

**OKLAHOMA ACCOUNTANCY BOARD****MINUTES OF REGULAR MEETING**

September 18, 2015

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, September 18, 2015, at the Oklahoma City University Meinders School of Business, 2501 N. Blackwelder, Oklahoma City, Oklahoma 73106. 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  
Marc Delametter, 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 Grable, CPE Coordinator; Melissa Schosser and Rebekah Flanagan, Administrative Assistants. Assistant Attorney General John Crittenden was also present.

**Agenda Item #1a – Call To Order:** At approximately 8:35 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 Sanner 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; Daryl Hill and Eric Johnson, representing the OSCP; Steven Agee, Ph.D, Dean of the Meinders School of Business; Randy Murray, CPA, Oklahoma City University Adjunct Professor of Accounting; and various Oklahoma City University Accounting students.

**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 July 17, 2015, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for FY 2016, for the months ended August 31, 2015 and September 30, 2015; (3) Take official

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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 3/2015 Examination, July and August 2015.

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

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

**Agenda Item #8 – Discussion and possible action on report from the Rules Promulgation and Legislative Committee:**

- **New enforcement procedure: Letter from Attorney General Scott Pruitt to Governor Mary Fallin; Governor's Executive Order 2015-33; Governor's email clarifying her Executive Order, Attorney General's Opinion; Attorney General's Q&A document**

Executive Director Ross informed the Board of the process by which staff received the Governor's Executive Order and instruction from the Attorney General regarding the new mandatory procedures. There was confusion upon receiving the Executive Order and subsequent opinion from the Attorney General. After discussing the matter with Assistant Attorney General Crittenden, Board staff determined new administrative procedures will need to be devised.

Assistant Attorney General Crittenden clarified to the Board the need for the new mandatory oversight from the Attorney General's Office. He stated that Governor Fallin and Attorney General Pruitt were concerned for the volunteer board members throughout the state and the liability they potentially face in regards to anti-trust laws. Therefore, they decided procedures need to be in place to make sure the sovereign immunity shield of Oklahoma protects board members. The new responsibility of the Attorney General's Office is to actively supervise, through formal opinions, issues relating to anti-competitive behavior that boards may encounter. This will consist of legally binding formal opinions being issued upon request from the boards. The new procedures will not include the necessary review of affirmative decisions but, rather negative decisions of denials, restrictions, and disciplinary actions against licenses and non-licensees. This ensures a process the Federal Government must recognize.

Assistant Attorney General Crittenden suggested the Board could develop a standard agenda item motion or approve a one-time directive that directs the Executive Director to send enforcement actions, or any other board actions that meet the criteria outlined by the Governor or Attorney General, to the Attorney General to request a formal opinion.

Motion by Greenwell that the Board direct the Executive Director and all OAB employees to comply with directives from the Governor and Attorney General and to seek Attorney General review of arguably anti-competitive actions as pursuant to the Governor's Executive Order 2015-33. Second by Cunningham.

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

- **NASBA response to Governor's Executive Order 2015-33**

Executive Director Ross informed the Board of NASBA's role in assisting the staff with clarification of the Governor's Executive Order.

**Agenda Item #9 – Discussion and possible action to refer Dennis Hampton, #4275 REVOKED, to District court for holding out:** Member Ley informed the Board of the complaint against Mr. Hampton.

Mr. Hampton's certificate was revoked in July of 2014 for violation of Sections 10:15-39-9 and 10:15-39-1(a) of the Board's Rules in effect during the relevant time and for violating Rule 102-2 of the AICPA Code of Professional Conduct.

Evidence was presented that Mr. Hampton was still holding out as a CPA. A lengthy discussion took place among the Board.

Motion by Ley that, upon Attorney General approval the Board obtain a referral to District Court for an injunction against Mr. Hampton for holding out as a certified public accountant. Second by Greenwell.

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

**Agenda Item #7 – Discussion and possible action on report from the Continuing Professional Education Committee:**

- **NASBA – Changes to the CPE standards: Nano-Learning and Blended Learning Presentation**
- **Jennings letter to NASBA & AICPA regarding Blended Learning & Nano-Learning**

Member Delametter presented this item to the Board and explained the methods of Blended Learning and Nano-Learning CPE.

A lengthy discussion took place among the Board and concerns were expressed on Nano-Learning.

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Motion by Delametter that the Board directs Executive Director Ross to submit a comment letter in regards to NASBA and the AICPA's Exposure Draft in support of Blended Learning and outline the issues discussed on Nano-Learning. Second by Cunningham.

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

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

**FILES TO CLOSE:**

**File 2097 –CPA**

This file was opened as a result of a referral by the State Auditor and Inspector's office that the registrant performed an agreed upon procedure engagement for a government entity while not registered on the government auditors list. The Board's rule at the time of the engagement required registration for audit contracts only. That rule was changed the next year to require registration for any attest engagement. Therefore, the Enforcement Committee recommends that the file be closed.

**OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 25 hours for 2012 (includes 1 hour ethics); 41 hours for 2013 (includes 4 hours ethics); and 55 hours for 2014 (includes 0 hours ethics).

Peer Review Status: Registrant is in compliance.

**File 2112 – CPA**

This file was opened as a result of a complaint that the registrant made a mistake on a client's tax return and then did not follow up timely in correcting the error. 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 49 hours for 2012 (includes 2 hours ethics); 46 hours for 2013 (includes 2 hours ethics); and 40 hours for 2014 (includes 2 hours ethics).

Peer Review Status: N/A.

**File 2178 – CPA**

This file was opened as a result of a complaint that the registrant withheld tax records from the members of an LLC in which the registrant was also a member. In addition,

the complainant alleged that the registrant took money out of the LLC without explanation. Upon further inquiry and examination of the documents, a violation of the Act or Board's Rules was not found; therefore, the Enforcement Committee recommends that the file be closed.

#### **OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 22 hours for 2012 (includes 0 hours ethics); 58 hours for 2013 (includes 4 hours ethics); and 40 hours for 2014 (includes 4 hours ethics).

Peer Review Status: N/A.

#### **File 2204 – Revoked CPA**

This file was opened as a result of a referral by the CPE Coordinator that the registrant was four hours short of meeting the minimum 120-hour CPE requirement for the 2011-2013 period. The registrant was revoked for failure to register before the ACO offer was made. 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.

#### **OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant reported 38 hours for 2011 (includes 4 hours ethics); 42 hours for 2012 (includes 2 hours ethics); and 36 hours for 2013 (includes 12 hours ethics).

Peer Review Status: N/A.

Motion by Ley that the following files be closed: 2097 2112, 2178 and 2204. Second by Greenwell.

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

**Agenda Item #10 – Discussion and possible action on report from the Audit and Budget Committee:** Member Manning presented the FY 2017 Budget Request Program to the Board.

Motion by Manning that the Board accept the preliminary budget as proposed and that Executive Director Ross present it to the Governor's Office as requested. Second by Ley.

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

**Agenda Item #11 – Discussion and possible action on National Association of State Boards of Accountancy Regional Director's Focus Questions:** Executive Director Ross presented the completed NASBA Focus Questions for Board approval. Discussion took place among the Board and several changes were determined necessary.

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Motion by Greenwell that the Board approve the answers to the Focus Questions with the agreed upon changes and submit to NASBA . Second by Manning.

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

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

**Updates**

- Requested clarification on several items from Attorney General's office
- Governor's office receptive to legislation to clean up confusion regarding North Carolina case
  - Staff is restructuring internal procedures to accommodate the Governor's Executive Order and Attorney General letter
- White House: Occupational Licensing: A Framework for Policymakers
- HHS CABINET MEETING-Non appropriated licensing agency EDs were invited to update on the "dire budget" situation for FY-17 and FY-18
- DOL Referral update and discussions with Marcos Aron of DOL; 134 referrals – 20 potential violations
- Meeting with other professional licensing board EDs
- Asked to serve on panel dealing with the DOL audit at the NASBA annual meeting
- Letter from NASBA regarding New Your Times list of universities issuing fraudulent transcripts

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

- BEP One- July 2015 rent; \$4,392.00
- Office of Management & Enterprise Svcs- FY16 workers compensation; \$4,453.00
- Bank of America- June 2015 Credit card charges; \$2,501.42
- Ecapital- FY16 subscription services; \$2,800.00
- BEP One- August 2015 rent; \$4,392.00

- Terry Westemeir CPA- Investigative services; \$3,028.55
- BEP One- September 2015 rent; \$4392.00

**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 – June 2015 Auditing services; \$7,145.00
- State Auditor and Inspector- July 2015 Auditing services; \$6,643.75
- NASBA- FY16 Membership dues; \$6,600.00

Note: Chair Engelbach called for a break at approximately 10:21 AM and reconvened at 10:30 AM.

Note: Member Cunningham left at approximately 10:30 AM.

**Agenda Item #5 – Discussion on report from the Outreach Committee:**

- **Oklahoma Accountancy Board presentation on the Uniform CPA Examination**

Several Board members and Executive Director Ross presented the Uniform CPA Examination presentation.

Note: Assistant Attorney General John Crittenden left at approximately 11:00 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, October 16, 2015, at the OAB Board Room, 201 N.W. 63<sup>rd</sup> Street, Suite 210, Oklahoma City, OK 73116.

**Agenda Item #14 – New Business:** There was no new business.

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

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

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

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The meeting was adjourned at approximately 11:31 AM.

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Jay Engelbach, Chair      Date

ATTEST:

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David Greenwell, Secretary      Date



**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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Chelsea Laine Brewer (California)  
Meghan Shackelford Bruner (Colorado)  
Hanna S. Carter (Tennessee)  
Bryce Allen Engelbert (Colorado)  
Bart John Ferrell (Louisiana)  
Adam Blaine Hardy (Kansas)  
Jennifer Marie Kohlbacher (Georgia)  
Amanda Ann Means (Texas)  
Kristin Wolf Rebenitsch (Missouri)

**APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:**

Mark Holder                      12922

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:**

Joseph P. Norman CPA, PC  
Roosevelt Johnson, Jr., CPA, P.C.  
Stafford & Westervelt, Chartered (Kansas)  
Stayner, Bates & Jensen, PC (Utah)

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:**

Arnett Carbis Toothman LLP (West Virginia)  
Elliott, Robinson & Company, LLP (Missouri)  
Frendel, Brown & Weissman LLP (New York)

**INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:**

Myers and Stauffer L.C. (Missouri)  
Ober & Littlefield, CPAs, PLLC  
Stuart & Associates, PLLC  
The CPA Firm, PLLC  
W Bret Jackson CPA, PLLC

**REINSTATEMENT OF CPA PROFESSIONAL LIMITED LIABILITY COMPANIES:**

CPA Tax Counselors P.L.L.C.

**REINSTATEMENT OF CPA PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:**

Vail & Knauth, LLP (Texas)

**REINSTATEMENT OF CPA PROFESSIONAL CORPORATIONS:**

Cox, Holsted & Associates, P.C.

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

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

<b>Cert No.</b>	<b>Name</b>	<b>Revocation Date</b>
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
	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

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