

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Sherry Chesser CPA, President
David Vaden CPA Secretary
Deana Infield CPA, Treasurer
Michael M. Watts CPA, JD



Richard Bell CPA, JD
Denton Woods JD
Kevin Canfield

Jimmy Corley, CPA
Executive Director

**Board Meeting Minutes Draft
September 20, 2019**

A regular meeting of the Arkansas State Board of Public Accountancy was held in Suite 450 of the Main Street Mall Building with Sherry Chesser, President, presiding. Other members of the Board in attendance were: Kevin Canfield, David Vaden, Richard Bell, Deana Infield and Denton Woods. Board member Mike Watts not in attendance. Members of the staff in attendance were: Jimmy Corley, Executive Director, Dale Edge, Investigator; Tim Montgomery, Investigator; Mark Ohrenberger, Legal Counsel; Alan Fortney, April Murphy, and Melissa Hamric. Also in attendance were Michael Ferrara and Cameron Vaugh with AETN, and Jack Emmons and Dan Duston with NASBA.

CALL TO ORDER

Ms. Chesser officially called the meeting to order at 9:03 a.m. A quorum was found to be present.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the August 16, 2019 Board meeting. The motion passed unanimously.

TREASURER'S REPORT

A motion was made and seconded to approve the August 2019 Treasurer's Report, as presented. The motion passed unanimously.

COMMITTEE REPORTS

COMPLIANCE

The Compliance Committee has met one (1) time.

Nineteen (19) New Complaints:

Licensee with SEC violation.
Licensee with Peer Review Issues.
Inactive licensees holding out as active.

Two non-licensees holding out.
Two licensees failed to respond to 2019 Practice Review.
Three Reinstatement/Re-licensure Request.
Ten licensees issued related to failed CPE audit.

Requesting closure of eighteen (18) complaints one (1) by consent order

1. **C18-080 – (Cert. # 575C)** – Licensee firm with unregistered offices. Firm has corrected website. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
2. **C18-086 – (Cert. # 9303)** – Licensee was convicted of a felony, a statutory disqualification. Licensee petitioned for a waiver. Hearing 19-008 was held August 16, 2019. A wavier was granted. Requesting closure.
3. **C19-017 – (Cert. # 9167)** – Licensee was convicted of a felony, a statutory disqualification. Licensee petitioned for a waiver. Hearing 19-032 was held August 16, 2019. A wavier was denied and license was revoked. Requesting closure.
4. **C19-024 – (Cert. # 2896)** – Licensee failed to renew license and became lapsed April 1, 2019. Licensee requested reinstatement to inactive status and paid the \$150.00 application fee. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement requiring timely renewal for next three (3) years has been signed and \$95.00 in renewal and late fees have been collected.
5. **C19-036 – (Cert. # 5298)** – Licensee failed to renew license and became lapsed April 1, 2019. Licensee requested reinstatement to inactive status and paid the \$150.00 application fee. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement requiring timely renewal for next three (3) years has been signed and \$95.00 in renewal and late fees have been collected.
6. **C19-063 – (Cert. # 896C)** – Licensee practicing under name other than registered name. Licensee has submitted name change. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
7. **C19-069 – (Cert. # 8916)** – Licensee with unlicensed firm. Licensee has made application to license firm. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$110.00 penalty collected.
8. **C19-075 – (Cert. # 1235)** – Licensee with unlicensed firm. Licensee has chosen to license firm instead of using disclaimer language. The Compliance Committee

recommends a finding of probable cause to proceed and closure with no further action.

9. **C19-076 – (Cert. # 8232)** – Licensee with unlicensed firm. Licensee has chosen to license firm instead of using disclaimer language. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
10. **C19-081 – (Non-Licensee)** – Non-Licensee holding out as an accountant. Respondent has made changes to internet listings and social media accounts and has agreed to use disclaimer language when using the term accountant. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on the respondent’s corrective action.
11. **C19-082 – (Non-Licensee)** – Non-Licensee holding out as an accountant. Respondent has made changes to internet listings and social media accounts and has agreed to use disclaimer language when using the term accountant. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on the respondent’s corrective action.
12. **C19-084 – (Cert. # 9258)** Licensee failed to respond to the 2019 CPE Audit. After review, it was noted licensee had made timely communication to Board. The Compliance Committee recommends no probable cause to proceed with disciplinary proceedings and requests closure.
13. **C19-087 – (Cert. # 9332)** – Licensee failed to respond to the 2019 CPE Audit in a timely manner. Licensee has since submitted the necessary CPE documentation and passed the CPE Audit. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$250.00 penalty collected.
14. **C19-098 – (Cert. # 2674)** – External complaint regarding licensee in his capacity as an employee of a non-public accounting employer. No violation of Accountancy law or Board rules were found. Compliance Committee recommends a finding of no probable cause to proceed and requests closure.
15. **C19-102 – (Cert. # 2489)** – Licensee reported AR Ethics completed in 2019 on 2019 annual renewal. It was noted licensee had already addressed issue. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
16. **C19-106 – (Cert. #5210)** – Licensee reported AR Ethics completed in 2019 on 2019 annual renewal. It was noted licensee had already addressed issue. Having experienced problems with the CPE Provider, Licensee contacted Board and was instructed to complete course as soon as problem was corrected. The

Compliance Committee recommends a finding of no probable cause to proceed and requests closure.

17. **C19-109 – (Cert. # 7788)** – Licensee failed 2019 CPE Audit by not completing AR Ethics course by December 31, 2018. Licensee completed course as soon as deficiency was discovered. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. Compliance Statement has been signed and \$125.00 penalty collected.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolutions as to items 1 through 17, listed above. The motion passed.

CONSENT ORDERS

- 1) **C19-034 & 035 – Consent Order (Regist. #0373 & Firm Regist. # 824C)** – Respondent and Respondent Firm failed to renew licenses and became lapsed April 1, 2019. Respondents have requested reinstatement to Active status and paid the \$150.00 application fees. Respondent and Respondent Firm have signed a consent order and paid nineteen hundred seventy (\$1,970.00) dollars in fees and penalties. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C19-043 and 035. The motion passed unanimously.

REQUESTING PERMISSION TO ISSUE THE FOLLOWING NOTICE OF HEARINGS IF NEEDED

- 1) **C19-089 – (Cert. # 7808)** – Charging Licensee with CPE reporting violations and failure to respond to a 30-day letter. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.
- 2) **C19-117 – (Cert. # 8707)** – Licensee is required to respond to the Board's 2019 Practice Review Survey. Licensee has failed to respond. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.
- 3) **C19-118 – (Cert. # 7232)** – Licensee is required to respond to the Board's 2019 Practice Review Survey. Licensee has failed to respond. Committee recommends a finding of probable cause to proceed with disciplinary proceedings and issuance of a notice to the licensee for a formal hearing before the Board.

A motion was made and seconded to allow the Board staff to issue Notices of Hearing in the cases referenced above. The motion passed unanimously.

DISCUSSION ITEM

The Board opined that it would be necessary to deny and licensee application for reinstatement that and said applicant would need to petition the Board for a hearing regarding the reinstatement of his license.

NEW BUSINESS

Proposed 2020 Meeting Dates

January 10

April 17

June 5

August 14

September 25

November 13

NASBA Update

Mr. Dustin and Mr. Emmons gave remarks on updates regarding NASBA and the Board.

LICENSURE ACTIVITY REPORT

Mr. Corley presented to the Board the Licensing Activity Report.

ADJOURNMENT

A motion was made and seconded to adjourn. The motion passed. The meeting adjourned at 10:41.