

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

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



Robert Redfern, CPA
Lloyd Franklin, CFE
W. R. "Bill" Millager, MBA

Jimmy Corley, CPA
Executive Director

**MEETING MINUTES
BOARD MEETING
January 10, 2014**

A regular meeting of the Arkansas State Board of Public Accountancy (Board) was held in Suite 450 of the Main Street Mall on January 10, 2014 with Dr. Mike Moore, President, presiding. Other members of the Board in attendance were: Karen Garrett, Wade Turner, Lloyd Franklin, Robert Redfern and Jeremy Watson. Members of the staff in attendance were: Jimmy Corley, Executive Director; Ann Jessup, Fiscal Officer/CPE Coordinator, Dale Edge, Investigator, Tim Montgomery, Investigator, and Alan Fortney, IT Manager. Other attendees were: Mark Ohrenberger, Attorney General's Office, Brian Thompson, Arkansas Society of Accountants, John Robbins, Dena Jones, Edward Jones, Ann Dorsey, CPA, Chad Pekron, JD, David Buck, Toni Reid, Lyn Fruchey, Stephanie Branton, Court Reporter and Greg Kirkpatrick, Hearing Official.

CALL TO ORDER

Dr. Moore officially called the meeting to order at 9:02 a.m. A quorum was found to be present.

PUBLIC HEARINGS

The board moved immediately to the public hearings for H13-085 and H13-086.

H13-085 involved the presentations of evidence and testimony regarding allegations of conduct discreditable to the public accounting profession. All allegations were found to be true and two of three charges proven. The Board imposed sanctions including a \$500 penalty and a six month suspension of the licensee's CPA certificate if licensee does not make restitution of monies withheld by February 28, 2014.

H13-086 involved the presentations of evidence and testimony regarding allegations of violations of a rule of professional conduct; failure by an applicant for renewal of a license to furnish evidence of completion of continuing education courses; dishonesty, fraud, or gross negligence in the practice of public accountancy; violations of a rule of professional conduct; failure to respond to the Quality Review survey; and discreditable acts. Evidence and testimony were presented. All allegations and charges were found to be true and proven. The Board revoked the CPA's license and assessed a \$12,000 penalty for the twelve violations.

*Greg Kirkpatrick, Stephanie Branton, John Robbins, Dena Jones, Edward Jones, Ann Dorsey, Chad Pekron, David Buck, Toni Reid and Lyn Fruchey left at the close of the hearings.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes, as presented, of the November 15, 2013 board meeting. The motion passed.

TREASURER’S REPORT

A motion was made and seconded to approve the Treasurer’s Report for November 2013 and December 2013, as presented. The motion passed.

COMMITTEE REPORTS

The Compliance Committee has met twice, once by teleconference.

Twenty-eight new complaints:

- One allegation of falsified CPE.
- Four requests for re-licensure.
- One failure to notify of name change timely.
- Two QR issues.
- One allegation of CPA misconduct.
- Seven Complaints regarding non-licensees holding out
- One regarding failed CPE Audit.
- Three unregistered Firms.
- One CPA associated with an unlicensed firm.
- Seven persons who failed to respond to the 2013 CPE Audit.

Requesting closure of 21 complaints – 12 by Consent Order:

- 1) C13-046 – (Cert #3308) – Licensee is lapsed; hearing number H13-013 was issued regarding failure to renew. Licensee originally requested reinstatement but now has requested to surrender in lieu of. Requesting closure.
- 2) C13-095 – (Cert #2724) – Licensee had unregistered firm holding out as an accounting firm in AR. Firm has been incorporated since before 2000. No reports were found issued under unlicensed firm name. Licensee has agreed to license firm and paid a penalty of \$1,000.00. Requesting closure by compliance statement.
- 3) C13-098 – Non- licensee issued an audit. Individual was sent a Notice of Apparent Violation and Demand to Cease and Desist (NAV). Individual has signed NAV and agreed to cease all attestation work. Requesting closure.
- 4) C13-100 – Non- licensee (recently passed exam) used “accounting” in firm name. Further review found person had not held out as CPA or performed any attestation work. Has signed affidavit to change firm name. Requesting closure with no further action.

- 5) C13-102 – Reciprocal Applicant working in public accounting failed to license timely. Licensee has made application with the Board and paid a \$500 penalty. Requesting closure by compliance statement.
- 6) C13-106 – (Cert #8410) – Licensee has requested an upgrade to a license to practice; during the review process it appeared licensee had unregistered firm. After further investigation, no violations of accountancy law were found. Requesting closure with no further action.
- 7) C13-111 – (Cert #6070) – Licensee had unregistered firm holding out as an accounting firm in AR. Firm has been incorporated since before 2012. A Review report was issued. Licensee has agreed to license firm and paid a penalty of \$470.00. Requesting closure by compliance statement.
- 8) C13-112 – (Cert #2502) – Licensee has requested an upgrade to a license to practice; during the review process it was noted he had worked in public accounting during 2004-2005 (nine months). After further investigation, no violations of accountancy law were found. Requesting closure with no further action.
- 9) C13-131 – (Cert #808C) – Licensee noted issuance of audits on 2013 Quality Review, but only submitted an engagement peer review. After further investigation, it was determined that licensee did not issue audits. Licensee submitted a corrected QR Survey form. Requesting closure with no further action.

A motion was made and seconded to close C13-046, C13-095, C13-098, C13-100, C13-102, C13-106, C13-111, C13-112 and C13-131. The motion passed.

CONSENT ORDERS

- 10) C12-019 - Consent Order (Certificate # 7269) - Applicant's CPA certificate became void January 1, 2011 for failure to renew. Applicant requesting re-licensure to License to practice pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed background check and agreed to pay prior years and late fees for 2008-2010 and 2014 license to practice fee, documented completion of 120 hours of CPE and agreed to respond timely the next 3 years. Requesting closure by Consent Order contingent on receipt of \$635.00 fees.

A motion was made and seconded to close C12-019 by Consent Order contingent on receipt of fees. The motion passed.

- 11) C13-002 - Consent Order (Certificate # 7726) - Licensee failed to respond to the 2012 CPE Audit letter and was notified by certified letter of licensee's failure to respond. Licensee did not respond to Board letter. Licensee also failed to document completion of 40 hours of CPE required to obtain a 2012 license renewal. Licensee has agreed to an assessment of a \$1,500 penalty, respond timely for the next 3 years, and complete 7 additional hours of CPE. Requesting closure by Consent Order contingent upon receipt of monies due.

A motion was made and seconded to close C13-002 by Consent Order contingent on receipt of penalties. The motion passed.

- 12) C13-033 - Consent Order (Certificate # 7362) - Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated November 2006. In addition,

licensee failed to acknowledge issuance of review reports on the 2008 Quality Review. Licensee has agreed to cease issuing audit, review and compilation reports, respond timely for the next 3 years, complete an accurate QR submission for the next 3 years and has paid a \$1,440.00 penalty. Requesting closure by Consent Order.

A motion was made and seconded to close C13-033 by Consent Order. The motion passed.

- 13) C13-105 - Consent Order (Certificate # 8453) - Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated November 2010. In addition, licensee failed to acknowledge issuance of review reports on the 2012 Quality Review. Licensee has agreed to cease issuing audit, review and compilation reports through an unlicensed firm, respond timely for the next 3 years, complete an accurate QR submission for the next 3 years and has paid a \$2,000.00 penalty. Requesting closure by Consent Order.

A motion was made and seconded to close C13-105 by Consent Order. The motion passed.

- 14) C13-108 - Consent Order - Out state CPA has requested to register his firm. Applicant acknowledged a failed 2011 system peer review. Applicant has signed a consent order agreeing to pre-issuance for any audit performed in Arkansas and has paid applicable application and licensure fees. Requesting closure by consent Order.

A motion was made and seconded to close C13-108 by Consent Order. The motion passed.

- 15) C13-110 - Consent Order (Certificate # 4869) - Applicant's CPA certificate lapsed April 1, 2012 for failure to renew. Applicant requesting reinstatement to inactive status pursuant to A.C.A. § 17-12-504(g). Applicant has agreed to a consent order, completed a background check, paid inactive renewal and late fees totaling \$385, and agreed to respond timely the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C13-110 by Consent Order. The motion passed.

- 16) C13-113 - Consent Order - Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated July 2009. In addition, audits, reviews and a compilation were issued under unlicensed firm's name. Licensee has agreed to license firm and paid prior year fees and penalty of \$4,400.00. Requesting closure by Consent Order.

A motion was made and seconded to close C13-113 by Consent Order. The motion passed.

- 17) C13-121 - Consent Order (Certificate # 6276) - Applicant's CPA certificate was revoked September 26, 2013 for failure to renew. Applicant is requesting reinstatement to inactive status pursuant to Board Rule 13.9. Applicant has agreed to a consent order, completed background check and paid inactive renewal and late fees totaling \$735.00. Requesting closure by Consent Order.

A motion was made and seconded to close C13-121 by Consent Order. The motion passed.

- 18) C13-124 - Consent Order (Certificate # 5439) - Applicant's CPA certificate became void January 1, 2013 for failure to renew. Applicant is requesting re-licensure to inactive status pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed background check, paid inactive renewal fees and late fees totaling \$580.00 and agreed to respond timely the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C13-124 by Consent Order. The motion passed.

19) C13-130 - Consent Order (Certificate # 3261) - Applicant's CPA certificate became void January 1, 2009 for failure to renew. Applicant requesting re-licensure to inactive status pursuant to A.C.A. § 17-12-301. Applicant has agreed to a consent order, completed background check and paid 2006-2008 licensure and late fees, and 2014 inactive fees totaling \$580.00. Requesting closure by Consent Order.

A motion was made and seconded to close C13-130 by Consent Order. The motion passed.

20) C13-138 - Consent Order (Registration # 0436) - Applicant's surrendered her PA registration August 2006. Applicant requesting re-licensure to License to practice pursuant to A.C.A. § 17-12-301. Applicant has agreed to a pre-issuance consent order, completed background check and has paid 2014 license to practice fee, documented completion of 128 hours of CPE and agreed to respond timely the next 3 years. Requesting closure by Consent Order.

A motion was made and seconded to close C13-138 by Consent Order. The motion passed.

21) C13-154 - Consent Order - Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated January 2013. In addition, reviews and a compilation were issued under unlicensed firm's name. Licensee has agreed to license firm and paid prior year fee and penalty of \$3,310.00. Requesting closure by Consent Order.

A motion was made and seconded to close C13-154 by Consent Order. The motion passed.

Other Business

Requesting permission to send two Notice of Apparent Violation Cease and Desist orders for C13-024 and C13-119. These are non-licensees who held out to the public as a Certified Public Accountant or Public Accountant. By sending these cease and desist out for signatures the Board is agreeing not to pursue civil proceedings if respondent complies with the Board's demands.

A motion was made and seconded to send out two Notice of Cease and Desist orders. The motion passed.

Requesting permission to issue ten (10) notices of hearing.

H14-001 – Licensee has unregistered firm holding out as an accounting firm in AR since 2006. Licensee failed to acknowledge issuance of review reports on both the 2006 and 2009 Quality Review Survey. In addition, licensee did not agree to Consent Order offered to resolve controversy.

H14-002– Licensee failed 2012 CPE Audit and did not provide adequate documentation to effect compliance with Board Rule 13. In addition, licensee has allegedly falsified CPE hours to obtain 2011 and 2012 license renewals.

H14-003 – Licensee failed 2012 CPE audit and has not paid the assessed penalty. A motion was made and seconded to issue a notice of hearing for H13-086. The motion passed.

H14-004 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-005– Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-006 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-007 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-008 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-009 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

H14-010 – Licensee has failed to respond to request regarding 2013 CPE Audit. In addition, licensee has failed to respond to certified correspondence from the Board.

NEW BUSINESS

CPE Waiver Requests

Charles Runyon - After review of a letter and medical documentation, a motion was made and seconded to grant a waiver of CPE for 2013. The motion passed.

Financial Interest Statements

The board members received the Financial Interest Statements and were reminded to file them with the Secretary of State, per the Ethics Commission requirements on or before January 31, 2014.

Expense Reimbursement Authorization (A.C.A. §25-16-902) & Stipend Authorization (A.C.A. §25-16-903)

A motion was made and seconded to authorize the stipend and expense reimbursement for all Board Members for 2014 per State Statutes §§25-16-902 and 25-16-903. The motion passed.

OTHER BUSINESS

NASBA

Executive Directors and Legal Conference

A motion was made and seconded to send Mr. Corley, Mr. Edge and Mr. Montgomery to the Executive Directors' Conference and Mr. Ohrenberger to the Legal Counsel Conference in Savannah, GA March 3-5, 2014. The motion passed.

IT Report

A motion was made and seconded to approve the purchase of two computers and a television for the Board Room, costs not to exceed \$3,500. The motion passed.

Settlement Offer

A motion was made and seconded to reject the settlement offer made by Alan Minor, H12-032. The motion passed.

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

9167	William B. Baker	9168	Kirsten Leigh Banks
9169	Vimal M. Bava	9170	Jiyeon Han
9171	Kelly Megan Minter-Schneider	9172	Cameron Gerd Pate
9173	Timothy Kyle Smith	9174	Laura Ann Taylor
9175	Evan Scott Teer	9176	Thomas James Thompson
9177	Kelsey Mae Uting	9178	Lindi Olivia VanSlyke
9179R	Barbara Dee Rowden Butler	9180R	Elliott Gain Chester
9181R	James A. Davis	9182R	Mandy Kay French
9183R	Eric E. Lothian	3288	Curtis L. Cutler
5823R	Tammy L. Hooker	5435	Diana Hays Nix

•“R” DENOTES A RECIPROCAL LICENSE

NEW FIRM LICENSES

870C	David Cleveland, CPA, PA	871C	Fountain Financial & Tax Services, Inc.
872C	Matthews, Cutrer & Lindsay, P.A.	874C	Pur Accounting Inc.
875C	Robertson CPA Firm, Inc.	193LC	Cambridge Accounting Services, LLC
194LC	Chester Financial, PLLC	195LC	Cox & Creswell PLLC
197LC	Jack Chami CPA PLLC	198LC	Ludington & Lawson, PLLC
199LC	Ryan Creswell, CPA, PLLC		
196LC	Denman, Hamilton, & Associates CPA PLLC		
200LC	Sean M. Bruno Certified Public Accountants, LLC		
873C	Monica S Bennett, C.P.A., P.A DBA: Travis & Bennett, Certified Public Accountants		

FIRM NAME CHANGE

165C	Chism & Company, Ltd.	183LC	LR & Co CPA Management Consultants
17LP	Robertson & Scherer, LLP.		
115C	Hamilton, Cherry, Spradlin & Mandrell, Ltd.		

INDIVIDUAL AND ENTITY SURRENDERS

8309R	Lorraine Lincoln Bunnell	6242R	Brenda Dale
1311	Larry A. Martin	6674	Tracy Martin Morrison
6236R	Van Oliver	8779R	Joshua Larry Simpson
8874	Justin Wayne Smith	4591	Robin Jones Wilcox
621C	Breeze Accounting, LLC	823C	David R. Vargo, P.A.
248C	H Thomas Gibbons & Associates	289C	Robert A. Brown, CPA, PA
501P	May & Company, A Limited Liability Partnership		

RETIRED

990	Harold Adams	1099	Don Carlon Bassett
6844R	David Nicholas Beekman	3727	Doris L. Bell
3269	Dale W. Brandon	914	D. Ken Brock
1830	Robert A. Brown	788	Kenneth G. Buford
1692	Ronald R. Burch	1593	Betty Aris Bush
1446	James L. Bush, Jr.	1840	Larry A. Campbell
709R	J.R. Clinton III.	789	E. Ralph Cotham IV.
3404	Barbara K. Creighton	879	Glen W. Crone
2827	Pat A. Davis	662R	Robert Jackson Dudley
1256R	Terry A. Elliott	3036	William C. Foster
430	David S. Fox	3571	Marvine F. Fullbright
4527	Marlene W. Gwaltney	2290	Dorothy Allred Hanby
7597R	Olivenen Cox Hargrave	5420	Billy J. Harris
420	Charles Turner Hopkins	852	Hal L. Hulsey
922	Bob Humphrey	3013R	Charles M. Ison
2553	Truman L. Jefferson	3310	Donald J. Jones
4164	Gayle Jones	699	Donald E. Keck
1323	James M. Kelly	1785R	Robert W. Lee
4129	George H. Lepper	2022	Joe L. Madey
2932	James W. Miller, Jr.	795	Robert A. Miller
1467	William G. Neal	6237	Joanne G. Olszewski
796	Jerry D. Orler	7048	Leatha Ann Palculict
1083	Dennis G. Pharr	1042	John F. Phillips
5100R	Michael P. Rafferty	1489	Yoly Redden
1138R	Terry E. Reeves	1117	L.A. Richmond
2063	James R. Ridgell	2840	George Rogers, Jr.
2676	John Richard Rowland	2011	Jean Scovil
2494	Karen C. Seller	887	Donald Ray Slack
844	Ray David Slack, Jr.	978	William D. Spivey
1639	Judith Harris Spradlin	4569	Paul Stemas
3840	E. Owen Stoker	6969R	Danny Allen Stubblefield
6258R	William John Sweeney	2455R	Leslie T. Teaff
1141R	John Thomas Todd	5461	Larry Coleman Tomlin
1098R	Fred W. Wilcox	6739R	Colleen Ann Wise

SURRENDER IN LIEU OF DISCIPLINARY ACTION

3308 Sandra W. Jester

INACTIVE STATUS

8903R	Tracy Lynn Anderson	5836	Loy Jeffrey Bailey
6155	Tyler Hance Bean	1133	Billy E. Blasingame
1937	James C. Bourne, Jr.	4238	Tracy L. Broadwater
6752R	Bryan David Burks	5693	Jeffrey Lee Cantrell
8014R	Margaret L. Climer	6657	Burton E. Eddington, Jr.
4331R	Franklyn D. Ellis	8789	Christina D. Evans
755	Alfred C. Ferrell	1580	Richard H. Fleming
8894	Chad A. Graham	7916R	Renee W. Hanshaw

1862	Claude Shackelford Hawkins, Jr.	7233	Terry S. Higgs
5939	Jamie Mays Howe, Jr.	2913	Delma R. Jensen
9058R	Justin Kavalir	5878	Donna Gail Kelly
9039	Whitney Taylor Koenigseder	1082	James Edward Little
7676	Robyn Nicole "Nikki" Lockett	8783R	Rafael Marrero
7717	Anita J. Marshall	8593	Rachel M. Martin
7497	Darron Ray Ming	5776	Linda Rice Nelson
8804	Wendi Lynne Pangle	3829	Bryan G. Potts
8634	Jane Dixon Riggs	1408R	Charles W. Schaaf
6934	Sandra Schwarz	4168	Kirby H. Smith
9141	Timothy Stransky	6345	Carol S. Trusty
1718	Johnny F. Van Horn	8018R	John P. Wiewel
6948	Jason Michael Wilkinson		

DECEASED

2350 William R. Cowan

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 4:48 p.m.