



ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

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Dale Edge CPA
Investigator

Jessica Hamric
CPE Coordinator

Mary Roberts
Exam Specialist

Kathrine Stone
Licensing Coordinator

Board Meeting Minutes

April 21, 2023

A regular meeting of the Arkansas State Board of Public Accountancy was held with Richard Bell, President, presiding. Other members of the Board in attendance were Christina Ellis, and Shane Warrick. Denton Woods and Deana Infield attended via Zoom. Members of the staff in attendance were Tim Montgomery – Interim Executive Director, Jessica Lewis – CPE Coordinator, and Kathrine Stone - Licensing Coordinator. Dale Edge - Investigator attended via Zoom. Also in attendance were Nga Mahfouz, Legal Counsel, Marsha Moffitt of the Arkansas Society of CPAs, Charles Moulton, Hearing Officer, and Faith Grigsby, Court Reporter. In attendance from the public were Matthew Beyer and Leslie Adkins.

CALL TO ORDER

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

PUBLIC HEARINGS

The Board moved immediately to Public Hearings concerning the following case:

Hearing H23-002 – Matthew Beyer

The Board found that, according to records, allegations A-1 through A-4 were proven and laws L-1 through L-7 were found applicable. A motion was made to grant Mr. Beyer a waiver according to A.C.A. § 17-3-102(b) and proceed with licensing. The Motion was seconded and passed.

Mr. Beyer, Ms. Adkins, Mr. Moulton, and Ms. Grigsby left after Hearings concluded at 10:57 a.m.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the January 2023 and March 2023 Board meetings. The motion passed unanimously.



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TREASURER'S REPORT

A motion was made and seconded to approve the January and February 2023 Treasurer's Reports, as presented. The motion passed unanimously.

COMMITTEE REPORTS

Compliance Committee

The Compliance Committee has met twice since January.

Nineteen (19) New Complaints:

Applicant with a felony conviction.

External complaint alleging unethical conduct.

Unauthorized use of a CPAs name.

Two inactive CPA working in Public Accounting.

Three reinstatement requests.

Three unregistered firms.

Four licensees with Peer Review issues.

Four licensees with PCAOB, SEC, or Other State Board disciplinary issues.

Requesting closure of twenty-seven (27) complaints, ten (10) by consent order.

- 1. C22-051 – (Applicant)** – Applicant failed to disclose misdemeanor when applying for licensure. After further review, it was determined that, under current state law, this is no longer an issue that the Board can take under consideration. Applicant was advised he would be better served to use more due diligence in responding to future Board forms and/or inquiries. The Compliance Committee is requesting closure with no further action.
- 2. C23-001 – (Cert. #10118)** – Licensee had an unlicensed firm registered with the Secretary of State. Firm did not start actual operation until January 2023. Firm has applied for licensure. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.



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Complaints 3 and 4 –Inactive CPAs working in public accounting.

3. **C20-046 – (Cert. #7356)** – Inactive Licensee working in public accounting. After further review, it appears licensee was performing clerical duties only and not interacting with the public; however, she was working as a 1099 employee. Licensee has upgraded to a license to practice. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
4. **C22-109– (Cert. #5132)** – Inactive Licensee began working for public accounting firm in October 2022 and requested to upgrade to an LTP in December 2022. Additional review found licensee to be working under licensed CPA. The Compliance Committee is requesting closure with no further action.

Complaints 5 and 6 – Missing CPE documentation for failed Practice Reviews

5. **C22-060 – (Firm Cert. #641C)** – Licensee Firm had second failed Quality Review and agreed to pre-issuance. Upon further review, it was noted that CPE documentation required from the first failed Quality Review was missing. The required 16 CPE hours have now been documented. The Compliance Committee is requesting closure with no further action.
6. **C22-061 – (Firm Cert. #727C)** – Licensee Firm failed their 2021 Quality Review and was required to complete 16 hours of additional CPE. Upon review, it was noted that the CPE documentation was missing. The 16 CPE hours have now been documented. The Compliance Committee is requesting closure with no further action.

Complaints 7 through 9 – Licensees with external complaints.

7. **C22-046 – (Cert. #3126)** – Licensee had an external complaint and failed to respond to 30-day letter. Hearing was held in January 2023; the licensee failed to appear. The Board found the charges proven, assessed a \$1,000 penalty that must be paid no later than 30 days and, if licensee fails to pay the penalty timely, his license will be automatically revoked. Licensee has not paid the penalty and his certificate has been revoked. The Compliance Committee recommends closure with no further action.
8. **C22-049 – (Firm Cert. #821C)** – External complaint regarding a tax return filing issue. After further review, it appears to be a software glitch and a communications failure. The Compliance Committee recommends closure with no violation.
9. **C23-003 – (Cert. #2456)** – External complaint regarding CPA’s actions as administrator of his own mother’s estate. Complaint was from an outside third party. After further review, there were no issues that would fall within the Accountancy Board’s domain. The Compliance Committee recommends closure with no violation.



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Complaints 10 through 13 – Licensees with Peer or Practice Review issues.

- 10.C21-126 – (Firm Cert. #148LC)** – Licensee firm had a failed Peer Review. Licensee has now completed all the follow up requirements as outlined by the Peer Review Committee. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 11.C22-076 – (Cert. #1831)** – Licensee failed to timely respond to the 2022 Practice Review Survey. Licensee has now taken retired status due to health-related issues. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 12.C22-077 – (Cert. #9467)** – Licensee failed to timely respond to the 2022 Practice Review Survey. Licensee has now completed Practice Review. Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed compliance statement. A Compliance Statement requiring licensee to pay \$100 penalty has been signed and monies collected.
- 13.C22-100 – (Firm Cert. #443C)** – Licensee firm had requested to withdraw from Peer Review. CPA majority owner has since died, and firm is now surrendered. The Compliance Committee recommends closure with no further action.

Complaints 14 through 17 –Licensees self-reporting sanctions or other issues

- 14.C22-111 – (Firm Cert. #940C)** – Licensee firm self-reported on their 2023 annual renewal that a partner from a firm acquired in 2022 is having issues regarding his AICPA membership due to a prior 2018 SEC issue. Partner and acquired firm were not AR licensees. This is not a reportable offense. The Compliance Committee recommends closure with no violation.
- 15.C23-006 – (Firm Cert. #123LP)** – Licensee firm sanctioned by the PCAOB regarding reporting infractions. Infractions were not related to any AR clients. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 16.C23-008 – (Firm Cert. #2LP)** – Licensee firm sanctioned by NC Board of Accountancy. Sanction based on SEC sanction regarding in-firm CPE cheating. The AR Board has already reviewed the SEC matter at a prior meeting. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 17.C23-018 – (Firm Cert. #2LP)** – Licensee firm sanctioned by CA Board of Accountancy. Sanction based on SEC sanction regarding in-firm CPE cheating. The AR Board has already reviewed the SEC matter at a prior meeting. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.



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

CONSENT ORDERS

1. [C22-044](#)- **Consent Order (Firm Cert. #244LC)** – Licensee firm performed attest work without being enrolled in Peer Review and failed to disclose on their 2019 Practice Review that attest reports had been performed. Licensee firm enrolled in Peer Review but is now requesting to withdraw from Peer Review. Licensee has signed a consent order assessing a \$8,250.00 penalty and requiring completion of its Peer Review by June 30, 2023. Requesting closure by Consent Order and granting a waiver from the Peer Review due June 30, 2023.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried.

2. [C22-087](#)- **Consent Order (Cert. #657C)** – Licensee Firm's 2020 Peer Review received a rating of Fail. Licensee Firm's subsequent Peer Review was due in 2023. Licensee Firm has now requested to withdraw from Peer Review. Licensee and Licensee Firm have signed a consent order agreeing to cease performing attest work. If Licensee and/or Licensee Firm wish to commence attest work in the future, they must enroll in Peer Review, submit reports for pre-issuance review, and obtain an acceptable System Peer Review before consideration will be given to lifting the Pre-Issuance requirement. Requesting closure by Consent Order and granting a waiver from the Peer Review due June 30, 2023.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried.

3. [C22-089](#)- **Consent Order (Cert. #1637)** – Respondent stated on his 2022 renewal that he completed 1 hour of Arkansas ethics in 2021 when, in fact, the ethics were completed in May 2022. In addition, respondent failed the AR ethics requirement for his 2022 renewal. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Respondent has signed the consent order and paid a one-thousand-dollar (\$1,000.00) penalty and has completed the one (1) hour AR Ethics course. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried.



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4. **C22-091- Consent Order (Cert. #8202R)** – Respondent stated on his 2022 renewal that he completed an 8-hour tax course in December 2021 when, in fact, the course was completed January 1, 2022. In addition, respondent failed the AR ethics requirement for his 2022 renewal. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Respondent has signed a consent order and paid a six hundred twenty-five-dollar (\$625.00) penalty. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried.

5. **C22-094- Consent Order (Cert. #4453R)** – Respondent stated on his 2022 renewal that he completed 1 hour of Arkansas ethics in 2021 when, in fact, the ethics were completed in March 2022. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure via the proposed consent order. Respondent has signed a consent order and paid a one-thousand-dollar (\$1,000.00) penalty. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried.

6. **C22-107- Consent Order (Cert. #523C)** – Licensee Firm's 2019 Peer Review received a rating of Pass with Deficiency. Licensee Firm's subsequent Peer Review was due in 2022. Licensee Firm is now requesting to withdraw from Peer Review. Licensee and Licensee Firm have signed a consent order agreeing to cease performing attest work. If Licensee and/or Licensee Firm wish to commence attest work in the future, they must enroll in Peer Review, submit reports for pre-issuance review, and obtain an acceptable System Peer Review before consideration will be given to lifting the Pre-Issuance requirement. Requesting closure by Consent Order and granting a waiver from the Peer Review due October 30, 2022.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried. The Board recommended that the Compliance Committee begin applying an appropriate penalty for similar violations.

7. **C22-108- Consent Order (Cert. #937C)** – Licensee Firm's 2019 Peer Review received a rating of Pass. Licensee Firm's subsequent Peer Review was due in 2023. Licensee Firm has now requested to withdraw from Peer Review. Licensee and Licensee Firm have signed a consent order agreeing to cease performing attest work. If Licensee and/or Licensee Firm wish to commence attest work in the future, they must enroll in Peer Review, submit reports for pre-issuance review, and obtain an acceptable System Peer Review before consideration will be given to lifting the Pre-Issuance requirement.



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Requesting closure by Consent Order and granting a waiver from the Peer Review due June 30, 2023.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried.

8. [C23-009](#)- **Consent Order (Cert. #10156)** – Applicant surrendered his certificate as a CPA December 31, 2021. Applicant has requested to re-license to a license to practice. Applicant has completed 95 hours of CPE, 45 hours A&A, 5 hours of ethics, and 45 hours of Other. The study type consists of 90 hours of group and 5 hours self-study. Applicant has signed a consent order and the paid current year renewal fee of \$110.00. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried.

9. [C23-019](#)- **Consent Order (Cert. #2422)** – Applicant surrendered her certificate as a CPA December 31, 2022. Applicant has requested to re-license to a license to practice. Applicant has completed 53.5 hours of CPE, 3 hours A&A, 4 hours of ethics, 33.5 hours of tax, and 13 hours of Other. The study type consists of 23.5 hours of group and 30 hours self-study. Applicant has signed a consent order and the paid current year renewal fee of \$110.00. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried.

10. [C23-017](#)- **Consent Order (Cert. #8494R)** – Applicant surrendered her certificate as a CPA December 31, 2011. Applicant has requested to re-license to a license to practice. Applicant has completed 134 hours of CPE, 14.5 hours A&A, 8 hours of ethics, 51 hours of tax, and 60.5 hours of Other. The study type consists of 24 hours of group and 110 hours self-study. Applicant has signed a consent order and the paid current year renewal fee of \$110.00. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended findings and proposed resolution as written. The Motion carried.



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Requesting Permission to Issue Notice of Hearings to the following Licensees for failure to renew:

1004	CHARLES E. VAN DE WIELE
1075	JAMES D. SEARS
1411R	ROBERT L. RAMSEY
1518	PATSY LEWELLYN
1563	STEVE MITCHELL
1601	RONNIE RICHARDSON
1773	SANDRA H. DAVIS
1784	REECE A. PARHAM
1786	JAMES T. BYRD
1899	PATSY A. MALONE
2044	DANIEL L. MEDLOCK
3230	TERESA M. LONDON
3233	BOBBY G. SCOTT
3386	RICHARD HUCK
4363	JIMMY DONALD FANT
4515	ELIZABETH COLEMAN AUCHTERLONIE
4523	SHELLEY MCCORMICK DELAROSA
5242R	KATHY BERNICE ROBINSON
5493R	BRUCE A. SMALLWOOD
6642	BRENTON KEITH WHITTINGTON
6799	ALAN S. HERRING
6802	JOHN E. JOHNSON
7288	ELIZABETH WATKINS NOLAND
7401	JOSEPH WALKER DOWD
7609	AMY ROSE ROSSI
7616	GARY ALAN EDWARDS
8740	MICHAEL HARPER WATSON
8839	JAMES WILSON MCBRYDE
8871	KEITH LYNN LINDSEY
9120R	ROY EDWARD NIDAY
9533	YUQUN GU
9577	KENNETH M BRANDON
9611R	CYNTHIA RAE SUNTHIMER
9729	ERIC ROBERT CRAWFORD
9995	KAILEY JOHNSON



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10023	COLLINS GARRETT KNIGHT
10174R	JEREMY VANVALIN
10229R	MANUEL ALEJANDRO BADILLO MURPHY
10295	MARISSA EMILY ANNE GARCIA
10318	AMON WYNN
10377	DANIEL MEZA
288LC	ROBERT L RAMSEY CPA PLLC
314C	JAMES D. SEARS, CPA, P. A.
791C	WFL CPA INC.

A motion was made and seconded to approve the requests to issue a Notice of Hearing to the above. The Motion carried.

Audit Committee

Ms. Infield gave a report regarding the engagement letter that the Board signed with Rasco Winter Thomas Group. The CPA firm will perform a review for fiscal years 2021 and 2022 for a cost between \$6,000 and \$8,000, not to exceed \$8,000, and then perform a review annually thereafter.

Personnel Committee

Mr. Montgomery gave an update on the status of the search for a new Executive Director. Interviews were scheduled for 1:00 p.m. April 21, 2023 after the conclusion of the Board meeting.

There were no updates from the Audit, CPE, Quality Review, or Rules committees.

NEW BUSINESS

Exam fee waiver request: Examinee had to attend a funeral on their exam date and is requesting a waiver of the fee for the exam they missed. A motion was made to allow Mr. Montgomery to work with the examinee to work out the logistics for waiving the fee and/or retaking the exam. The motion was seconded and passed.

Exam score extension request: An examinee passed their final exam after the expiration date, but the Board erroneously sent the examinee a congratulations letter for passing all four parts of the exam within the 18-month window. Examinee has now applied for licensure and has met all other licensure requirements. A motion was made to approve the extension. The motion was seconded and passed.



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Fictitious Firm name request: A motion was made and seconded to deny the name *Attest Services PLLC* on the grounds that it is misleading. The motion passed.

Fictitious Firm name request: A motion was made and seconded to deny the name *Calculated Moves CPA Firm, PLLC* on the grounds that it is misleading. The motion passed.

Ms. Mahfouz left at 11:53 a.m.

Resident Manager: The Board determined that one CPA may be the resident manager for both a CPA firm and their own personal, single-member entity if they are located at the same location but may not be the resident manager of two different Branches within the same entity. Whether or not to allow entity ownership in a CPA Firm will be discussed at a later date.

Ms. Moffitt left at 12:13 p.m.

Discussion was held regarding adjourning the meeting and completing the remaining agenda items in a specially-called Board meeting to be held via Zoom.

Mr. Woods spoke regarding two of the candidates that have expressed interest in filling one of the available non-CPA Board positions that were personally known by him.

ADJOURNMENT

A motion was made and seconded to adjourn the meeting and conclude it at a later date. The meeting concluded at 12:42 pm. |