A regular meeting of the Arkansas State Board of Public Accountancy (Board) was held in Suite 450 of the Main Street Mall on January 10, 2014 with Dr. Mike Moore, President, presiding. Other members of the Board in attendance were: Karen Garrett, Wade Turner, Lloyd Franklin, Robert Redfern 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, and Alan Fortney, IT Manager. Other attendees were: Mark Ohrenberger, Attorney General’s Office, Brian Thompson, Arkansas Society of Accountants, John Robbins, Dena Jones, Edward Jones, Ann Dorsey, CPA, Chad Pekron, JD, David Buck, Toni Reid, Lyn Fruchey, Stephanie Branton, Court Reporter and Greg Kirkpatrick, Hearing Official.

**CALL TO ORDER**

Dr. Moore officially called the meeting to order at 9:02 a.m. A quorum was found to be present.

**PUBLIC HEARINGS**

The board moved immediately to the public hearings for H13-085 and H13-086.

**H13-085** involved the presentations of evidence and testimony regarding allegations of conduct discreditable to the public accounting profession. All allegations were found to be true and two of three charges proven. The Board imposed sanctions including a $500 penalty and a six month suspension of the licensee’s CPA certificate if licensee does not make restitution of monies withheld by February 28, 2014.

**H13-086** involved the presentations of evidence and testimony regarding allegations of violations of a rule of professional conduct; failure by an applicant for renewal of a license to furnish evidence of completion of continuing education courses; dishonesty, fraud, or gross negligence in the practice of public accountancy; violations of a rule of professional conduct; failure to respond to the Quality Review survey; and discreditable acts. Evidence and testimony were presented. All allegations and charges were found to be true and proven. The Board revoked the CPA’s license and assessed a $12,000 penalty for the twelve violations.
APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes, as presented, of the November 15, 2013 board meeting. The motion passed.

TREASURER’S REPORT

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

COMMITTEE REPORTS

The Compliance Committee has met twice, once by teleconference.

Twenty-eight new complaints:

One allegation of falsified CPE.
Four requests for re-licensure.
One failure to notify of name change timely.
Two QR issues.
One allegation of CPA misconduct.
Seven Complaints regarding non-licensees holding out
One regarding failed CPE Audit.
Three unregistered Firms.
One CPA associated with an unlicensed firm.
Seven persons who failed to respond to the 2013 CPE Audit.

Requesting closure of 21 complaints – 12 by Consent Order:

1) C13-046 – (Cert #3308) – Licensee is lapsed; hearing number H13-013 was issued regarding failure to renew. Licensee originally requested reinstatement but now has requested to surrender in lieu of. Requesting closure.

2) C13-095 – (Cert #2724) – Licensee had unregistered firm holding out as an accounting firm in AR. Firm has been incorporated since before 2000. No reports were found issued under unlicensed firm name. Licensee has agreed to license firm and paid a penalty of $1,000.00. Requesting closure by compliance statement.

3) C13-098 – Non-licensee issued an audit. Individual was sent a Notice of Apparent Violation and Demand to Cease and Desist (NAV). Individual has signed NAV and agreed to cease all attestation work. Requesting closure.

4) C13-100 – Non-licensee (recently passed exam) used “accounting” in firm name. Further review found person had not held out as CPA or performed any attestation work. Has signed affidavit to change firm name. Requesting closure with no further action.
5) C13-102 – Reciprocal Applicant working in public accounting failed to license timely. Licensee has made application with the Board and paid a $500 penalty. Requesting closure by compliance statement.

6) C13-106 – (Cert #8410) – Licensee has requested an upgrade to a license to practice; during the review process it appeared licensee had unregistered firm. After further investigation, no violations of accountancy law were found. Requesting closure with no further action.

7) C13-111 – (Cert #6070) – Licensee had unregistered firm holding out as an accounting firm in AR. Firm has been incorporated since before 2012. A Review report was issued. Licensee has agreed to license firm and paid a penalty of $470.00. Requesting closure by compliance statement.

8) C13-112 – (Cert #2502) – Licensee has requested an upgrade to a license to practice; during the review process it was noted he had worked in public accounting during 2004-2005 (nine months). After further investigation, no violations of accountancy law were found. Requesting closure with no further action.

9) C13-131 – (Cert #808C) – Licensee noted issuance of audits on 2013 Quality Review, but only submitted an engagement peer review. After further investigation, it was determined that licensee did not issue audits. Licensee submitted a corrected QR Survey form. Requesting closure with no further action.


CONSENT ORDERS

10) C12-019 - Consent Order (Certificate # 7269) - Applicant’s CPA certificate became void January 1, 2011 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 2008-2010 and 2014 license to practice fee, documented completion of 120 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 C12-019 by Consent Order contingent on receipt of fees. The motion passed.

11) C13-002 - Consent Order (Certificate # 7726) - Licensee failed to respond to the 2012 CPE Audit letter and was notified by certified letter of licensee’s failure to respond. Licensee did not respond to Board letter. Licensee also failed to document completion of 40 hours of CPE required to obtain a 2012 license renewal. Licensee has agreed to an assessment of a $1,500 penalty, respond timely for the next 3 years, and complete 7 additional hours of CPE. Requesting closure by Consent Order contingent upon receipt of monies due.

A motion was made and seconded to close C13-002 by Consent Order contingent on receipt of penalties. The motion passed.

12) C13-033 - Consent Order (Certificate # 7362) - Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated November 2006. In addition,
licensee failed to acknowledge issuance of review reports on the 2008 Quality Review. Licensee has agreed to cease issuing audit, review and compilation reports, respond timely for the next 3 years, complete an accurate QR submission for the next 3 years and has paid a $1,440.00 penalty. Requesting closure by Consent Order.

A motion was made and seconded to close C13-033 by Consent Order. The motion passed.

13) C13-105 - Consent Order (Certificate # 8453) - Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated November 2010. In addition, licensee failed to acknowledge issuance of review reports on the 2012 Quality Review. Licensee has agreed to cease issuing audit, review and compilation reports through an unlicensed firm, respond timely for the next 3 years, complete an accurate QR submission for the next 3 years and has paid a $2,000.00 penalty. Requesting closure by Consent Order.

A motion was made and seconded to close C13-105 by Consent Order. The motion passed.

14) C13-108 - Consent Order - Out state CPA has requested to register his firm. Applicant acknowledged a failed 2011 system peer review. Applicant has signed a consent order agreeing to pre-issuance for any audit performed in Arkansas and has paid applicable application and licensure fees. Requesting closure by consent Order.

A motion was made and seconded to close C13-108 by Consent Order. The motion passed.

15) C13-110 - Consent Order (Certificate # 4869) - Applicant’s CPA certificate lapsed April 1, 2012 for failure to renew. Applicant requesting reinstatement to inactive status pursuant to A.C.A. § 17-12-504(g). Applicant has agreed to a consent order, completed a background check, paid inactive renewal and late fees totaling $385, and agreed to respond timely the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C13-110 by Consent Order. The motion passed.

16) C13-113 - Consent Order - Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated July 2009. In addition, audits, reviews and a compilation were issued under unlicensed firm’s name. Licensee has agreed to license firm and paid prior year fees and penalty of $4,400.00. Requesting closure by Consent Order.

A motion was made and seconded to close C13-113 by Consent Order. The motion passed.

17) C13-121 - Consent Order (Certificate # 6276) - Applicant’s CPA certificate was revoked September 26, 2013 for failure to renew. Applicant is requesting reinstatement to inactive status pursuant to Board Rule 13.9. Applicant has agreed to a consent order, completed background check and paid inactive renewal and late fees totaling $735.00. Requesting closure by Consent Order.

A motion was made and seconded to close C13-121 by Consent Order. The motion passed.

18) C13-124 - Consent Order (Certificate # 5439) - Applicant’s CPA certificate became void January 1, 2013 for failure to renew. Applicant is requesting re-licensure to inactive status pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed background check, paid inactive renewal fees and late fees totaling $580.00 and agreed to respond timely the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C13-124 by Consent Order. The motion passed.
19) C13-130 - Consent Order (Certificate # 3261) - Applicant’s CPA certificate became void January 1, 2009 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 paid 2006-2008 licensure and late fees, and 2014 inactive fees totaling $580.00. Requesting closure by Consent Order.

A motion was made and seconded to close C13-130 by Consent Order. The motion passed.

20) C13-138 - Consent Order (Registration # 0436) - Applicant’s surrendered her PA registration August 2006. Applicant requesting re-licensure to License to practice pursuant to A.C.A. § 17-12-301. Applicant has agreed to a pre-issuance consent order, completed background check and has paid 2014 license to practice fee, documented completion of 128 hours of CPE and agreed to respond timely the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C13-138 by Consent Order. The motion passed.

21) C13-154 - Consent Order - Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated January 2013. In addition, reviews and a compilation were issued under unlicensed firm’s name. Licensee has agreed to license firm and paid prior year fee and penalty of $3,310.00. Requesting closure by Consent Order.

A motion was made and seconded to close C13-154 by Consent Order. The motion passed.

**Other Business**

Requesting permission to send two Notice of Apparent Violation Cease and Desist orders for C13-024 and C13-119. These are non-licensees who held out to the public as a Certified Public Accountant or Public Accountant. By sending these cease and desist out for signatures the Board is agreeing not to pursue civil proceedings if respondent complies with the Boards demands.

A motion was made and seconded to send out two Notice of Cease and Desist orders. The motion passed.

**Requesting permission to issue ten (10) notices of hearing.**

**H14-001** – Licensee has unregistered firm holding out as an accounting firm in AR since 2006. Licensee failed to acknowledge issuance of review reports on both the 2006 and 2009 Quality Review Survey. In addition, licensee did not agree to Consent Order offered to resolve controversy.

**H14-002** – Licensee failed 2012 CPE Audit and did not provide adequate documentation to effect compliance with Board Rule 13. In addition, licensee has allegedly falsified CPE hours to obtain 2011 and 2012 license renewals.

**H14-003** – Licensee failed 2012 CPE audit and has not paid the assessed penalty. A motion was made and seconded to issue a notice of hearing for H13-086. The motion passed.

**H14-004** – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

**H14-005** – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.
H14-006 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-007 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-008 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-009 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-010 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

NEW BUSINESS

CPE Waiver Requests

Charles Runyon - After review of a letter and medical documentation, a motion was made and seconded to grant a waiver of CPE for 2013. The motion passed.

Financial Interest Statements

The board members received the Financial Interest Statements and were reminded to file them with the Secretary of State, per the Ethics Commission requirements on or before January 31, 2014.


A motion was made and seconded to authorize the stipend and expense reimbursement for all Board Members for 2014 per State Statutes §§25-16-902 and 25-16-903. The motion passed.

OTHER BUSINESS

NASBA

Executive Directors and Legal Conference

A motion was made and seconded to send Mr. Corley, Mr. Edge and Mr. Montgomery to the Executive Directors’ Conference and Mr. Ohrenberger to the Legal Counsel Conference in Savannah, GA March 3-5, 2014. The motion passed.

IT Report

A motion was made and seconded to approve the purchase of two computers and a television for the Board Room, costs not to exceed $3,500. The motion passed.
Settlement Offer

A motion was made and seconded to reject the settlement offer made by Alan Minor, H12-032. 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 ACTIVE LICENSE

<table>
<thead>
<tr>
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<th>Name</th>
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<tbody>
<tr>
<td>9167</td>
<td>William B. Baker</td>
</tr>
<tr>
<td>9169</td>
<td>Vimal M. Bava</td>
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<tr>
<td>9171</td>
<td>Kelly Megan Minter-Schneider</td>
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<td>9173</td>
<td>Timothy Kyle Smith</td>
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<td>9175</td>
<td>Evan Scott Teer</td>
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<tr>
<td>9177</td>
<td>Kelsey Mae Uting</td>
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<td>9179R</td>
<td>Barbara Dee Rowden Butler</td>
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<tr>
<td>9181R</td>
<td>James A. Davis</td>
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<tr>
<td>9183R</td>
<td>Eric E. Lothian</td>
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<tr>
<td>5823R</td>
<td>Barbara Dee Rowden Butler</td>
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•"R" DENOTES A RECIPROCAL LICENSE

NEW FIRM LICENSES

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<tbody>
<tr>
<td>870C</td>
<td>David Cleveland, CPA, PA</td>
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<tr>
<td>872C</td>
<td>Matthews, Cutrer &amp; Lindsay, P.A.</td>
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<tr>
<td>875C</td>
<td>Robertson CPA Firm, Inc.</td>
</tr>
<tr>
<td>194LC</td>
<td>Chester Financial, PLLC</td>
</tr>
<tr>
<td>197LC</td>
<td>Jack Chami CPA PLLC</td>
</tr>
<tr>
<td>199LC</td>
<td>Ryan Creswell, CPA, PLLC</td>
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FIRM NAME CHANGE

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<tr>
<td>165C</td>
<td>Chism &amp; Company, Ltd.</td>
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<tr>
<td>17LP</td>
<td>Robertson &amp; Scherer, LLP.</td>
</tr>
<tr>
<td>115C</td>
<td>Hamilton, Cherry, Spradlin &amp; Mandrell, Ltd.</td>
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INDIVIDUAL AND ENTITY SURRENDERS

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<tr>
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<th>Name</th>
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<tbody>
<tr>
<td>8309R</td>
<td>Lorraine Lincoln Bunnell</td>
</tr>
<tr>
<td>1311</td>
<td>Larry A. Martin</td>
</tr>
<tr>
<td>6236R</td>
<td>Van Oliver</td>
</tr>
<tr>
<td>8874</td>
<td>Justin Wayne Smith</td>
</tr>
<tr>
<td>621C</td>
<td>Breeze Accounting, LLC</td>
</tr>
<tr>
<td>248C</td>
<td>H Thomas Gibbons &amp; Associates</td>
</tr>
<tr>
<td>50IP</td>
<td>May &amp; Company, A Limited Liability Partnership</td>
</tr>
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### RETIRED

- 990 Harold Adams    1099 Don Carlon Bassett
- 6844R David Nicholas Beekman 3727 Doris L. Bell
- 3269 Dale W. Brandon 914 D. Ken Brock
- 1830 Robert A. Brown 788 Kenneth G. Buford
- 1692 Ronald R. Burch 1593 Betty Aris Bush
- 1446 James L. Bush, Jr. 1840 Larry A. Campbell
- 709R J.R. Clinton III. 789 E. Ralph Cotham IV.
- 3404 Barbara K. Creighton 879 Glen W. Crone
- 2827 Pat A. Davis 662R Robert Jackson Dudley
- 1256R Terry A. Elliott 3036 William C. Foster
- 430 David S. Fox 3571 Marvine F. Fullbright
- 4527 Marlene W. Gwaltney 2290 Dorothy Allred Hanby
- 7597R Olivenen Cox Hargrave 5420 Billy J. Harris
- 420 Charles Turner Hopkins 852 Hal L. Hulse
- 922 Bob Humphrey 3013R Charles M. Iron
- 2553 Truman L. Jefferson 3310 Donald J. Jones
- 4164 Gayle Jones 699 Donald E. Keck
- 1323 James M. Kelly 1785R Robert W. Lee
- 4129 George H. Lepper 2022 Joe L. Madey
- 2932 James W. Miller, Jr. 795 Robert A. Miller
- 1467 William G. Neal 6237 Joanne G. Olszewski
- 796 Jerry D. Orler 7048 Leatha Ann Palculict
- 1083 Dennis G. Pharr 1042 John F. Phillips
- 5100R Michael P. Rafferty 1489 Yoly Redden
- 1138R Terry E. Reeves 1117 L.A. Richmond
- 2063 James R. Ridgell 2840 George Rogers, Jr.
- 2494 Karen C. Seller 887 Donald Ray Slack
- 844 Ray David Slack, Jr. 978 William D. Spivey
- 1639 Judith Harris Spradlin 4569 Paul Stemac
- 3840 E. Owen Stoker 6969R Danny Allen Stubblefield
- 6258R William John Sweeney 2455R Leslie T. Teaff
- 1141R John Thomas Todd 5461 Larry Coleman Tomlin
- 1098R Fred W. Wilcox 6739R Colleen Ann Wise

### SURRENDER IN LIEU OF DISCIPLINARY ACTION

- 3308 Sandra W. Jester

### INACTIVE STATUS

- 8903R Tracy Lynn Anderson 5836 Loy Jeffrey Bailey
- 6155 Tyler Hance Bean 1133 Billy E. Blasingame
- 1937 James C. Bourne, Jr. 4238 Tracy L. Broadwater
- 6752R Bryan David Burks 5693 Jeffrey Lee Cantrell
- 8014R Margaret L. Climer 6657 Burton E. Eddington, Jr.
- 4331R Franklyn D. Ellis 8789 Christina D. Evans
- 755 Alfred C. Ferrell 1580 Richard H. Fleming
- 8894 Chad A. Graham 7916R Renee W. Hanshaw
1862 Claude Shackelford Hawkins, Jr. 7233 Terry S. Higgs
5939 Jamie Mays Howe, Jr. 2913 Delma R. Jensen
9058R Justin Kavalir 5878 Donna Gail Kelly
9039 Whitney Taylor Koenigseder 1082 James Edward Little
7676 Robyn Nicole "Nikki" Lockett 8783R Rafael Marrero
7717 Anita J. Marshall 8593 Rachel M. Martin
7497 Darron Ray Ming 5776 Linda Rice Nelson
8804 Wendi Lynne Pangle 3829 Bryan G. Potts
8634 Jane Dixon Riggs 1408R Charles W. Schaaf
6934 Sandra Schwarz 4168 Kirby H. Smith
9141 Timothy Stransky 6345 Carol S. Trusty
1718 Johnny F. Van Horn 8018R John P. Wiewel
6948 Jason Michael Wilkinson

DECEASED
2350 William R. Cowan

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 4:48 p.m.