

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 August 16, 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: Mike Watts, Kevin Canfield, David Vaden, Richard Bell, Deana Infield and Denton Woods. 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 Tiffany Vano. Also in attendance were Faith Grigsby Court Reporter,\* Adam Jackson, Hearing Officer \*\*, Brian Thompson of the ASA, and George Foster of the ASCPA.

### **CALL TO ORDER**

Ms. Chesser 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 cases:

**H19-008 – (Cert. # 9303)** A licensee petitioned the board to obtain a waiver under ACA 17-2-102 related to the criminal background of the licensee. After deliberation the waiver request was granted.

**H19-032 – Cert. # 9167** A licensee petitioned the board to obtain a waiver under ACA 17-2-102 related to the criminal background of the licensee. After deliberation the waiver request was denied.

\*Faith Grigsby and \*\*Adam Jackson left at the close of the hearings.

### **APPROVAL OF MINUTES**

A motion was made and seconded to approve the minutes of the June 7, 2019 Board meeting subject to the changes regarding attendance. The motion passed unanimously.

## TREASURER'S REPORT

A motion was made and seconded to approve the May 2019, June 2019, and July 2019 Treasurer's Reports, as presented. The motion passed unanimously.

## COMMITTEE REPORTS

### COMPLIANCE

The Compliance Committee has met one (1) time.

#### **Thirty (32) New Complaints:**

Licensee holding records  
Licensee with external ethics complaint  
Licensee with external tax complaint.  
Licensee with violation of Board Order.  
Licensee with SEC violation.  
Two licensees with Peer Review Issues.  
Two inactive licensees working in public accounting.  
Seven unlicensed firms.  
Seven licensees failed to respond to the CPE audit.  
Nine non-licensees holding out.

#### **Requesting closure of forty (43) complaints; Three (3) by consent order**

- 1) **C18-061 – (Cert. # 4161)** – Licensee respondent reported completing twenty hours of group-study CPE on the CPE statement for respondent's 2018 license renewal application when, in fact, respondent did not complete any group-study CPE hours. Licensee also aggregated CPE hours on CPE statement and failed to respond to a Board communication sent by certified mail. Hearing #H19-007 was held on April 19, 2019 whereby the Board ordered licensee to pay a monetary fine of \$2,417.50 and complete 16 hours of group-study CPE. The Compliance Committee recommends closure based on the Board's Findings of Fact, Conclusions of Law, and Order.
- 2) **C18-066 – (Cert. # 3711)** – Newspaper article stated inactive licensee was working at CPA firm. Inactive licensee has since left the CPA firm, corrected social media account and did not renew PTIN. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
- 3) **C18-069 – (Cert. # 6765)** – Licensee holding out as CPA firm. Firm name has been licensed with the Board. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.

- 4) **C18-095 – (Cert. # 8116)** – Licensee signed a September 2018 Compliance Statement to resolve a CPE audit, agreeing to make installment payments on assessed penalty. Licensee made two (2) instalments then ceased payments. Licensee has now completed payments and made up incomplete CPE. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
- 5) **C18-103 – (Missouri Licensee)** – AR resident with out-of-state CPA certificate failed to disclose state of licensure on social media account. Social media account has been corrected. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
- 6) **C19-010 – (Cert. # 4127)** – External complaint alleging licensee’s failure to perform duties per agreed-upon arbitration settlement. It appears licensee did perform the duties delegated. The Compliance Committee recommends a finding of no probable cause to proceed and closure with no further action.
- 7) **C19-018 – (Cert. # 7855)** – External complaint alleging licensee’s failure to properly remit payroll tax payments to appropriate governmental agencies. It appears there was a problem setting up the Arkansas ATAP program to allow for monthly payments. One month’s payroll tax was remitted late which caused an assessment of a minor penalty. Licensee paid the penalty for the former client. The Compliance Committee recommends a finding of probable cause to proceed and closure with no further action.
- 8) **C19-022 – (Cert. # 9033)** – 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.
- 9) **C19-023 – (Cert. # 7224)** – 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.
- 10) **C19-025 – (Cert. # 8785)** – Licensee failed to renew license and became lapsed April 1, 2019. Licensee requested reinstatement to license to practice 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 \$210.00 in renewal and late fees have been collected.

- 11) **C19-027 – (Cert. # 8722)** – 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.
- 12) **C19-028 – (Cert. # 9157)** – Licensee failed to renew license and became lapsed April 1, 2019. Licensee requested reinstatement to license to practice 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 \$210.00 in renewal and late fees have been collected.
- 13) **C19-030 – (Cert. # 8971)** – 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.
- 14) **C19-032 – (Cert. # 4161)** – Licensee failed to renew license and became lapsed April 1, 2019. Licensee requested reinstatement to license to practice 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 \$710.00 in renewal fees, late fees, and a \$500.00 penalty have been collected.
- 15) **C19-038 – (Cert. #0173)** – Licensee failed to renew individual Arkansas PA registration for 2019. Hearing 19-011 was held June 7, 2019. AR PA certificate 0173 was revoked. Requesting closure.
- 16) **C19-039 – (Cert. # 2987)** – Licensee failed to renew individual Arkansas CPA certificate for 2019. Hearing 19-012 was held June 7, 2019. AR CPA certificate 2987 was revoked. Requesting closure.
- 17) **C19-040 – (Cert. # 4919)** – Licensee failed to renew individual Arkansas CPA certificate for 2019. Hearing 19-013 was held June 7, 2019. AR CPA certificate 4919 was revoked. Requesting closure.
- 18) **C19-041 – (Cert. # 2688)** – Licensee failed to renew license and became lapsed April 1, 2019. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on the licensee’s request to take retired status.

- 19) **C19-042 – (Cert. # 2955)** – Licensee failed to renew individual Arkansas CPA certificate for 2019. Hearing 19-015 was held June 7, 2019. AR CPA certificate 2955 was revoked. Requesting closure.
- 20) **C19-044 – (Cert. # 1700)** – Licensee failed to renew individual Arkansas CPA certificate for 2019. Hearing 19-0117 was held June 7, 2019. AR CPA certificate 1700 was revoked. Requesting closure.
- 21) **C19-046 – (Cert. # 9812)** – Licensee failed to renew license and became lapsed April 1, 2019. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on the licensee’s request to surrender AR CPA certificate 9812.
- 22) **C19-047 – (Cert. # 3873)** – Licensee failed to renew license and became lapsed April 1, 2019. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on information that licensee is deceased.
- 23) **C19-048 – (Firm Cert. # 226LC)** – Licensee failed to renew Arkansas CPA firm registration for 2019. Hearing 19-029 was held June 7, 2019. AR CPA firm registration 226LC was revoked. Requesting closure.
- 24) **C19-050 – (Cert. # 3871)** – Licensee with unlicensed firm. Firm is stockholder firm and is not held out to the public. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on the licensee’s application to register firm.
- 25) **C19-051 – (Cert. # 8920)** – Licensee has LLC with ‘accounting’ in the company name registered with AR Secretary of State. Licensee affirms that LLC is a holding company for other family companies and that company does not offer any type of accounting services for the public. The Compliance Committee recommends a finding of no probable cause to proceed and closure with no further action.
- 26) **C19-052 – (Missouri Licensee)** – Missouri licensee listed on Arkansas CPA firm’s website without including state of licensure. Out-of-state licensee does not reside or perform services in Arkansas. Arkansas CPA firm website has been corrected. The Compliance Committee recommends a finding of no probable cause to proceed and closure with no further action.
- 27) **C19-053 – (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.
- 28) **C19-054 – (Non-Licensee)** – Non-Licensee (lapsed in GA) using CPA title on non-CPA company website. Respondent has removed the CPA designation from employer’s website. The Compliance Committee recommends a finding of

probable cause to proceed with disciplinary proceedings but recommends closure based on the respondent's corrective action.

- 29) **C19-055 – (Non-Licensee)** – Non-Licensee (surrendered PA) using PA title on LinkedIn website. LinkedIn page has been removed. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on the respondent's corrective action.
- 30) **C19-058 – (Cert. # 8263)** – Licensee associated CPA designation with an unregistered firm. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on the licensee's application to register firm.
- 31) **C19-059 – (Cert. # 7263)** – Licensee associated CPA designation with an unregistered firm. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on the licensee's application to register firm.
- 32) **C19-060 – (Cert. # 9198)** – Licensee holding out as CPA firm. Firm name has been licensed with the Board. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings and closure with no further action.
- 33) **C19-061 – (Cert. # 5685)** – Licensee associated his CPA designation with an unregistered firm. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure based on the licensee's application to register firm.
- 34) **C19-064 – (Cert. # 6070)** – Surrendered firm still listed in good standing with AR Secretary of State. Licensee collecting final receivables and is in process of shutting firm down. Firm does not hold out to the public or offer any type of accounting service. The Compliance Committee recommends a finding of no probable cause to proceed and closure with no further action. Sherry Chesser recused from consideration of this case.
- 35) **C19-065 – (Non-Licensee)** – Non-Licensee was listed as an accountant on Facebook page. Facebook page was not set up by non-licensee but rather auto-generated by Facebook after client 'checked in' to non-licensee's tax practice. The Compliance Committee recommends a finding of no probable cause to proceed and closure with no further action.
- 36) **C19-067 – (Cert. # 3454)** – Licensee failed to timely enroll in Peer Review. Licensee attempted to enroll (first time enrollee) at the beginning of 2019 as required; however, the licensee was unaware that the enrollment process did not complete. After additional follow up, the situation has been resolved. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

- 37) C19-068 – (Non-Licensee)** - Non-Licensee was listed as certified accountant in biography on employer’s website. Website biography has been corrected. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action based on respondent’s corrective action.
- 38) C19-077 – (Non-Licensee)** – Non-Licensee showed up in yellow page listing under accountant. After additional research, it was determined the firm was an HVAC company mislabeled by Yellow Pages. The Compliance Committee recommends a finding of no probable cause to proceed and closure with no further action.
- 39) C19-078 – (TX Licensee)** – Non-licensee claimed to be an accountant on company’s website without using disclaimer language and was listed as an inactive CPA on LinkedIn listing (non-licensee previously held a Texas CPA license). Respondent has made corrections to the website listings. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.
- 40) C19-092 – (Cert. # 6011)** – Inactive licensee working in public accountancy firm. Licensee has applied to upgrade to license to practice. The Compliance Committee recommends a finding of probable cause to proceed with disciplinary proceedings but recommends closure with no further action.

A motion was made and seconded to accept the Compliance Committee’s recommended findings and proposed resolutions as to items 1 through 40, listed above. The motion passed.

### CONSENT ORDERS

- 1) C18-037** – Consent Order (Firm Cert. # 196LC) – Respondent firm failed to adequately plan and supervise an employee primarily responsible for preparing and submitting quarterly tax forms and remitting tax payments for Complainant. Upon discovery, Respondent firm reimbursed Complainant for the tax payments that were not remitted. Respondent Firm has signed a consent order, paid a thousand (\$1,000.00) dollar penalty. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee’s recommended finding and proposed resolution as to C18-037. The motion passed unanimously.

- 2) C18-059** – Consent Order (Cert. # 6772) - Respondent failed to complete CPE Ethics requirement for 2015, 2016, 2017. Respondent also failed to respond within thirty (30) days to a certified letter from the Board. Respondent has signed consent order and paid a \$1,250 penalty. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee’s recommended finding and proposed resolution as to C18-059. The motion passed unanimously.

- 3) C18-076** – Consent Order (Cert. # 6811) - Respondent failed to respond within thirty (30) days to two (2) certified letters from the Board regarding the 2018 CPE

audit. Respondent has signed consent order and paid a \$1,035 penalty. Requesting closure by Consent Order.

A motion was made and seconded to accept the Compliance Committee's recommended finding and proposed resolution as to C18-076. The motion passed unanimously.

### **REQUESTING PERMISSION TO ISSUE THE FOLLOWING NOTICE OF HEARINGS IF NEEDED**

- 1) C19-097 – (Cert. # 4954)** – Allegation licensee failed to file client's tax return and now refuses to release client's records. Board. 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.

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

### **DISCUSSION ITEM**

**C19-071 - Michael Jones (Cert. # 3046):** At its April 19, 2019 meeting, the Board determined 2 possibilities for closure of C19-071: 1) Remit \$11,000 along with documentation showing completion of 65 CPE hours by July 1, 2019 or 2) Surrender license in lieu of disciplinary action by July 1, 2019. The Board also gave permission to issue a Notice of Hearing if a response was not received by July 1. This information was mailed to Mr. Jones on May 29<sup>th</sup>.

Having received no response, a Notice of Hearing was sent on July 3<sup>rd</sup> along with the letter and Surrender-in-lieu form sent on May 29<sup>th</sup>. Mr. Jones responded on July 15<sup>th</sup> with a letter; he also included the Surrender-in-lieu form which he signed, however, he is refusing to submit his wall certificate.

A motion was made and seconded to reject Mr. Jones Surrender-in-lieu form as submitted. The motion passed.

### **OLD BUSINESS**

#### Disciplinary Actions Publication Guidance

Mr. Corley submitted sample language of the published disciplinary actions for the Board's approval.

### **NEW BUSINESS**

#### Fictitious Firm Name Requests

A motion was made and seconded to approve the firm name of Main-Cox Tax Service. The motion passed.



A motion was made and seconded to approve the firm name of Thomas & Thomas, CPAs, PLLC. The motion passed. Ms. Chesser and Ms. Infield recused.

Proposed Rule Changes

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

**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 2:02 p.m.