

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

June 17, 2016

The Oklahoma Accountancy Board (OAB) convened in regular session on Friday, June 17, 2016, at the Oklahoma Accountancy Board, 201 NW 63<sup>rd</sup> Street; Ste. 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  
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; 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 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):** There were no absences.

**Agenda Item #2 – Announcement of Visitors:** The following visitors were present for the appropriate time: Blaine Peterson, representing the OSCPA; Dean Taylor, representing the OSA; Donna McLain, Respondent; Edith Moates, Moates and Associates; and Greg Tims, Respondent. The court reporter was also present.

**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 May 20, 2016, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for FY

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2016, for the month ending May 31, 2016; (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.

Executive Director Ross informed the Board that the Attorney General's office had not approved the ACOs from the previous Board meeting. Therefore, the May Minutes draft presented in the Consent Agenda did not have the names with the corresponding case numbers.

Motion by Ley that the Board approve the Consent Agenda with the appropriate changes to the Minutes to accurately reflect the names of the CPAs entering into consent orders or other enforcement actions once approval is received from the Attorney General's office. Second by Greenwell.

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

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

**ADMINISTRATIVE CONSENT ORDERS:**

**FILES TO CLOSE:**

**File 2196 – Revoked CPA**

This file was opened after a complaint was filed alleging the registrant would not return original documents to a former client. In addition, the registrant appears to have been practicing without a permit. The registrant's certificate has been automatically revoked for failure to register and we were unable to locate the registrant to receive a response to the complaint; therefore, the Enforcement Committee recommends that the file be closed with a note to reopen the investigation in the event the registrant applies for reinstatement.

**File 2225 – Revoked CPA**

This file was opened as a result of a referral from the CPE Coordinator that the registrant was 4 hours short of the 120-hour minimum CPE requirement for 2012-2014. The registrant's certificate has been automatically revoked for failure to register; therefore, the Enforcement Committee recommends that the file be closed with a note to reopen the investigation in the event the registrant applies for reinstatement.

**File 2230 – CPA**

This file was opened as a result of a referral from the CPE Coordinator that the registrant was 1 hour short of the 4 hour minimum ethics CPE requirement for 2012-

2014. The registrant misreported hours and submitted documentation for 5 hours of ethics taken in 2012-2014; therefore, the Enforcement Committee recommends that the file be closed.

### **OAB Records Summary**

CPE Status: Registrant is in compliance (after adjustment). Registrant reported 39 hours for 2012 (includes 1 hour ethics); 69 hours for 2013 (includes 2 hours ethics); and 66 hours for 2014 (includes 2 hours ethics).

Peer Review Status: N/A.

### **File 2231 – CPA**

This file was opened as a result of a referral from the CPE Coordinator that the registrant was 2 hours short of the 4 hour minimum ethics CPE requirement for 2012-2014. The registrant submitted documentation showing severe medical issues that kept the registrant from completing all hours in a timely manner; therefore, the Enforcement Committee recommends that the file be closed and that the registrant be allowed to apply 2 hours of ethics taken in 2015 to 2014 to correct the deficiency.

### **OAB Records Summary**

CPE Status: Registrant is not in compliance. Registrant reported 77.5 hours for 2012 (includes 2 hours ethics); 21 hours for 2013 (includes 0 hours ethics); and 35.5 hours for 2014 (includes 0 hours ethics).

Peer Review Status: N/A.

### **File 2257 – CPA**

This file was opened as a result of a referral from the Licensing Coordinator that the registrant was approximately two weeks late in applying for a reciprocal Oklahoma certificate. The registrant submitted documentation showing that the delay in filing was due to NASBA's delay in deeming the registrant's qualifications to be substantially equivalent; therefore, the Enforcement Committee recommends that the file be closed.

### **OAB Records Summary**

CPE Status: Registrant is in compliance. Registrant was certified in 2015 and has not reported CPE for that year yet.

Peer Review Status: N/A.

### **File 2271 – CPA Firm**

This file was opened as a result of a referral from Peer Review Oversight Committee that the registrant firm received two consecutive substandard peer reviews. The reviews were a "pass with deficiencies", the deficiencies minor, and the remedial

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measures given by the OSCP appear to be sufficient; therefore, the Enforcement Committee recommends that the file be closed.

### **OAB Records Summary**

Peer Review Status: Registrant Firm is in compliance.

Motion by Ley that the Board close the following Files: 2196, 2225, 2230, 2231, 2257 and 2271. Second by Cunningham.

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

**Agenda Item #6 – Discussion and possible action on Semi-Annual CPE Audit Report for July 2014 through December 2014:** Member Delametter presented the Semi-Annual CPE Audit to the Board.

Executive Director Ross informed the Board of the work Heather Grable has put into the CPE Department.

**Agenda Item #7 – Discussion and possible action on exposure changes to the Uniform Accountancy Act and Uniform Accountancy Act Model Rules:** Chair Engelbach addressed this item. He informed Board members that any comments must be submitted to ED Ross quickly so they will have time to be heard by the Board before the September 1<sup>st</sup>, 2016, due date to the AICPA.

**Agenda Item #8 – Discussion and possible action to approve OMES invoice OT00001183; AMANDA Phase II – Milestone 1 of 3:** ED Ross addressed this item. He informed the Board of the progress in Milestone 1 regarding implementation of Phase II of the AMANDA licensing system. Vice Chair Ley inquired about the total cost of Phase II implementation. ED Ross stated that the total cost is about \$30,000.00 and the current invoice is a little over a third of that total.

Brief discussion took place among the Board regarding the possible scrapping of AMANDA by the State of Oklahoma.

Motion by Manning that the Board approve payment of OMES invoice OT00001183. Second by Delametter.

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

**Agenda Item #9 – Discussion and possible action on AICPA's promotion of the Chartered Global Management Accountant designation to non-CPA professionals:** ED Ross addressed this item. He stated that there are numerous Boards opposed to this action by the AICPA and that it would be a topic of discussion at the NASBA Western Regional meeting. He also expressed that Oklahoma statutes are

clear and the OAB holds the current position of not allowing the CGMA designation to be used by non-CPAs.

**Agenda Item #10 – Discussion and possible action on the AICPA’s Proposed Evolution of Peer Review Administration:** ED Ross addressed this item. He reminded the Board that the AICPA released the Proposed Evolution of Peer Review Administration for comment in February, and requests that feedback be submitted by August 1, 2016. Brief discussion took place among the Board. Member Ley suggested the Board send a response through the Executive Committee.

Motion by Ley that the Board approve the Executive Committee to send a response to the AICPA. Second by Greenwell.

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

Note: Chair Engelbach called for a break at approximately 9:01 AM and reconvened at 9:10 AM.

### **Hearings**

**Case No. 2075 – Hearing in the matter of Donna Dee McLain, CPA, Certificate No. 4475:** This matter came for hearing at 9:10 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 Calvert represented the State. Respondent was present and was represented by counsel.

The purpose of this hearing was to determine whether the Respondent practiced without a permit in violation of the act and Board Rules.

Respondent’s counsel requested that Vice Chair Ley and Member Sanner recuse themselves on the basis that they were on the Enforcement Committee during the time this case was being processed. Special Prosecutor Calvert did not object. Vice Chair Ley and Member Sanner recused themselves from the hearing panel.

Special Prosecutor Calvert moved that State’s Exhibits 1-13 be entered into the record. Respondent’s counsel expressed objection to State’s Exhibits 8, 9, 10, 11, and 12. Special Prosecutor Calvert conceded Exhibits 8-12 but reserved the right to bring them into the record if needed. Chair Engelbach accepted the State’s Exhibits 1-13, with exception for Exhibits 8-12, into the record.

Note: Chair Engelbach called for a break at approximately 10:22 AM and reconvened at 10:48 AM.

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Note: Chair Engelbach called for a lunch break at approximately 12:20 PM and reconvened at 1:00 PM.

Special Prosecutor Calvert and Respondent's counsel presented their closing statements. Respondent's counsel objected to the costs and fees presented by Special Prosecutor Calvert and requested an evidentiary hearing on the reasonableness of those fees. The Board agreed to hold an evidentiary hearing following the outcome of the present hearing.

At this time Chair Engelbach entertained a motion to enter Executive Session.

Motion by Greenwell that the Board enter into Executive Session. Second by Cunningham.

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

The Board entered into Executive Session at approximately 1:27 PM.

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

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

The Board came out of Executive Session at approximately 1:59 PM.

Motion by Cunningham that the Board adopt the allegations of fact and conclusions of law and, in addition to those findings the Board, also finds the Respondent held out as a CPA on her window, the CCH website and the Yellow Pages Directory. The Board assesses a fine of \$500.00 and costs to be determined by the evidentiary hearing. Second by Greenwell.

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

The Board immediately conducted an evidentiary hearing on the reasonableness of fees and costs.

Special Prosecutor Calvert moved for the admission of Exhibit 16, the schedule of costs and attorney fees, as well as Exhibit 17, the detailed timeline of costs incurred.

At this time Chair Engelbach entertained a motion.

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

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

The Board entered into Executive Session at approximately 2:18 PM.

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

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

The Board came out of Executive Session at approximately 2:24 PM.

Motion by Delametter that the Board assess costs for the hearing in Case No. 2075 at \$2,500. Second by Cunningham.

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

**Case No. 2097 – Hearing in the matter of the Application of Gregory Don Tims for Determination of Eligibility to sit for the Certified Public Accountant Examination:**

This matter came for hearing at 2:30 PM. The members of the Oklahoma Accountancy Board present were seated on the hearing panel.

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

The purpose of this hearing was to review the application of Mr. Tims for determination of eligibility to sit for the Certified Public Accountant Examination.

Following opening statements by the Special Prosecutor and by Respondent, Special Prosecutor Calvert presented the State's case. During the presentation of the State's case, Mr. Calvert moved for the admission of State's Exhibits 1-14. At the recommendation of Assistant Attorney General Crittenden, Chair Engelbach accepted the Exhibits into the record. Mr. Calvert then called the Respondent and questioned him on his past and current conduct. The Respondent called no witnesses.

Several Board members proceeded to ask the Respondent questions regarding his past conduct and current support systems in place.

Both the Special Prosecutor and Respondent gave closing statements.

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

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

The Board entered into Executive Session at approximately 3:04 PM

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

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

The Board came out of Executive Session at approximately 3:12 PM.

Motion by Sanner that the Board approve Mr. Tims' Qualification Application allowing him to sit for the Certified Public Accountant Examination. Second by Greenwell.

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

**Agenda Item #11 – Presentation to commemorate a Board member's service to the Oklahoma Accountancy Board:** The Board thanked Chair Engelbach for his combined 10 years of service to the Oklahoma Accountancy Board.

**Agenda Item #12 – New Business:** There was no new business.

**Agenda Item #13 – Discussion and possible action on report from the Executive Director:**

### Updates

- Lots of work as legislature finished the session
- Visited with Randa Vernon and provided orientation information about the Board
- New Financial Disclosure Rules Adopted and Current Rules Repealed
- Multiple printers have ceased functioning recently, including the printer used to create Certificates; we are in the process of ordering new printers
- NASBA releases short video on the new Uniform CPA Examination scheduled to debut April 1, 2017. <https://vimeo.com/168217721/9037196d1f>
- Presentation of Spring 2016 Certificate Presentation Ceremony survey results
- Reminder for Board members to routinely check their state e-mail box



- Possibility exists for the July 2016 meeting to be cancelled and August 2016 meeting to be rescheduled

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

- BEP One; Jun 2016 rent - \$4,392.00
- Calvert Law Firm; Feb 2016 legal services - \$2,665.66

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

- NA

**Agenda Item #14 – Discussion and possible action on report from the Chair:**

- Announcements
- Announce date and location of the next meeting – 8:30 AM, Friday, July 22, 2016, at the Oklahoma Accountancy Board, 201 NW 63<sup>rd</sup> Street; Ste. 210, Oklahoma City, OK 73116

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

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

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

The meeting was adjourned at approximately 3:22 PM.

\_\_\_\_\_  
Jay Engelbach, Chair                      Date

ATTEST:

\_\_\_\_\_  
David Greenwell, Secretary              Date

## APPENDIX I

### Actions Approved by the Executive Director As of June 17, 2016

#### **APPLICATIONS FOR CERTIFICATION (Successful Candidates):**

Ashley Elaine Austin  
Lynsea Rose Freeman  
Pamela Jill Orr  
Austin Tyler Snow

#### **APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:**

Jason Paul Oelrich (Washington)  
Chelsey Wolever (Arizona)

#### **INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:**

Becky Ladd Certified Public Accountant, PC  
Jackson, Fox and Richardson PC  
James R. Jorden, PC  
William P Drumm CPA PC

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

Andrews Hooper Pavlik PLC (Michigan)  
Armor Accounting and Business Solutions, PLLC  
Dean's Results, PLLC  
Evans & Associates, CPAs, PLLC  
Schwabe & Associates, CPAs, PLLC

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

LWBJ, L.L.P. (Iowa)

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

Mountjoy Chilton Medley LLP (Kentucky)

#### **CERTIFICATES SURRENDERED BY REGISTRANTS:**

##### **Surrendering CPA Certificate Due To CPE Requirements:**

|                    |       |                         |
|--------------------|-------|-------------------------|
| Donna Klein-Richey | 11347 | Issued July 25, 1991    |
| Lisa Marsh         | 10247 | Issued January 26, 1989 |

**No Longer Practicing in Oklahoma:**

|                 |       |                          |
|-----------------|-------|--------------------------|
| Kimberly Mapes  | 16002 | Issued December 21, 2004 |
| Shelley Russell | 13937 | Issued August 4, 1997    |

**No Longer Residing in Oklahoma:**

|                  |       |                          |
|------------------|-------|--------------------------|
| Kara Goodloe     | 17856 | Issued January 6, 2015   |
| Scott Jacoby     | 14604 | Issued September 3, 1999 |
| Abdul Khan       | 16354 | Issued August 29, 2007   |
| Michael McGuire  | 8929  | Issued July 31, 1986     |
| Kimberly Schwarz | 8048  | Issued January 31, 1985  |

**Retired:**

|                |      |                         |
|----------------|------|-------------------------|
| Arthur Adkins  | 3588 | Issued January 27, 1976 |
| Larry Coy      | 4821 | Issued July 27, 1979    |
| Robert Dimmick | 8840 | Issued July 31, 1986    |
| Sandra Harris  | 3803 | Issued July 19, 1976    |
| Ronald Hight   | 2848 | Issued January 26, 1973 |
| Harry Lay      | 2634 | Issued January 31, 1972 |
| Earl Patrick   | 2988 | Issued July 27, 1973    |
| Richard Tozzi  | 3138 | Issued January 28, 1974 |

**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> |
|-----------------|------------------------|------------------------|
| 2283            | Michael Donald Johnson | June 1, 2016           |
| 14345           | Clinton D. Crane       | June 1, 2016           |
| 15833           | Susan Cristine Bieber  | June 1, 2016           |
| 17491           | Jared Chad Thomas      | June 1, 2016           |

**DECEASED REGISTRANTS:****CPAs:**

|            |      |                         |
|------------|------|-------------------------|
| Ralph Crum | 6873 | Issued July 28, 1983    |
| Jean Kuntz | 5987 | Issued January 29, 1982 |

**PAs:**

|              |     |                       |
|--------------|-----|-----------------------|
| Vernon Askew | 554 | Issued March 15, 1969 |
|--------------|-----|-----------------------|

**INACTIVE FIRMS:****CPA Partnerships:**

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McGladrey LLP (Minnesota)

**CPA Corporations:**

Drumm & Associates, PC  
James A. Corbett, Jr. CPA P.C.  
Johnston and Ladd CPAs, PC  
Joshua Jenson, CPA A Professional Corporation  
Orth, Chakler, Murnane & Company, CPAs, P.A. (Florida)  
Pearce CPA, PC (Texas)  
Robinson Tax Service, Inc.  
Ronald Max Hight, Inc.

**PA Corporations:**

Harrison Associates, P.C.  
Jerry White Inc.

**CPA Limited Liability Companies:**

Accounting By Design PLLC  
Coates & Schwabe, CPAs, PLLC  
Control Advisory Services, PLLC  
Dean-Richman Results, PLLC  
Edmondson & Evans, CPAs, PLLC  
Egghart & Associates, LLC (Nevada)  
Kim Faught CPA PLLC  
Lauhon & Halley, PLLC  
Porter Keadle Moore, LLC (Georgia)

**Experience verification applications approved:**

Ashley E. Austin  
Stephan M. Balliet II  
Brant K. Bates  
Shea D. Cockrell  
Cindy D. Halbert  
Michael R. Hechtner  
Kyle B. Kirkpatrick  
Meredith L. Massey  
Danny J. Meier  
Pamela J. Orr  
Kate M. Snelson  
Austin T. Snow  
Vicki R. Splawn  
Judith C. White