

Sherry Chesser CPA, President
David Vaden CPA, Secretary
Deana Infield CPA, Treasurer
Richard Bell CPA, JD



Shane Warrick CPA, PhD
Denny Woods JD
Kevin Canfield

Jimmy Corley CPA
Executive Director

Board Meeting Minutes April 17, 2020

A virtual meeting of the Arkansas State Board of Public Accountancy was held via Zoom due to the Covid-19 virus, on April 17, 2020 with Sherry Chesser, President, presiding. Other members of the Board in attendance were Kevin Canfield, Richard Bell, Denton Woods, Deana Infield, David Vaden and Shane Warrick. Members of the staff in attendance were: Jimmy Corley, Executive Director, Dale Edge, Investigator; Tim Montgomery, Investigator; Sara Farris, Legal Counsel; Alan Fortney, and April Murphy. Also in attendance was Brian Thompson of the ASA.

CALL TO ORDER

Mrs. Chesser officially called the meeting to order at 9:00 a.m. A quorum was found to be present.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the January 12, 2020 Board meeting. The motion passed unanimously.

TREASURER'S REPORT

A motion was made and seconded to approve the December 2019, January 2020, February 2020, and March 2020 Treasurer's Reports, as presented. The motion passed unanimously.

COMMITTEE REPORTS

COMPLIANCE COMMITTEE

The Compliance Committee has met three (3) times.

Forty-six (46) New Complaints:

- Discreditable Act.
- Request to reinstate revoked certificate.
- Holding records.
- Associated with an unlicensed firm.
- Dishonesty Fraud.
- Failure to resolve a Board Order.
- Firm with a SEC Issue.
- Out of state firm offering attest services.
- Two Individuals responded Yes to renewal question regarding conviction or disciplinary issues.
- Two firms sanctioned by another Board of Accountancy

Two with inactive status offering services for the public.
Five firms requesting to withdraw from Peer Review.
Ten non-licensees holding out as an accountant.
Seventeen unregistered firms.

Requesting closure of forty-one (41) complaints; four (4) by consent order

- 1. C15-002 – (Cert. #154LC/1184)** – CPA Firm’s audit of a 401(k) plan was found to be deficient by U.S. Department of Labor. Firm has since surrender AR registration and licensee has taken retired status. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 2. C15-003– (Cert. #284C)** – CPA Firm’s audit of a 401(k) plan was found to be deficient by U.S. Department of Labor but later accepted. Firm completed a System Peer Review and received a rating of Pass with Deficiencies. Firm has since finished an additional Peer Review Cycle, completed a Firm’s System of Quality Control and received a rating of Pass. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 3. C17-010 – (Cert. #4796)** – Licensee’s spouse convicted of embezzlement. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure with no further action.
- 4. C19-070 – (Non-Licensee)** – Non-licensee issued Review Report. Individual used a sub-contractor, who prepared equivalent of a review report with non-licensee’s name on it. Non-licensee now has a better understanding what work he cannot perform. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 5. C19-073 – (Cert. #3210)** – Licensee associated with unlicensed firms. Licensee has removed all CPA references. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 6. C19-074 – (Cert. #7669R)** – Licensee associated with unlicensed firms. Licensee has removed all CPA references. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 7. C19-080 – (Non-Licensee)** – Non-licensee using title accountant. Individual has made requested changes. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 8. C19-083 – (Non-Licensee)** – Non-licensee listed under CPA title in 2018 Yellow Pages. Listing has been corrected in 2019. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 9. C19-086 – (Cert. #4110)** – Licensee failed to respond timely to CPA audit and did not comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by not obtaining one hour of AR ethics CPE before December 31, 2018. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and \$375.00 penalty collected.
- 10. C19-090 – (Cert. #7448)** – Licensee failed to respond timely to CPA audit and did not comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by not obtaining all required hours CPE before

December 31, 2018. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and \$600.00 penalty collected.

11. C19-094 – (Non-Licensee) – Non-Licensee holding out on employer’s website as CPA. Corrections to website have been made. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

12.C19-099 – (Cert. #8010) – Licensee performed attest work in 2019 and was not enrolled in Peer Review. Licensee has since enrolled. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and licensee agrees to have System Peer Review completed by August 2020.

13. C19-100– (Cert. #9664) – Licensee failed to comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by not obtaining all required hours CPE before December 31, 2018. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and \$130.00 penalty collected.

14. C19-105 – (Cert. #6348) - Licensee failed to comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by not obtaining all required hours CPE before December 31, 2018. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and \$350.00 penalty collected.

15.C19-107 – (Cert. #7529) – Licensee failed to comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by not obtaining all required hours CPE before December 31, 2018. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and \$350.00 penalty collected.

16.C19-111 – (Non-Licensee) – Non-licensee issued Audit Report. Non-licensee now has made corrections to website and has a better understanding what work she cannot perform. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

17.C19-123 – (Cert. # 2295) – Inactive Licensee with PTIN performing tax work. Licensee has requested to surrendered license. The Compliance Committee recommends a finding of probable cause to proceed and closure via surrender -in-lieu.

18.C19-129 – (MS Licensee) – AR resident with out-of-state CPA certificate working in public accounting. Out-of-state licensee has requested AR licensure. The Compliance committee recommends a finding of probable cause to proceed and closure with no further action.

19.C19-130 – (TN Licensee) – AR Resident (West Memphis) with out-of-state CPA certificate working in public accounting. Out-of-state licensee has recently informed Board he no longer lives in AR. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.

20.C19-131 – (NY Licensee) – AR Resident with out-of-state CPA certificate appeared to be offering services in Arkansas. Individual maintains dual residences. AR Employer is non-accounting related. Individual has corrected web information to reflect only out of state address associated with public accounting work. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.

- 21.C19-136 – (Cert. # 2592R)** – Licensee associated with unlicensed firm. Licensee has requested licensure for firm. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
- 22.C19-137 – (Cert. #8781)** – Licensee associated with unlicensed firms. Licensee has initiated the appropriate disclaimer. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 23.C19-138 – (Cert. #7638R)** – Licensee associated with unlicensed firms. Licensee has initiated the appropriate disclaimer. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 24.C19-143 – (Cert. #9351)** – Licensee failed to respond timely to Board correspondence and did not comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by not obtaining all required hours CPE before December 31, 2018. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and \$625.00 penalty collected.
- 25.C19-144 – (Cert. #1530)** – Licensee failed to comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by not obtaining all required hours CPE before December 31, 2018. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and \$125.00 penalty collected.
- 26.C19-145 – (Cert. #0131)** – Licensee failed to comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by not obtaining all required hours CPE before December 31, 2018. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and \$125.00 penalty collected.
- 27.C19-146 – (Cert. #6090)** – Licensee failed to provide CPE documentation. After further review it was discovered CPE provider had rebranded and documentation requirements had been met. The Compliance Committee recommends a finding of no probable cause and closure.
- 28.C19-147 – (Cert. #6990)** – Licensee failed to comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by not obtaining all required hours CPE before December 31, 2018. The Compliance Committee recommends a finding of probable cause to proceed and closure via the proposed compliance statement. Compliance Statement has been signed and \$550.00 penalty collected.
- 29.C19-160 – (Cert. #4835)** – Licensee has requested 40 hour CPE wavier for 2020 renewal. Licensee has provided medical documentation to support request. The Compliance Committee approved wavier of 40 hours CPE for 2020 renewal. The Compliance Committee recommends closure.
- 30.C20-004 – (Cert. #2520)** – Licensee answered “yes” on 2020 renewal regarding other disciplinary issues. Licensee answered “yes” by mistake, she has no pending disciplinary actions. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure.
- 31.C20-005 – (Cert. #9173)** – Licensee answered “yes” on 2020 renewal regarding other disciplinary issues. Licensee answered “yes” by mistake, he has no pending disciplinary actions applicable to his renewal. The Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure.

32.C20-007 – (Cert. #3965) – External complaint alleging licensee was in violation of Code of Professional Conduct Rule 404 Discreditable Acts. After reviewing the supporting documentation provided the Compliance Committee determined no violations had occurred. Compliance Committee recommends a finding of no probable cause to proceed and closure.

33.C20-008 – (Cert. #5038) – Licensee associated with unlicensed firm. Licensee has removed all CPA references. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

34.C20-011 – (Firm Cert. #2LP) – Licensee Firm entered into consent order with CA Board of Accountancy regarding SEC issue previously disclosed to the AR Board. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.

35.C20-012 – (Firm Cert. #5LP) – Licensee Firm entered into consent order with ME Board of Accountancy regarding SEC issue previously disclosed to the AR Board. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.

36.C20-015 – (Firm Cert. #6LP) – Licensee Firm sanctioned by the SEC. Licensee has responded that no AR clients or licensees were associated with the SEC violations. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.

37.C20-016 – (Cert. #8849R) – Inactive license working for a public accounting firm. Licensee has an upgrade application in process. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolutions as to items 1 through 37, listed above. The motion passed.

CONSENT ORDERS

1) C18-088- Consent Order (Cert. #7619R) – Respondent received a substandard classification on 2013 Quality Review, a fail on 2015 Quality Review and a fail on 2018 Quality Review. Respondent has agreed to cease offering to perform attest and compilation services. Respondent has signed a limitation consent order regarding any future attest and compilation work. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C18-088. The motion passed.

2) C19-013- Consent Order (Cert. #546C) – Respondent received a fail on 2015 Quality Review and a fail on 2018 Quality Review. Respondent has signed a limitation consent order agreeing to perform any future compilations under pre-issuance review. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C19-013. The motion passed

- 3) **C19-104- Consent Order (Cert. #2981)** – Respondent failed to comply with the CPE requirements of Board Rule 13.2(a) and 13.5(b) by false reporting ASBPA Ethics and AA CPE hours completed by December 31, 2018. Respondent has signed consent order and agreed to pay a two thousand four hundred eighty (\$2,480.00) dollar penalty. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee’s recommended finding and proposed resolution as to C19-104. The motion passed

- 4) **C20-002- Consent Order (Cert. #5123R)** – Applicant’s CPA certificate was revoked in September 2002 for failure to renew. Applicant has requested to reinstate to a license to practice. Applicant has completed 120 hours of CPE, 32 hours A&A, 5 hours of ethics, 44 hours of tax, and 39 hours of Other. The study type consists of 49 hours of group and 71 hours self-study. Applicant has signed consent order and agreed to pay current year renewal fee of \$110.00 and \$200 for prior year fees (\$40, '98, \$40 '99, \$40 '00, \$40 '01, \$40 '02) for a total of \$310.00. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee’s recommended finding and proposed resolution as to C20-002. The motion passed

REQUESTING PERMISSION TO ISSUE THE FOLLOWING NOTICE OF HEARINGS IF NEEDED

- 1) **C20-014 – (Cert. # 7232)** – Hearing H19-040 was conducted November 15, 2019, respondent was suspended until she paid penalties assessed by the Board totaling seven hundred sixty-one (\$761.00) dollars. This information was sent via certified mail December 5, 2019. Payment was requested by January 6, 2020. As of today, there has been no communication from respondent. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

	Type	Licens e	Status	Cit	State	Zi
2. TED DUNCAN	CPA	2428	Lapse	Maumelle	AR	72113
3. SYLVIA BLATY	CPA	4089	Lapse	RUSSELLVILLE	AR	72802
4. BRIAN BREECH	CPA	4954	Lapse	BRYANT	AR	72022
5. BETHANY CHAVEZ	CPA	9147	Lapse	Little Rock	AR	72223
6. LELA DAVIDSON	CPA	8051R	Lapse	Bentonville	AR	72712
7. SHELLEY DELAROSA	CPA	4523	Lapse	Marshall	TX	75672
8. NORMAN DESKIN	CPA	2963	Lapse	BATESVILLE	AR	72503
9. MERLE DUNCAN	CPA	4875	Lapse	ATHENS	AL	72113
10. THOMAS DUNCAN	CPA	7112	Lapse	WINTER	AL	34787
11. THOMAS FOX	CPA	6494R	Lapse	North Little Rock	AR	72117
12. RON HUMWAY	CPA	2788	Lapse	JONESBORO	AR	72404
13. JAMES KELLY	CPA	1323	Lapse	FORT SMITH	AR	72908
14. JOSE MAGLIONE	CPA	5884	Lapse	North Little Rock	AR	72113
15. SUAN MCLUEN	CPA	4561	Lapse	BILOXI	MS	39532
16. ROY NICHOLS	CPA	3333	Lapse	Gamaliel	AR	72537
17. ASTRID POTTS	CPA	7212	Lapse	Houston	TX	77007
18. PHILIP RING	CPA	3198	Lapse	NORTH LITTLE	AR	72231
19. OLIVIA ROWE	CPA	2209	Lapse	Stamps	AR	71860

20. MARGARET SENN	CPA	7554R	Lapse	WEST MEMPHIS	AR	72303
21. OTIS STEWART	PA	0373	Lapse	JACKSONVILLE	AR	72076
22. Qingyun Tan	CPA	9769	Lapse	Richardson	TX	75082
23. JANE TUCKER	CPA	4219	Lapse	LITTLE ROCK	AR	72207
24. CYNTHIA TURLEY	CPA	3407	Lapse	Rogers	AR	72756
25. DAVID WALDROP	CPA	3258	Lapse	SHERWOOD	AR	72120
26. ORIN WILSON	CPA	9727R	Lapse	Searcy	AR	72143
1. GARDNER, LANGSTON &	CPCP	365P	Lapse	MONROE	LA	71211
2. Miller, Smith & Company CPAs PLLC	CPCP	310LC	Lapse	Little Rock	AR	72211
3. MJJ Accounting, LLC	CPCP	311LC	Lapse	Conway	AR	72032
4. Mountain Home CPA	CPCP	309LC	Lapse	Mountain Home	AR	72653
5. OTIS STEWART, PUBLIC ACCOUNTANT, LTD.	CPCP	824C	Lapse	JACKSONVILLE	AR	72078
6. Lee Reams CPA, Inc	CPCP	926C	Lapse	JONESBORO	AR	72404
7. The Rogers Accounting Firm	CPCP	302C	Lapse	Little Rock	AR	72211
8. Ted Duncan CPA PA	CPCP	936C	Lapse	Maumelle	AR	72113

A motion was made and seconded to allow the Board staff to issue Notices of Hearing in the cases referenced above. The motion passed.

New Business

CPA Exam Extensions Issues – Covid-19

A motion was made and seconded to extend the 18-month window for exam candidate equal to the duration of the closure of the Prometric testing sites plus an additional 30 days. The motion past.

2020 CPE Audit

Tabled until June Meeting. The Board suggested to delay the audit and to reduce the number of licensees audited to 5% plus the preselected licensees.

2020 Swearing-In Ceremony

The 2020 Swearing-In Ceremony is tentatively postponed.

Publication of Disciplinary Actions – Waiver Requests

Board members gave the opinion to not publish non-licensee disciplinary information.

LICENSURE ACTIVITY REPORT

Mr. Corley presented to the Board the Licensing Activity Report.

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 11:00 a.m.

