

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Karen Garrett CPA, President
Wade Turner CPA, Secretary
Jeremy Watson CPA, Treasurer
Robert Redfern CPA



Mike Watts CPA, JD
Lloyd Franklin, CFE
Jim Gately, EdM

Jimmy Corley, CPA
Executive Director

BOARD MEETING MINUTES November 21, 2014

A regular meeting of the Arkansas State Board of Public Accountancy was held in Suite 450 of the Main Street Mall building on November 21, 2014 with Karen Garrett, President, presiding. Other members of the Board in attendance were: Wade Turner, Robert Redfern, Mike Watts, Jim Gately, and Jeremy Watson. Members of the staff in attendance were: Jimmy Corley, Executive Director; Trista Saylor, Fiscal Officer/CPE Coordinator, Dale Edge, Investigator, Tim Montgomery, Investigator, Alan Fortney, IT Manager, Lacy Ward, Exam Specialist, Meagan Montgomery, Licensing Coordinator. Other attendees were: Mark Ohrenberger, Attorney General legal counsel, Susan Whitson, Court Reporter, Greg Kirkpatrick, Hearing Officer, and Norman Dietz, CPA.

CALL TO ORDER

Ms. Garrett officially called the meeting to order at 9:05 a.m. A quorum was found to be present.

PUBLIC HEARINGS

The board moved immediately to the public hearings.

APPROVAL OF MINUTES

Mr. Watson made a motion to approve the September 26, 2014 Board minutes; Mr. Watts seconded the motion. The motion passed unanimously.

TREASURER'S REPORT

Mr. Redfern made a motion to approve the September and October 2014 Treasurer's Reports. Mr. Turner seconded the motion. The motion passed unanimously.

COMMITTEE REPORTS

Ms. Garrett presented the board with 23 complaints that can be closed at this time. Mr. Redfern made a motion to close the 23 listed complaints *listed as 1-23*; Mr. Gately seconded the motion. The motion passed unanimously.

The Compliance Committee has met one time.

Seven new complaints:

- Two Individuals with QR issues.
- One allegation of CPA misconduct/gross negligence.
- One allegation of CPA holding records.
- Two request for re-licensure.
- One allegation CPA failed to follow applicable standards.

Requesting closure of 25 complaints – Two by Consent Order:

1. **C12-074** – Unregistered firm has sold practice and left the state. Requesting closure.
2. **C12-081 – (Cert #1765)** –Inactive CPA preparing tax returns obtained PTIN. Has requested to surrender his license. Requesting closure with no further action.
3. **C14-014** –Non licensee holding out using accounting. Person has removed accounting from name. Requesting closure with no further action.
4. **C14-078 – (Cert #91LC)** – External compliant, alleging holding of records and conduct unbecoming. After further review no violation found. Requesting closure with no further action.
5. **C14-080** – Unlicensed firm using accountant in name. Licensee has removed accountant from name. Requesting closure with no further action.
6. **C14-087** – Unregistered firm performed Employee Benefit Plan Audit for AR Company. Firm has requested to register with Board, signed a Compliance Statement, paid a \$500 penalty and agreed to renew timely for next three years. Requesting closure by compliance statement.
7. **C14-095** – Unregistered firm performed Employee Benefit Plan Audit for AR Company. Firm has requested to register with Board, signed a Compliance Statement, paid a \$500 penalty and agreed to renew timely for next three years. Requesting closure by compliance statement.
8. **C14-101** – Unregistered firm performed Employee Benefit Plan Audit for AR Company. Firm has requested to register with Board, signed a Compliance

Statement, paid a \$110 penalty and agreed to renew timely for next three years. Requesting closure by compliance statement.

9. **C14-128** - (Cert #8438) - Licensee had unregistered firm holding out as an accounting firm in AR. Firm has been incorporated since 2011. Licensee has agreed to license firm and paid a penalty of \$330.00. Requesting closure by compliance statement.
10. **C14-131 – (Cert #1440)** – Inactive CPA obtained PTIN. Licensee was active when he obtained PTIN and has since gone inactive. Licensee stated he has not performed accounting or tax services since he went inactive and was of the understanding that his PTIN was not current. Requesting closure no further action.
11. **C14-133 – (Cert #4032)** – Inactive CPA obtained PTIN and preparing tax returns. Licensee has signed a Compliance Statement, paid a \$250 penalty and agreed to cease offering tax services while in inactive status. Requesting closure by compliance statement.
12. **C14-136 – (Cert #5148)** – Inactive CPA obtained PTIN and preparing tax returns. Licensee has signed a Compliance Statement, paid a \$250 penalty and agreed to cease offering tax services while in inactive status. Requesting closure by compliance statement.
13. **C14-137 – (Cert #6659)** – Inactive CPA obtained PTIN and preparing tax returns. Licensee has signed a Compliance Statement, paid a \$250 penalty and agreed to cease offering tax services while in inactive status. Requesting closure by compliance statement.
14. **C14-139 – (Cert #3711)** – Inactive CPA obtained PTIN. Inactive CPA working in public accounting; per employer, licensee is not held out to the public as a CPA and does not interact with the public. Requesting closure no further action.
15. **C14-140 - (Cert #6802)** – Inactive CPA obtained PTIN and preparing tax returns. Licensee has signed a Compliance Statement, paid a \$250 penalty and agreed to cease offering tax services while in inactive status. Requesting closure by compliance statement.
16. **C14-141 – (Cert #4131)** – Inactive CPA obtained PTIN. Inactive CPA working as seasonal employee in public accounting; per employer, licensee is not held out to the public as a CPA and does not interact with the public. Requesting closure no further action.
17. **C14-142 – (Cert #3812)** – Inactive CPA obtained PTIN. Inactive CPA working as seasonal employee in public accounting; per employer, licensee is not held out to the public as a CPA and does not interact with the public. Requesting closure no further action.
18. **C14-143 - (Cert #2448)** – Inactive CPA obtained PTIN and preparing tax

returns. Licensee has signed a Compliance Statement, paid a \$250 penalty and agreed to cease offering tax services while in inactive status. Requesting closure by compliance statement.

19. **C14-145– (Cert #1730)** – Inactive CPA obtained PTIN and preparing tax returns. Licensee has signed a Compliance Statement, paid a \$250 penalty and agreed to cease offering tax services while in inactive status. Requesting closure by compliance statement.
20. **C14-157– (Cert #2730)** – Inactive CPA preparing tax returns. Licensee has signed a Compliance Statement, paid a \$250 penalty and agreed to cease offering tax services while in inactive status. Requesting closure by compliance statement.
21. **C14-160-** Unregistered out-of-state firm performed audit for Arkansas client. Firm has requested to register with Board, signed a Compliance Statement, paid a \$500 penalty and agreed to renew timely for next three years. Requesting closure by compliance statement.
22. **C14-162-** Unregistered out-of-state firm performed twelve audits for Arkansas clients. Firm has requested to register with Board, signed a Compliance Statement, paid a \$1,500 penalty and agreed to renew timely for next three years. Requesting closure by compliance statement.
23. **C14-164– (Cert #6521R)** – Inactive CPA and active CPA with same name. Inactive misidentified as having a PTIN. Close with no further action.

CONSENT ORDERS

1. **[C14-012](#) – Consent Order (Cert # 7562)** - Licensee issued audit and review reports through an unlicensed firm and failed to report issued reports for the 2009 and 2012 Quality Review cycles. Licensee also failed to provide a written response to a Board communication sent via certified mail within thirty (30) days. Licensee has agreed to register his firm with the Board and to respond timely for the next 3 years regarding Board Communications and license renewals. Requesting closure by Consent Order contingent upon receipt of a \$6,000.00 penalty.
2. **[C14-150](#) - Consent Order (Applicant)** - Respondent failed to disclose a criminal conviction on her application for CPA Exam and application for a license as a Certified Public Accountant. Conviction was discovered when background check was performed. This constitutes a violations of A.C.A. §17-12-601(a) (4), (8) and Board Rules of Professional Conduct 412. Licensee has agreed to consent order and paid \$100.00 penalty. Requesting closure by Consent Order.

Other Issues

Charles Oliver Hearing H13-086

Mark Ohrenberger, Board Legal Counsel, presented the following information. Mr. Oliver requested a meeting with Board staff to discuss the Board findings with regard to Mr. Oliver's Hearing H13-086 (Mr. Oliver has filed for a judicial review of the Board's order).

In the meeting Mr. Oliver requested the Board Order reconsider the September Order and amended it to reflect the following:

1. A suspension, rather than a revocation
2. A lower penalty in place of the original \$12,000.

Additionally, Mr. Oliver said he would make himself available to appear before the Board if requested. In return Mr. Oliver would drop his circuit court appeal.

Mr. Watson made a motion to offer Mr. Oliver the following to settle the case: suspend Mr. Oliver's license for a period of no less than three years and lower the fine to \$6,000. The fine must be paid in full before suspension is lifted. Mr. Watts seconded the motion. The motion carried. The Board directed Mr. Ohrenberger to notify Mr. Oliver of the above Board determination.

New Laws / Rules

Mr. Turner made a motion to approve the new proposed law/rules with room for necessary amendments. Mr. Redfern seconded the motion. The motion passed unanimously.

NASBA Wall Certificate Service

Mr. Watson made a motion for the board staff to use due diligence to incorporate NASBA's services to expedite customer service and bring a proposal to the January 2015 meeting. Mr. Gately seconded the motion. The motion passed unanimously.

Mr. Watson motioned to approve the Committee Appointments. Mr. Gately seconded the motion. The motion passed unanimously.

Reciprocal Licensees

The board agrees that our rules determine what the requirements are for licensure. If an applicant is applying for a reciprocal license, but is short a requirement of Arkansas State Board of Public Accountancy's, the applicant must take the required course before becoming licensed.

Committee Assignments

CPE Committee: Robert Redfern

Compliance Committee: Karen Garrett thru 12/31/14 and Jeremy Watson (chair) 1/1/15

Rules Committee: Robert Redfern and Mike Watts

Legislative Committee – Wade Turner and Mike Watts

Qualifications Committee – Mike Watts and Robert Redfern

Quality Review Committee – Wade Turner and James Gately

Audit Committee – Jeremy Watson and James Gately

Personnel Committee – Karen Garrett and Lloyd Franklin

Special Task Force on Peer Review Law Changes – Wade Turner and Jimmy Corley

The first individual listed is the Chair of the committee.

APPLICATIONS AND SURRENDERS

Mr. Gately made a motion to approve the applications and surrenders subject to review by a board member. Mr. Watson seconded the motion. The motion passed unanimously.

NEW ACTIVE LICENSES

9282 Martin Beggs	9296 Jared Pearman
9283 Joseph Coles	9297 Erick Rusch
9284 Amanda Eggert	9298 Kurman Rysal
9285 Laura Freeman	9299 Ted Smoyer
9286 Hayley Gardner	9300 Rachel Tipton
9287 Chase Haynes	9301 Freddy Weeks
9288 Douglas Johns	9302 George Williams
9289 Leona Lander	9303 Joshua Young
9290 Steven Lawrence	9304R Jeremy Bruner
9291 Phillip Lay, Jr.	9305R Stacy Pritchett
9292 Colleen Martin	9306R Mark Towery
9293 Ryan Miller	9307R Joyce Woods
9294 Charlotte Moore	9308R Meagan Barkley
9295 Blake Payne	9309R Lisa Bucks

**R" denotes Reciprocal License

UPRADES / CONVERSIONS

7190R Catherine Dawkins	7970 Stacy Roetzel
8888 Lashonda Pegue-Dennis	1920 Danny Wilson
2928 Judy Lawton	

NEW FIRM LICENSES

213LC Charles K. Atkinson CPA, PLLC	887C C. Renee Wakefield CPA
214LC Elliot Davis, LLC	888C Karen Chandler CPA
93LP Moss Adams, LLP	889C RWG Accounting Services Inc.
885C Bober, Markey, & Federovich & Co.	890C The Fleet Firm
886C Burr Pilger Mayer Inc.	891C Wilcox, McCorkle, & Company LTD

FIRM NAME CHANGE / REPLACEMENT CERTIFICATE

651C Reinhart & Associates LTD
8999 Randa Williams

INACTIVE STATUS

8626 Terressa Elliott

6615R Janel Lucas

RETIRED

4584 Jake Barnes
8129 Debora Boyd
2890 David Burgan
2478 Amy Ho
1911 Donald Hollin

1268 Ricky Keen
8412 Donna Mattingly
0414 Robert Moore
2647 Dennis Smith
1048 Thomas Walker

SURRENDER

3047 Lisa Arnold
2796R William Nalepka
114LC The MB Group, LLC

1765 Harold Shreve
310C Bonner & Company CPAs PA
7479 Angela Donahue

ADJOURNMENT

At 4:00 PM, Mr. Gately moved to adjourn. Mr. Watson seconded the motion. The motion passed unanimously.