

Sherry Chesser CPA, President
David Vaden CPA, Secretary
Deana Infield CPA, Treasurer
Richard Bell CPA, JD



Shane Warrick CPA, PhD
Denny Woods JD
Kevin Canfield

Jimmy Corley CPA
Executive Director

Board Meeting Minutes

November 15, 2019

A regular meeting of the Arkansas State Board of Public Accountancy was held in Suite 450 of the Main Street Mall Building with Sherry Chesser, President, presiding. Other members of the Board in attendance were: David Vaden, Richard Bell, Deana Infield, Shane Warwick and Denton Woods. Members of the staff in attendance were: Dale Edge, Investigator; Tim Montgomery, Investigator; Mark Ohrenberger, Legal Counsel; Alan Fortney, Melissa Hamric, and Tiffany Frisby. Also in attendance were Tiffanie Harrison, Court Reporter, * Dara Hall, Hearing Officer **, Brian Thompson of the ASA, and Marsha Moffitt, and George Foster of the ARCPA.

CALL TO ORDER

Ms. Chesser officially called the meeting to order at 9:07 a.m. A quorum was found to be present.

PUBLIC HEARINGS

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

H19-037 – Brian Breech
H19-035 – Charles Wigginton
H19-038 – Christopher Ward
H19-021 – Carl Allen
H19-039 – Mary Holden
H19-040 – Shawn Hickman

*Tiffanie Harrison and **Dara Hall left at the close of the hearings.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the September 2019 Board meeting. The motion passed unanimously.

TREASURER'S REPORT

A motion was made and seconded to approve the September 2019, and October 2019 Treasurer's Reports, as presented. The motion passed unanimously.

COMMITTEE REPORTS

COMPLIANCE

The Compliance Committee has met one (1) time since the last Board meeting.

Twenty-three (23) New Complaints:

- Licensee with a failed Practice Review.
- Inactive licensee providing consulting services.
- Non-licensees holding out.
- Applicant with a Felony.
- External complaint.
- Two Licensees with SEC violations.
- Two Inactive Licensees with PTIN #s.
- Two Licensees failed to respond to 2019 Practice Review.
- Two Unregistered Firms.
- Three Licensees associated with Unlicensed Firms.
- Three Inactive Licensees working in Public Accounting.
- Four Out of state firms performing services in AR.

Requesting closure of seventeen (17) complaints, two (2) by consent order

1. **C18-092 – (Cert. # 482C)** – External Complaint regarding Licensee firm holding records. Based on information available, the records were provided timely. The Compliance Committee recommends no probable cause to proceed with disciplinary proceedings and requests closure.
2. **C19-049– (TX Licensee)** – CPA living in AR failed to clarify on LinkedIn he was licensed in TX. He has now requested licensure in AR. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
3. **C19-057 – (Cert. # 9654R)** – Licensee is associated with unlicensed firm. Disclaimer language has been added to firm website. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

4. **C19-071 – (Cert. # 3046)** – Licensee failed to satisfy requirements of a Board order issued after a formal hearing. Licensee has now requested to surrender his certificate in lieu of further Board action. The Compliance Committee recommends closure upon acceptance of licensee’s surrender-in-lieu.
5. **C19-072 – (Cert. # 1832)** – Licensee is associated with unlicensed firm. Licensee has removed CPA designation from all firm association. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
6. **C19-088 – (Cert. # 9294)** – Licensee failed to respond to the 2019 CPE Audit in a timely manner. Licensee has since submitted the necessary CPE documentation and passed the CPE Audit. The 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 \$350.00 penalty collected.
7. **C19-091 – (Cert. # 5LP)** – Licensee Firm sanctioned by the SEC. Licensee has responded that no AR licensees were associated with the SEC violations. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.
8. **C19-095 – (Cert. # 0433)** – External Complaint regarding licensee’s tax preparation work. In reviewing complaint, no violation of Accountancy law or Board rules were noted. The Compliance Committee recommends no probable cause to proceed with disciplinary proceedings and requests closure.
9. **C19-110 – (Cert. # 4559)** – Inactive Licensee using CPA title without Inactive disclaimer on LinkedIn. Listing has now been corrected. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
10. **C19-113 – (Cert. # 12LP)** – Licensee firm has entered into a Class Action Fairness Act (CAFA) Settlement. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action based on lawsuit’s very attenuated connection to Arkansas.
11. **C19-120 – (Cert. # 4563)** – Licensee with recent unlicensed firm. Licensee has made application to license firm. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.
12. **C19-125 – (Cert. # 8039)** - Licensee with 2019 unlicensed firm. Firm was not operational in 2019 and Licensee is now in process of shutting down and moving to another state. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.
13. **C19-132 – (Cert. # 108LP)** – Licensee Firm with PCAOB sanctions. Licensee was sanctioned for independence violations regarding audit clients participating in an investment forum put on by licensee. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.

14. **C19-133 – (Non-Licensee)** – External complaint regarding tax and accounting firm holding out as a CPA firm. After review, the Compliance Committee determined no violation of Accountancy Law or Board rules had occurred. The Compliance Committee recommends a finding of no probable cause to proceed and requests closure.
15. **C19-134 – (Cert. # 14LP)** – Licensee Firm with SEC sanctions. Licensee has responded that no AR licensees or AR firms were associated with the SEC violations. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolutions as to items 1 through 15, listed above. The motion passed.

CONSENT ORDERS

- 1) **C18-039- Consent Order (Cert. # 4572)** – Applicant's CPA certificate became void in August 2006. Applicant has requested to reinstate to a license to practice. Applicant has completed 127.5 hours of CPE, 25 hours A&A, 5 hours of Ethics, 35 hours of Tax, and 62.5 hours of Other. The study type consists of 66.5 hours of group and 61 hours self-study. Applicant has signed consent order and paid current year renewal fee of \$110.00 and \$310 for prior year fees (\$55, 2005, \$55 2006, \$200 late fees) for a total of \$420.00. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C18-039. The motion passed unanimously.

- 2) **C19-114- Consent Order (Cert. # 9516R)** – Applicant surrendered his certificate as a CPA April 1, 2017. Applicant has requested to re-license to a license to practice. Applicant has completed 131 hours of CPE, 26.5 hours A&A, 10.5 hours of Ethics, 88 hours of Tax and 6 hours of Other. The study type consists of 48 hours of group and 83 hours self-study. Applicant has signed consent order and agreed to pay current year renewal fee of \$110.00 for a total of \$110.00. Requesting closure by Consent Order contingent upon receipt of money.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C19-114. The motion passed unanimously.

REQUESTING PERMISSION TO ISSUE THE FOLLOWING NOTICE OF HEARING IF NEEDED

- 1) **C19-123 – (Cert. # 2295)** – Inactive Licensee performing tax returns for the public with intentions to continue. 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 allow the Board staff to issue a Notice of Hearing in the case referenced above. The motion passed unanimously.

REQUEST FOR ADDITIONAL BOARD GUIDANCE

Mr. Corley asked for further guidance on how to move forward in addressing the possible neglect of a CPA firm under investigation. The Board suggested obtaining court records and forensic files to gain a better understanding of the firm's responsibility related to the embezzlement charges.

CPE

Based on findings from the 2019 CPE Audit the CPE Committee is requesting closure of the following 41 CPE complaints. All by Compliance Statement:

- 1) **CE19-007 – (CERT # 9230)** – Licensee was deficient 1-hour Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Ethics CPE hour has been taken.
- 2) **CE19-011 – (CERT # 9652)** – Licensee was deficient 15 hours Content CPE and 1 hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$575 penalty paid, and deficient CPE hours have been taken
- 3) **CE19-015 – (CERT # 3726)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 4) **CE19-020 – (CERT # 1067)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 5) **CE19-023 – (CERT #9104)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 6) **CE19-024 – (CERT # 9638)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 7) **CE19-035 – (CERT # 3454)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.

- 8) **CE19-037 – (CERT # 4056)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 9) **CE19-052 – (CERT # 8700)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 10) **CE19-057 – (CERT # 9451)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 11) **CE19-065 – (CERT # 8515)** – Licensee aggregated all or part of their CPE hours during their 2019 Annual Registration. 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 \$100 penalty paid.
- 12) **CE19-067 – (CERT # 2404)** – Licensee was deficient 8 hours CPE and 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$365 penalty paid, and 8 additional CPE hours and 1 additional Arkansas Ethics CPE have been taken.
- 13) **CE19-084 – (CERT # 6232)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 14) **CE19-086 – (CERT # 1924)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 15) **CE19-087 – (CERT # 8142)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 16) **CE19-090 – (CERT #9437R)** – Licensee was deficient 9 hours of CPE and 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$215 penalty paid, and 9 CPE hours have been taken.
- 17) **CE19-100 – (CERT # 6034)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 18) **CE19-130 – (CERT # 07)** – Licensee aggregated all or part of their CPE hours during their 2019 Annual Registration. 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 \$100 penalty paid.

- 19) **CE19-141 – (CERT # 7598)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 20) **CE19-149 – (CERT # 6972R)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 21) **CE19-151 – (CERT # 9557)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 22) **CE19-170 – (CERT # 7795)** – Licensee was deficient 19 hours Content CPE, 7 hours of Accounting/Attest CPE, and aggregated all or part of their CPE hours during their 2019 Annual Registration. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$880 penalty paid, and all deficient CPE hours have been taken.
- 23) **CE19-184 – (CERT # 2362)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 24) **CE19-187 – (CERT # 3126)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 25) **CE19-197 – (CERT # 6278R)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 26) **CE19-201 – (CERT # 9806R)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 27) **CE19-209 – (CERT # 8498R)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 28) **CE19-227 – (CERT # 2703)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1

additional Arkansas Ethics CPE hour has been taken.

- 29) **CE19-255 – (CERT # 9213)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 30) **CE19-265 – (CERT # 8962)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 31) **CE19-267 – (CERT # 9320R)** – Licensee aggregated all or part of their CPE hours during their 2019 Annual Registration. 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 \$100 penalty paid.
- 32) **CE19-296 – (CERT # 8866R)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 33) **CE19-303 – (CERT # 3721)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 34) **CE19-312 – (CERT # 3722)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 35) **CE19-321 – (CERT # 2677)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 36) **CE19-324 – (CERT #5763)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 37) **CE19-325 – (CERT # 6149R)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 38) **CE19-332 – (CERT #7844)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 39) **CE19-338 – (CERT # 8627)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary

proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.

- 40) CE19-365 – (CERT # 4302)** – Licensee was deficient 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$125 penalty paid, and 1 additional Arkansas Ethics CPE hour has been taken.
- 41) CE19-366 – (CERT # 5633)** – Licensee was deficient 1-hour Content CPE, 1-hour Accounting/Attest CPE, and 1-hour Arkansas Ethics CPE. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed, \$185.00 penalty paid, and deficient CPE hours have been taken.

A motion was made and seconded to accept the CPE Committee's recommended findings and proposed resolutions as to items 1 through 41, listed above. The motion passed unanimously.

RULES

Mr. Corley announced that the new rules proposed by the Board are awaiting approval from the Governor's office.

NEW BUSINESS

Exam Credit Extension Request for Claire Person

A motion was made and seconded to grant Claire Person an extension of one year for both her AUD and BEC credits to July 26, 2021. The motion passed unanimously.

Exam Credit Extension Request for Deana Burris

A motion was made and seconded to grant Deane Burris an extension of 3 months for her REG credit to March 8, 2020. The motion passed unanimously.

Firm Name Request

Lloyd Lee of Lee & Company, PA reached out to the Board seeking permission to keep his firm name although he is the only active CPA within the firm. Mr. Lee is currently in search of a new partner. The Board voted to allow the firm name to remain as Lee & Company, PA for up to a year until he can find a new CPA employee.

OTHER BUSINESS

2020 Meeting Dates

The Board discussed 2020 meeting dates and elected to move the June 5, 2019 meeting date to May 29, 2019, and the swearing in ceremony to May 30, 2019 due to conflicting schedules.

NASBA Annual Meeting Debrief

Due to time restraints, the Board chose to discuss NASBA updates at the next Board Meeting.

Request for Aggregation Waiver

A licensee requested a waiver of the \$100 fine imposed for his aggregation of CPE hours. The Board denied the request.

LICENSURE ACTIVITY REPORT

Mr. Corley presented to the Board the Licensing Activity Report.

ADJOURNMENTA motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 4:31 p.m.