

OKLAHOMA ACCOUNTANCY BOARD

MINUTES OF REGULAR MEETING

October 16, 2015

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, October 16, 2015, at the Oklahoma Accountancy Board, 201 NW 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:

Jay Engelbach, CPA, Chair
Barbara Ley, CPA, Vice Chair
David Greenwell, CPA, Secretary
Mike Sanner, 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; and Rebekah Flanagan, Administrative Assistant. Assistant Attorney General John Crittenden was also present.

Agenda Item #1a – Call To Order: At approximately 10:02 AM Chair Engelbach called the meeting to order.

Agenda Item #1b – Declaration of Quorum: Chair Engelbach 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 Delametter was absent. Chair Engelbach excused his absence.

Agenda Item #2 – Announcement of Visitors: The following visitors were present for the appropriate time: Dean Taylor, representing the OSA; Patty Hurley, representing the OSCPA; and Jared Thulin and Marcos Martinez with the State Auditor and Inspector's Office.

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 September 18, 2015, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for FY 2016, for the month ending September 30, 2015; (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 Manning that the Board approve the Consent Agenda. Second by Sanner.

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

Member Ley suggested several changes to Agenda Item 8 of the September Minutes.

Motion by Greenwell to amend the previous motion and that the Board approve the Consent Agenda upon completion of the suggested corrections and additions to Item 8 of the September 2015 Minutes. Second by Ley.

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

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

ADMINISTRATIVE CONSENT ORDERS:

Case No. 2064 – Wanda Karen Coleman, CPA

This case was opened as a result of a referral by the CPE Coordinator that Respondent was 17 hours short of the 120-hour minimum for the three year period 2011-2013 and 44 hours short for 2012-2014. 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 \$199.24, which must be paid within 30 days from the effective date of this Order. In addition, Respondent shall complete 44 hours of CPE within 60 days to apply to the shortage. 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 not in compliance. Registrant reported 27 hours for 2011 (includes 4 hours ethics); 76 hours for 2012 (includes 4 hours ethics); 0 hours for 2013; and 0 hours for 2014.

Peer Review Status: N/A.

Case No. 2065 – Marla Swart Ellis, CPA

This case was opened as a result of a complaint that the Respondent failed to obtain required authorization from a taxpayer before electronically filing the taxpayer's return.

1963.

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 \$116.25, which must be paid within 30 days from the effective date of this Order. 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 44 hours for 2012 (includes 0 hours ethics); 44 hours for 2013 (includes 4 hours ethics); and 47 hours for 2014 (includes 0 hours ethics).

Peer Review Status: N/A.

Case No. 2066 – Allen E. Lyda, CPA

This case was opened as a result of a referral by the CPE Coordinator that Respondent was 23 hours short of the 120-hour minimum for the three year period 2011-2013 and 31 hours short for 2012-2014. 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 \$199.24, 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 reported 40 hours for 2011 (includes 0 hours ethics); 39 hours for 2012 (includes 0 hours ethics); 18 hours for 2013 (includes 0 hours ethics); and 32 hours for 2014 (includes 0 hours ethics).

Peer Review Status: N/A.

Case No. 2067 – David Haskell Ratliff, CPA

This case was opened as a result of a referral by the CPE Coordinator that Respondent was 22 hours short of the 120-hour minimum for the three year period 2012-2014. 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 \$239.24, which must be paid within 30 days from the effective date of this Order. In addition, Respondent shall complete 22 hours of CPE

within 60 days to apply to the shortage. 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 not in compliance. Registrant reported 41 hours for 2012 (includes 2 hours ethics); 37 hours for 2013 (includes 2 hours ethics); and 20 hours for 2014 (includes 0 hours ethics).

Peer Review Status: N/A.

Case No. 2069 – Phillip D. Cox, CPA

This case was opened as a result of a referral by the CPE Coordinator that Respondent was 18 hours short of the 120-hour minimum for the three year period 2012-2014. 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 \$219.24, which must be paid within 30 days from the effective date of this Order. In addition, Respondent shall complete 18 hours of CPE within 30 days to apply to the shortage. 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 not in compliance. Registrant reported 52 hours for 2012 (includes 8 hours ethics); 20 hours for 2013 (includes 0 hours ethics); and 30 hours for 2014 (includes 1 hour ethics).

Case No. 2070 – James Werner Hagemann, CPA

This case was opened as a result of a referral by the CPE Coordinator that Respondent was 8.5 hours short of the 120-hour minimum for the three year period 2012-2014. 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 \$219.24, which must be paid within 30 days from the effective date of this Order. In addition, Respondent shall complete 8.5 hours of CPE within 30 days to apply to the shortage. 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 not in compliance. Registrant reported 43 hours for 2012 (includes 2 hours ethics); 38 hours for 2013 (includes 0 hours ethics); and 30.5 hours for 2014 (includes 2 hour ethics).

1965.

Peer Review Status: N/A.

Case No. 2072 – McConnell & Jones, LLP, CPA Firm

This case was opened as a Department of Labor audit referral, which reported Respondent performed eight years of ERISA audits for an Oklahoma based client before registering with the Board. 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 \$715, which must be paid within 30 days from the effective date of this Order. 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

Peer Review Status: Registrant Firm is in compliance.

Motion by Ley that the Board approve the following Administrative Consent Orders: 2064, 2065, 2066, 2067, 2069, 2070 and 2072. Second by Greenwell.

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

FILES TO CLOSE:

File 2073 – Revoked CPA

This file was opened as a result of a complaint that the registrant failed to complete a client's tax return timely and also failed to follow up with the IRS on several tax issues relating to the same client. In addition, the Board was also notified that the registrant surrendered his Texas law license in lieu of disciplinary action. During the investigation of these matters, the registrant's CPA certificate was revoked for failure to register. Therefore, the Enforcement Committee recommends that the file be closed with a note to the registrant's file to require a show cause hearing if the registrant applies for reinstatement.

File 2086 – Revoked CPA

This file was opened as a result of the registrant self-reporting an arrest for solicitation. The registrant later pleaded nolo contendere to the charge and received a deferred sentence, however, the registrant's CPA certificate was revoked around that time for failure to register. Therefore, the Enforcement Committee recommends that the file be closed with a note to the registrant's file to require a show cause hearing if the registrant applies for reinstatement.

File 2184 – CPA

This file was opened as a result of a complaint from an employer that the registrant awarded himself unearned paid vacation on the company's records and that the registrant used company funds to pay a personal credit card. Evidence submitted by the registrant pointed to a misunderstanding of how vacation time was accrued and a careless mistake in the payment of the credit card, which was reported to the employer by the registrant. The funds were reimbursed immediately by the registrant once the mistake was discovered. Therefore, the Enforcement Committee recommends that the file be closed with a private reprimand issued to the registrant upon approval by the Attorney General's office.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 48 hours for 2012 (includes 4 hours ethics); 42 hours for 2013 (includes 1 hour ethics); and 42 hours for 2014 (includes 4 hours ethics).

Peer Review Status: N/A.

File 2198 – CPA

This file was opened after the registrant failed to submit the required documentation to renew a permit to practice. The registrant reported practicing public accounting as secondary employment on the annual renewal form; however later reported not needing the permit due to accepting a job in industry. There is no evidence that the registrant was practicing public accounting; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 56 hours for 2012 (includes 2 hours ethics); 43 hours for 2013 (includes 2 hours ethics); and 43 hours for 2014 (includes 2 hours ethics).

Peer Review Status: N/A.

Motion by Ley that the following Files be closed: 2073, 2086, 2184 and 2198. Second by Cunningham.

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

Agenda Item #6 – Discussion and possible action on report from Audit and Budget Committee: Jared Thulin and Marcos Martinez presented to the Board the FY 2015 audit of the Oklahoma Accountancy Board.

- State Auditor and Inspector's 2015 fiscal year audit of the Oklahoma Accountancy Board

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Motion by Manning that the Board approve the audit report as presented. Second by Cunningham.

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

Agenda Item #7 – Report from the Executive Committee on the September 28, 2015, Budget Cabinet meeting: Chair Engelbach and Deputy Director Autin informed the Board of the subjects and content discussed in the Budget Cabinet meeting.

Lengthy discussion took place among the Board.

Agenda Item #8 – NASBA updates regarding the ten-day testing extension and fee changes for the new version of the CPA Examination scheduled to begin in the second quarter 2017: Executive Director Ross updated the Board on the coming changes to the Uniform CPA Examination and its launch date.

Agenda Item #9 – Discussion and possible action for the selection of the OAB voting representative and alternate at the NASBA annual meeting: Chair Engelbach informed the Board that he would not be attending the NASBA annual meeting and would need an alternate voting representative. It was decided that Vice Chair Ley would be the designated voting representative.

Motion by Greenwell that the Board designate Vice Chair Ley as the voting representative for the NASBA annual meeting. Second by Cunningham.

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

Agenda Item #10 – New Business: There was no new business.

Agenda Item #11 – Discussion and possible action on report from the Executive Director:

Updates

- Quote for Phase II logic for renewal systems received from OMES IT.
- Goals and performance measures year-to-date.
- Oklahoma registrant demographics.
- California and Nebraska Attorney's General opinions on the Supreme Court decision on the North Carolina Dental Board case.
- Board has an appointment to the Incentive Evaluation Commission.

- Working on language for legislation with other Executive Directors to address AG opinion and Governors Executive Order.
- Will be on a panel at the NASBA annual meeting discussing the DOL project.
- Overall statistics for testing Window 2015 Q3.

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

- Calvert Law Firm; Legal services for Jul 2015 - \$2,823.45
- BEP One; Oct 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:

- State Auditor and Inspector; Aug 2015 Auditing services - \$6,286.25
- USPS; Postage - \$10,000.00

Agenda Item #12a – Discussion and possible action on report from Chair:

- Semi-annual CPA Recognition Ceremony – November 21, 2015, Oklahoma State Capitol, 2300 North Lincoln Boulevard, House of Representative Chambers

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, November 20, 2015, 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 Engelbach entertained a motion to adjourn.

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

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

The meeting was adjourned at approximately 10:58 AM.

Jay Engelbach, Chair

Date

ATTEST:

David Greenwell, Secretary Date

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APPENDIX I

Actions Approved by the Executive Director As of September 18, 2015

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

Yvonne Beecham
Cole William Billings
Amber Dawn Blythe
Kevin Boyd
Susan Deann Broaddus
Taryn Kessler Colón
Daniel Aaron Derryberry
Chuong Quoc Do
Ana M. Franco
Kyle Wesley Henry
Casey Tamar Hostetler
Jeremy Lee Johnson
G. Celeste Lipp-Krysler
Phillip D. Martin
Jordan Lee Mayes
Taylor Scott Mayes
John David McFarlin
Adam Glenn Neighbors
George Rogers Overbey
Nicholas D. H. Parson
Tian Peng
Ronald Eugene Petty III
Benjamin Jacob Provens
Megan Lynn Robinson
William Trey Rodman
Brian Karl Rose
Christine Ann Schrameck-Hawkins
Travis W. Shatley
Ervin Sheati
Kenneth Dalton Shropshire
Amber Dawn Simpson
Aaron John Spoon
Caleb Tanner Stogner
Shelby Stone
Kolton Doyle Taylor
David A. Willis

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

Andy Jose Avila Escobar (Colorado)
Tyler F Bernier (Minnesota)

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Nancy M. Mouser, CPA P.C.

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

No Longer Practicing in Oklahoma:

| | | |
|--------------------|-------|-------------------------|
| Kent Bacon | 10364 | Issued July 27, 1989 |
| Thomas Burke | 13223 | Issued July 28, 1995 |
| April Gallagher | 16912 | Issued July 20, 2010 |
| Frederick Mischler | 16558 | Issued December 3, 2008 |

No Longer Residing in Oklahoma:

| | | |
|--------------|------|----------------------|
| Pamela Pope | 5318 | Issued July 25, 1980 |
| Jack Prather | 5320 | Issued July 25, 1980 |

Retired:

| | | |
|-----------------|-------|--------------------------|
| Fred Buck | 4188 | Issued November 21, 1977 |
| Edgar Burns | 3453 | Issued July 28, 1975 |
| Suzanne Engle | 5934 | Issued January 29, 1982 |
| Barbara Shannon | 12606 | Issued January 21, 1994 |

DECEASED REGISTRANTS:

CPAs:

| | | |
|----------------|-------|-------------------------|
| Kyp Hardaway | 11129 | Issued January 31, 1991 |
| Yvette Harjo | 3935 | Issued January 24, 1977 |
| Charles Salter | 11052 | Issued October 22, 1990 |
| Bradley Womack | 13222 | Issued July 31, 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 |
|-----------------|-------------------------|------------------------|
| 2994 | William Henry Schaefer | Aug 1, 2015 |
| 4075 | Doyle Tilden Beekman | Aug 1, 2015 |
| 7402 | Susan Baker Sparger | Aug 1, 2015 |
| 8128 | Frederick J. O'Laughlin | Aug 1, 2015 |
| 15636 | Jake Harris Winsett | Aug 1, 2015 |
| 16520 | Eric Clayton Lewis | Aug 1, 2015 |
| | | |
| 10248 | Keith D. Martin | Sept 1, 2015 |
| 11469 | Brent Ray Taylor | Sept 1, 2015 |
| 12484 | John M. Gibson | Sept 1, 2015 |
| 13131 | Guoliang Huan | Sept 1, 2015 |
| 16036 | Lixia Hou | Sept 1, 2015 |
| 17026 | Brian W. Jackson | Sept 1, 2015 |

INACTIVE FIRMS:

CPA Limited Liability Companies:

Langley-Littlefield-Ober, Certified Public Accountants, PLLC
 Nancy E. Gaden, CPA PLLC
 Robert Frame and Associates, PLLC

EXPERIENCE VERIFICATION:

Applications approved by the Executive Director as of September 18, 2015

Yvonne Beecham
 Cole W. Billings
 Amber D. Blythe
 Miles F. Cox
 Kyle W. Henry
 Seth A. Lemke
 Raylen S. Lyles
 Taylor S. Mayes
 Alison A. Mayfield
 John D. McFarlin
 Olanrewaju Ogunsaju
 Lauren R. Overton
 Laura M. Perry
 Ronald E. Petty III
 Benjamin J. Provens
 Megan L. Robinson

1973.

William T. Rodman
Brian K. Rose
Travis W. Shatley
Ervin Sheati
Kenneth D. Shropshire
Riki R. Smith
Caleb T. Stogner
Shelby M. Stone
Kolton D. Taylor
Kara L. Watkins
Peter T. Woodson