

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Jeremy Watson CPA, President
Robert Redfern CPA, Secretary
Michael M. Watts CPA, JD Treasurer
Sherry Chesser CPA



Wade Turner, CPA
Lloyd Franklin, CFE
Jim Gately, EdM

Jimmy Corley, CPA
Executive Director

BOARD MEETING MINUTES
June 3, 2016

A regular meeting of the Arkansas State Board of Public Accountancy was held in Suite 450 of the Main Street Mall building on June 3, 2016 with Wade Turner, President, presiding. Other members of the Board in attendance were: Jeremy Watson, Michael Watts, Robert Redfern, Lloyd Franklin, Sherry Chesser and Jim Gately. Members of the staff in attendance were: Jimmy Corley, Executive Director; Dale Edge, Investigator; Tim Montgomery, Investigator; Mark Ohrenberger, Legal Counsel; Alan Fortney and April Murphy. Also in attendance was Brian Thompson of the ASA; Courtney Massey of the Governor's Office; Sharon Hill, CCR*; and Greg Kirkpatrick, Hearing Officer*.

CALL TO ORDER

Mr. Turner officially called the meeting to order at 9:00 am. A quorum was found to be present.

Public Hearings

The Board moved immediately to Public Hearings concerning the following cases:

H16-003 Kevin Jumper – Respondent did not appear at hearing. Board found that Respondent failed to complete 40 hours of acceptable Continuing Education in 2014 for 2015 licensure, Respondent failed to respond to two (2) separate certified mailings from the Board, and failed to renew CPA certificate for 2016. Respondent's CPA certificate was revoked by Board order.

H16-039 Doris Boniecki – Respondent appeared at hearing. Board found that Respondent failed to respond to a certified mailing from the Board and to renew CPA certificate for 2016. Per Respondent's request, CPA certificate 7556R was revoked by Board order.

Omnibus Hearing – Respondents did not appear at hearing. Board found that Respondents failed to respond to a certified mailing from the Board and to renew their CPA certificates for 2016 (or firm registration in the case of Ramona G. Stein CPA, PA). Respondents' CPA certificates (or firm registration, as applicable) were revoked by Board order.

The Omnibus Hearing Finding above is applicable to the following individuals:

Hearing H16-005	Dennis Bass	3886R
Hearing H16-006	Stephen Bennett	2772
Hearing H16-007	Robert Boaz	6223
Hearing H16-013	J. Mitchell Collins	5953
Hearing H16-016	Robert Eubanks	754
Hearing H16-020	Shawn Grigson	8422R
Hearing H16-025	Richard Norman	2202
Hearing H16-028	Gerald Robertson	2877
Hearing H16-029	Clyde Rodgers	1242
Hearing H16-031	Clifford Smith	5195
Hearing H16-033	Lee Swarouth	7957R
Hearing H16-034	Harold Thompson	3368
Hearing H16-036	Robert Willey	1052
Hearing H16-042	Tracye Bush	5690
Hearing H16-048	Patricia Runkles	5498
Hearing H16-049	Lisa Sarmiento	8600R
Hearing H16-050	Abbey Wilburn	9229R
Hearing H16-051	Amanda Wyatt	8992
Hearing H16-054	Ramona G Stein CPA PA	603C
Hearing H16-055	Robert Colvard	693

*Greg Kirkpatrick and Sharon Hill left at the close of the hearings.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes, as presented, of the April 22, 2016 Board meeting. The motion passed unanimously.

TREASURER'S REPORT

A motion was made and seconded to approve April 2016 Treasurer's Report, as presented. The motion passed unanimously.

COMMITTEE REPORTS

COMPLIANCE

The Compliance Committee has met once

Sixty new complaints:

Non-licensee complaint

Licensee surrendered Law license due to embezzlement

Three applicants with felony issues
Three licensees with CPE Audit issues
Fifty-two lapsed licensees

Requesting closure of 29 complaints

- 1) **C15-114 – (Cert. # 8186)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 2) **C16-002 – (Unregistered Firm)** – Unlicensed firm. Licensee holding out with an unlicensed firm since March 2015. Applicant submitted firm application to Board December 29, 2015. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$110.00 penalty collected.
- 3) **C16-005 – (Cert. # 7310)** – Inactive licensee not using Inactive disclaimer on resume. Licensee has since upgraded. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$250.00 penalty collected.
- 4) **C16-014 – (Unregistered Firm)** – Unlicensed firm. Licensee is not holding company out to the public and has removed CPA from company name. Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure of the complaint.
- 5) **C16-016 – (Unregistered Firm)** – Unlicensed firm. Licensee registered firm name with AR Secretary of State in April 2013. Applicant submitted firm application to Board February 29, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$330.00 penalty collected.
- 6) **C16-017 – (Unregistered Firm)** – Unlicensed firm. Licensee registered firm name with AR Secretary of State in January 2015. Applicant submitted firm application to Board February 28, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$110.00 penalty collected.
- 7) **C16-018 – (Unregistered Firm)** – Unlicensed firm. Licensee holding out with an unlicensed firm since January 2015. Applicant submitted firm application to Board February 29, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the

proposed compliance statement. Compliance Statement has been signed and \$110.00 penalty collected.

- 8) **C16-023 – (Unregistered Firm)** – Unlicensed firm. Licensee is not holding company out to the public and has removed CPA from company name. Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure of the complaint.
- 9) **C16-035– (Applicant Firm) – A Non-Arkansas CPA** applicant firm owner disclosed criminal conviction. Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure of the complaint.
- 10) **C16-042 – (Cert. # 8821R)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 11) **C16-046 – (Cert. #051)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to take retired status.
- 12) **C16-047– (Cert. # 5842)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 13) **C16-050 – (Cert. # 7952R)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to take retired status.
- 14) **C16-051 – (Cert. # 8598R)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 15) **16-052 – (Cert. # 4032)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 16) **C16-055 – (Cert. # 8427)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.

- 17) **C16-057 – (Cert. # 970R)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 18) **C16-063 – (Cert. # 2855)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to take retired status.
- 19) **C16-064 – (Cert. # 8313R)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 20) **C16-066 – (Cert. # 2444)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 21) **C16-067 – (Cert. # 5432)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to take retired status.
- 22) **C16-069 – (Cert. # 2205)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 23) **C16-077 – (Cert. # 9299)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 24) **C16-085 – (Cert. # 8912R)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 25) **C16-086 – (Firm Regist. # 883C)** – Licensee failed to renew license and became lapsed April 1, 2016. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and recommends closure based on the licensee’s request to surrender individual certificate.
- 26) **C16-088 – (Non-Licensee)** – Unlicensed firm. Questionable advertising. Compliance Committee recommends a finding of no probable cause to proceed with disciplinary proceedings and closure of the complaint.

- 27) **C16-093- (Applicant)** – Applicant failed to disclose criminal charge(s) on license application. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings, closure of the complaint and approval of licensure contingent up on receipt of signed compliance statement and payment of \$250 penalty.
- 28) **C16-094 – (Applicant)** – Applicant failed to disclose criminal charge(s) on license application. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings, closure of the complaint and approval of licensure contingent up on receipt of signed compliance statement and payment of \$250 penalty.
- 29) **C16-095 – (Applicant)** – Applicant failed to disclose criminal charge(s) on license application. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings, closure of the complaint and approval of licensure contingent up on receipt of signed compliance statement and payment of \$250 penalty.

A motion was made and seconded to accept the Compliance Committee’s recommended findings and proposed resolutions as to items 1 through 29, listed above. The motion passed unanimously.

Other Business

Hearing No. H14-011 & H12-032- (Cert. # 1546) – In April 2015, the Arkansas State Board of Public Accountancy (Board) and Alan K. Minor (Respondent) entered into a consent order. The order required Respondent to pay an \$18,500 civil penalty (to be paid over time at \$1,000 per month) and to have a peer review completed. The order noted that “to be ‘completed’ the peer review must be accepted by the Arkansas Society of Certified Public Accountants Peer Review Committee” (ASCPA).

Respondent had a Peer Review completed and submitted it to ASCPA for acceptance. Respondent was notified by the ASCPA that it was the ASCPA’s opinion that the peer review was not performed in accordance to professional standards, and the peer review was not accepted.

Respondent has agreed to have a second peer review completed, according to acceptable standards. In following up, the Board was informed that the ASCPA could not complete the peer review process for Respondent because Respondent is not a member of the AICPA.

To date, Respondent has made payments totaling \$18,500.

The Compliance Committee is requesting Board guidance and permission to make the following modifications to consent order H14-011 & H12-032. If one

is found, to allow another state society other than the ASCPA to review and accept Mr. Minor's second peer review, or refund the final \$500 penalty payment and allow Respondent to apply said monies toward an AICPA membership.

A motion was made and seconded to refund Mr. Minor \$500 for the purpose of joining the AICPA to assist in completing the Board's requirements. The motion passed unanimously.

Notices of Hearing

Requesting permission to issue Three (3) Notice of Hearings, if needed.

C16-038 - (1994) - Licensee's 2015 license is lapsed. Licensee has requested reinstatement. 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.

C16-087 - (4143) - Licensee's 2015 license is lapsed. Licensee has requested reinstatement. 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.

C16-089 - (3105) - Licensee has surrendered law license due to misconduct. 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.

A motion was made and seconded to grant permission to issue a Notice of Hearing to the above listed licensees. The motion passed unanimously.

CPE COMMITTEE

Based on finding from the 2015 CPE Audit, the CPE Committee is requesting closure of following 3 CPE complaints. All by Compliance Statement:

- 1) **CE15-083-(CERT # 7112)** - Licensee was Deficient 4 hours Ethics. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceeding and closure via the proposed compliance statement. Compliance Statement has been signed and \$500.00 Penalty paid.
- 2) **CE15-177-(CERT # 7516)** - Licensee was Deficient 1 hours Ethics. The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceeding and closure via the proposed compliance statement. Compliance Statement has been signed and \$125.00 Penalty paid.

- 3) **CE15-200-(CERT # 8957)** - Licensee was Deficient 13.5 hours CPE. (Using 120 Hr. Rule). The CPE Committee recommends a finding of probable cause to proceed with disciplinary proceeding and closure via the proposed compliance statement. Compliance Statement has been signed and \$135.00 Penalty paid.

A motion was made and seconded to accept the CPE Committee's recommended findings and proposed resolutions as to items 1 through 3, listed above. The motion passed unanimously.

2015 CPE Audit

The Board staff has concluded the 2015 CPE Audit with 72% of audits being Acceptable or Acceptable with Changes. The failed audits totaled 21.5%, included one which later passed on appeal. Forty-nine percent of the failed audits were the results of Ethics hour shortages.

AUDIT

The 2015 Audit Report was distributed and presented by Bell Foster Johnson & Watkins, LLP. A motion was made and seconded to approve the audit report.

A motion was made and seconded to select The Kemp Firm to perform the annual audits for the Board for fiscal years 2016, 2017 and 2018. . The motion passed unanimously.

Old Business

None.

New Business

None.

Other Business

Swearing-In Ceremony

The Board's annual Swearing-In Ceremony will be held at the State Capitol on Saturday, June 4, 2016 at 10:00 am.

Strategic Planning Meeting

The Board will attend a Strategic Planning Meeting at Mt. Magazine State Park August 19-20, 2016.

A decision was made by the Board to reschedule the August 12th Board Meeting for the 19th and to hold the meeting at Mt. Magazine State Park.

Election of Officers

The Board elected the following officers for the upcoming year:

President: Jeremy Watson
Secretary: Robert Redfern
Treasurer: Mike Watts

ADJOURNMENT

At 1:24pm, a motion was made and seconded to adjourn. The motion passed unanimously.