

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Gene Cogbill, CPA, President  
Dr. Mike Moore, CPA, Secretary  
Karen Garrett, CPA, Treasurer  
Wade Turner, CPA



Jeremy Watson, CPA  
Lloyd Franklin, CFE  
W. R. "Bill" Millager, MBA

Jimmy Corley, CPA  
Executive Director

**MINUTES DRAFT**  
**BOARD MEETING**  
**November 16, 2012**

The regular meeting of the Arkansas State Board of Public Accountancy (Board) was held in Suite 450 of the Main Street Mall Building on November 16, 2012 with Gene Cogbill, President, presiding. Other members of the Board in attendance were Karen Garrett, Mike Moore, Jeremy Watson and Lloyd Franklin. Members of the staff in attendance were Jimmy Corley, Executive Director; Ann Jessup, Fiscal Officer/CPE Coordinator, Dale Edge, Investigator, Joshua Jacobs, Investigator and Alan Fortney, IT Manager. Other attendees were Mark Ohrenberger, Attorney General's office; John Peace, Arkansas Society of Certified Public Accountants; Brian Thompson, Arkansas Society of Accountants; Kevin Jumper\*, CPA, Greg Kirkpatrick\*, Hearing Official, Sharon Hill\*, Court Reporter; and George Foster\*\*, CPA.

**CALL TO ORDER**

Mr. Cogbill officially called the meeting to order at 9:07 a.m. A quorum was found to be present.

**APPROVAL OF MINUTES**

A motion was made and seconded to approve the minutes of the September 28, 2012 board meeting as presented. The motion carried.

**TREASURER'S REPORT**

A motion was made and seconded to approve the Treasurer's Report for September 2012 and October 2012, as presented. The motion passed.

**PUBLIC HEARINGS**

The board then moved to public hearing H12-030. The licensee was found to have violated Board Laws / Rules by failing to file client tax returns, failing to respond timely to Board communications, and failing to identify an acceptable CPA as residential manager for a branch office of the licensee's firm. Civil penalties of \$4,000 were imposed upon the licensee, and the licensee was placed on probation for calendar years 2013 – 2015. The board reconvened at 11:27 a.m.

\*Kevin Jumper, Sharon Hill and Greg Kirkpatrick left the meeting at the conclusion of the hearings.

## COMMITTEE REPORTS

### Audit Committee

Mr. Foster presented the Independent Auditor's Report.

Motion and seconded to approve the Independent Auditor's Report as presented. Motion passed.

\*\*Mr. Foster left the board room.

### Compliance

The Compliance Committee has met one time.

#### **I. Sixteen new complaints:**

One complaint Licensee charged with felony alleging embezzlement.

One Class Action Fairness Act (CAFA) complaint.

Two firms offering accounting services.

Three void applicants seeking reinstatement.

Eight Inactive CPAs with PTIN 3's preparing tax returns.

One Inactive Retired with PTIN.

#### **II. Requesting closure of seven complaints – 2 by Consent Order:**

- 1) **C11-012 – (Cert #94LC)** – Licensee Firm involved in a lawsuit involving allegation failure to follow professional standards. Complaint was settled out of court, requesting closure with no further action.
- 2) **C12-009** – Unregistered firm holding out as an accounting firm in AR. Firm was incorporated February 2001 before owner passed CPA exam in 2011. Firm has signed compliance statement, paid \$610.00 penalty and submitted application for licensure of a firm (included on Board list for approval). Requesting closure by compliance statement.
- 3) **C12-012 – (Firm Cert #845C)** - Issue with firm name. Single CPA wanted to hold out as company. Matter has been resolved. Requesting closure with no further action.
- 4) **C12-062 – (Cert #1075)** – Alleged holding records, complaint has been resolved. Requesting closure with no further action.
- 5) **C12-064** – Unregistered firm holding out as an accounting firm in AR. Firm was incorporated March 2010. Firm has signed compliance statement, paid \$325.00 penalty and submitted application for licensure of a firm (included on Board list for approval). Requesting closure by compliance statement.

Motion to close C11-012, C12-009, C12-012, C12-062 and C12-064. Motion passed.

## CONSENT ORDERS

#### 6) **C11-072** - Consent Order

Applicant is a registered CPA firm in another state. Applicant came into AR in 2011 and performed an audit for a SEC registered company. SEC registered company has since left AR. Applicant failed to register with the Board in 2011. Applicant has agreed to register and surrender firm license and pay \$1,000.00 penalty. Applicant

has agreed to a consent order and paid \$1,220.00. Requesting closure by Consent Order.

Motion made and seconded to close C11-072 by Consent Order. The motion passed.

7) **C11-077 – (Cert #990) - Consent Order**

Licensee had unregistered firm holding out as an accounting firm in AR. Firm was incorporated January 2007. Licensee has since sold firm. Licensee has agreed to a consent order, requesting closure by Consent Order contingent on receipt of \$440.00 penalty.

Motion made and seconded to close C11-077 by Consent Order contingent on receipt of payment of penalty. Motion passed.

**III. Requesting permission to issue Notice of Hearing for complaint:**

- C11-085 – Professional Standards issues
- C12-005 – QR issues and discreditable acts
- C12-010 – Holding out as a firm issues
- C12-085 – Request for re-licensure

Motion made and seconded to issue notice of hearing, if needed, for C11-085, C12-05, C12-010 and C12-085. The motion passed.

Adjourned and reconvened

Mr. Cogbill adjourned for lunch at 11:58 a.m. and reconvened at 12:27 pm.

**OTHER BUSINESS**

Licensing Software

Lance McGonigal presented a proposal for an exam and licensing software. A motion was made and seconded to approve the purchase of a new exam and licensing software. The motion passed.

Training Expense

A motion was made and seconded to approve expenditure for Alan Fortney to receive Microsoft Access training not to exceed \$3,500. The motion passed.

**OLD BUSINESS**

Rule Change

Mr. Corley presented the recommended rule changes. A motion was made and seconded to approve the recommended rule changes. The motion passed,

Exam Requirements

A motion was made and seconded to require all exam applicants (new and re-exam, regardless of when first section was taken) to have a minimum of 150 college credit hours. The motion passed.

## NEW BUSINESS

### Firm Applications

Baker Tilly Virchow Krause – A motion was made and seconded to accept the firm application of Baker Tilly Virchow Krause. The motion passed.

Section 1031, Inc. – A motion was made and seconded to deny the firm name “Section 1031, Inc.” The motion passed.

Auditwerx, Inc. – A motion was made and seconded to deny the firm name “Auditwerx, Inc.” The motion passed.

### Cease and Desist Orders

A motion was made and seconded to give the Executive Director the discretion to approve Cease and Desist Orders subject to Board notification. The motion passed.

### Legal Action upon Non Licensees

A motion was made and seconded to have the Attorney General’s office to initiate a suit against Cox Accounting for the unauthorized practice of accounting. The motion passed.

A motion was made and seconded to request the Attorney General’s office initiate the enforcement of the injunction against Jayroe and Associates, PA. The motion passed.

## OTHER BUSINESS

### Laptop / tablet purchases

A motion was made and seconded to approve the purchase of 12 laptops / tablets not to exceed \$8,000.00. 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 LICENSE

9033	Ryan D'auvergne Botha	9034	Landon Nicholas Boykin
9035	Tyler Joe Emerson	9036	Nicklaus Philip Freyaldenhoven
9037	Adam B. Jones	9038	Matthew Kirkpatrick
9039	Whitney Taylor Koenigseder	9040	Rebecca Christine Miller
9041	William Benjamin Puckett	9042	Aaron Reed
9043	Johnnie L. Sampson, Jr.	9044	Sarahbeth Vasgaard
9045R	Rebecca Boss	9046R	Karl Edward Hertel
3885	Susan R. White	3376	Terry Williams

•”R” DENOTES A RECIPROCAL LICENSE

### NEW FIRM LICENSES

846C	Andrew Pieri CPA, P.C.	849C	Matthew T. Baxter, CPA, P.A.
847C	Bottom Line Tax & Accounting Services, Inc.		

848C Eric J. Scism Professional Association  
82LP Baker Tilly Virchow Krause, LLP  
84LP CohnReznick LLP

850C Teaff & Draughon, CPA's PA  
83LP CCR LLP

INDIVIDUAL AND ENTITY SURRENDERS

3389R William C. Kirby  
790C Joseph E. Maddox, CPA PA

83LP CCR LLP

NAME CHANGE

7411 Deborah Gerrald

DECEASED

4369 Helen Gothard  
406 Kermit C. Moss

5832R Kathy Bradshaw Lopez

**ADJOURNMENT**

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 2:26 p.m.