A regular meeting of the Arkansas State Board of Public Accountancy was held in Suite 450 of the Main Street Mall building on October 2, 2015 with Wade Turner, President, presiding. Other members of the Board in attendance were: Jeremy Watson, Michael Watts, Robert Redfern, Lloyd Franklin and Sherry Chesser. 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 were Greg Kirkpatrick, Hearing Officer; Sharon Hill, Court Reporter; and Brian Thompson of the ASA.

CALL TO ORDER

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

The Board moved immediately to a public hearing. Hearing H15-021 was to determine whether Lee M. Reddmann meets the “good moral character” requirement of A.C.A. §17-12-301 for licensure as a CPA in the State of Arkansas. It was determined that Mr. Reddman did meet the standard and could move forward with the relicensure.

The Board moved to discussion of Exam Candidate Matthew Beyer. The Board heard a presentation by Mr. Beyer, an applicant for the CPA Exam, concerning some criminal activity in his background. Given the nature and age of the charges and convictions, an informal, non-binding indication by the Board indicated that current members of the Board would be inclined to approve his application in the future for a CPA license subject to the following: 1) No undisclosed criminal activity appearing on a future background check; 2) No contact with law enforcement between now and the date of his license application; and 3) An appearance before the Board at the time of the license application as required by law.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes, subject to corrections, of the August 14, 2015 Board meeting. The motion passed unanimously.
TREASURER’S REPORT

A motion was made and seconded to approve the August 2015 Treasurer’s Report, as presented. The motion passed unanimously.

COMMITTEE REPORTS

AUDIT

Bell, Foster, and Watkins are working to complete the audit for fiscal year ending June 30, 2015.

COMPLIANCE

The Compliance Committee has met once.

Four new complaints:

- One non-licensee holding out on website.
- One licensee with a PCOAB Issue.
- Two referrals received from another State Board of Accountancy regarding CPAs not licensed and practicing in their state.

Requesting closure of 15 complaints – 2 by Consent Order:

1) C12-072 – (Non-Licensee) – Non-Licensee appeared to be in violation of Court Order regarding Accountancy Law and Board Rules. After changes made by non-licensee the Board has requested withdrawal of its motions before the court. Requesting closure with no further action.

2) C14-013 – (Non-Licensee) – Out of state firm has ceased to operate in Arkansas. Requesting closure with no further action.

3) C15-014 – (#708C) – External complaint regarding holding of records. Matter appears to be resolved Complainant has requested matter be closed. Requesting closure with no further action.


5) C15-035 – (Cert #6530) – Licensee answered yes on 2015 Renewal, Moral Character question. Matter has been resolved. Requesting closure no violation found.

6) C15-047 – (Cert #4143) – Licensee failed to renew individual Arkansas CPA certificate for 2015. Hearing 15-011 was held June 5, 2015. CPA
has paid fees, penalty and hearing cost totaling $677.99 and completed CPE as directed by Board. Requesting closure.

7) **C15-054 – (Cert #6984R)** – Licensee failed to renew individual Arkansas CPA certificate for 2015. Hearing 15-018 was held June 5, 2015. CPA has paid fees, penalty and hearing cost totaling $1,152.99 as directed by Board. Requesting closure.

8) **C15-061 – (Unregistered Firm)** – Respondent has ceased the use of the word accounting and closed the business. Requesting closure with no further action.

9) **C15-066 – (Non-Licensee)** - Non-Licensee (Void AR certificate) holding out as CPA on faculty website. Website has been corrected. Close with no further action.

10) **C15-073 – (Non-Licensee)** – CPA licensed in another state, holding out on faculty website without State of licensure being noted. Website has been corrected. Close with no further action.

11) **C15-075 – (Non-Licensee)** – External complaint regarding non-licensee firm holding records. Complaint alleged CPA was associated with firm. Matter appears to be resolved Complainant has requested matter be closed. Requesting closure with no further action.

12) **C15-077 – (#699C)** - External complaint regarding negligence related filing of a tax return. Have made several request for additional information from Complainant, to date no response. Requesting closure with no further action.

**Surrender in Lieu Of**

13) **C14-019 – (Cert #3225)** – Licensee has been convicted in federal court of Conspiracy to Obstruct Interstate Commerce by Extortion and Attempt & Conspiracy to Commit Mail Fraud. Licensee has requested to surrender CPA certificate 3225. Recommending surrender request be a treated as a Surrender in Lieu of disciplinary action for violations of Ark. Code Ann. §§ 17-12-601(a) (5) & (8) and this be reflected as such in the Boards records.

A motion was made and seconded to close items one through thirteen, listed above, with no further action. The motion passed unanimously.

**CONSENT ORDERS**

1) **C14-174 - Consent Order (Cert #7113)** – CPA issued nineteen (19) governmental audits from 2003 through 2015 without a Peer Review and misstated Quality Review responses for 2007, 2010, and 2012. Licensee has agreed to the consent order, and paid $12,500.00 penalty. Requesting closure by Consent Order.
A motion was made and seconded to close C14-174 by Consent Order. The motion passed unanimously.

2) **C15-045 - Consent Order (Cert #7235)** – Licensee failed to renew 2015 CPA certificate timely. Licensee has agreed to consent order, completed CPE, and paid $835.00 in fees and penalties. Requesting closure by Consent Order.

A motion was made and seconded to close C15-045 by Consent Order. The motion passed unanimously.

**CPE**

The staff is conducting the initial review of CPE Audit submissions.

**QUALITY REVIEW**

The staff is awaiting responses and appeals to failed audits.

**RULES**

The Governor's office has approved the proposed rule changes. The changes are now subject to review by the Bureau of Legislative Research and to an open comment period.

**PERSONNEL**

The board is looking to fill the Credentialing Assistant position.

**OLD BUSINESS**

**2016 Meeting Dates**

January 8, 2016  
April 22, 2016  
June 3, 2016  
August 12, 2016  
September 30, 2016  
November 18, 2016

The Board discussed researching different locations for the Swearing-In Ceremony to be held on June 4, 2016 and the possibility of holding the September 30, 2016 meeting at the UALR Campus.
2015-16 Committee Assignments

CPE Committee                      Robert Redfern
Compliance Committee               Jeremy Watson
Rules Committee                     Robert Redfern
                                           Mike Watts
Legislative Committee               Mike Watts
                                           Sherry Chesser
Qualifications Committee            Mike Watts
                                           Robert Redfern
Quality Review Committee            Sherry Chesser
                                           James Gately
Audit Committee                     Jeremy Watson
                                           James Gately
Personnel Committee                 Jeremy Watson
                                           Lloyd Franklin
Special Task Force on Peer Review   Sherry Chesser
   Law changes                       Jimmy Corley

Peer Review Oversight Committee

A motion was made and seconded to establish a Peer Review Oversight Committee. The motion passed unanimously.

NEW BUSINESS

Exposure Draft Comments – CPA Exam Changes

Discussion of the CPA Exam Changes was tabled until the November 20, 2015 meeting.

OTHER BUSINESS

Fictitious Name Request

The Board approved the use of the fictitious firm name G2cfo.
RATIFICATION OF LICENSE APPLICATIONS

A motion was made and seconded to approve license applications and surrenders. The motion passed unanimously.

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 1:05 pm.