

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Karen Garrett CPA, President
Wade Turner CPA, Secretary
Jeremy Watson CPA, Treasurer
Dr. Mike Moore CPA



Robert Redfern CPA
Lloyd Franklin CFE
Jim Gately EdM

Jimmy Corley, CPA
Executive Director

MEETING MINUTES BOARD MEETING August 15, 2014

A regular meeting of the Arkansas State Board of Public Accountancy (Board) was held in Suite 450 of the Main Street Mall on August 15, 2014 with Karen Garret, President, presiding. Other members of the Board in attendance were: Wade Turner, Jeremy Watson, Michael Moore, Robert Redfern, Lloyd Franklin, and Jim Gately. Members of the staff in attendance were: Jimmy Corley, Executive Director; Dale Edge, Board Investigator; Tim Montgomery, Board Investigator; Alan Fortney, IT Manager; April Murphy and Angela Johnson. Other attendees were: Mark Ohrenberger, Assistant Attorney General; Brian Thompson, ASA; Sharon Hill*, Court Reporter; Greg Kirkpatrick*, Hearing Officer, and Dr. Gary Peters*.

CALL TO ORDER

Karen 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 Public Hearings concerning cases H14-009, H14-035, H14-055, and H14-056.

H14-009 involved the failure to renew an individual license or notify the Board of the intent to surrender the license as well as failure to respond to Board communications. All allegations were found to be true and the charges were proven. The CPA's license was revoked by the Board.

H14-035 involved the failure to renew an individual license or notify the Board of the intent to surrender the license as well as failure to respond to Board communications. All allegations were found to be true and the charges were proven. The PA's license was revoked by the Board.

H14-055 involved an application for reinstatement by a CPA whose license had been previously revoked by the Board. The Board found that the applicant did not lack good moral character substantially connected to the professional responsibilities of a licensee. The Board agreed to reinstate the applicant subject to the completion of 120 hours of CPE (60 hours of which must be in class and cover Accounting/Attest topics) as well as submission of future audit and review reports for pre issuance review by another CPA approved by the Board.

H14-056 involved the failure of a CPA to pay fines assessed at a previous hearing. All allegations were found to be true and the charges were proven. The CPA's license was revoked by the Board.

*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 June 27, 2014 Board meeting. Mr. Gately abstained. The motion carried.

TREASURER'S REPORT

A motion was made and seconded to approve the Treasurer's Report for June 2014 and July 2014, as presented. The motion carried.

COMMITTEE REPORTS

The Compliance Committee has met one time.

Fifty -two new complaints:

- Licensee requesting late renewal penalty wavier
- Two unregistered Firms
- Two lapsed licensees
- Two request for re-licensure
- Three firms with name issues.
- Four conduct unbecoming complaints
- Eighteen complaints with regard to QR issues
- Twenty firms not currently licensed performing Employee Benefit Plans for AR Corporations

Requesting closure of 49 complaints – 1 by Consent Order:

- 1) **C13-044 – (Cert #983R)** – Licensee failed to renew with Board for 2013. Resolved via hearing H14-030. Licensee's CPA certificate was revoked. Requesting closure.
- 2) **C13-148 – (Cert #1770)** – Licensee failed to respond to 2013 CPE Audit. Resolved via hearing H14-005 Licensee was assessed a \$1,751.20 penalty, CPA license was suspended immediately until CPA pays penalty, renews for 2014, and provide acceptable CPE documentation for CPE completed in 2012 and 2013. Requesting closure.
- 3) **C14-033 – (Cert #1348)** – Licensee failed to renew with Board for 2014. Resolved via hearing H14-012. Licensee's CPA certificate was revoked. Requesting closure.
- 4) **C14-040- (Cert #4189)** – Licensee failed to renew with Board for 2014. Resolved via hearing H14-019. Licensee's CPA certificate was revoked. Requesting closure.
- 5) **C14-041 – (Cert #7322)** Licensee failed to renew with Board for 2014. Resolved via

- hearing H14-020. Licensee's CPA certificate was revoked. Requesting closure.
- 6) **C14-045 – (Cert #8340)** – Licensee failed to renew with Board for 2014. Resolved via hearing H14-025. Licensee's CPA certificate was revoked. Requesting closure.
 - 7) **C14-047 – (Cert #3710)** – Licensee failed to renew with Board for 2014. Resolved via hearing H14-027. Licensee's CPA certificate was revoked. Requesting closure.
 - 8) **C14-055– (Cert #7668R)** – Licensee failed to renew with Board for 2014. Resolved via hearing H14-036. Licensee's CPA certificate was revoked. Requesting closure.
 - 9) **C14-059– (Cert #1941)** – Licensee failed to renew with Board for 2014. Resolved via hearing H14-040. Licensee's CPA certificate was revoked. Requesting closure.
 - 10) **C14-065– (Cert #1770/Firm #700)** – Licensee and Licensee's firm failed to renew with Board for 2014. Resolved via hearing H14-037 and H14-046. Licensee's CPA certificate and Firm registration were revoked. Requesting closure.
 - 11) **C14-032 – (Cert #6096R)** – Licensee failed to respond to 2013 QR and failed to renew timely for 2014. Licensee has taken retired status. Requesting closure with no further action.
 - 12) **C14-075– (Cert #2792)** – Licensee failed to renew timely for 2014 and was assessed late penalties, which she paid. Licensee then submitted a written request for refund of penalties citing medical issues. After reviewing documentation provided by licensee's doctor, the committee approved a partial refund. Requesting closure with no further action.
 - 13) **C14-082– (Cert #3047)** – Failure to renew license. Licensee has surrendered certificate. Requesting closure with no further action.
 - 14) **C14-083– (Cert #2SP)** – Failure to renew firm license. Communications break down regarding Licensee's failure to renew license. Firm has now renewed. Requesting closure with no further action.
 - 15) **C14-005–** Unregistered firm, after Board review licensee changed firm name and registered firm as a branch office. Requesting closure with no further action.
 - 16) **C14-020** – Unregistered firm, after further review no violation found. Requesting closure with no further action.
 - 17) **C14-026** – Unregistered firm, after further review no violation found. Requesting closure with no further action.
 - 18) **C14-029** – Unregistered firm, after further review no violation found. Requesting closure with no further action.
 - 19) **C14-081–** Unregistered firm, after further review no violation found. Requesting

- closure with no further action.
- 20) **C14-107**– Unregistered firm, after further review no violation found. Requesting closure with no further action.
 - 21) **C14-124** – Unregistered firm, after further review no violation found. Requesting closure with no further action.
 - 22) **C14-017 - (Cert #4214R)** – External complaint regarding misuse of funds. Complainant and CPA have resolved the matter. Requesting closure.
 - 23) **C14-025** – Non- Licensee Firm has CPA employees listed on website. Firm has added non CPA disclaimer to website. Requesting closure with no further action.
 - 24) **C14-084** – 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.
 - 25) **C14-086**– Unregistered firm performed Employee Benefit Plan Audit for AR Company. After further review it was determined it was a KY plan. Requesting closure with no further action.
 - 26) **C14-088**– Unregistered firm performed Employee Benefit Plan Audit for AR Company. After further review it was determined it was a onetime audit and AR firm was in process of being purchased by out of state firm. Requesting closure with no further action.
 - 27) **C14-092**– Unregistered firm performed Employee Benefit Plan Audit for AR Company. After further review it was determined it was a PA plan. Requesting closure with no further action.
 - 28) **C14-094** - 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.
 - 29) **C14-096** - 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.
 - 30) **C14-097**– 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.
 - 31) **C14-099** - 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.

- 32) **C14-100** - 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.
- 33) **C14-103**- Unregistered firm performed Employee Benefit Plan Audit for AR Company. After further review it was determined Firm had made timely application for firm license. Requesting closure with no further action.
- 34) **C14-104**- Unregistered firm performed Employee Benefit Plan Audit for AR Company. After further review it was determined Firm had made timely application for firm license. Requesting closure with no further action.
- 35) **C14-105 - (Cert #144P)** – Licensee responded No Reports on 2014 QR. Licensee has corrected response and submitted current Peer Review. Requesting closure with no further action.
- 36) **C14-109- (Cert #374C)** – Firm responded No Report on 2014 QR Response. Licensee acknowledges submitting reports with 2014 Individual QR Report. Requesting closure with no further action.
- 37) **C14-110 - (Cert #663C)** – Firm responded No Report on 2014 QR Response. Licensee confirmed no reports issued. Requesting closure with no further action.
- 38) **C14-111 - (Cert #22LP)** – Firm responded No Report on 2014 QR Response. Licensee confirmed no reports issued. Requesting closure with no further action.
- 39) **C14-112 - (Cert #92LC)** – Firm responded No Report on 2014 QR Response. Amended QR submitted with Peer Review Report. Requesting closure with no further action.
- 40) **C14-113 - (Cert # 184C)** – Firm responded No Report on 2014 QR Response. Amended QR submitted with Peer Review Report. Requesting closure with no further action.
- 41) **C14-114 - (Cert # 773C)** – Firm responded No Report on 2014 QR Response. Amended QR submitted with Peer Review Report. Requesting closure with no further action.
- 42) **C14-115 - (Cert #696C)** – Firm responded No Report on 2014 QR Response. Licensee confirmed no reports issued. Requesting closure with no further action.
- 43) **C14-116 - (Cert #507C)** Firm responded No Report on 2014 QR Response. Licensee confirmed no reports issued. Requesting closure with no further action.

- 44) **C14-118 - (Cert #52LC)** – Firm responded No Report on 2014 QR Response. Licensee confirmed no reports issued. Requesting closure with no further action.
- 45) **C14-119 - (Cert #163C)** – Firm responded No Report on 2014 QR Response. Licensee confirmed no reports issued. Requesting closure with no further action.
- 46) **C14-120 - (Cert #538C)** – Firm responded No Report on 2014 QR Response. Licensee confirmed no reports issued. Requesting closure with no further action.
- 47) **C14-121 - (Cert #577C)** – Firm responded No Report on 2014 QR Response. Licensee confirmed no reports issued. Requesting closure with no further action.
- 48) **C14-123 - (Cert #866C)** – Firm responded No Report on 2014 QR Response. Amended QR submitted with Peer Review Report. Requesting closure with no further action.

A motion was made and seconded to close C13-044, C13-148, C14-033, C14-040, C14-041, C14-045, C14-047, C14-055, C14-059, and C14-065. The motion carried.

A motion was made and seconded to close C14-032 with no further action. The motion carried.

A motion was made and seconded to close C14-075 with no further action. The motion carried.

A motion was made and seconded to close C14-082 with no further action. The motion carried.

A motion was made and seconded to close C14-083 with no further action. The motion carried.

A motion was made and seconded to close C14-005, C14-026, C14-029, C14-081, C14-107, C14-124 with no further action. The motion carried.

A motion was made and seconded to close C14-020 with no further action. The motion carried.

A motion was made and seconded to close C14-017. The motion carried.

A motion was made and seconded to close C14-025 with no further action. The motion carried.

A motion was made and seconded to close C14-084, C14-094, C14-096, C14-097, C14-099, and C14-100 by compliance statement and to close C14-086, C14-088, C14-092, C14-103, C14-104 with no further action. The motion carried.

A motion was made and seconded to close C14-105, C14-109, C14-110, C14-111, C14-112, C14-113, C14-114, C14-115, C14-116, C14-118, C14-119, C14-120, C14-121, and C14-123 with no further action. The motion carried.

CONSENT ORDERS

- 1) **C14-108 Consent Order (Cert # 4798)** - Applicant's CPA certificate became void on or about August 12, 2006 for failure to renew. Applicant requested re-licensure to inactive status pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed background check and agreed to pay prior year fees and late fees for 2002-2006 and 2014 inactive registration fee totaling \$620.00 and to respond timely the next 3 years. Applicant has paid current and prior year fees. Requesting closure by Consent Order.

A motion was made and seconded to close C14-108 by Consent Order. The motion carried.

Other Compliance Business

Requesting permission to issue four (4) notices of hearing, if needed.

C12-078 - Inactive licensee performing tax services. Licensee has requested a hearing before the Board.

C14-012 and C14-027 - Licensees with unregistered firms; both licensees have ceased communications with the Board.

C14-079 - Licensee with external complaint does not wish to resolve via consent order.

A motion was made and seconded to issue four (4) notices of hearing, if needed. The motion carried.

OLD BUSINESS

None.

NEW BUSINESS

2015 Meeting Dates

This item was tabled until the next meeting.

Colleen Martin License Application

A motion was made and seconded to approve licensure for applicant Colleen Martin. The motion carried.

Fictitious Names

A motion was made and seconded to deny the approval of the fictitious names “Profitable Perspectives” and “littlerocktax.com.” The motion carried.

Fiscal 2014 Annual Report Approval

A motion was made and seconded to approve to approve the Fiscal 2014 Annual Report. The motion carried.

OTHER BUSINESS

Curriculum and Student Trends Update, Dr. Gary Peters

Dr. Gary Peters of the Sam Walton College of Business discussed the current enrollment and graduate trends among students within the Accounting Department at the University of Arkansas.

*Dr. Peters left following the presentation.

Annual NASBA Meeting

A total of five (5) Board members will attend the meeting.

APPLICATIONS AND SURRENDERS

A motion was made and seconded to approve the applications and surrenders subject to review by a Board member. The motion carried.

NEW ACTIVE LICENSE

9255 Timothy M. Alexander	9264 Kennon Charles Knobloch
9256 Amy L. Allred	9265 Audrey Glyn Laughlin
9257 Michelle Lynn Canada	9266 Gueorgui Petrov
9258 Tsz Yan Cynthia Chui	9267 Timothy A. Remington
9259 Kyle Marshall Clark	9268 Pradeep Sapkota
9260 Chadrick Aaron Dickinson	9269 Jonathan David Stalnaker
9261 Sarah Emily Harris	9270 Andrew L. Todd
9262 Lindsey Michelle Hood	9271 William Edward Wood
9263 Emily Jimmerson Hunt	9272R Robert Michael Seaman

*"R" denotes a Reciprocal License

NEW FIRM LICENSES

881C B&D Consulting dba: Complete Consulting
882C Baker Firm, P.A.
883C Lanigan & Associates PC
206LC Bailey, Kaufman & Scheibelhut, PLLC
207LC Sarah Berry, CPA, PLLC
208LC The Reike Firm, PLLC
209LC Thomas S. Lovett CPA PLLC

FIRM NAME CHANGE / REPLACEMENT CERTIFICATE

428C Joe L. Duvall, P.A. dba: Joe Duvall & Associates
723C KPM CPAS, PC
39LC Turner, Rodgers, Manning and Plyler, PLLC

FIRM SURRENDER

183LC LR & Co. CPA Management Consultants

INDIVIDUAL NAME CHANGE / REPLACEMENT CERTIFICATE

4426 JaLynn Thomas

INDIVIDUAL SURRENDER

5376R William C. Pickle, Jr.

RETIRED

1991 Denis Burt

DECEASED

430 David S. Fox

7233 Terry Higgs

1698 Earnest Kennedy

0404 Leo McKinnon

ADJOURNMENT

A motion was made and seconded to adjourn. The motion carried. The meeting adjourned at 2:45 p.m.