

OKLAHOMA ACCOUNTANCY BOARD**MINUTES OF REGULAR MEETING**

April 18, 2014

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, April 18, 2014, at East Central University, Chickasaw Business and Conference Center Building, 1100 East 14th St., Ada, Oklahoma 74820. 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
Barbara Ley, CPA, Secretary
Jay Engelbach, CPA, Member
David Greenwell, CPA, Member
Karen Cunningham, Member
Jody Manning, 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 John Crittenden was also present.

Note: Chair Petete rearranged items throughout the meeting.

Agenda Item #1a – Call To Order: At approximately 9:00 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): There were no absences.

Agenda Item #2 – Announcement of Visitors: The following visitors were present for the appropriate time: Dean Taylor, representing the Oklahoma Society of Accountants (OSA); Dr. Yvette Harjo, representing East Central University (ECU) and various ECU students attended the presentation on the Uniform CPA Examination PowerPoint.

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

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Agenda Item #4 – Consent Agenda: The Consent Agenda contained five items for the OAB's consideration; (1) Approve the Minutes of the February 7, 2014, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for FY 2014, for the months ended February 28, 2014 and March 31, 2014; (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 1/2014 Examination, January and February 2014.

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

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

Agenda Item #5 – Discussion and possible action on report from the Outreach Committee:

- Oklahoma Accountancy Board PowerPoint presentation on the Uniform CPA Examination

The Board presented a PowerPoint presentation to the ECU students.

Agenda Item #6 – Discussion and possible action on Administrative Actions and recommendations and report from the Enforcement Committee:

ADMINISTRATIVE CONSENT ORDERS:

Case No. 2012 – Michele L. Brenner, CPA

This case was opened as a result of a referral by the CPE Coordinator that Respondent practiced without a permit for approximately seven months. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$500, plus costs and attorney fees in the amount of \$373.61, 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 38 hours for 2011 (includes 0 hours ethics); 42 hours for 2012 (includes 2 hours ethics); and 42 hours for 2013 (includes 2 hours ethics).

Peer Review Status: N/A.

Case No. 2014 – Hood & Associates CPA's PC, CPA Firm

This case was opened as a result of a referral from the PCAOB reporting that the Respondent Firm performed substandard audit work. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$5,000, plus costs and attorney fees in the amount of \$237.82, 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

Peer Review Status: Firm is in compliance.

Case No. 2015 – Rick C. Freeman, CPA

This case was opened as a result of a referral from the PCAOB reporting that Respondent performed substandard audit work while employed by a firm (see Case No. 2014). An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is placed on probation for a period of one year and is assessed costs and attorney fees in the amount of \$290.32, 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 42 hours for 2010 (includes 2 hours ethics); 52 hours for 2011 (includes 2 hours ethics); and 53 hours for 2012 (includes 6 hours ethics).

Peer Review Status: N/A. (Firm is in compliance)

Case No. 2018 – Mark Robert Riggan, CPA

This case was opened as a result of a referral by the CPE Coordinator that Respondent practiced without a permit for approximately four months. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$500, plus costs and attorney fees in the amount of \$253.98, 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

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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 43 hours for 2010 (includes 2 hours ethics); 51 hours for 2011 (includes 2 hours ethics); and 41 hours for 2012 (includes 6 hours ethics).

Peer Review Status: N/A.

Motion by Sanner that the Board approve the Administrative Consent Orders for the following cases: 2012, 2014, 2015 and 2018. Second by Engelbach.

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

FILES TO CLOSE:

File 2057

This file was opened as a result of a complaint that an out of state firm performed an audit for an Oklahoma based company before registering with the Board. The firm submitted information showing that the audited company was not headquartered in Oklahoma; therefore, the Enforcement Committee recommends that the file be closed.

File 2066

This file was opened as a result of a referral from the CPE Coordinator reporting that the registrant was practicing without a permit. The registrant is employed in industry and reports only preparing tax returns for immediate family members at no cost. Since there is no evidence to the contrary, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 40 hours for 2010 (includes 2 hours ethics); 34 hours for 2011 (includes 2 hours ethics); and 44 hours for 2012 (includes 8 hours ethics).

Peer Review Status: N/A.

File 2083

This file was opened as a result of a complaint that the registrant failed to advise the client on the correct amount of estimated tax to pay, and failed to inform the client that the registrant was moving out of state. The Enforcement Committee did not find evidence of a violation of the Act or Board's Rules; therefore, it recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 40.5 hours for 2011 (includes 2 hours ethics); 40 hours for 2012 (includes 4 hours ethics); and 40.5 hours for 2013 (includes 2 hours ethics).

Peer Review Status: N/A.

File 2084

This file was opened as a result of a complaint that the registrant failed to provide various business tax records to a shareholder of a company. The registrant submitted information to show that the complainant's ownership in the company was in question and the subject of an ongoing lawsuit. The records were eventually made available to the complainant via the subpoena process; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 40 hours for 2010 (includes 2 hours ethics); 40 hours for 2011 (includes 2 hours ethics); and 78 hours for 2012 (includes 2 hours ethics).

Peer Review Status: N/A.

File 2085

This file was opened as a result of a complaint that the registrant conspired with the complainant's ex-spouse to change the complainant's ownership in a family-owned business. The registrant testified at the divorce proceedings on behalf of the complainant's spouse and the court found that the adjusted ownership percentages were correct. The Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 54 hours for 2010 (includes 2 hours ethics); 41 hours for 2011 (includes 4 hours ethics); and 45.5 hours for 2012 (includes 2 hours ethics).

Peer Review Status: N/A.

Motion by Sanner that the Board close the following files: 2057, 2066, 2083, 2084 and 2085. Second by Cunningham.

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

Note: Chair Petete called for a break at approximately 10:56 a.m. and reconvened at 11:02 a.m.

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Agenda Item #7 – Discussion and possible action on report from the Audit and Budget Committee: Member Manning presented the FY 2015 budget to the Board for approval. Brief discussion took place among the Board. There were no objections to any budgeted items.

- Approval of Fiscal Year 2015 budget

Motion by Manning that the Board approve the Fiscal Year 2015 budget. Second by Greenwell.

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

- Update on State Auditor's office proposed adjusting entry on FY-13 financial statements

Member Manning updated the Board on the committee's response letter regarding the disputed entry adjustment in the FY-13 financial statements.

Agenda Item #8 – Discussion and possible action on the proposed Board policy for the refund of application fees: Executive Director Ross discussed the current policy for refunding application fees. He presented a draft for an updated policy that gives more clarity regarding the circumstances in which an applicant can be refunded their application fees.

Brief discussion took place among the Board. Member Cunningham requested that the OAB staff include a disclaimer on the applications listed in the new policy. The disclaimer would inform the applicant that fees are not refundable once an application is processed. The Board agreed.

Motion by Sanner that the Board approve the updated policy for refund of application fees, as well as include a disclaimer on the relevant application forms. Second by Greenwell.

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

Agenda Item #9 – Discussion and possible action on the Annual Report from the Peer Review Oversight Committee for Calendar year 2013: Deputy Director Autin requested the PROC's annual report be approved as presented.

Motion by Cunningham that the Board approve the annual PROC report as presented. Second by Sanner.

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

Agenda Item #10 – Discussion and possible action from the report of the special committee on the ARSC exposure draft: Chair Petete presented a response compiled by the special committee on the ARSC exposure draft. The letter expressed the Board's support and concerns regarding suggested rule changes in the exposure draft.

Member Ley stated her concerns on the proposed rule changes for preparation of financial statements. A lengthy discussion took place among the Board and it was determined that the current drafted response be sent to the ARSC Committee.

Motion by Greenwell that the Board approve the prepared response to the ARSC exposure draft. Second by Ley.

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

Agenda Item #11 – 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 I

Motion by Manning to enter into Executive Session. Second by Greenwell.

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

The Board went into Executive Session at approximately 9:20 a.m.

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At approximately 9:48 a.m. Chair Petete entertained a motion to come out of Executive Session and reconvene the Board meeting.

Motion by Greenwell to come out of Executive Session.
Second by Engelbach.

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

There was no formal action taken during the Executive Session.

Motion by Sanner that the Board approve staff salaries, excluding the Executive Director, for FY 2015 as presented. Also, in the event that there is a state mandated salary increase, any raises shall be a part of the state mandated increases. Second by Greenwell.

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

Note: Chair Petete called for a break at approximately 9:50 a.m. and reconvened at 9:58 a.m.

Agenda Item #12 – New Business: No new business.

Agenda Item #13 – Executive Director’s Report: Executive Director Ross reported the following:

- Marc Delametter confirmed to begin his appointment July 1, 2014
- Our Sunset bill, HB 3190, has been passed out of Senate committee
- New outreach materials mailed with May registration notices
- September off site Board meeting scheduled at Southeastern State in Durant
- Attended several legislative meetings
- Rules are expected to be adopted later this month

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

- Attorney General; Legal services for Feb 2014 - \$2,840.97
- BEP One; Mar 2014 rent - \$4,392.00
- Attorney General; Legal services for Mar 2014 - \$2,840.97
- BEP One; Apr 2014 rent - \$4,392.00

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

N/A

Agenda Item #14 – Chair’s Announcements: There were no announcements.

Agenda Item #14b – Announce date and time of the next meeting: It was noted that the next meeting is scheduled to be held on Friday, May 16, 2014, at the Oklahoma Accountancy Board, 201 NW 63rd Street; Suite 210, Oklahoma City, OK 73116.

Agenda Item #15 – Adjourn: There being no further business to come before the Board, Chair Petete entertained a motion to adjourn.

Motion by Sanner to adjourn the meeting. Second by Ley.

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

The meeting was adjourned at approximately 11:40 a.m.

Vicky Petete, Chair

Date

ATTEST:

Barbara Ley, Secretary

APPENDIX I

**Actions Approved by the Executive Director
as of April 18, 2014**

APPLICATIONS FOR TRANSFER OF EXAM CREDITS:

Kendall Elizabeth Lee

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

Cory B Adrian
Nathaniel K Biggs
James Steven Bishop Jr.
Anna Kelly Bledsoe
Clay O Bridges
Nataly Bynum
John Robert Coble
Kaitlyn Krystine Fallin
Kevin Leroy Fortna
Colin Dean French
Sara Roxanne Fultz
Samuel Mark Greenwood
Aaron Harper
Supattara Honea
Matthew Joseph Hrencher
Janine Nicole Jenkins
Sean Keller
Candace Marie LaBrun
Amy Lynn LaMay
Kendall Elizabeth Lee
Sean Spencer Lefton
Oz Mitchell
Saunya D. Moore
Hien Thanh Parker
Terri Lynn Reams
Joseph Charles Robertson
Ashley Evelyn Rose
Caleb M. Shough
Samantha Beth Siebert
Amy L. Swint
Brett Conner Thompson
Linda Turnbull
Xiaotang Wang
Mitchel Graham Wegener
Michael David Williams
Joyce L. Wolfe

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

R. Todd Bryant (Texas)
 Joel B. Forester (Kansas)
 Virginia Ruth Heizer (Kentucky)
 Robert Anthony Jetton (Arkansas)
 Caroline R. Rozek (Maryland)
 Scott James Skarda (District of Columbia)
 Brandon Lee Thompson (Texas)
 Lynne Collier Womble (Texas)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

Conliff Blankinship	5894
Chris Bockelman	13459
James Cravens	16847
Susan Denton	13823
Clint Nevil	4486
Robert A. Newman	2985
Helen Rambo	12354
Crissy Wright	15347

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:

Cox, Holsted & Wade, P.C.
 Cray, Kaiser LTD. (Illinois)
 Daniel R. McCormick, C.P.A., P.A. (Arkansas)
 George M. Kern, CPA, PC
 Gerald K. Burrows, CPA, P.C.
 Offsite Accounting and Consulting, P.C.
 Postlethwaite & Netterville (A Professional Accounting Corporation) (Louisiana)

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:

Kathryn Ann Hewitt, LLP (non-CPA owner)
 Steven L. Wilson & Associates, Certified Public Accountants, LLP

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:

Blake and Statham CPAs, PLLC
 CFO Solutions PLLC
 Corrigan, Krause, Harrison, Long, Harsar, CPA's LLC (Ohio)
 DBA CPA PLC
 JPS CPA PLC
 Kent West, CPA PLLC

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Kristi Isacksen CPA, PLLC
Langley & Littlefield, PLLC
RJW CPA PLC

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

No Longer Practicing in Oklahoma:

Timothy Rains	4498	Issued July 20, 1978
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No Longer Residing in Oklahoma:

Lee Gustafson	15409	Issued August 5, 2002
Tammy Mohaupt	15788	Issued August 1, 2003

Retired:

William Cathey	1899	Issued August 6, 1966
Rockwell Freed	16933	Issued July 14, 2008
Robert Massago	3648	Issued January 27, 1976
Sharon Rooker	14244	Issued August 3, 1998
Kimberly Schlittler	7723	Issued July 26, 1984
Edward Shaw	3817	Issued July 19, 1976
Thomas Tays	8081	Issued January 31, 1985

DECEASED REGISTRANTS:

CPAs:

Gretchen Boyer	10512	Issued July 27, 1989
Patricia Brandon	8094	Issued January 31, 1985
Wilford Dixon	114	Issued July 8, 1968
Gregory Entwistle	3078	Issued January 28, 1974
Robert Patterson	3658	Issued January 27, 1976

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

CPAs:

CertNo.	Name	Revocation Date
6200	SHERRI MOORE	Feb 1, 2014
10250	JOHN MATHESON	Feb 1, 2014
12061	HARROLD MCDERMOTT	Feb 1, 2014
13823	SUSAN DENTON	Feb 1, 2014
14299	BRENDA KAY BACON	Feb 1, 2014
16859	NATHAN P. WILLSEY	Feb 1, 2014
17075	ELIZABETH CALHOUN	Feb 1, 2014
2728	JAMES D. HALL	Mar 1, 2014
6860	DAVID BRAGG	Mar 1, 2014
7755	LESLIE R. TUCKER	Mar 1, 2014
11076	KATHY LAQUITA BECKNER	Mar 1, 2014
4404	GEORGE DAVID ACREE	Apr 1, 2014
13740	PRESTON ARTHUR OCHSNER	Apr 1, 2014

INACTIVE FIRMS:

Sole Proprietorships:

Longcrier & Associates, CPAs (California)

CPA Corporations:

Kathryn Ann Hewitt, CPA, Inc., PC

Steven L. Wilson & Associates, Certified Public Accountants, P.C.

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

Nathaniel K. Biggs
Anna Bledsoe
Clay O. Bridges
Monica C. Crandall
Lola A. Dechant
Kevin L. Fortna
Sara R. Fultz
Matthew J. Hrencher
Janine N. Jenkins
Sean A. Keller
Gregory K. Kichler
Candace M. LaBrun
Amy L. LaMay
Kendall E. Lee
Russell P. Lowe
Oswaldo Mitchell
Clint S. Oare
Hien T. Parker
Teresa L. Reams
Joseph C. Robertson
Ashley Rose
Samantha B. Siebert
Katie J. Smith
Adam R. Stout
Brett C. Thompson
Courtney N. Stewart Van Dyke
Xiaotang Wang
Michael D. Williams
Joyce L. Wolfe
Crystal J. Wunch

Non-CPA verifier

Samuel M. Greenwood
Aaron M. Harper
Supattara Honea
Matthew W. Russell