

OKLAHOMA ACCOUNTANCY BOARD**MINUTES OF REGULAR MEETING**

November 15, 2013

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, November 15, 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 Call to Order:

Vicky Petete, CPA, Chair
Mike Sanner, CPA, Vice Chair
Jay Engelbach, 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; Michael Mount, Continuing Professional Education (CPE) Coordinator and Rebekah Flanagan, Administrative Assistant. Assistant Attorney General John Crittenden was also present.

Agenda Item #1a – Call To Order: At approximately 8:34 a.m. Chair Petete called the meeting to order.

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

Note: Member Greenwell arrived at approximately 8:35 a.m. Secretary Ley arrived at approximately 8:36 a.m.

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 absences.

Agenda Item #2 – Announcement of Visitors: The following visitors were present for the appropriate time: Daryl Hill and Michelle Sopp, representing the Oklahoma Society of Certified Public Accountants (OSCPA); Peggy Johnson, representing the Oklahoma Society of Accountants; Shellie Wright, representing the Oklahoma Society of Accountants (OSA); Shelley Fleming, CPA, and Jared Thulin with the Oklahoma State Auditor and Inspector; Special Prosecutor Rob Ramana, representing Calvert Law Firm; Respondent Stacy Pratt and Karen Johnson, 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.

1755.

Agenda Item #4 – Consent Agenda: The Consent Agenda contained four items for the OAB’s consideration; (1) Approve the Minutes of the September 20, 2013, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for FY 2014, for the months ended September 30, 2013 and October 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.

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

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

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

ADMINISTRATIVE CONSENT ORDERS:

Case No. 2000 – John O. Becker, CPA

Respondent informed staff that Respondent was unable to pay the fines assessed by a previous order due to retiring for health related reasons. 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 \$459.86, which includes the costs from the previous case, 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 with ninety (90) days prior to applying for reinstatement. In addition, all fines, costs and attorney fees must be paid 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 and has not completed required CPE for years 2009, 2010, and 2011.

Peer Review Status: N/A

Case No. 2001 – Neal Martin Uhl, CPA

This case was opened as a result of the Respondent self-reporting that Respondent had pleaded guilty to a charge of violating the Foreign Corrupt Practices Act. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is placed on probation for five years from the effective date of this Order. In addition, Respondent is assessed costs and attorney fees in the amount of \$450.22, which must be paid within 30 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 40 hours of CPE for 2010 (includes 0 hours ethics); 42 hours for 2011 (includes 2 hours ethics); and 47 hours for 2012 (includes 2 hours ethics).

Peer Review Status: N/A

Case No. 2002 – Debra W. Smith, CPA

This case was opened as a result of a referral by the Licensing Coordinator that Respondent claimed the CPE exemption for compliance years 2010, 2011, and 2012 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 is assessed fines of \$1,500 for wrongfully claiming the exemption for three years and \$1,500 for failure to complete CPE for those same years, plus costs and attorney fees in the amount of \$484.72, which must be paid in six equal monthly installments of \$500 per month and a final payment of \$487.72. 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 2010, 2011, and 2012 while ineligible.

Peer Review Status: N/A

1757.

Motion by Sanner to approve the Administrative Consent Orders in the following Case Nos: 2000, 2001 and 2002. Second by Cunningham.

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

FILES TO CLOSE:

File 2051 – CPA Firm

This file was opened as a result of a referral from the Licensing Coordinator that the registrant firm was several months late in notifying the Board that it had changed its name by adding the last names of two new partners. 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: In compliance.

Motion by Sanner to close File No. 2051. Second by Cunningham.

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

Agenda Item #6 – Discussion and possible action on NASBA request for Annual Declaration on the Release of Candidate Contact Information: Discussion took place among the Board on whether the OAB would participate in NASBA's request that the State Boards release candidate contact information. It was determined that the Board did not feel comfortable releasing such information at this time.

Motion by Greenwell to decline NASBA's request to release candidate's contact information, both by email and USPS mail. Second by Sanner.

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

Agenda Item #7 – Discussion and possible action on report from Audit and Budget Committee:

- Presentation of the Oklahoma Accountancy Board fiscal year 2013 audit report as performed by the Office of the State Auditor and Inspector

Shelly Fleming, CPA, and Jared Thulin, from the Oklahoma State Auditor and Inspector presented the completed 2013 audit report to the Board. Ms. Fleming briefly informed the Board of the audit's outcome. There were no reportable findings.

Motion by Manning that the Board accept the Audit and Financials as presented. Second by Greenwell.

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

Agenda Item #8 – Discussion and possible action on quarterly report from the Peer Review Oversight Committee: Deputy Director Autin presented the quarterly PROC report to the Board.

Motion by Ley that the Board accept the September 2013 PROC report. Second by Sanner.

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

Note: Chair Petete called for a break at approximately 9:00 a.m. and reconvened at 9:10 a.m..

Hearing Docket

Case No. 2005 – Hearing in the matter of the Application to Reinstate the Certificate of Stacy J. Pratt, Revoked CPA, Certificate No. 13750: This matter came for hearing at 9:11 a.m. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

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

The purpose of this hearing was to review the Respondent's Application for Reinstatement of his Certificate.

Following opening statements by the Respondent, Special Prosecutor Ramana presented the State's case. During the presentation of the State's case, Mr. Ramana moved for the admission of State's Exhibits 1- 8. At the recommendation of Assistant Attorney General Crittenden, Chair Petete accepted the Exhibits into the record.

The State called no witnesses. The Respondent called no witnesses.

Motion by Greenwell to accept Respondent Stacy Pratt's Application for Reinstatement. Second by Sanner.

Special Prosecutor Ramana moved for the admission of Exhibit 9 which lists the costs incurred by the Board for the hearing.

1759.

Amended Motion by Greenwell that the Application for Reinstatement be accepted pending payment of the additional costs presented in Exhibit 9. Second by Engelbach.

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

Motion by Sanner to adjourn the Hearing. Second by Cunningham.

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

The Hearing was adjourned at approximately 9:32 a.m.

Agenda Item #9 – Discussion and possible action on request from the American Institute of Certified Public Accountant’s Accounting and Review Services Committee and Exposure Draft: [Item deferred to future Board Meeting]

Motion by Greenwell that the Board defer this item to a future Board meeting. Second by Engelbach.

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

Agenda Item #10 – Discussion and possible action on request from the Oklahoma Society of Certified Public Accountants to be an authorized self-study continuing education provider: Michael Mount, OAB CPE Coordinator, and Michelle Sopp, CPE Director for the OSCPA, went before the Board and presented the request from the OSCPA to become a self-study CPE provider. Currently, the OSCPA offers CPE created by outside entities.

Ms. Sopp explained the method in which their content would be created and reviewed. She informed the Board that the OSCPA will adhere to the pilot requirements in order to determine what amount of CPE credits will be issued when a course is completed.

Discussion took place among the Board regarding the approval of organizations who might wish to sponsor CPE in the future. It was determined that Oklahoma societies, representing the profession, are acceptable organizations and any of them sponsoring CPE must sign an affidavit annually stating that, when developing self-study material, they will adhere to Subchapter 32 of the Oklahoma Administrative Code.

Motion by Greenwell that the Board accept the OSCPAs application to begin providing self-study CPE. Second by Sanner.

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

Agenda Item #11 – Discussion and possible action on the American Institute of Certified Public Accountant’s Uniform Accountancy Act Exposure Draft on Firm Mobility and new definition of attest: A lengthy discussion took place among the Board. There was concern among the Board regarding Peer Review standards of other states and whether it would affect the quality of services performed by a firm practicing in Oklahoma through mobility.

Secretary Ley expressed her concern over whether the Board would have jurisdiction over out of state firms.

NASBA would like to have responses from the State Boards by January of 2014. The OAB decided that they would currently take a neutral position until they have further opportunity to discuss the issue.

Note: Chair Petete called for a break at approximately 10:29 a.m. and reconvened at 10:32 a.m.

Agenda Item #12 – Discussion and review of National Association of State Boards of Accountancy (NASBA) annual meeting held in Maui, Hawaii, and announcements of Oklahoma NASBA leadership positions: Board members who attended the October NASBA Annual Meeting shared their experiences.

- Recognition of the inauguration of former Oklahoma Accountancy Board Chair Carlos Johnson, CPA, as NASBA Chair

Agenda Item #13 – Discussion and possible action to establish the 2014 meeting schedule of the Oklahoma Accountancy Board: The Board discussed the 2014 Board meeting schedule. (**APPENDIX II**)

Motion by Ley to approve the proposed 2014 Board meeting schedule with the changes of moving the February meeting to February 7th and combining the January and February meetings. The May meeting was scheduled for May 16th. Second by Engelbach.

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

1761.

Agenda Item #14 – Proposed Executive Session pursuant to Title 25 O.S. Supp. 2006, Section 307(B)(1) for discussion and possible action on employment, hiring appointment, promotion, disciplining, resignation, changes to existing salaries, or setting salary ranges for the following individual positions:

- a. Executive Director
- b. Deputy Director
- c. Licensing Coordinator
- d. Examination Coordinator
- e. CPE Coordinator
- f. Peer Review Coordinator
- g. Administrative Programs Officer
- h. Enforcement Coordinator
- i. Accountant II
- j. Administrative Assistant II
- k. Administrative Assistant II

Motion by Greenwell that the Board go into Executive Session. Second by Ley.

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

The Board entered into Executive Session at approximately 11:25 a.m.

Motion by Greenwell that the Board come out of Executive Session. Second by Engelbach.

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

The Board came out of Executive Session at approximately 11:40 a.m. Chair Petete noted for the record that during the Executive Session the Board did not take any votes or action.

Agenda Item #15 – New Business: No new business.

Agenda Item #16 – Executive Director’s Report: Executive Director Ross reported the following:

Updates

- We now have the ability to stream our Board meeting via internet should the Board wish to do so.
- Work on rules and statute updates, continue with hearing that is set and discussion with authors for the legislative session continuing.

- I am pleased to report that our number of individual revocations over the past six months has dropped to under one percent each month. For the month of October the revoked percentage was .005. Staff continues to work hard on customer service courtesy.
- We met with OMES IT again and as reported previously the loss of Brett Johnson (the main AMANDA programmer) has slowed some of the enhancements we have been working on.
- I spoke at the Eastern Oklahoma Chapter of the OSCP.
- Ceremony is November 23rd in the House chambers commencing at 10:30 a.m.
- The audit is completed as presented earlier.
- Staff is working on the backlog of scanning 2008, 2009, & 2010 registrations. We will have this project completed by December 31, 2013.
- I have been re-appointed to the NASBA Enforcement Resources Committee for 2014.
- We are now producing statistical data from AMANDA.
- Total payments to date for the audit presented by the Auditor and Inspector are \$24,099 with the maximum due per our contract being \$28,000.

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

- State Auditor and Inspector; Auditing services for Aug 2013 - \$4,030.00
- BEP One; Oct 2013 rent - \$4,392.00
- Attorney General; Legal services for Oct 2013 - \$2,840.97
- State Auditor and Inspector; Auditing services for Sep 2013 - \$4,150.00
- BEP One; Nov 2013 rent - \$4,392.00
- Attorney General; Legal services for Nov 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:

- Calvert Law Firm; Legal services for Aug 2013 - \$5,800.53
- United States Postal Service; Postage - \$10,000.00

Agenda Item #17 – Chair’s Announcements:

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Agenda Item #17b – Announce date and time of the next meeting: It was noted that the next meeting is scheduled to be held on Friday, December 13, 2013, at the Oklahoma Accountancy Board, 201 NW 63rd Street; Suite 210, Oklahoma City, OK 73116.

Agenda Item #18 – Adjourn: There being no further business to come before the Board, Chair Petete entertained a motion to adjourn.

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

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

The meeting was adjourned at approximately 11:45 a.m.

Vicky Petete, Chair Date

ATTEST:

Barbara Ley, Secretary Date

APPENDIX I**Actions Approved by the Executive Director
as of November 15, 2013****APPLICATIONS FOR CERTIFICATION (Successful Candidates):**

Holly Anne Allen
Christina Natalie Beavers
Michael G. Benefield
Dev Aldon Bohn
Michael M. Cassin
Raneshia R. Critton
April Dawn Dunsworth
Shane Michael Gibson
Andrew C. Godwin
Bryan Robert Goss
Joshua Michael Hairston
Brittney Barnes Hall
Kimberly Hudson
Tyler Nicholas Jones
Alison Chandler Keener
Cara Ann Kristian
Stephanie Michelle Little
Eriola M. Lyon
Carolyn Marie Maher
Daniel Edward McKnight
Ryan Moore
Connie Holcomb Nice
Jenny May Ng
John Gregory O'Loughlin
Jennifer Diane Pierre-Louis
Stephanie Renae Pinkerton
Brittnee Rankin
Jared Eugene Rigsby
Katherine Andrea Silva
Brittini Strickler
Hieu Van Tran
Jerry L. Treadwell
Jana A. Walker
Dana Elizabeth Weaver
Grace Elaine Wills
Jonathan David Wilson

1765.

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

William Joseph DeLaney (Texas)
Tara Marie Gilbert (Texas)
Fenny Novianty Jie (Texas)
Megan M. Minaschek (Indiana)
Lisa A Toombs (Utah)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

Chris Angel	4798
David Auer	9356
Janet Bishop	4582
Bryon Briggs	15966
D. Reynard	15610
Stephen Willis	4354

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:

Coffman and Company, P.C. (Missouri)
Luanne Smith, P.C. (Montana)

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:

FSW&B CPA's - PLLC
Joshua Morphew, CPA, PLLC
Stauffer & Associates PLLC
Teresa J Pendergraft, CPA PLLC

REINSTATEMENT OF CPA PROFESSIONAL CORPORATIONS:

Sandra R. Henderson, P.C.

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

Coming into Oklahoma to practice under Mobility:

Malcolm Johnson	4561	Issued November 27, 1978
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No Longer Practicing in Oklahoma:

Timothy Blevins	13837	Issued August 4, 1997
Eric Brooks	17169	Issued November 28, 2011
Gary Estes	1925	Issued October 11, 1966
James Jacobs	15063	Issued May 23, 2001
Terry Rouk	6696	Issued January 1, 1983

No Longer Residing in Oklahoma:

Lori Colclasure	8486	Issued January 23, 1986
Emily Hein	15302	Issued February 4, 2002
Chelsey Trevino	16587	Issued February 27, 2009

Retired:

Sheila Bradford	6536	Issued January 17, 1983
Marvin Chupack	1364	Issued July 28, 1959
Claud Dowell	2269	Issued January 29, 1970
Karen Dugger	2432	Issued February 1, 1971
Cynthia Foster	2955	Issued July 27, 1973
Michael Kendall	3640	Issued January 27, 1976
Carol Magness	4661	Issued January 29, 1979
Michael Rafferty	12641	Issued January 21, 1994
Gerald Starr	1956	Issued January 28, 1967
Larry Willsey	5814	Issued July 27, 1981

DECEASED REGISTRANTS:**CPAs:**

Kenneth Lynn Adkison	13066	Issued July 31, 1995
Warren Baber	1314	Issued February 4, 1959
Cheryl Cowden	14962	Issued January 29, 2001
Gary Davis	3767	Issued July 19, 1976
Samuel Meason	1653	Issued February 2, 1963
Joe Merchant	12554	Issued January 21, 1994

INACTIVE FIRMS:**CPA Partnerships:**

Foster & Associates

CPA Corporations:

Frank & Associates, A Professional Corporation
 Gary M. Davis CPA, Inc.
 Luanne Smith, CPA, P.C.

CPA Limited Liability Companies:

Mary Jo McCaghren, CPA, PLLC

1767.

INDIVIDUALS AUTOMATICALLY REVOKED AS A RESULT OF NON-COMPLIANCE WITH 68 O.S. § 238.1 AND 59 O.S. § 15.14:

CPAs:

Cert No.	Name	Revocation Date
1506	WALTER E. MCNEW	Oct 1, 2013
2675	BETTYE JO ZERBE	Oct 1, 2013
4798	CHRIS K. ANGEL	Oct 1, 2013
7865	JEAN MCNEELY	Oct 1, 2013
11780	STACY FITZGERALD MURRY	Oct 1, 2013
15610	D. KEITH REYNARD	Oct 1, 2013
15638	CHERYL J. MCCUE	Oct 1, 2013
16205	CRYSTAL BROOKE STEWART	Oct 1, 2013
16465	RICHARD JOHNSON	Oct 1, 2013
16693	GINGER LEIGH FARNEY	Oct 1, 2013
17443	MICHAEL NICHOLSON	Oct 1, 2013
9549	DAVID A. STEED	Nov 1, 2013
9653	SHERRY ANN BRITTON	Nov 1, 2013
14590	DEVEN WILLIAMS	Nov 1, 2013

PAs:

CertNo.	Name	Revocation Date
499	DAVID AUSTIN RANDALL	Nov 1, 2013

Note: Asterisk (*) indicates registrant is on current Activity List for reinstatement.
Asterisk (**) indicates registrant has been reinstated.

UPDATE

Note: Mr. Adkison was reported as revoked on the September 2013 Activity List, when in fact he was deceased. The Board's records will reflect his status as Deceased.

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

Christina N. Beavers
April D. Dunsworth
Shane Gibson
Bryan R. Goss
Joshua Hairston
Kimberly Hudson
David W. Lee
Eriola M. Lyon
Julie M. Mercado
Ryan Moore
Connie H. Nice
John G. O'Loughlin
Hayden R. Seay
Brian L. Shafer
Micah I. Spencer
Matthew R. Taylor
Hieu Van Tran
Jerry L. Treadwell
Dana E. Weaver
Grace Wills
Jonathan D. Wilson
Katy Wilson

Non-CPA verifier

Michael M. Cassin
Ranesha R. Critton
Karah L. Franklin

1769.

APPENDIX II

2014 Proposed Board Meeting Schedule

1. No Meeting
2. February 7, 2014
3. March 21, 2014
4. April 18, 2014 (Ada, Oklahoma)
5. May 16, 2014
6. June 20, 2014
7. July 18, 2014
8. August 22, 2014
9. September 19, 2014
10. October 17, 2014
11. November 21, 2014
12. December 19, 2014