

OKLAHOMA ACCOUNTANCY BOARD**MINUTES OF REGULAR MEETING**

May 22, 2015

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, May 22, 2015, 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:

Mike Sanner, CPA, Chair
Jay Engelbach, CPA, Vice Chair
Jody Manning, Secretary
Barbara Ley, CPA, Member
David Greenwell, CPA, Member
Marc Delametter, CPA, Member

Board staff present at the meeting: Randy Ross, Executive Director; Colin Autin, Deputy Director; Lalisa Semrad, Enforcement Coordinator; Chloe Nettey, Accountant and Rebekah Flanagan, Administrative Assistant. Assistant Attorney General John Crittenden was also present.

Agenda Item #1a – Call To Order: At approximately 8:30 AM Chair Sanner called the meeting to order.

Agenda Item #1b – Declaration of Quorum: Chair Sanner 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): Member Cunningham was absent. Chair Sanner excused her absence.

Agenda Item #2 – Announcement of Visitors: The following visitors were present for the appropriate time: Eric Johnson and Daryl Hill, representing the OSCPA; Dean Taylor, representing the OSA; Rob Ramana, with Calvert Law Firm; Katherine Farrow, Respondent; and Jana Hazelbaker, the court reporter.

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

Agenda Item #4 – Consent Agenda: The Consent Agenda contained four items for the OAB's consideration; (1) Approve the Minutes of the April 17, 2015, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for FY 2015, for the month ended April 30, 2015; (3) Take official notice of the experience verification applications which have been approved by the Executive Director; and

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(4) Approve the actions taken by the Executive Director on applications and registrations filed since the previous meeting.

Motion by Manning that the Board approve the Consent Agenda. Second by Engelbach.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

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

ADMINISTRATIVE CONSENT ORDERS:

Case No. 2050 – Carey L. Haynie, CPA

This case was opened as a result of a referral by the CPE Coordinator that Respondent was 2 hours short of the 120-hour minimum for the three year period 2010-2012. Respondent has submitted certificates for 2 hours taken in 2014 to apply to the shortfall. 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 \$660.96, which must be paid within 30 days from the effective date of this Order. In addition, a proven violation of this ACO, the Act or the Board's Rules authorizes the Board to take such other and further action as the Board may deem appropriate under the Act. The Enforcement Committee recommends the Administrative Consent Order in this case be approved by the Board.

OAB Records Summary

CPE Status: Registrant is now in compliance (after adjustment). Registrant reported 27 hours for 2010 (includes 2 hours ethics); 34.5 hours for 2011 (includes 0 hours ethics); 59 hours for 2012 (includes 2 hours ethics); and 34 hours for 2013 (includes 2 hours ethics).

Peer Review Status: N/A.

Case No. 2051 – Bruce John Scambler, CPA

Respondent was charged with and pleaded no contest to assault and battery with a dangerous weapon. Respondent was given a deferred sentence, but failed to report the arrest and charges to the Board within thirty days or on Respondent's annual registration form. An Administrative Consent Order was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$1,000, plus costs and attorney fees in the amount of \$570.48, which must be paid at a rate of \$500 per month until paid in full. The first payment shall be due within 30 days from the effective date of this Order. In addition, a proven violation of this 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 52 hours for 2011 (includes 5 hours ethics); 42 hours for 2012 (includes 4 hours ethics); and 40 hours for 2013 (includes 4 hours ethics).

Peer Review Status: N/A.

Motion by Engelbach that the Board approve the ACOs for the following cases: 2050 and 2051. Second by Ley.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

FILES TO CLOSE:

File 2168 – Cancelled CPA

This file was opened after the registrant failed to report CPE for 2012 and also failed to take the CPE exemption for that same year. The registrant claimed no accounting-related work was done that year and later requested cancellation of registrant's certificate due to retirement, which was granted. Therefore, the Enforcement Committee recommends that the file be closed.

File 2173 – CPA

This file was opened due to a complaint alleging self-dealing by the registrant, who serves as director of a non-profit entity. The assigned investigation found no evidence of a violation of the Act or Board's Rules; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 40 hours for 2011 (includes 0 hours ethics); 41 hours for 2012 (includes 4 hours ethics); and 40 hours for 2013 (includes 0 hours ethics).

Peer Review Status: N/A.

File 2180 – CPA Firm

This file was opened when the registrant firm was revoked for failing to register, and then reinstated approximately three months later. The firm manager submitted evidence to show that the firm was not serving clients while it was revoked; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

Peer Review Status: N/A.

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File 2185 – CPA

This file was opened due to a complaint filed by a member of an LLC alleging the registrant failed to provide records to the member and that the registrant attempted to modify the ownership percentages of the LLC. 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 hours for 2011 (includes 2 hours ethics); 52 hours for 2012 (includes 10 hours ethics); and 40 hours for 2013 (includes 2 hours ethics).
Peer Review Status: N/A.

Motion by Engelbach that the Board close the following files: 2168, 2173 and 2180. Second by Greenwell.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

Motion by Engelbach that the Board close file no 2185. Second by Greenwell.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

- Proposed professional investigator contracts for fiscal year 2016

Currently, the Board does not have the proposed fiscal year 2016 contract rate for Ben Kemendo. Therefore, approval will be held over.

Motion by Engelbach that the Board approve the professional investigator contracts, with the exception of Ben Kemendo. Second by Greenwell.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

Member Engelbach presented the enforcement activity report, as of May 21, 2015, to the Board for informational purposes.

Agenda Item #6 – Discussion and possible action on report from the Audit and Budget Committee:

Currently, the Board does not have the proposed fiscal year 2016 contract rate for Doug Price, CPA, ALJ. Therefore, approval will be held over.

- Proposed professional service contracts for fiscal year 2016

Motion by Manning that the Board approve the professional service contracts for FY '16 as presented. Second by Engelbach.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

Agenda Item #7 – Discussion and possible action to recommend Southwest Region member to the National Association of State Board of Accountancy Nominating Committee (NASBA): Brief discussion took place among the Board regarding the nomination of Barbara Ley, CPA.

Motion by Greenwell that the Board nominate Barbara Ley, CPA, to the NASBA Nominating Committee. Second by Delametter.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

Member Ley expressed her gratitude for the OAB's support of her candidacy to the Nominating Committee.

Agenda Item #8 – Discussion and possible action on request from NASBA to utilize OAB candidate data from the National Candidate Database for a Kansas State University study on the relationship between earning Advance Placement credit and CPA Examination performance (calendar year 2014): Discussion took place among the Board. It was determined that the information requested by NASBA would not include personal details, only non-identifying data.

Motion by Manning that the Board honor NASBA's request and provide the information. Second by Delametter.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

Agenda Item #9 – Discussion and possible action on the NASBA Regional Directors' Focus Question Responses: The Board reviewed the compilation of responses from other jurisdictions. There was no action requested nor taken.

Agenda Item #10 – Discuss and act on election of officers pursuant to Section 15.4.A of the Oklahoma Accountancy Act: Chair Sanner addressed this item and entertained motions related to the election of the Board officers for the 2015-2016 fiscal year.

Chair Sanner entertained motions related to the election of Secretary for the next fiscal year.

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Motion by Engelbach that David Greenwell be elected Secretary of the OAB for FY 2016. Second by Ley.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

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

Motion by Greenwell that Barbara Ley be elected Vice Chair of the OAB for FY 2016. Second by Engelbach.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

Chair Sanner then entertained motions related to the election of Chair for the next fiscal year.

Motion by Ley that Jay Engelbach be elected Chair of the OAB for FY 2016. Second by Greenwell.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

Agenda Item #11 – New Business: There was no new business.

Agenda Item #12 – Discussion and possible action on report from the Executive Director:

Updates

- Attended Senate confirmation hearing with Mike Sanner where he was recommended to the full senate.
- Continuing to monitor several bills in the legislature that could impact the OAB.
- Staff continues to work on internal projects including imaging. We are sending to surplus three vertical file cabinets allowing us to repurpose space from storage to usable office space.
- Continuing to monitor budget process at the Capitol and its impact on the OAB.
- Participated in the Southwest Regional Conference Call on 5-5-15.
- SB 370 has been signed by the Governor. (succession legislation)
- Chloe Nettey has been with the State of Oklahoma 10 years (5 years with the Board)

- Lalisa Semrad has been with the State of Oklahoma for 5 years

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

- Scott Forbes PI LLC; Investigative Services - \$2,825.00
- BEP One Limited Partnership; May 2015 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:

- Calvert Law Firm; Legal Services - \$5,103.72

Note: Chair Sanner called for a break at approximately 8:52 AM and reconvened at 9:00 AM.

Hearing Docket

Case No. 2054 – Hearing in the matter of the Application to Reinstate the Certificate of Katherine Lee Farrow: This matter came for hearing at 9:00 AM. 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 her Certificate.

Following opening statements by the Respondent, Special Prosecutor Ramana moved for the admission of State's Exhibits 1- 6. At the recommendation of Assistant Attorney General Crittenden, Chair Sanner accepted the Exhibits into the record.

The State called no witnesses. The Respondent called no witnesses. The Respondent made her case as to why her certificate should be reinstated. The Special Prosecutor provided no rebuttal.

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

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

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The Board entered into Executive Session at approximately 9:38 AM.

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

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

The Board came out of Executive Session at approximately 9:50 AM.

Let the record reflect that during the Executive Session the Board only deliberated on the evidence presented and did not take any votes or action.

Discussion took place among the Board on whether the Respondent was in compliance with the CPE requirements to reinstate her certificate. Board staff presented documentation confirming the Respondent was currently in compliance.

Motion by Greenwell that the Board enter the documentation of Respondent's proof of CPE compliance into record. Second by Engelbach.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

Motion by Greenwell that the Board Reinstate the Certificate of Katherine Lee Farrow. Second by Manning.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

Motion by Ley to adjourn the Hearing. Second by Engelbach.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

The Hearing was adjourned at approximately 10:07 AM.

Agenda Item #13 – Chair's Announcements: There were no announcements.

Agenda Item #13b – Announce date and time of the next meeting: It was noted that the next meeting is scheduled to be held on Friday, June 12, 2015, at the OAB Board Room, 201 N.W. 63rd Street, Suite 210, Oklahoma City, OK 73116.

Agenda Item #14 – Adjourn: There being no further business to come before the Board, Chair Sanner entertained a motion to adjourn.

Motion by Manning to adjourn the meeting. Second by Delametter.

Affirmative Votes: Engelbach, Ley, Greenwell, Sanner, Delametter, and Manning.

The meeting was adjourned at approximately 10:11 AM.

Mike Sanner, Chair Date

ATTEST:

Jody Manning, Secretary Date

APPENDIX I

Actions Approved by the Executive Director As of May 22, 2015

APPLICATIONS FOR TRANSFER OF EXAM CREDITS:

Stacey Hankinson
Adam Neighbors
Lindsay Zimmerman

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

Mikki R. Allen
Mark Richard Fiegener
Fan Gao
Stacey Rae Hankinson
Michael Charles Kemper
Robert Andrew Neville
Kevin Sean Smith
Brock Daniel Stoltzfus
Gabriel Quinn Stroh
David John Thacker
Chris Toler
Krystle Collins Walden
Lindsay Renee Zimmerman

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

Jennifer C Jacobson (South Carolina)

APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

Robyn Harris 14507

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:

Emerald Associates, P.C.
Jason F. Clausen, P.C. (Michigan)

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:

EisnerAmper LLP (New York)
McConnell and Jones LLP (Texas)

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:

Effiong CPA PLLC

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

No Longer Practicing in Oklahoma:

Ronald Bostwick	8741	Issued January 23, 1986
Nathan Nelson	17522	Issued August 16, 2013

No Longer Residing in Oklahoma:

Nicklaus Freyaldenhoven	17612	Issued November 27, 2013
Gary Lewis	5211	Issued June 20, 1980
Jared Wenger	17383	Issued November 21, 2012

Retired:

Brad Johnson	4108	Issued July 18, 1977
David Lundquist	13242	Issued November 16, 1995

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

Cert No.	Name	Revocation Date
3172	Zackie Wayne Burcham	May 1, 2015
10031	Archie M. Pounds	May 1, 2015
11965	Randall A. Bold	May 1, 2015
12245	Jennifer Dawn Beatty	May 1, 2015
15656	Kevin P. Smith	May 1, 2015
16549	Jennifer M. Holloway	May 1, 2015

DECEASED REGISTRANTS:

CPAs:

Frank McGregor	5999	Issued January 29, 1982
Michael Parks	12580	Issued January 21, 1994
Tommy Yarbrough	5173	Issued January 28, 1980

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INACTIVE FIRMS:

CPA Corporations:

Arthur W. Mires, Jr., P.C.
Becky Taylor, CPA, P.C.
Bergan, Paulsen & Company, P.C. (Iowa)
Havrilla & Goranson, P.C.
J. Larry Wilkes, Inc.
Pettus and Company, P.C.
Steakley & Gilbert, P.C.
Turner, CPA. P.C.

CPA Limited Liability Companies:

Busby Ford & Reimer, LLC (Kansas)

**Experience verification applications approved by the
Executive Director as of May 22, 2015**

Emilie E. Blakeley
Mark W. Choate
Daniel A. Derryberry
Chuong Q. Do
Stacey R. Hankinson
William A. McDonough
Robert A. Neville
Rachel M. Olsen
Tara E. Rains
Peilin Shi
Amber D. Simpson
Kevin S. Smith
Gabriel Q. Stroh
David A. Willis
Lindsay R. Zimmerman