

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

February 16, 2012

The Oklahoma Accountancy Board (OAB) convened in regular session on Thursday, February 16, 2012, on the University of Central Oklahoma campus, Constitution Hall, 100 North University Drive, Edmond, OK 73034. A recording of the meeting is on file in the OAB office. Members present at the meeting:

Barbara Ley, CPA, Chair
Janice L. Gray, CPA, Vice Chair
Mike Sanner, CPA, Secretary
Vicky Petete, CPA, Member
Jay Engelbach, CPA, Member
Jody Manning, Member
Karen Cunningham, Representing the Public, Member

Board staff present at the meeting: Randy Ross, Executive Director; Colin Autin, Deputy Director; Heather Smith, Administrative Assistant and Rebekah Flanagan, Administrative Assistant. Assistant Attorney General John Crittenden was also present.

Agenda Item #1a – Call To Order: At approximately 8:46 a.m. Chair Ley called the meeting to order.

Agenda Item #1b – Declaration of Quorum: Chair Ley declared a quorum and welcomed the newest Board member Jody Manning.

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) Was Unavoidable Pursuant to Title 59, Section 15.3(B)(5): Chair Ley noted that no members were absent.

Agenda Item #2 – Announcement of Visitors: The following visitors were present: Daryl Hill, representing the Oklahoma Society of Certified Public Accountants (OSCPA); Dean Taylor, representing the Oklahoma Society of Accountants (OSA); Charles Pursifull, UCO Accounting Faculty Member and Joan Caldwell, UCO Accounting Advisor. The following UCO students were present: Tony Rhodes; Jamie Schmidt; Halima Abhad; Mayra Medina; Amie Ostercamp; Shannon Porter; Megan Von Tongeln; Tanner Lewis; Joshua Goree; Nguyet Vu; Tram Nguyen; Belinda Anderson; Cynthia Rice; Natalie Isaacs; Elizabeth Mayer; Walton Chan; Phillip Chadler; Brittany Orr; Ashley Olment; Jake Byers; Corey Stanfill; Dawson Bowers; Laura Wolf; Anthony Magerus; Kaleah Goudeau; Latheia Hood; Lisa Munsanto; Kathy Terrell; Austin Foust;

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Andre Hodges; Alex Hinojos; Chenran Lin; Katrina Watson; Manosha Singh; Naomi Hill; Mary Sheets; Ashley Neely; and Woochen Jeon.

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 January 27, 2012, Regular Meeting of the OAB; (2) Take official notice of the preliminary OAB financial statements for FY 2012, for the month ended January 31, 2012; (3) Take official notice of the experience verification applications which had been approved by the Executive Director; (4) Approve the actions taken by the Executive Director on applications and registrations filed since the previous meeting.

Member Cunningham and Vice Chair Gray inquired about the Administrative Consent Order (ACO) for Case No. 1913 in the January minutes. The case calls for a fine of \$5,000, as well as costs and attorney fees, totaling \$6,918. However, Appendix I lists the firm, Archambo & Mueggenborg, as being dissolved. The question raised was whether the fine and costs will follow the individuals associated with the firm or solely follow the firm itself. Assistant Attorney General Crittenden suggested that the case be referred back to the Special Prosecutor for compliance review of the ACO. Executive Director Ross is to report back to the Board regarding the status of the case.

Chair Ley also addressed the past discussion of filing charges against individuals and firms for noncompliance. She requested that the Enforcement Committee consider whether this approach is necessary when reviewing cases.

Motion by Gray that the Consent Agenda be approved.
Second by Engelbach.

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

Agenda Item #5 – Discussion and possible action on Administrative Actions and recommendations and report from the Enforcement Committee: Vice Chair Gray addressed this item. Vice Chair Gray presented a written summary of investigative files and administrative actions taken, with recommendations for the disposition of each.

Administrative Consent Orders:

Case No. 1909 – Harry William Frizzell, CPA

This case is a result of a referral by the Records Coordinator that Respondent used the CPA designation under an unregistered firm name. An ACO was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$1,000, in addition to costs and attorney fees in the amount of \$205, which must be paid within thirty 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 ACO in this case be approved by the Board.

OAB Records Summary

CPE Status: Registrant is in compliance. Registrant reported 26.5 hours of CPE for 2008 (includes 2 hours of ethics); 81 hours of CPE for 2009 (includes 2 hours of ethics); and 40 hours of CPE for 2010 (includes 2 hours of ethics).

Peer Review Status: N/A.

Case No. 1910 – Lewis Colbert, CPA

Respondent plead guilty in District Court to a charge of conspiracy to commit wire fraud. The conviction concerned the preparation of false invoices related to low income building projects. An ACO 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 \$515.09, which must be paid prior to applying for reinstatement. 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 ACO in this case be approved by the Board.

OAB Records Summary

CPE Status: Registrant filed for exempt status for 2008-2010

Peer Review Status: N/A.

Case No. 1911 – Pat M. Simpson, CPA

This case is a result of a referral by the CPE Coordinator that Respondent failed to complete four hours of required CPE for the rolling three-year period 2008-2010. An ACO was offered by the Enforcement Committee and accepted by the Respondent whereby Respondent is assessed a fine of \$500, in addition to costs and attorney fees in the amount of \$170.59, which must be paid within thirty days from the effective date of this Order, and Respondent must complete the past-due CPE within ninety days. 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

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as the Board may deem appropriate under the Act. The Enforcement Committee recommends the ACO in this case be approved by the Board.

OAB Records Summary

CPE Status: Registrant is not in compliance. Registrant reported 51 hours of CPE for 2008 (includes 2.5 hours of ethics); 33 hours of CPE for 2009 (includes 4 hours of ethics); and 32 hours of CPE for 2010 (includes 2 hours of ethics).
Peer Review Status: N/A.

Motion by Gray that the ACO order for Case Nos. 1909, 1910, and 1911 ACOs be approved. Second by Cunningham.

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

FILES TO CLOSE:

File 1880 – CPA

This file is a result of a referral from the CPE Coordinator that the registrant failed to report sufficient hours of CPE for the rolling three-year period 2008-2010. The registrant has submitted the additional hours, which were completed after the November 15th deadline in the non-compliance notice and applied to the shortfall; therefore, the Enforcement Committee recommends that the file be closed with a private reprimand issued to the registrant.

OAB Records Summary

CPE Status: Registrant is now in compliance. Registrant reported 40 hours of CPE for 2008 (includes 4 hours of ethics); 20 hours of CPE for 2009 (includes 4 hours of ethics); and 60 hours of CPE for 2010 (includes 6 hours of ethics).
Peer Review Status: N/A.

File 1886 – CPA

This file is a result of a referral from the CPE Coordinator that the registrant failed to report sufficient hours of CPE for the rolling three-year period 2008-2010. The registrant has submitted evidence showing that the required CPE hours were completed and submitted to the OAB via an invalid email address before the November 15th deadline given in the non-compliance notice; therefore, the Enforcement Committee recommends that the file be closed.

OAB Records Summary

CPE Status: Registrant is now in compliance. Registrant reported 26 hours of CPE for 2008 (includes 3 hours of ethics); 36 hours of CPE for 2009 (includes 2 hours of ethics); and 61 hours of CPE for 2010 (includes 4 hours of ethics).

Peer Review Status: N/A.

Motion by Gray that File Nos. 1880 and 1886 be closed
Second by Engelbach.

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

Agenda Item #6 – Discussion and possible action on nominations to the 2012-2013 National Association of State Boards of Accountancy Committees: Chair Ley addressed this item. She referred to the NASBA committee list and encouraged Board members who were interested to participate in NASBA committees. She also acknowledged past and present Board members who currently serve on NASBA committees. Member Petete informed the Board of her positive experiences she has had as a result of participating in NASBA committees.

Agenda Item #7 – Discussion and possible action on report from the Outreach Committee: Member Petete addressed this issue.

Note: Item (d) on the Outreach Committee was deferred to 10:00 a.m.

- a. Update on proposed off-site Board meeting in September 2012

Member Petete discussed the option of having the September Board meeting at Oklahoma Christian University on September 21st.

- b. Pledge for Certified Public Accountants

Member Petete addressed the updated pledge and wanted to verify that the Board members are still in agreement of issuing the voluntary pledge. Discussion took place regarding the purpose of the pledge and how it will be distributed. Executive Director Ross informed the Board that in the future, the pledge will be distributed at the New CPA Recognition Ceremonies. Those that do not attend the ceremony will receive a copy of the pledge with their mailed certificate. Returning the pledge after signing it will not be mandatory, as its purpose is to encourage new CPAs to adhere to the ethical standards of the profession. Assistant Attorney General Crittenden suggested that the title “Certified Public Accountant Pledge” be added, to which the Board members agreed.

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Motion by Petete that the administration of the pledge be made part of the Recognition ceremony going forward with the change of the title as discussed. Second by Cunningham.

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

c. Update on mailing of the January 2012 Bulletin

Executive Director Ross stated that the distribution of the Bulletin went smoothly in terms of creation and printing. However, the distribution through the Office of State Finance (OSF) by e-mail, was not successful on the first, second or third attempt. Executive Director Ross expressed that he never received the e-mail, and several Board members declared the same. Chair Ley stated that the failure of the e-mails to make it to all parties on the list was unacceptable. Chair Ley and Vice Chair Gray suggested that the Bulletin be mailed instead. Executive Director Ross conveyed that the OAB is currently working with OSF to remedy the problem. Member Petete suggested that OSF try and send the e-mail one more time, and if it is unsuccessful, that it be mailed. Chair Ley suggested that Executive Director Ross work with the Outreach Committee to solve the problem by the end of the month.

d. Oklahoma Accountancy Board presentation on the Uniform CPA Examination

Note: Chair Ley called for a break at approximately 9:39 a.m. The Meeting reconvened at approximately 10:06 a.m.

Chair Ley, Member Petete and Executive Director Ross proceeded to give a presentation on the Uniform CPA Examination.

Note: Chair Ley called for a break at approximately 10:50 a.m. The Meeting reconvened at approximately 10:59 a.m.

Agenda Item #8 – Update and discussion related to CPA Exam issues from the recent AICPA Board of Examiners meeting: Chair Ley addressed this item and informed the Board that the Prometric testing centers intend to increase slots in order to accommodate the roughly 800,000 PTIN testing for the Internal Revenue Service, and the 500,000 auto mechanics to be tested as well. Also, the Exam team at the AICPA is working on developing an exam for the CGMA credential to be administered in 2013 or 2014.

Agenda Item #9 – Discussion and possible action on report from the Technology Committee:

a. Update on post go-live status of AMANDA and public portal

Executive Director Ross addressed this item and reported that the OAB is still going through the post go live process. Chair Ley expressed her desire to hold payment on the final invoice until the OAB is satisfied with AMANDA.

- b. Discussion and possible action on payment of progress invoice number 1067 (Statement of Work) from CSDC Systems

Motion by Cunningham that invoice No. 1067 be paid.
Second by Sanner.

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

Agenda Item #10 – Discussion and possible action on Application for Reinstatement submitted by Lynn Ferguson Oates: This item was deferred to the March 2012 Board meeting.

Agenda Item #11 – Discussion and possible action on request from John Bernard, CPA No. 9095 (Revoked), that the Board rescind the revocation of his certificate for failure to file:

On January 23, 2012, Mr. Bernard contacted the OAB to determine what he would have to do in order for his CPA certificate to be reinstated, after receiving notification from the OSCP that the certificate had been revoked. Mr. Bernard stated he had received no renewal notices or letter advising him of the revocation. It was determined that Mr. Bernard had moved in October of 2010, but failed to notify the OAB of his address change. The OAB was provided a forwarding address by the US Postal Service, but Mr. Bernard indicated the address provided by the USPS was incorrect.

Mr. Bernard claims that the last correspondence he had received from the OAB was 18 months prior to his revocation due to the biennial registration and his inactive status. However, even though Mr. Bernard was only paying registration fees biannually, he had been sent annual notices regarding his requirement to report CPE or request an exemption from the CPE reporting requirement.

Pursuant to Section 15.14(H) registrants must report changes of employment or mailing address to the Board within 30 calendar days of such changes becoming effective. Mr. Bernard acknowledges that he did not notify the Board of his address change.

Motion by Gray that the Board deny Mr. Bernard's request to rescind his revocation. Second by Cunningham.

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

Note: Agenda Item #12 was deferred until the end of the meeting.

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Agenda Item #13 – New Business: No new business.

Agenda Item #14 – Executive Director’s Report: Executive Director Ross reported the following:

Updates

- Progress report on agency PC hardware upgrade.
- Update on status of Legislative White paper; informative brief to be distributed to Oklahoma Legislators on aspects of the Oklahoma Accountancy Board.
- Very difficult conversion in-progress with AMANDA.
- Made a presentation at the University of Central Oklahoma Accounting Club which was well attended.
- Will be making presentations at Langston University and at the University Professors Conference in Stillwater.
- Present payments made to date to CSDC Systems Inc.
- Present OSF ISD data recovery policy.
- Update to OAB on policy to certify examination scores.

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

- CSDC Systems Inc.; OAB Implementation - \$ 4,287.94
- Attorney General; Legal Services for February 2012 - \$2,715.03
- BEP One; February 2012 rent - \$4,392.00
- Calvert Law Firm; Legal Services for December 2011 - \$2,605.07

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

- Dell Computer Corp; 10 new computers-\$7,341.50

Agenda Item #15 – Chair’s Announcements: Chair Ley addressed this item.

Agenda Item #15b – Announce date and time of the next meeting: It was noted that the next meeting is scheduled to be held on Friday, March 23, 2012, at the OAB Board Room, 201 N.W. 63rd Street, Suite 210, Oklahoma City, OK 73116.

Agenda Item #12 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) Exam Coordinator
- e) CPE Coordinator
- f) Records Coordinator
- g) Enforcement Coordinator
- h) Accountant II
- i) Administrative Assistant I
- j) Administrative Assistant II

Motion by Sanner to enter into Executive Session. Second by Cunningham.

The Board went into Executive Session at approximately 11:22 a.m.

At approximately 12:01 Chair Ley entertained a motion to come out of Executive Session and reconvene the Board meeting.

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

Motion by Sanner that the Executive Director proceed under the guidelines and directives that were given to him in the Executive Session. Second by Engelbach.

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

Agenda Item #16 – Adjourn: There being no further business to come before the Board, Chair Ley entertained a motion to adjourn.

Motion by Gray that the meeting be adjourned. Second by Cunningham.

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

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The meeting was adjourned at approximately 12:03 p.m.

Barbara A. Ley, Chair Date

ATTEST:

Mike Sanner, Secretary Date

APPENDIX I

CERTIFICATES SURRENDERED BY REGISTRANTS:

CPAs:

No Longer Practicing in Oklahoma:

Gregory Ward Flesher Certificate No. 15802-R Issued Oct. 17, 2003

Retired:

Juanita June Weston License No. 335 Issued Oct. 4, 1968

DECEASED REGISTRANTS:

CPAs:

Perry A. Bruner Certificate No. 2607 Issued Jan. 31, 1972

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

Megan Anne Myers Brown
 Stephen Joshua Coy
 Jennifer Davenport
 Dobromir Stoyanov
 JinLan Yan
 Rachel Rae Dawn Wood

Don Madison Potter (partial non-CPA verifier)
 Clarice Vasicek (partial non-CPA)

APPLICATIONS FOR CERTIFICATION (Successful Candidates):

Hoa Thi Quynh Burns
 Bryan Edward Carey
 Elizabeth Ann Galegar
 Justin Oran Kersey
 Dara Catherine Nordstog
 Bryan Christopher West
 George Warren Paul

APPLICATIONS FOR RECIPROCAL CPA CERTIFICATES:

Donald Robert Scotberg

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APPLICATIONS FOR REINSTATEMENT OF CPA CERTIFICATES:

3189 Sidney L. Anderson

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY COMPANIES:

F&F Accounting & Tax Solutions PLLC
Henderson & Hill, LLC (Alabama)

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL LIMITED LIABILITY PARTNERSHIPS:

CliftonLarsonAllen LLP (Minnesota)
PHBV Partners LLP (Illinois)

INITIAL FIRM REGISTRATIONS OF PROFESSIONAL CORPORATIONS:

Lori L. Parker CPA, PC

INITIAL FIRM REGISTRATIONS OUT-OF-STATE SOLE PROPRIETORSHIPS:

Chris A. Lemon, CPA (Texas)
Gary A. Black, CPA (Montana)