

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Dr. Mike Moore, CPA, President
Karen Garrett, CPA, Secretary
Wade Turner, CPA, Treasurer
Jeremy Watson, CPA



Robert Redfern, CPA
Lloyd Franklin, CFE
James Gately

Jimmy Corley, CPA
Executive Director

**MEETING MINUTES
BOARD MEETING
April 25, 2014**

A regular meeting of the Arkansas State Board of Public Accountancy (Board) was held in Suite 450 of the Main Street Mall on April 25, 2014 with Dr. Mike Moore, President, presiding. Other members of the Board in attendance were: Karen Garrett, Wade Turner, Lloyd Franklin, Robert Redfern, James Gately and Jeremy Watson. Members of the staff in attendance were: Jimmy Corley, Executive Director; Ann Jessup, Fiscal Officer/CPE Coordinator, Dale Edge, Investigator, Tim Montgomery, Investigator, Alan Fortney, IT Manager, Angela Johnson and Lacy Ward. Other attendees were: Mark Ohrenberger, Attorney General's Office, Jessica Sutton, David Dearman, Michael Williams, Stephanie Branton, Court Reporter and Greg Kirkpatrick, Hearing Official.

CALL TO ORDER

Dr. Moore officially called the meeting to order at 9:05 a.m. A quorum was found to be present.

PUBLIC HEARINGS

The board moved immediately to the public hearings for public comment regarding proposed rules changes, as well as cases H14-002, H14-005 and H14-006.

There were no public comments from those present regarding the proposed rules changes.

H14-002 involved the presentation of evidence and testimony regarding allegations of fraud, dishonesty, or deceit in obtaining or attempting to obtain a certificate or registration as a certified public accountant; and a violation of a rule of professional conduct or other rule promulgated by the board. All allegations were found to be true and charges proven. The Board imposed sanctions including revocation of the licensee's CPA certificate unless licensee pays the assessment of an \$8,000 penalty for eight violations by June 30, 2014. The motion passed with five (5) board members in favor and one (1) against.

H14-006 involved the presentation of evidence and testimony regarding allegations of failure to notify Board of non-renewal of license, failure to present documentation requested to support continuing education reported for license renewal, failure to respond to Board communications and, allegations of fraud, dishonesty, or deceit in obtaining or attempting to obtain a certificate or registration as a certified public accountant. All allegations and charges were found to be true and proven. The Board imposed sanctions including revocation of the licensee's CPA certificate / license and a \$2,600 penalty. The motion passed.

H14-005 involved the presentation of evidence and testimony regarding allegations of failure to notify Board of non-renewal of license, failure to present documentation requested to support continuing education reported for license renewal and failure to respond to Board communications. All allegations and charges were found to be true and proven. The Board imposed sanctions including suspension of the licensee's CPA certificate until the licensee pays the assessment of a \$1,600 penalty, pays hearing costs, and submits CPE documents to verify CPE hours reported in 2012 and 2013 by August 31, 2014. The motion passed.

*Greg Kirkpatrick, Stephanie Branton, and Michael Williams left at the close of the hearings.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes, as presented, of the January 10, 2014 board meeting and the February 21, 2014 teleconference meeting. The motion passed.

TREASURER'S REPORT

A motion was made and seconded to approve the Treasurer's Report for January 2014, February 2014 and March 2014, as presented. The motion passed.

COMMITTEE REPORTS

The Compliance Committee has met two times.

Eighteen new complaints:

- Five unregistered Firms.
- Two Upgrades.
- Two allegations of CPA misconduct/gross negligence.
- Three request for reinstatement.
- One request for release from pre-issuance.
- Two non-licensee issues.
- Two firm applications.
- One person performing Governmental Audits without a Peer Review.

Requesting closure of 33 complaints – 9 by Consent Order:

1. **C11-030 – (Cert #3754)** – Allegations of gross negligence and lack of independence were made with regard to a licensee. After a lengthy investigation, it was determined there were no violations. Requesting closure.
2. **C12-040 – (Cert #4031)** – Lapsed licensee was put on hold due to medical reasons. Licensee has requested retired status and completed the applicable affidavit. Requesting closure.
3. **C13-017 – (Cert #161LC)** – External Complaint with regard to licensee; resolved via hearing H13-085. Requesting closure.
4. **C13-025** – Non-licensee complied with Board request pertaining to holding out. Requesting closure with no further action.
5. **C13-091 – (Cert #6001)** – Licensee had unregistered firm holding out as an accounting firm in AR. Firm has been incorporated since before 2003. Reports were issued but

- acknowledged under individual QR response. Licensee has agreed to license firm and paid a penalty of \$1,070.00. Requesting closure by compliance statement.
6. **C13-0125– (Cert #7506)** – Void Licensee requested reinstatement application. The information was mailed to Applicant. After several follow up requests, Applicant has failed to return reinstatement application. Requesting closure with no further action.
 7. **C13-126 – (Cert #4169)** – Allegations were made regarding conduct unbecoming against Licensee. After review of documentation provided by licensee, it was determined there was no violation of accountancy law. Complaint was withdrawn. Requesting closure.
 8. **C13-133 – (Cert #2582)** – Allegations were made regarding conduct unbecoming against Licensee. After review of documentation provided to support complaint, it was determined there was no violation of accountancy law. Requesting closure.
 9. **C13-134** – Non-licensee complied with Board request pertaining to holding out. Requesting closure with no further action.
 10. **C13-139 – (Cert #2952)** – Licensee failed to pay penalty assessed for failed CPE audit. Licensee has signed and submitted surrender in lieu of affidavit. Requesting closure with no further action.
 11. **C13-141 – (Cert #7464)** – Licensee had unregistered firm holding out as an accounting firm in AR. Firm has been incorporated since 2011. Licensee has licensed firm and paid a penalty of \$330.00. Requesting closure by compliance statement.
 12. **C13-142 – (Cert #3353 & 3489)** – Licensees had misleading statement on firm’s website regarding firm licensure. Wording on website corrected. Requesting closure with no further action.
 13. **C13-143– (Cert #8109)** – Licensee shared advertisement with unlicensed firm. Advertisement was stopped and licensee no longer associated with unlicensed firm. Requesting closure with no further action.
 14. **C13-144–** Non-licensee complied with Board request pertaining to holding out. Requesting closure with no further action.
 15. **C13-145** – Non-licensee complied with Board request pertaining to holding out. Requesting closure with no further action.
 16. **C13-150 – (Cert #3065)** – Licensee failed to respond to 2013 CPE Audit, Notice of hearing H14-007 was issued. Licensee has since responded to CPE audit and passed. Additionally, licensee provided documentation showing she was in treatment process for significant health issue when Board correspondence was sent. Requesting wavier of hearing and closure with no further action.
 17. **C14-001 – (Cert #7168)** – Licensee had unregistered firm holding out as an accounting firm in AR. Firm has been incorporated since 2005. Reports were issued but acknowledged under individual QR response. Licensee has agreed to license firm and paid a penalty of \$990.00. Requesting closure by compliance statement.
 18. **C14-002 – (Cert #4516)** – Licensee had requested upgrade to LTP. It was noted on application that licensee was working in public accounting. After further review, it was determined licensee’s upgrade request was made in a timely manner. Requesting closure.

19. **C14-003 – (Cert #2309)** – Licensee had requested upgrade to LTP. Licensee noted on application he provided tax services while on inactive status. Licensee has paid a penalty of \$500.00. Requesting closure by compliance statement.
20. **C14-006 – (Cert #7674)** – Licensee issued three audit reports between 2007 and 2009 that were not reported on Quality Review submissions. Licensee has paid a penalty of \$1,000.00. Requesting closure by compliance statement.
21. **C14-009 – (Cert #962)** – Licensee has requested release from pre-issuance review. After examining Reviewers assessment, it was noted that a limited volume of work had been reviewed. Based on the information provided, the Committee determined that licensee should remain on pre-issuance until such time after additional reports have been reviewed. Requesting closure.
22. **C14-011 – (Cert #8298)** – Licensee was using “Associates” in sole-proprietor firm name. Has ceased use of “Associates” on all advertising. Requesting closure with no further action.
23. **C14-015** – Licensee submitted new firm application. It was the Compliance Committee position that firm name was not false or misleading. Requesting closure.
24. **C14-016 – (Cert #9105)** – Licensee submitted new firm application. It was noted on the application that firm has a non-licensee minority partner. After further review, no issues were noted that would delay Board review of firm application. Requesting closure.

A motion was made and seconded to close C11-030, C12-040, C13-017, C13-025, C13-091, C13-125, C13-126, C13-133, C13-134, C13-139, C13-141, C13-142, C13-143, C13-144, C13-145, C13-150, C14-001, C14-002, C14-003, C14-006, C14-009, C14-011, C14-015 and C14-016. The motion passed.

CONSENT ORDERS

25. **C11-075 - Consent Order (Cert # 4523)** - Applicant’s CPA certificate became void January 1, 2010 for failure to renew. Applicant requesting re-licensure to License to practice pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed background check and agreed to pay prior years and late fees for 2007-2009 and 2014 license to practice fee, documented completion of 123 hours of CPE and agreed to respond timely the next 3 years. Requesting closure by Consent Order contingent on receipt of \$635.00 fees.

A motion was made and seconded to close C11-075 by Consent Order. The motion passed.

26. **C11-083 - Consent Order (Cert # 8239)** – An external complainant regarding Licensee was received alleging Licensee collected and copied confidential information when he left complainant’s employment. That Licensee, at the request of a law firm representing a client suing Complainant turned over this information. Licensee was not under subpoena or court order to make this disclosure. This act constitutes an acts discreditable pursuant to A.C.A. §17-12-601(a)(8) and the Board’s Code of Professional Conduct Rules 301 and 401. Licensee has paid a \$500 penalty, and agreed to respond and license timely for the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C11-083 by Consent Order. The motion passed.

27. **C12-006 - Consent Order (Cert #7357 & 771C)** – Licensee firm’s 2009 QR had a substandard compilation. Licensee Firm’s 2011 QR had a substandard Compilation and Review. Licensee failed to respond timely to a certified Board Communication regarding the above 2011 QR. Licensee has submitted documentation for surrender of firm certificate. Licensee has agreed to an assessment of a \$500 penalty, pre-issuance regarding his individual certificate and to respond timely for the next 3 years regarding Board Communication and license renewal, Requesting closure by Consent Order contingent upon receipt of monies due.

A motion was made and seconded to close C12-006 by Consent Order. The motion passed.

28. **C12-071** – Consent Order (Cert #7857) - Licensee issued review reports through an unlicensed firm and failed to report issued review reports for the 2006 and 2009 Quality Review cycles. Licensee has paid a \$3,000 penalty and agreed to respond timely for the next 3 years regarding Board Communication and license renewal. Requesting closure by Consent Order.

A motion was made and seconded to close C12-071 by Consent Order. The motion passed.

29. **C13-084 - Consent Order (Cert # 4203)** - Applicant’s CPA certificate became void January 1, 2010 for failure to renew. Applicant requesting re-licensure to License to practice pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed background check and agreed to pay License to Practice fees and late fees for 2007-2009 and 2014 and a \$250 penalty and agreed to respond timely the next 3 years. Requesting closure by Consent Order contingent on receipt of \$1,590.00 fees and penalty.

A motion was made and seconded to close C13-084 by Consent Order contingent on receipt of fees. The motion passed.

30. **C13-128 - Consent Order (Cert # 3312)** - Applicant’s CPA certificate was revoked September 26, 2013 for failure to renew. Applicant requesting reinstatement to inactive status pursuant to A.C.A. § 17-12-604. Applicant has agreed to a consent order, completed background check and paid prior year and late fees for 2013, 2014 inactive fee, a \$500 penalty for a total of \$730 and agreed to respond timely the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C13-128 by Consent Order. The motion passed.

31. **C13-137 - Consent Order (Cert # 161LC)** – Licensee designated a non-employee and a non-licensee as Resident Managers for the firm’s 2013 renewal, designated a non-licensee as Resident Manager for the firm’s 2014 renewal, and held out a non-licensee as a CPA in an advertisement for the firm. Licensee has agreed to a consent order, paid a \$2,000 penalty and agreed to respond timely the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C13-137 by Consent Order. The motion passed.

32. **C13-140 - Consent Order (Cert # 3312)** - Applicant’s CPA certificate became void January 1, 2010 for failure to renew. Applicant requesting re-licensure to inactive status pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed background check and agreed to pay prior years and late fees for 2007-2009 and 2014 inactive fee and agreed to respond timely the next 3 years. Requesting closure by Consent Order contingent on receipt of \$580.00 fees.

A motion was made and seconded to close C13-140 by Consent Order contingent on receipt of fees. The motion passed.

33. **C14-007 – Consent Order (Cert #4348)** – Applicant’s CPA certificate became void January 1, 2009 for failure to renew. Applicant requesting re-licensure to License to practice pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed background check and paid prior year and late fees for 2006-2008 and 2014 license to practice fee for a total of \$635 and agreed to respond timely the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C14-007 by Consent Order. The motion passed.

Other Compliance Business

Requesting permission to issue a Notice of Apparent Violation, Cease and Desist order for C13-116 and C14-004. By sending this Cease and Desist order, the Board is agreeing not to pursue civil proceedings if non-licensee complies with the Boards demands.

A motion was made and seconded to issue a Notice of Apparent Violation, Cease and Desist order for C13-116 and C14-004. The motion passed.

Requesting permission to issue fifty-one (51) notices of hearing:

H14-011 – Failure to obtain a peer review.

H14-012 through H14-61 - No response; requesting permission, if needed, to issues 50 notices of hearings to the lapsed individuals and firms listed below.

1348, 3047, 311, 6155, 8723, 9114, 2961, 4673, 5953, 4189, 7322, 5856, 1032, 7739R, 2850, 6096R, 8340, 5413, 3629, 3710, 8019, 4864, 983R, 355, 2853, 1328, 3865, 67, 7668R, 2364, 3580R, 4682, 7261, 1941, 2167, 5598, 3341, 4156, 7212, 4278, 8806, 1770, 7488, 8163R, 3002, 2710, 7281, 302C, 700C, 794C.

A motion was made and seconded to issue, if needed, notices of hearings related to those license numbers listed above. The motion passed.

OLD BUSINESS

Rule Change Effective Date

The Board discussed and clarified that the rule change to the ethics requirement will have an effective date of January 1, 2015 for the 2016 license renewal.

NEW BUSINESS

NASBA

Regional Meeting

A motion was made and seconded to approve travel expenses for Board members and the Executive Director to attend the NASBA Regional Meeting in June 2014. The motion passed.

OTHER BUSINESS

IT Report

A motion was made and seconded to approve the purchase of the recommended document management system, two professional scanners, the security change requests for the licensing database, a wireless network and a desktop computer with costs not to exceed \$15,000. The motion passed.

Strategic Planning Meeting

September 26th - 27th were selected as the dates for the 2014 Strategic Planning Meeting.

APPLICATIONS AND SURRENDERS

A motion was made and seconded to approve the applications and surrenders subject to review by a board member. The motion carried.

NEW ACTIVE LICENSE

9195 Carson Ammons	9210 Jessica Monroe
9196 Aaron Beard	9211 Craig Nunemaker
9197 Jerney Byford	9212 Adebayo Oluokun
9198 Chris Clatworthy	9213 Christopher Pinson
9199 Thurman Crawford	9214 Rebecca Reinhard
9200 Katie Cunningham	9215 Michelle Ross
9201 Cassie Curtis	9216 Stephanie Rowland
9202 Ferdinand Felizco	9217 Monique Sanders
9203 Leslie Fite	9218 Adam Smith
9204 Ashton Gandy	9219 Kevin Solomon
9205 Derek Harrison	9220 Jessica Spray
9206 Andrea Helton	9221 Megan Vestal
9207 Keri Ishman	9222 Elaina Nikole Wallian
9208 Karey Kesterson	9223 Lisette Washipack
9209 Cheyenne McNeer	9224 Erin Younger
9925R Nancy Baumann	9228R Shalyn Marion
9226R Paul DeRousseau	9929R Abbey Wilburn
9227R Jennifer Lattin	

•"R" DENOTES A RECIPROCAL LICENSE

CONVERSION

5325 Terri Lynn Duckworth	6435 Denise Palmer
3520 Karen Oxner	

NEW FIRM LICENSES

876C Barbara Money CPA PA	879C Ken Mullinax CPA PA
877C Bolton-Jayroe, Inc.	201LC NPO Builders, LLC
878C Donald Causey & Associates, P.C.	88LP Battelle Rippe Kingston LLP

FIRM NAME CHANGE

181C Massey CPA Group PA

FIRM SURRENDER

876C Barbara Money CPA PA
144LC Barr & Woodard LLC

76LP Fiondella, Milone, & Lasaracina LLP

INDIVIDUAL NAME CHANGE / REPLACEMENT CERTIFICATE

8703 Malea Cannon

8591 Whitney Nolan

INDIVIDUAL SURRENDERS

8741R Brian Archibald

5239 Vicky Arnold

3624 Dorothy Duncan

7175R Lesley Harwell

7923 Chad Haynie

1809R Kenneth McKinney

2613 Joe Murphy

8628 Timothy Reynolds

6823 Ronald Richard

1200R R. Townsend Sparks

9128R Michael Wilson

3589R Charles Winn

RETIRED

4342 Joanne Beattie

1651R Steven Blumreich

4526 Beth Fahr

2740R Michael Hatch

6102 Sharon Hollaway

2043 Arthur McClean

5356 James Sanford

2562 Lucian Shockey

561 Paul Sidler

4031 Lillian Williams

INACTIVE STATUS

7394 Charles Carter

6721 Tammy Cherry

1908 James Hamilton

7036 Larry Johnston, Jr.

1323 James Kelly

8207R Mary Ann Lee

8400 Brady Pipkin

1544 Jimmy Taylor

7543 Kathleen Thompson

8738 Derek Travis

8167 Josh Verdell

3065 Lisa Wilder

DECEASED

1539 William Baum

7018 Charles Dollar

866 Ed Hogaboom

1623 Charles Kinchen

5812R Richard Meads

3099 Russell Patton

2399R Charles Runyon

3246 Samuel Williams

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 2:50 p.m.