent claimed the CPE exemption for compliance years 2009 and 2010 while Respondent was ineligible to take said exemption, and that Respondent failed to complete required CPE for those same years. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent's certificate is revoked for "cause", and Respondent is assessed costs and attorney fees in the amount of \$278.36, which must be paid within thirty days from the effective date of this 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% or better, 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 claimed the CPE exemptions for 2009 & 2010 while ineligible.

Peer Review Status: N/A

Case No. 1978 – John O. Becker, CPA

This case was opened as a result of a referral by the Licensing Coordinator that Respondent claimed the CPE exemption for compliance years 2009 and 2010 while Respondent was ineligible to take said exemption, and that Respondent failed to complete required CPE for years 2009, 2010, and 2011. In addition, Respondent practiced without a permit for approximately three months. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed fines of \$1,000 for wrongfully claiming the exemption for two years, \$1,500 for failure to complete CPE, \$500 for practicing without a permit, plus costs and attorney fees in the amount of \$186.11, which must be paid within 30 days from the effective date of this Order. In addition, Respondent is required to complete the requirements to return to active status. 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 claimed the CPE exemptions for 2009 & 2010 while ineligible and has not completed required CPE for years 2009, 2010, and 2011.

Peer Review Status: N/A

Case No. 1982 – James Royce Allen, CPA

This case was opened as a result of a referral by the Licensing Coordinator that Respondent practiced under an unregistered firm for approximately nine months. 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 \$201.11, 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 in compliance. Registrant reported 28 hours for 2009 (includes 2 hours ethics); 54 hours for 2010 (includes 4 hours ethics); and 46 hours for 2011 (includes 2 hours ethics).

Peer Review Status: N/A

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Case No. 1984 – Ornelas & Morris, CPA’s PC, CPA Firm

This case was opened as a result of a complaint that Respondent Firm failed to notify the complainant of the IRS’s rejection of various electronically filed tax returns. The Board’s investigator found Respondent performed substandard work by failing to retain documentation to establish that the complainant was properly notified. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$1,500 and costs and attorney fees in the amount of \$3,278.22, which must be paid within thirty days from the effective date of this Order. In addition, Respondent must establish a written office procedure on e-filing and provide it for the Board’s review. 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: N/A
Peer Review Status: Registrant is in compliance.

Motion by Gray to approve the following Administrative Consent Orders: 1961, 1978, 1982, 1984. Second by Sanner.

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

FILES TO CLOSE:

File 2008 – CPA Firm

This file was opened as a result of a referral from the Peer Review Oversight Committee that the registrant’s reviewed audit was substandard. The registrant entered into an agreement with the OSCPA to not perform future audits or reviews; therefore, the Enforcement Committee recommends that this file be closed with a private reprimand issued to the registrant whereby the registrant acknowledges the agreement with the OSCPA and the intent to abide by it. In addition, should the registrant wish to perform audits or reviews in the future, the registrant will notify the Board immediately to request any additional action the Board may require.

OAB Records Summary

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

Motion by Gray to close File 2008. Second by Sanner.

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

Agenda Item #6 – Discussion and possible action on report from the Peer Review Oversight Committee: [Item deferred to July Board meeting]

Agenda Item #7 – Discussion and possible action to allow courses offered in the area of Compilation and Review to satisfy the Continuing Professional Education requirements of 10:15-30-5(i) in the Oklahoma Administrative Code:

Member Sanner requested this issue be placed on the agenda due to an increase in Registrant concerns that a compilation only course is not easily accessible. Michael Mount, CPE Coordinator, informed the CPE Committee of the complaints he had received. The Committee compiled a list of courses that would meet the current compilation CPE requirements.

After brief discussion among the Board it was determined that there would not be a change in qualifying compilation CPE courses at this time.

Agenda Item #8 – Discussion and possible action on the recent pronouncements by the Financial Accounting Standards Board (FASB) regarding the modification of Generally Accepted Accounting Principles (GAAP) and information issued by the AICPA regarding Financial Reporting Framework (FRF) for Small and Medium-Sized Entities (SMEs): A lengthy discussion took place among the Board regarding thoughts on the FASB changes and how it will affect the Board. Member Ley stated that the modifications are something the Board should be aware of and to also make sure registrants clearly understand the changes.

Agenda Item #9 – Discussion and possible action on Oklahoma Accountancy Board Committee assignments for fiscal year 2014: Chair Petete addressed this item and briefly reviewed the Committee assignments with the Board.

Note: Chair Petete called for a break at approximately 9:23 a.m. and reconvened at 9:35 a.m.

Hearings Docket

Note: Special Prosecutor Calvert presented cases 1979 and 1980 simultaneously due to the relation of the two cases.

Case No. 1979 - Hearing in the matter of OTV, Inc. A Professional Corporation, Firm No. 12090: This matter came on for hearing at 9:35 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

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

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The purpose of this hearing was to consider the proposed Consent Order signed by the Respondent.

Special Prosecutor Calvert moved that State's Exhibits 1-6 be entered into record. Chair Petete accepted State's Exhibits 1-6 into record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) Respondent has violated Section 15.14A(A) of the Act by practicing public accounting without a permit from July 1, 2012, until August 2, 2012; 2) Respondent is assessed a fine in this disciplinary matter in the amount of \$1,000.00, which is due within thirty (30) days of the effective date of this Consent Order; 3) Respondent is assessed costs and attorney fees associated with this disciplinary matter in the amount of \$559.50, which is due within thirty (30) days of the effective date of this order; 4) Any failure of Respondents 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 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 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 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.

Case No. 1980 - Hearing in the matter of Ogden & Showalter PLLC, Firm No. 13439: This matter came on for hearing at 9:39 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General 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 proposed Consent Order signed by the Respondent.

Special Prosecutor Calvert moved that State's Exhibits 1-6 be entered into record. Chair Petete accepted State's Exhibits 1-6 into record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) Respondent has violated Section 15.14A(A) and Section 15.15(A)(1) of the Act by practicing public accounting without registering with the Board and obtaining a permit from January 7, 2011, until September 27, 2012; 2) Respondent is assessed a fine in this disciplinary matter in the amount of \$2,000.00, which is due

within thirty (30) days of the effective date of this Consent Order; 3) Respondent is assessed costs and attorney fees associated with this disciplinary matter in the amount of \$454.50, which is due within thirty (30) days of the effective date of this Consent Order; 4) Any failure of Respondents 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) Respondents agree 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 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 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 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 Gray that the Board accept the Consent Orders as presented in Case Nos. 1979 and 1980. Second by Sanner.

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

Case No. 1981 - Hearing in the matter of Julie J. Sale, CPA, Certificate No. 11040:

This matter came on for hearing at 9:40 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

Assistant Attorney General 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 proposed Consent Order signed by the Respondent.

Special Prosecutor Calvert moved that State's Exhibits 1-4 be entered into record. Chair Petete accepted State's Exhibits 1-4 into record.

The Special Prosecutor presented a Consent Order signed by the Respondent under the following terms: 1) Respondent has violated Section 10:15-30-8 of the Board's Rules by claiming an exemption for the year 2009 for which she did not qualify. For such violation Respondent is assessed a fine in the amount of \$500.00, which is due within thirty (30) days of the effective date of this Consent Order; 2) Respondent has violated Section 15.35(C) and (D) of the Act and Section 10:15-30-5(a) and (b) of the Board's Rules by failing to complete the minimum required CPE for the three year period 2009-2011, being 42 hours short of the required 120 hours. For such violation the Respondent is assessed a fine in the amount of \$500.00, which is due within thirty

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(30) days of the effective date of this Consent Order; 3) Respondent must complete and report to the Board the past due 42 hours of CPE within ninety (90) days from the effective date of this Consent Order; 4) Respondent is assessed costs and attorney fees associated with this disciplinary matter in the amount of \$817.90, which is due within thirty (30) days of the effective date of this Consent Order; 5) Any failure of Respondents 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; 6) Respondent agrees not to violate the Act or Board's Rules in the future; 7) 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 8) 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 Gray that the Board accept the Consent Order in Case 1981. Second by Engelbach.

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

At this time Chair Ley entertained a motion to adjourn the hearings.

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

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

The hearings were adjourned at approximately 9:45 a.m.

Agenda Item #10 – New Business: No new business.

Agenda Item #11 – Executive Director's Report: Executive Director Ross reported the following:

Updates:

- Ceremony was held and survey of those that participated and those that did not attend was done. Results were very positive.
- Attended Western Regional NASBA meeting.

- Met with Dr. Sonobe at the Chancellor's office to review pass rates with Carlos Johnson.
- Implementing new web based certified mail process which will eliminate the old "Green Card" in favor of electronic tracking and receipting. This will save the agency between 5 and 7 thousand dollars this next fiscal year.
- Submitted next years' budget and preparing for the next fiscal year.
- Submitted all paperwork required for the salary adjustment discussed with the board.
- Received good information about FASB endorsing three PCC proposals
- Update on FAQ revision project.
- OAB staff has reserved House of Representative's Chambers on May 31, 2014, for the Spring CPA Recognition Ceremony.
- Presentation to Vice Chair Gray for her ten years of service and dedication to the Oklahoma Accountancy Board.

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

- State Auditor and Inspector; Auditing services for March and April 2013 - \$3,690.00
- BEP One; June 2013 Rent - \$4,392.00
- Calvert Law Firm; Legal services for April 2013 - \$4,652.90
- Attorney General; Legal Services for June 2013 - \$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 #12 – Chair's Announcements:

Agenda Item #12b – Announce date and time of the next meeting: It was noted that the next meeting is scheduled to be held on Friday, July 19, 2013, at the OAB Board Room, 201 N.W. 63rd Street, Suite 210, Oklahoma City, OK 73116.

Agenda Item #13 – Adjourn: There being no further business to come before the Board, Chair Petete entertained a motion to adjourn.

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Motion by Gray to adjourn the meeting. Second by Engelbach.

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

The meeting was adjourned at approximately 10:30 a.m.

Vicky Petete, Chair Date

ATTEST:

Jay Engelbach, Secretary Date

APPENDIX I**APPLICATIONS FOR TRANSFER OF EXAM CREDITS:**

Kristen Leigh Eagon

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

Whitney Anne Alcorn
 Meagan A Barkley
 Brian T. Card
 Robert Warren Deaton
 Roger Eugene Eleftherakis
 Brianna L. Ghosn
 Ryan W. Greenlee
 Katherine Gifford Hensley
 Spencer Cody Lucas
 Christine Osborne
 Lauren Patricia Pratt
 Ryan Patrick Stines
 Jared Chad Thomas
 Paige Elizabeth Tomlins
 Geoffrey Thomas Turvey
 Gabrielle Sariah Woodrome

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

Malini Gandhi	12239
Robert Kerley	9975
Sharon Triplett	9299

INITIAL FIRM REGISTRATIONS OF SOLE PROPRIETORSHIPS UNDER SECTION 15.15:

Tommy Partain, CPA (Texas)

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:

Gibson & Reynolds, P.C.
 Schneider Downs & Co., Inc. (Pennsylvania)

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:

Deemer Dana & Froehle LLP (Georgia)
 Horne LLP (Mississippi)

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INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:

C.D. Sughru, P.L.L.C.
Palmer Tax Preparation Services, PLLC
RobisonGary & Associates PLLC

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

Coming into Oklahoma to practice under Mobility:

Robert Welsh	15356	Issued January 25, 2002
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No Longer Practicing in Oklahoma:

Ricky Riddle	15490	Issued July 31, 2002
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Retired:

Joel Arnold	9613	Issued January 27, 1987
Carolyn Cook	7243	Issued January 26, 1984
Robert Cook	2201	Issued July 25, 1969
Ernest Graziano	5421	Issued November 21, 1980
Terry Hanna	2364	Issued January 27, 1970
James Kelly	3177	Issued May 20, 1974
Steven McKelvy	5749	Issued January 27, 1981
Richard Moore	3374	Issued January 27, 1975

DECEASED REGISTRANTS:

CPAs:

Kenneth Baldwin	5883	Issued January 29, 1982
David Crites	6204	Issued January 1, 1982

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

Whitney A. Alcorn
Lisa S. Coen
Eric Danklefsen
Robert W. Deaton
Ryan W. Greenlee
Katherine G. Hensley
Katie J. Heroux
Matthew A. Jay

Tonya L. Johnson
Shannon L. King
Spencer Lucas
Brianna Parrish
Stephanie R. Pinkerton
Mindaugas Pukstas
Kyle W. Schovanec
Ryan P. Stines
Brittni Strickler
Jared C. Thomas
Ngoc H. Trinh

Non-CPA verifier
Nicole R. Randolph

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