LEGISLATIVE UPDATE

Inactive Status Bill Passes During the 92nd General Assembly

Senate bill 290 passed during this year’s legislative session and is now Act 452. This law changes our inactive status statute and allows the following:

1. Attorneys who have a current law license may provide tax services while his or her CPA license is on inactive status.

2. Nonresident active CPAs who hold an active CPA license in their state of residence may practice public accounting while their Arkansas license is on inactive status, as long as the services are not provided for clients who are Arkansas residents or companies that are headquartered in Arkansas.

3. Inactive licensees may provide non-attest services on a volunteer basis if no compensation is received and no documents are signed as a CPA.

4. Inactive licensees who have returned to work in public accounting may do so if they have applied with the Board to upgrade their license to active status, are supervised by another active CPA, and no documents are signed as a CPA until the upgrade process has been completed.

Publication of Disciplinary Actions

At the April 19th Board meeting, the Board voted to begin publishing more information regarding disciplinary actions taken by the Board. Previously we have not published names of firms or individuals or firms unless the license was revoked or suspended. Beginning with the next newsletter this summer, names of the CPAs and CPA firms who sign compliance statements, consent orders, or who are issued an order after a board hearing will be published in our newsletters along with a brief description of the violation(s). This change will align us with what most other State Boards of Accountancy publish in their newsletters. The Board is also looking into the developing a search feature on our website, whereby website visitors could search for a specific CPA or CPA firm to determine if disciplinary action had been taken against the CPA or CPA firm.
CELEBRATE ACCOUNTING DAY
May 13, 2019

Mark your calendars — May 13, 2019 is Accounting Day! What many people may not realize is that accounting has a long history, with many surprising and interesting tidbits. Much has been accomplished by accounting professionals, so take a minute and be proud about being a CPA/accountant or celebrate with your colleagues and wish them a “Happy Accounting Day.”

To celebrate, we’ve put together some interesting facts about accountancy that may surprise you.

- Accountancy has its roots in the earliest history of civilization. With the rise of agriculture and trade, people needed a way to keep track of their goods and transactions. Around 7500 B.C., Mesopotamians began using clay tokens to represent goods, such as animals, tools, food items or units of grain.

- Luca Pacioli, in 1494, he wrote a huge math encyclopedia and included an instructional section on double-entry bookkeeping. One of the first readers was Leonardo da Vinci. Today, every country and every business uses double-entry bookkeeping.

- The state of New York gave its first Certified Public Accountant (CPA) Examination in 1896.

- Christine Ross was the first female CPA in the U.S., in 1899. Among Ross’ clients included wealthy women and persons working in the business and fashion industries.

- These celebrities studied accounting at some point: Janet Jackson, Mick Jagger, John Grisham, Kenny G, Eddie Izzard and Robert Plant.
NEW INDIVIDUAL CPA LICENSES

The following individual CPA licenses were approved from December 1, 2018 through March 31, 2019:

- Hank Dexter House  North Little Rock, AR
- Taylor Davis  Paragould, AR
- Claire Bishop  Little Rock, AR
- T. Jordan Clark  Fayetteville, AR
- Kelsey Freeland  Nashville, TN
- Bert Henry Dannenfelser  Eureka Springs, AR
- Seth Emerson  Malvern, AR
- Benjamin G. Faubion  Kansas City, MO
- Regina Freeland  Hot Springs Village, AR
- Conor Steven Habenicht  Springdale, AR
- Victoria Holder  Springdale, AR
- Joshua Lee Hopson  West Fork, AR
- Sarah Jean Lind  Indianapolis, IN
- Sarah R. J. Monroe  North Little Rock, AR
- Amy L. Parker  Jacksonville, AR
- Leo Richardson  Cammack Village, AR
- Edith Dawn Marie Roch  Springfield, AR
- Bearden Cynthia North  Little Rock, AR
- Brian Clark Hamm  Monroe, LA
- Andrea Savage  Conway, AR
- Denton Weddle  Lowell, AR
- Jonathan William Baker  Bentonville, AR
- Mark Greco  Bentonville, AR
- Ludwicxk Alexis  Bentonville, AR
- Melinda Weller  Conway, AR
- Stephen Leigh Vaughan  Bentonville, AR
- Zachary Tyler Ball  Tulsa, OK
- Luke Duvall  Atkins, AR
- Jessica Blake  Sheridan, AR
- Suye Wang  Arlington, TX
- Marcus Patterson  Fayetteville, AR
- Krystal Moore  Bryant, AR
- Sandra D. Cole  Lavaca, AR
- Nicholas Dalton Rice  Benton, AR
- Henry Wildenbord  Rogers, AR
- Brian Michael Forse  North Little Rock, AR
- Kameron Austin Smith  Cordova, TN
- Jacob P. Fair  Little Rock, AR
- Taylor Dawn Nealey  Conway, AR
- Jennifer Lynn LaVite  Anderson, MO
- David W. Murph  Fayetteville, AR
- Bret Shelby Gordon  Magazine, AR
- Robert Morgan  Little Rock, AR
- David Charles Gean  Fort Smith, AR
- Stephanie Rene Butcher  Little Rock, AR
- Adam Keith Grantham  Little Rock, AR
- Crystal Marie Hedrick  Fayetteville, AR
- Stephen Bradley Elphick  Roswell, GA
- Cort Cacicio  Spring, TX
- Megan Grabow  APO, AE
- Christy Haley  Benton, AR
- Aaron Bruce Brock  Smackover, AR
- Rachel Street  Bentonville, AR

CPA EXAMINATION OVERVIEW

Arkansas Statistics
CPA Exam Summary: 2018 Q4

<table>
<thead>
<tr>
<th>Sections</th>
<th>Avg. Score</th>
<th>%Pass</th>
</tr>
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<tbody>
<tr>
<td>First time</td>
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<td>70.1</td>
</tr>
<tr>
<td>Re-exam</td>
<td>215</td>
<td>72.1</td>
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<table>
<thead>
<tr>
<th>Sections</th>
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<th>%Pass</th>
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<tbody>
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<tr>
<td>REG</td>
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Overall Statistics
CPA Exam Summary: 2018 Q4

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<th>Sections</th>
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<tbody>
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<tr>
<td>Re-exam</td>
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<table>
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<tr>
<th>Sections</th>
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<th>%Pass</th>
</tr>
</thead>
<tbody>
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<tr>
<td>BEC</td>
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<tr>
<td>FAR</td>
<td>14,518</td>
<td>68.6</td>
</tr>
<tr>
<td>REG</td>
<td>17,589</td>
<td>70.6</td>
</tr>
</tbody>
</table>

Jurisdiction Ranking for Arkansas

37TH CANDIDATES  37TH SECTIONS  35TH PASS RATE  23RD AVERAGE SCORE
The following cases were closed at the January Board Meeting:

1. **C17-109** – (Cert. # 7118) – A licensee failed to submit required documentation as part of a CPE audit and failed to respond within thirty days to a Board communication sent via certified mail. A hearing was held on September 28, 2018. The licensee was assessed a $300 penalty.

2. **C17-129** – (Cert. # 3373) – An external complaint was received alleging that the licensee facilitated former spouse’s attempt to commit fraud with regard to business finances. Investigation revealed no violations and the case was closed with no action taken.

3. **C18-048** – (Cert. # 1529) – A licensee failed to comply with the terms of a consent order. A hearing was held November 16, 2018 and the license was revoked by the Board.

4. **C18-053** – (Cert. #1741) – A licensee failed their 2018 CPE audit. The licensee signed a Compliance Committee and paid a $210 penalty.

5. **C18-056** – (Cert. #7284R) – A licensee failed their 2018 CPE audit. The licensee signed a Compliance Committee and paid a $250 penalty.

6. **C18-082** – (Cert. #3735) – A licensee failed their 2018 CPE audit. The licensee signed a Compliance Committee and paid a $240 penalty.

7. **C18-087** – (Cert. # 396C) – An external complaint was received alleging code of conduct violation (acts discreditable) against CPA for acting as debt collector for a local water association. An investigation revealed no violations and the case was closed with no action taken.

8. **C18-093** – (Cert. # 6366) – An external complaint was received alleging the licensee was holding client records. After an investigation began the records were provided to the client. The case was closed with no further action taken.

9. **C18-096** – (Firm Cert. # 82LP) – A firm has an Out-of-state partner who was disciplined by SEC. The partner is not an AR licensee. The case was closed with no action taken.

10. **C18-097** – (Cert. # 265LC) – An out-of-state partner was disciplined by another state board for issuing reports under an unregistered firm name. The partner is not an AR licensee. The case was closed with no action taken.

11. **C18-098** – (Cert. # 798C) – An external complaint alleging code of conduct violations against a CPA. The CPA provided accounting services for a concert promoter. An investigation revealed no violations of Board laws or rules and the case was closed with no action taken.

12. **C18-099** – (Firm Cert. # 109LP) – A firm disclosed an arrest of one of its partners for DWI on its license renewal questionnaire. The partner is not an AR licensee. The case was closed with no action taken.

13. **C18-104** – (Firm Cert. # 831C) – A firm disclosed a disciplinary action taken by another state board against a partner who is not an Arkansas licensee. The case was closed with no action taken.

14. **C18-106** – (Cert. # 8952) – A licensee disclosed an arrest on their license renewal questionnaire. The licensee was charged with a Class A misdemeanor. The case was closed with no action taken.

15. **C18-108** – (Firm Cert. # 49LP) – A firm disclosed a disciplinary action taken by another state board on their 2019 renewal questionnaire. One-of-state partner entered in to a consent order with another state board regarding problems with an audit and another out of state partner had a DWI charge. Neither partner is an AR licensee. The case was closed with no action taken.

16. **C15-009** – Consent Order (Firm Cert. # 49LP) – A firm entered into a Deferred Prosecution Agreement (DPA) with the United States Department of Justice concerning the firm’s involvement in certain tax shelter products. The firm signed a consent order and paid a penalty of $8,000.

17. **C17-119** – Consent Order (Firm Cert. # 270LC) – A firm failed to timely respond to the 2017 Quality Review survey and failed to timely notify the Board of sanctions issued by another State Board. The firm signed a consent order and agreed to cease performing attest and compilation services until an acceptable peer review is completed and paid a $500 penalty.

18. **C18-051** – Consent Order (Cert. # 3466) – A licensee stated on their 2018 renewal form that 3 hours of ethics CPE were completed in 2017 when in fact the ethics hours were completed in January 2018. In addition, respondent failed to meet the ethics hours requirement for their 2018 renewal. The licensee signed a consent order and paid a $600 penalty.

19. **C18-055** – Consent Order (Cert. # 9136) – A licensee stated on their 2018 renewal form that they had completed a CPE course in 2017 when in fact the course was completed in January 2018. In addition, the licensee failed to complete a minimum of forty (40) hours of CPE for their 2018 renewal. The licensee has signed a consent order and paid a $1,100 penalty.
20. **C18-071- Consent Order (Cert. # 9079)** – A former licensee surrendered their license on December 31, 2015. The individual has requested to re-license to a license to practice. The applicant signed a consent order, completed all required CPE, and paid licensing fees of $110.

21. **C18-073- Consent Order (Cert. # 7213R)** – A former licensee surrendered their license December 31, 2011. The individual has requested to re-license to a license to practice. The applicant signed a consent order, completed all required CPE, and paid licensing fees of $110.

22. **C18-081- Consent Order (Cert. # 5462)** – A former licensee’s license was revoked in October 1999. The individual has requested to reinstate to a license to practice. The applicant signed a consent order, completed all required CPE, and paid licensing fees of $220.

23. **C18-083- Consent Order (Cert. # 8543)** – A licensee received a second fail classification for Quality Review. The licensee is required by rule to go under pre-issuance review. In lieu of pre-issuance review, the licensee signed a Consent Order and agreed to discontinue issuing review reports.

24. **C18-084- Consent Order (Firm Cert. # 493C)** – A licensee received a first fail classification for Quality Review. The licensee is required by rule to complete 16 additional hours of CPE. In lieu of completing 16 hours of CPE the licensee has signed a Consent Order and agreed to discontinue issuing review reports.

25. **C18-090- Consent Order (Cert. # 5038)** – A licensee received a first fail classification for Quality Review. The licensee is required by rule to complete 16 additional hours of CPE. In lieu of completing 16 hours of CPE the licensee has signed a Consent Order and agreed to discontinue issuing review reports.

26. **C18-077- Consent Order (Cert. # 8840)** – A licensee stated on their 2018 license renewal form that they completed an Ethics CPE course in 2017 when in fact the course was not completed. In addition, the licensee failed to complete the Boards required 4 hours of Ethics CPA and failed to respond timely to a Board Certified Letter. The licensee signed a consent order and paid a $1,375 penalty.

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**SURRENDERS**

The following licenses were surrendered from December 1, 2018 through March 31, 2019.

Jenny Erickson, CPA, LLC  Mountain View, AR
Crowe Horwath LLP  Oak Brook, IL
Walter Webb  Cushing, OK
CBEW Professional Group, LLP  Cushing, OK
Linda Holmstrom  North Little Rock, AR
RKL LLP  Lancaster, PA
John Thomas  Orem, UT
James E. Childress, CPA, PA  Fayetteville, AR
Keiter, Stephens, Hurst, Gary & Shreaves, P.C.  Glen Allen, VA
Chapman, Hext & Co., P.C.  Dallas, TX
Michael Gillespie, CPA  Seattle, WA
Norman R. Vantine, CPA, LTD  Rogers, AR
Connie Baker  McKinney, TX
Jerry Garrett  Tyler, TX
Thomas Swearingen  Little Rock, AR
Bryant & Welborn LLP  O’Fallon, IL
James Musso  Jacksonville, FL
Hagen Palen & Co, CPA’S PA  Tulsa, OK
James Stark  Allentown, PA
GBB & Co LLP  Temple, AR
Johnson & Ruff CPAs, PA  Heber Springs, AR
Winham & Associates, PA  Little Rock, AR
Jesse Griffin  Little Rock, AR
Jesse G. Griffin, CPA, Ltd.  Alpena, AR
Pamela Disheroon  Camden, AR
James F. Landers, P.A.  Texarkana, TX
Jenny Erickson, CPA, LLC  Russellville, AR
Crowe Horwath LLP  Sherwood, AR
Walter Webb  Hemlock, MI
CBEW Professional Group, LLP  Hemlock, MI
Linda Holmstrom  Memphis, TN
RKL LLP  Arlington, VA
John Thomas  Kansas City, MO
James E. Childress, CPA, PA  Sherwood, AR
Keiter, Stephens, Hurst, Gary & Shreaves, P.C.  Redfield, AR
Chapman, Hext & Co., P.C.  Citrus Heights, CA
Michael Gillespie, CPA  Little Rock, AR
Norman R. Vantine, CPA, LTD  Vienna, VA
Connie Baker  Little Rock, AR
Jerry Garrett  Searcy, AR
Thomas Swearingen  Arkadelphia, AR
Bryant & Welborn LLP  Baden, PA
James Musso  Sherwood, AR
Hagen Palen & Co, CPA’S PA  Little Rock, AR
James Stark  New Iberia, LA
GBB & Co LLP  Citrus Heights, CA
Johnson & Ruff CPAs, PA  Dallas, TX
Winham & Associates, PA  Fayetteville, AR
Jesse Griffin  North Little Rock, AR
Jesse G. Griffin, CPA, Ltd.  Wilmington, NC
Pamela Disheroon  Wheaton, IL
James F. Landers, P.A.  Little Rock, AR

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JANUARY BOARD DISCIPLINARY CASES

Continued from page 4.
Bill addressing Criminal Backgrounds Passes into Law

Senate Bill 451 was passed into law during the 92nd General Assembly. This bill removes the requirement that applicants for various licenses (including CPA licenses) in Arkansas possess “good moral character.” This language was deemed too vague by the legislature and the intent of the bill was to list specific crimes that would prohibit applicants from obtaining licenses. The new law lists several crimes that Boards can take into consideration when deciding whether or not to deny a license application, including murder, kidnapping, theft, and battery. Individuals who have been convicted of or plead guilty to those crimes can still be granted a license, if the Board grants a waiver. The new law also listed several serious crimes that would result in permanent disqualification from holding a license, including capital murder, rape, and arson. Finally, the law states that a Board cannot use most criminal acts to deny a license application if application is made 5 years after the individual was released from prison or completed probation.

We were able to get an amendment to this bill that excludes felony crimes involving fraud or theft from the 5 year limitation.

The full text of the bill can be found here:

NEW FIRMS
The following firm licenses were issued from December 1, 2018 through March 31, 2019:

<table>
<thead>
<tr>
<th>Firm Name</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rose CPA Firm PA</td>
<td>Russellville</td>
<td>AR</td>
</tr>
<tr>
<td>Roland E, Moy, Jr., CPA, PLLC</td>
<td>Benton</td>
<td>AR</td>
</tr>
<tr>
<td>Heidi L Anderson CPA LLC</td>
<td>Paragould</td>
<td>AR</td>
</tr>
<tr>
<td>Myers, Brettholtz &amp; Company, P.A.</td>
<td>Fort Myers</td>
<td>FL</td>
</tr>
<tr>
<td>Von - Jacobs &amp; Associates CPAs LLP</td>
<td>Lonoke</td>
<td>AR</td>
</tr>
<tr>
<td>Henderson Hutcherson &amp; McCullough PLLC</td>
<td>Chattanooga</td>
<td>TN</td>
</tr>
<tr>
<td>Empowered Accounting Solutions, PLLC</td>
<td>Springdale</td>
<td>AR</td>
</tr>
<tr>
<td>CTA Advisors LLP</td>
<td>Springdale</td>
<td>AR</td>
</tr>
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</table>

INACTIVE STATUS
The following licensees converted from active to inactive status from December 1, 2018 to March 31, 2019:

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<thead>
<tr>
<th>Licensee Name</th>
<th>City</th>
<th>State</th>
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<tbody>
<tr>
<td>Matthew Goswick</td>
<td>San Jose</td>
<td>CA</td>
</tr>
<tr>
<td>Colleen Vollman</td>
<td>Little Rock</td>
<td>AR</td>
</tr>
<tr>
<td>Timothy D. Hicks</td>
<td>Honolulu, HI</td>
<td>HI</td>
</tr>
<tr>
<td>Jenny Erickson</td>
<td>Little Rock</td>
<td>AR</td>
</tr>
<tr>
<td>Karen Narrell</td>
<td>Sherwood</td>
<td>AR</td>
</tr>
<tr>
<td>Laceykee Werdehausen</td>
<td>Harrison</td>
<td>AR</td>
</tr>
<tr>
<td>Jennifer Wigley</td>
<td>Little Rock</td>
<td>AR</td>
</tr>
<tr>
<td>Angela Davis</td>
<td>Houston</td>
<td>TX</td>
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<tr>
<td>James Henderson</td>
<td>North Little Rock, AR</td>
<td></td>
</tr>
<tr>
<td>Nicholas Bertin</td>
<td>Fort Smith</td>
<td>AR</td>
</tr>
<tr>
<td>Laura Broska</td>
<td>Piperton</td>
<td>TN</td>
</tr>
<tr>
<td>Bradely McKinney</td>
<td>Norwalk</td>
<td>CT</td>
</tr>
<tr>
<td>Laura Freeman</td>
<td>Pocahontas</td>
<td>AR</td>
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<tr>
<td>Larry Helms</td>
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<tr>
<td>Lauren Labuda</td>
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<tr>
<td>E James</td>
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<tr>
<td>Don Myers</td>
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<tr>
<td>Mark Renner</td>
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<tr>
<td>Jared Lillard</td>
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<tr>
<td>Sara Barnett</td>
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<td>AR</td>
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<tr>
<td>Robert Baker</td>
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<tr>
<td>Jane Oberste</td>
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<td>AR</td>
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<tr>
<td>Matthew Flowers</td>
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<tr>
<td>Justin Vaden</td>
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<tr>
<td>Jackie Holloway</td>
<td>Windermere</td>
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<tr>
<td>William Baker</td>
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<td>Rose Bud</td>
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<tr>
<td>Michael Fosburgh</td>
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<tr>
<td>Carolyn Stevenson</td>
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<td>Tammy Mohaupt</td>
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<td>AR</td>
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<tr>
<td>Landon McCrady</td>
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<td>OK</td>
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<tr>
<td>James Fiscus</td>
<td>Junction</td>
<td>MA</td>
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<tr>
<td>William Grant</td>
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<tr>
<td>John Eckart</td>
<td>El Dorado</td>
<td>AR</td>
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<tr>
<td>Jason Wilson</td>
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<td>Ryan Botha</td>
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<td>AR</td>
</tr>
<tr>
<td>Katie Chandler</td>
<td>Dallas</td>
<td>TX</td>
</tr>
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The rules and regulations require all licensees to notify the ASBPA of all such changes by sending a change of address form to the office. Please include a street address to facilitate any express mail deliveries. Click [here](#) to change your address, or complete and mail in the form below:

Name: ______________________________________________________________

Employer: ____________________________________________________________ License#: ______________

Old Address:__________________________________   New Address: __________________________________
__________________________________                           __________________________________
__________________________________                           __________________________________
__________________________________                               __________________________________

Phone: ________________________________________ Email: __________________________________________________

Signature: _______________________________________________________________  Date: ________________

Please Mail to: Arkansas State Board of Public Accountancy
101 East Capitol, Suite 450, Little Rock, AR 72201