

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

November 15, 2013

A regular meeting of the Arkansas State Board of Public Accountancy (Board) was held in Suite 450 of the Main Street Mall on November 15, 2013 with Dr. Mike Moore, President, presiding. Other members of the Board in attendance were: Karen Garrett, William "Bill" Millager, 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, and Tim Montgomery, Investigator. Other attendees were: Brian Thompson, Arkansas Society of Accountants, Dr. David Dearman, CPA, UALR Professor Denise Lesson-Provost, Roger Dorsey, CPA with the UALR, Mark Watkins*, CPA, with Bell Foster Johnson & Watkins, LLP, George Foster*, CPA, with Bell Foster Johnson & Watkins, LLP and Mike Watts, CPA with UALR.

CALL TO ORDER

Dr. Moore officially called the meeting to order at 9:01 a.m. A quorum was found to be present.

AUDIT REPORT

Mr. Foster with Bell Foster Johnson & Watkins, LLP presented the Fiscal Year 2013 Audit Report. A motion was made and seconded to accept the report as presented. The motion passed.

*Foster and Watkins left after the presentation

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes, as presented, of the September 27, 2013 board meeting. The motion passed.

TREASURER'S REPORT

A motion was made and seconded to approve the Treasurer's Report for September 2013 and October 2013, as presented. The motion passed.

COMMITTEE REPORTS

The Compliance Committee has met one time since the last Board meeting.

Thirteen new complaints:

- Four firms not registered.
- Three requests for re-licensure.
- Two out state Individuals not registered.
- Two allegations of failure to follow professional standards.
- One Inactive CPA working for Public Accounting Firm.
- One revoked CPA Still holding out.

Requesting closure of 20 complaints – 6 by Consent Order:

1. **C13-029 – (Cert #2404)** - Inactive CPA working in public accounting. Resolved via compliance statement - licensee paid \$200 penalty and upgraded to active status. Requesting closure.
2. **C13-042 – (Cert #765R)** - Lapsed licensee requesting retired status. Requesting closure.
3. **C13-080 – (Cert #0367)** - Lapsed licensee requesting retired status. Requesting closure
4. **C13-088 – (Cert # 4061R)** – Complaint with regard to holding of records and conduct unbecoming. Records have been returned to complainant. Resolved via compliance statement – licensee paid \$200 penalty. Requesting closure.
5. **C13-092** –Licensees incorporated January 2011, made application to register firm with Board in August 2013. Failed to register firm timely. Resolved via compliance statement - licensee paid \$220 penalty and registering firm. Requesting closure.
6. **C13-101**– Licensee incorporated September 2012 using non accounting name, has now requested to license firm. Further review has found no accountancy law violations. Requesting closure with no further action.
7. **C13-107 – (Cert #7182R)** – Licensee failed to respond timely to QR accessed a \$100 penalty. QR response has been received. Licensee is requesting retired status and abatement of \$100 penalty. Recommending abatement and move to retired status.
8. **C13-109 – (Cert #1736)** – Licensee failed to respond timely to QR. Response has been received. Requesting closure with no further action.
9. **C13-114** – Allegation of unregistered firm. After further investigation no violations of accountancy law were found. Requesting closure with no further action.
10. **C13-115 – (Cert #7182R)** – Inactive working for public accounting firm (Big 4). After further investigation it was determined licensee was working in a non-accounting/tax environment (marketing of real estate practice). No violations of accountancy law were found. Licensee is in process of up grading. Requesting closure with no further action.

11. **C13-117** – Out of state unregistered firm. After further review no violations of accountancy law were found. Firm has now registered with the Board. Requesting closure with no further action.
12. **C13-118 – (Cert #14LP)** – Licensee involved in Class Action Fairness Act (CAFA) lawsuit involving allegation failure to follow professional standards. Complaint was settled out of court. Close with no further action.
13. **C13-120** – Non-Licensee using accounting in firm name. Individual has made changes as requested by staff. Requesting closure with no further Board action.
14. **C13-122** - Non-Licensee using accounting in firm name. Individual has made changes as requested by staff. Requesting closure with no further Board action.

A motion was made and seconded to close C13-029, C13-042, C13-080, C13-088, C13-092, C13-101, C13-107, C13-109, C13-114, C13-115, C13-117, C13-118, C13-120 and C13-122. The motion passed.

CONSENT ORDERS

15. **C12-063 - Consent Order (Registration #0455)**

Licensee had a substandard Quality Review and has entered into a consent order with the Board agreeing to cease performing attest and compilation services. Requesting closure by Consent Order.

A motion made and seconded to close C12-063 by consent order. The motion passed.

16. **C13-060 - Consent Order (Certificate #8924)**

Lapsed Licensee failed to renew for 2013, was notified by certified letter to reinstate or surrender license. Licensee did not respond to Board letter. Notice of Hearing was issued. Licensee has paid license to practice fees, late fees and \$500 penalty, documented completion of 40.5 hours of CPE, and agreed to respond timely the next 3 years. Requesting closure by consent Order.

A motion made and seconded to close C13-060 by consent order. The motion passed.

17. **C13-065 - Consent Order (Certificate #6602)**

Lapsed Licensee failed to renew for 2013, was notified by certified letter to reinstate or surrender license. Licensee did not respond to Board letter. Notice of Hearing was issued. Licensee has paid inactive renewal fee, late fees, \$500 penalty, and agreed to respond timely the next 3 years. Requesting closure by consent Order.

A motion made and seconded to close C13-065 by consent order. The motion passed.

18. **C13-085 - Consent Order (Certificate #4439)**

Applicant's CPA certificate became void January 1, 2013 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 prior years and late fees for 2010-2012 and 2014 inactive fees totaling \$580.00. Requesting closure by Consent Order.

A motion made and seconded to close C13-085 by consent order. The motion passed.

19. C13-096 - Consent Order

Out state CPA providing services to Arkansas client. Applicant acknowledged issuance of audit report while he was not licensed. Applicant has requested to register with the Board and has paid prior year registration fee and \$500.00 civil penalty. Requesting closure by consent Order.

A motion made and seconded to close C13-096 by consent order. The motion passed.

20. C13-099 - Consent Order (Certificate #3261)

Applicant's CPA certificate became void April 26, 2002 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 1997-2001 and 2014 inactive fees totaling \$255.00. Requesting closure by Consent Order.

A motion made and seconded to close C13-099 by consent order. The motion passed.

Other Business

Requesting permission to send Notice of Apparent Violation Cease and desist orders, for C12-074 and C13-098. These are non-licensees who held out to the public as a Certified Public Accountant or Public Accountant and in one case issued an audit report.

By sending these cease and desist out for signatures the Board is agreeing not to pursue civil proceedings if respondent complies with the Boards demands.

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

Requesting permission to issue a notice of hearing.

H13-086 – Licensee has failed to respond to request regarding CPE and QR issues. In addition, licensee has failed to respond to certified correspondence from the Board.

A motion was made and seconded to issue a notice of hearing for H13-086. The motion passed.

OLD BUSINESS

Exam Education Requirements

Business Law II Courses - A motion was made and seconded to approve 3000 and 4000, or higher, level Business Law II classes, taught within the Accounting department, to be acceptable toward the accounting hours content requirement. The course must cover CPA Exam content and a syllabus must be submitted to the Board prior to approval. The motion passed.

NEW BUSINESS

CPE Waiver Requests

Ellie Horton - 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.

Elizabeth Cannatella – After review of a letter and medical documentation, a motion was made and seconded to grant a waiver of the remaining CPE needed for 2013. The motion passed.

CPE Audit Process Policy

A motion was made and seconded to approve the CPE Audit process policy as amended. The motion passed.

CPE Proposed Rule Changes

A motion was made and seconded to approve the proposed rule changes as presented. The motion passed.

OTHER BUSINESS

IT Request

A motion was made and seconded to approve the additional funds of \$3,248.70 to complete the scanning project.

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 LICENSE

9144	Colette L. Beasley	9145	Dana Corinne Broad
9146	Corey Lynn Carver	9147	Bethany M. Brown Chavez
9148	Victoria Cole	9149	Kyla Marie Farler
9150	Bryan Mark Hall	9151	Jennifer Ann House
9152	Scarlette L. Jones	9153	Jeremy S. Mitchell
9154	Richard Anthony Mobley II.	9155	Daniel Jason Morrison
9156	Cassie Marie Newton	9157	Murodzhon Nurmukhamedov
9158	Micah Daniel Osborne	9159	Whitney B. Peterson
9160	Charlotte Anne Phillips	9161	Ronda Sullins
9162	Maranda Clair Tryon	9163	Andrew Bradley Vaden
9164	Brandon Scott Wright	9165	Luke E. Wright
9166R	Jaime M Ackles		

•"R" DENOTES A RECIPROCAL LICENSE

NEW FIRM LICENSES

868C	Earnest Kennedy, CPA, Inc.	8SP	David B. Julian, CPA
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869C Jordan Woolbright & Associates, P.A.
192LC Feighert Financial, LLC
365P Robinson, Gardner, Langston & Bryan

87LP PMB Helin Donovan LLP

FIRM NAME CHANGE

80LP McIlroy, Keen Goodman, LLP
834C Rector, Reeder & Lofton, P.C.

INDIVIDUAL AND ENTITY SURRENDERS

3044R Owen T. Johnson
6518R John P. Paris

8554R Joseph E. Maddox
175LC Bunch & Lanier, CPA's, LLC

RETIRED

2013 Edward L. Allred
932 John Clifton Gibson
7453 Bette Jeanine Gould
890 Charles Harrell Lewis
785 Robert Andrew McCurdy
432 James G. Osborn
3232 Lauren P. Rupert
433 Cecil A. Smith

2991 Burley J. Freeman, Jr.
01 Bobby L. Glover
791 Billy R. Humphrey
4397 Herman E. Luper
6711R Larry Paul Morton
1538 Alan Wayne Pierce
876R James L. Sanderlin
4715 Thomas Henry Woods

RETIRED IN LIEU OF DISCIPLINARY ACTION

0367 Karen Faye Farrar
7182R Carolyn A. O'Hair

765R Oliver Kerwin Gray

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 11:28 a.m.