

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Gene Cogbill, CPA, President
Dr. Mike Moore, CPA, Secretary
Karen Garrett, CPA, Treasurer
Wade Turner, CPA



Jeremy Watson, CPA
Lloyd Franklin, CFE
W. R. "Bill" Millager, MBA

Jimmy Corley, CPA
Executive Director

MINUTES DRAFT
BOARD MEETING
April 26, 2013

A regular meeting of the Arkansas State Board of Public Accountancy (Board) was held in Suite 450 of the Main Street Mall building on April 26, 2013 with Gene Cogbill, President, presiding. Other members of the Board in attendance were: Karen Garrett*, William "Bill" Millager, Mike Moore, Wade Turner, and Jeremy Watson. Members of the staff in attendance were: Jimmy Corley, Executive Director; Ann Jessup, Fiscal Officer/CPE Coordinator, Dale Edge, Investigator, April Murphy, Credentialing Assistant and Alan Fortney, IT Manager. Other attendees were: Mark Ohrenberger, Assistant Attorney General, Brian Thompson, Arkansas Society of Accountants, Bruce Alt**, Arkansas Society of Certified Public Accountants, Sharon Hill*, Court Reporter, Greg Kirkpatrick*, Hearing Officer, Jerry Woodall**, Legislative Audit, Don Mills*, Tennessee State Board Investigator, Paula Kinnard**, Legislative Audit, Alan Minor*, CPA, Gene McKissic*, Attorney, Jessica Sutton*, Bureau of Legislative Research and Lucian Shockey*, CPA.

CALL TO ORDER

Mr. Cogbill officially called the meeting to order at 9:06 a.m. A quorum was found to be present.

PUBLIC HEARINGS

The board moved immediately to the public hearing for public comment regarding proposed rules changes and H12-032.

There were no public comments from those present regarding the proposed rules changes. Mr. Cogbill did affirm the Board received several comments from the public both for and against the changes. No action was taken.

H12-032 involved the presentations of evidence and testimony surrounding 21 charges involving failure to follow professional standards in the issuance of audit reports.

Eighteen (18) of the charges were proven to be true and 3 charges were not proven. The Board imposed the following sanctions: \$13,500 penalty to be paid by June 30, 2013; Pre-issuance review by a Board approved reviewer for each report issued until the time a "pass" peer review report is received from a firm approved by the Board; and to pay the costs of the hearing.

*Karen Garrett, Sharon Hill, Greg Kirkpatrick, Alan Minor, Gene McKissic, Don Mills, Jessica Sutton and Lucian Shockey left the meeting at the conclusion of the hearings.

OLD BUSINESS

A motion was made and seconded to preserve the policy established by the Board in 1996 regarding “Grandfathering Practices.” Exam candidates, who sat for the exam prior to 1998 and received a score, are not required to meet the 150 hour rule requirement. The motion passed.

**Paula Kinnard, Jerry Woodall and Bruce Alt left the meeting.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the January 11, 2013 and January 17, 2013 board meetings. The motion passed.

TREASURER’S REPORT

A motion was made and seconded to approve the Treasurer’s Report for January, February and March, 2013, as presented. The motion passed.

COMMITTEE REPORTS

Compliance

The Compliance Committee has met three times.

Twenty-nine new complaints:

Eight complaints regarding CPE and/or QR issues.

Nine unlicensed firms.

Four CPAs inactive or lapsed working in public accounting.

Two allegations of failures to follow professional standards.

Two CPAs requesting modification of a Consent Order.

One conduct unbecoming allegation.

CPA charged with a non-fiduciary felony.

CPA holding records.

Inactive CPA holding out in Yellow Pages.

Requesting closure of fifteen complaints – one by consent order:

1. **C12-079 – (Cert #1999R)** - Inactive CPA with PTN has surrendered CPA Certificate. Requesting closure.
2. **C12-082 – (Cert #1989R)** - Inactive CPA with PTN, surrendered CPA Certificate at January Board meeting. Requesting closure.
3. **C12-084 – (Cert# 2LP)** - Licensee involved in lawsuit involving allegation failure to follow professional standards. Complaint was settled out of court. Close with no further action.
4. **C12-087 - (Cert #8734R)** - Inactive CPA with PTN. Retired CPA working at public firm in back office part time. No interaction with public. Requesting closure.
5. **C12-090 - (Cert #3563)** – Concerns with regard to offerings of Governmental Audit

Services. Close with no further action.

6. **C13-012** –Unlicensed firm offering accounting services. Website has been changed. Close with no further action.
7. **C13-013** – (**Cert # 471C**) - Allegation failure to follow professional standards with regard to audit. No finding close with no further action.
8. **C13-015** – (**Cert # 035**) – Licensee had substandard QR, after further review additional QR issues were noted. Licensee has requested to surrender license. Close with no further action.
9. **C13-018** – (**Cert #49LP**) – Licensee involved in lawsuit involving allegation failure to follow professional standards. Complaint was settled out of court. Close with no further action.
10. **C13-019** – (**Cert #7402**) – Inactive CPA working in public accounting. Resolved via compliance statement paid \$200 penalty and upgraded to LTP. Requesting closure.
11. **C13-021** – (**Cert #1455**) – Allegation of holding records. Matters appears to be resolved, records released. No finding close with no further action.
12. **C13-022** – (**Cert #3508**) – Inactive CPA listed in Yellow Pages under Accountant Certified. Phone number disconnected licensee stated he has not held out or practiced accounting since going inactive. Requesting closure.
13. **C13-026** – Unlicensed firm listed in Yellow Pages under Account Public offering accounting services. Firm has responded and said listing will be removed. Close with no further action.
14. **C13-027** – Unlicensed firm listed in Yellow Pages under Accountant Public. Law Firm operating as Professional Association. Yellow Book error has been addressed. Close with no further action.

A motion was made and seconded to close C12-079, C12-082, C12-084, C12-087, C12-090, C13-012, C13-013, C13-015, C13-018, C13-019, C13-021, C13-022, C13-026, C13-027. The motion passed.

CONSENT ORDER

15. **C09-063- Consent Order (Cert #2674)** Applicant's CPA certificate became void January 1, 2010 for failure to renew. Applicant requesting License to Practice pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed 127 hours of CPE, background check and paid 2007-2009 inactive fees and 2013 LTP fee plus late fees totaling \$405.00. Requesting closure by Consent Order.

A motion was made and seconded to close, by Consent Order, C09-063. The motion passed.

OTHER MATTERS

1. **C13-010 – (Cert # 962)** - Licensee entered into Consent Order with the Board in June 2007 and agreed to cease providing audit and review services. It was noted in order that after 5 years he could petition the Board to reinstate his ability to provide attest services. Licensee is requesting to be allowed to perform attest work again.

A motion was made and seconded to approve the request, subject to pre-issuance review, reviewed by a reviewer approved by the Board until the time the reviewer issues an acceptable report to the Board. The motion passed.

2. **C13-011 – (Cert #4302)** - Licensee entered into Consent Order with the Board in June 2010 and agreed go under pre-issuance review. Licensee has requested to be released from pre-issuance, pre-issuance reviewer is in concurrence.

The request was tabled due to lack of a quorum

Requesting permission to issue 69 notices of hearings.

1. C12-091 – Licensee has requested to resolve a controversy with the Board via Hearing instead of by consent order.
2. No response – Lapsed individuals and firms. Requesting permission, if needed, to issues 68 notices of hearing for license numbers :

5127, 7329, 7629, 8311R, 6888, 7389, 8919, 1262, 7315, 3961, 7158, 8924, 6413, 8246R, 6276, 4480R, 1363, 1570, 4522, 1837, 5153, 9027, 6991R, 6602, 2894, 8270R, 8088R, 3639, 1287, 3308, 3312, 3985, 8883, 1584, 1613, 8848R, 5149, 4139, 5176, 8549R, 5897, 6678, 4112, 4001, 4005, 6733R, 3197, 8866R, 2564, 1917, 5357R, 2880, 4196R, 6828, 5618, 1464, 5506, 8025R, 7947R, 8576, 5676R, 5474R, 5930, 168LC, 512C, 4SP, 629C, 121C

A motion was made and seconded to issue, if needed, notices of hearings for C12-091 and those license numbers listed above.

NEW BUSINESS

Proposed Rules Change

Rules – A motion was made and seconded to amend the proposed rule changes to include “bachelor’s degree” in the requirements being met in Rule 3.2(1); to change the time period from 90 days to 30 days in Rule 7.7; and to strike the last sentence in Rule 13.7(d) and add “and be at least one year” to the prior sentence. The motion passed.

License Request

Brian Smith – Mr. Smith did not disclose his criminal conviction on his license application and the conviction was discovered when the background check was performed. Mr. Smith is asking for his license application to be approved after he supplied the Board with an explanation for his failure to disclose the conviction. A motion was made and seconded to

approve the application with the provision the applicant must sign a consent order and pay a \$100 penalty for failure to disclose a conviction.

David Gasaway – Mr. Gasaway did not disclose his criminal conviction on his license application and the conviction was discovered when the background check was performed. Mr. Gasaway is asking for his license application to be approved after he supplied the Board with an explanation for his failure to disclose the conviction. A motion was made and seconded to approve the application with the provision the applicant must sign a consent order and pay a \$100 penalty for failure to disclose a conviction.

Jonathan Wallace – Mr. Wallace did not disclose criminal charges on his license application and the charges were discovered when the background check was performed. Mr. Wallace is asking for his license application to be approved after he supplied the Board with an explanation for his failure to disclose the charges. A motion was made and seconded to approve the application with the provision the applicant must sign a consent order and pay a \$100 penalty for failure to disclose criminal charges.

John Michael Davis – Mr. Davis requested his previous work experience under a licensed CPA be considered for his experience requirement on the license application even though it was more than three years prior to his application. A motion was made and seconded to approve the experience to meet the requirement for licensure. The motion passed.

NASBA

A motion was made and seconded to approve the use of NASBA's International Evaluation Services to evaluate international transcripts. The motion passed.

OTHER BUSINESS

IT Report

A motion was made and seconded to approve the purchase for a network switch at the cost of \$528.60 plus tax. The motion passed.

NASBA

A motion was made and seconded to approve the Executive Director to designate those to attend the NASBA PROC Summit to be held July 10, 2013 in Nashville, Tennessee, and to reimburse related expenses. The motion passed.

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 LICENSE

9066 Emily Diane Aston
9068 Misty D. Baugh
9070 Erin Micah Brown
9072 Benjamin Lee Cox
9074 John Michael Davis

9067 Amelia Wildenborg Barnes
9069 Jennifer Lind Bell
9071 Jeremy Brown
9073 Russell Byron Curtner
9075 Lindsay N. Dickson

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|-------|-------------------------|-------|--------------------------|
| 9076 | Seth E. Elkins | 9077 | Ashley Laine Farrar |
| 9078 | Kathryn Elizabeth Fiser | 9079 | Nicole Lenea Frey |
| 9101 | James David Gasaway | 9080 | Philip Anthony Gilbert |
| 9081 | Randi Rene Gottsponer | 9082 | Blair Elizabeth Hill |
| 9083 | Patricia Nelms Lambert | 9084 | Simon Makepeace |
| 9085 | Zachary Taylor Mooney | 9086 | Hannah Cheeseman Moore |
| 9087 | Kristen Lee Rigsbee | 9088 | Levi Garrett Ross |
| 9102 | Brian C. Smith | 8089 | Anela Victoria Stauffer |
| 9090 | Andrew James Terry | 9091 | Gregory Glenn Walker |
| 9103 | Jonathan Wallace | 9092 | Tracy Ann Ward |
| 9093 | Kamica White | 9094 | Kimberly Nicole Williams |
| 9095 | Samuel E. Willis | 9096 | Jeffrey Raymond Zern |
| 9097R | Cherie M. Bardwell | 9098R | Julianna J Brandenberger |
| 9099R | Brett A. Millikin | 9100R | Christine G. Winston |
| 2983 | Mary Jane Brack | | |

•"R" DENOTES A RECIPROCAL LICENSE

NEW FIRM LICENSES

| | | | |
|-------|--|-------|--------------------------------|
| 858C | Adams, Brown, Beran & Ball, Chtd. | 859C | Gammill & Jacobs, CPAs, P.A. |
| 860C | Hillin & Clark, PC | 861C | Meador & McCasland, CPAs, P.A. |
| 862C | Patterson Hardee & Ballentine PC | 863C | Robert L. Burns CPA Ltd Inc. |
| 181LC | Fred T. Neely & Company, PLLC | 182LC | Joshua D. Jacobs, CPA, PLLC |
| 183LC | LR & Co. Management Consultants LLC DBA: LR Tax & Accounting | | |
| 184LC | Robinson CPA PLLC | 85LP | CF & Co., L.L.P. |

INDIVIDUAL AND ENTITY SURRENDERS

| | | | |
|-------|--|-------|-------------------------|
| 2712R | Eddie J. Ary | 2863 | Kenneth E. Baggett |
| 5819 | Sharon Sue Berberich | 8478 | J. Michelle Boozer |
| 5609 | Karen Anne Brunetti | 6629R | Thomas Kevin Corona |
| 8983 | Christopher Elton | 1363 | Thurston M. Fish |
| 1570 | John Leslie Floyd | 5153 | James Earl Gill, Jr. |
| 1980 | Virginia C. Goslin | 2572 | Lynn R. Hamilton |
| 064 | James C. Hodge | 1287 | John C. Jeffers |
| 3985 | Cynthia L. Langston | 1613 | Garrett Luedloff |
| 8576 | Erin Mandrell | 1617 | Nancy R. Metcalf |
| 8089R | Richard E. Mills | 1555 | Ronald R. Moore |
| 5384R | Robert S. Morgan | 0419 | Martha L. Niece |
| 8549R | Kristy Kaye Norris | 1999R | Hershel F. Owens |
| 4494R | Lee W. Randall | 5386R | Rick W. Rayson |
| 035 | Leonard Ricketts | 4039 | H.D. Ross |
| 8493R | Stephen M. Ross | 8361R | Jared P. Sanders |
| 8295R | J. Eric Sims | 5357R | Robert Soza |
| 4297 | Field M. Watts | 2818 | Jacqueline O. White |
| 1959 | Arlette C. Wilson | 5676R | James M. Wood |
| 805C | Antonio J. Grau, CPA PA DBA: Grau & Associates | | |
| 321P | Fred T. Neely & Co. | 1731C | Henderson & Hill, LLC |
| 283C | Jeffrey, Phillips, Mosley & Scott, P.A. | | |
| 790C | Joseph E. Maddox, CPA PA | 0113P | O'Mary and O'Mary, P.A. |

488C Rachel K. Fletcher P.A. 801C Shane Diamant CPA P.A.
359P Williams & Associates CPAs

INDIVIDUAL AND BUSINESS NAME CHANGE

58LP Anders Minkler Huber & Helm LLP 387C Beckwith & Co., Ltd.

REPLACEMENT CERTIFICATE

8387 Amber Nicole Sherrill

DECEASED

| | |
|----------------------------------|---------------------------|
| 0451 Bert M. Bridges | 912R Anthony E. Hopp, Jr. |
| 568 William T. Luebben | 6187 Heidi Giller Meadows |
| 4550 William Thomas Pearson, Jr. | 1852R Jesse W. Stafford |
| 1132 Donna Stephens | 2820 Gary W. Wilson |

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 4:41 p.m.