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:

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.
5. C12-090 - (Cert #3563) – Concerns with regard to offerings of Governmental Audit
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.


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.


**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 to 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:


   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. Baggettt
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.
INDIVIDUAL AND BUSINESS NAME CHANGE

REPLACEMENT CERTIFICATE

DECEASED

ADJOURNMENT

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