

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY**  
**MINUTES**  
**March 23, 2007**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on March 23, 2007. The following record of that meeting was maintained.

Board Members Present

Jim E. Burkes, Chair  
Diane S. Day, Secretary  
David E. Clarke  
Rick Elam  
Angela L. Pannell  
Jean T. Shepherd

Board Members Absent

Willie B. Sims, Jr., Vice Chair

Board Staff Present

Susan M. Harris, Executive Director  
Ransom C. Jones, Investigator

Legal Counsel Present

Onetta Whitley, Deputy Attorney General

Others Present

Gary Walker, MSCPA

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**I. General**

1. The Board opened the meeting with the invocation by member David Clarke.
2. The Board members present unanimously approved the minutes from the January 26, 2007, meeting.
3. The Board members signed the CPA certificates of licensure from the January 26 2007, meeting.

## I. General (Continued)

4. The Board members set the start time for the next meeting and reviewed the tentative meeting dates and activities for the first of 2007. The Board members present determined that due to conflicts the May meeting would be moved to Wednesday, May 30, 2007.

April 27	10:00	Meeting
April 28	9:30	CPA Presentation Ceremony
May 30		Meeting
June 6 - 8		NASBA Eastern Regional
June 20 - 22		NASBA Western Regional
June 21 - 24		MSCPA Annual
July 27		Meeting

5. The Board members present unanimously approved attendance of members, Executive Director, and the Board's Legal Counsel to attend the NASBA Eastern Regional Meeting, June 6 - 8, 2007, Williamsburg, Virginia, or the Western Regional Meeting, June 20 - 22, 2007, Colorado Springs, Colorado.
6. The Board members present approved member Rick Elam's attendance at the April 30, 2007, NASBA Joint Panel on Education, Dallas, TX.
7. The Board members noted that the *Statement of Economic Interest Manual* is due to the Mississippi Ethics Commission by May 1, 2007.
8. The Board heard a report from the Executive Director and Legal Counsel concerning the outcome from the NASBA Executive Directors Conference and the Legal Counsel Conference. Member Rick Elam also discussed the CPE Conference.

## II. National Regulatory Concerns

1. The Board members present answered the NASBA Focus Questions as forwarded from Ted Long, Chair Committee on Relations with Member Boards, for response by April 9, 2007.
2. The Board reviewed and discussed the February 2007 NASBA *State Board Report*.
3. The Board discussed and reviewed but took no action concerning the March 7, 2007, email from Diane Rubin, Chair - Nominating Committee, requesting NASBA Vice Chair recommendations for 2007 - 2008.

## II. National Regulatory Concerns (Continued)

4. The Board noted the March 21, 2007, NASBA memorandum from David Costello, announcing the nomination of Thomas J. Sadler for NASBA 2007 - 2008 Vice Chair. The Board also noted previous receipt of Vice Chair recommendations from five state boards.
5. The Board discussed the Uniform Accountancy Act (UAA) Exposure Draft *Amended Exposure Draft - Proposed Revisions to AICPA/NASBA Uniform Accountancy Act Section 23, 7 and 14*. Comments are due by May 15, 2007. The Board determined to defer review and possible comments to the April 27, 2007, meeting.
6. The Board members present unanimously adopted a resolution recognizing Dr. Charles Taylor for his service to NASBA, the Board and the profession. The resolution records many of Dr. Taylor's accomplishments and documents the Board's resolve to submit Dr. Charles Taylor's name forward to NASBA for the 2007 William H. Van Rensselaer Award. The Board resolution is made a part of these minutes.
7. The Board reviewed and discussed Public Company Accounting Oversight Board (PCAOB) release entitled *PCAOB Chairman Mark Olson and EU Commissioner Charlie McCreevy Meet to Discuss Furthering Cooperation in the Oversight of Audit Firms*.
8. The Board discussed a February 9, 2007, letter from West Virginia Board concerning its problems with the 150-hour education rule.
9. The Board members noted the request from NASBA for individuals' submittal of interest in serving on its committees for 2007 - 2008.

## III. Administration

1. The Board reviewed and discussed the SAAS Summary Trial Balances as of February 28, 2007, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the eight months ended February 28, 2007.
2. The Board discussed the FY2008 budget (Senate Bill 3161) and the March 24, 2007 deadline for Legislative appropriation conference reports.

### **III. Administration (Continued)**

3. The Board discussed the Legislation passed during the 2007 Legislative Regular Session affecting the Public Accountancy Statute including:

Senate Bill 2746, effective July 1, 2007, amending the public accountancy act to

- provide minimum ownership requirements for CPA firms with minority interest nonlicensee ownership if regulatory conditions are met;
- provide that board member appointments be made from the four Mississippi congressional districts;
- revise the subpoena power of the and authorize the board to impose a civil penalty against persons adjudged to have violated certain public accounting regulatory laws.

Senate Bill 2117, effective after passage, providing language that a professional license shall not expire while a member of the Mississippi National Guard or U.S. Armed Forces is serving on federal active duty or ninety days after return.

4. The Board members present discussed the Board meeting agendas and determined that placement of items on the agenda should be cut-off where the agendas may be mailed to members by Friday before the next meeting.

### **IV. CPA Examination, Licensing and Firms**

1. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (18 initial, 33 reexam) received since the January meeting.
2. The Board discussed a special candidate circumstance concerning good moral character. After the Board reviewed and discussed candidate 12004 and a misdemeanor trespassing offense, the Board members present unanimously approved the application to allow the candidate to sit for the CPA examination.
3. The Board members present unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

#### IV. CPA Examination, Licensing and Firms (Continued)

##### 3. Applications (Continued)

###### Applications for Original CPA License

<u>File</u> <u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
11801	Corey Steven Cagle	5840	3/23/07	Yes
11355	Stewart Carson Heard	5841	3/23/07	Yes
10979	Glenn Morris Hengst	5842	3/23/07	Yes
11756	Ashley G. Herrington	5843	3/23/07	Yes
11043	Erika Garavito Navarre	5844	3/23/07	Yes
11034	Celina Kaye Pennington	5845	3/23/07	Yes
11516	Beverly Diane Swalm	5846	3/23/07	Yes
11245	Kristy Anderson Tunnell	5847	3/23/07	Yes
11303	Ellen Frances Williams	5848	3/23/07	Yes

###### Applications for Reciprocal CPA Licenses

<u>File</u> <u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12033	Mark R. Anderson	R3265	3/23/07	Yes
12016	Melissa Woods Anderson	R3266	3/23/07	Yes
12001	Brian E. Glickman	R2367	3/23/07	Yes
11986	Stewart Ray Greene	R3268	3/23/07	Yes
12009	Sarah C. Hardy	R3269	3/23/07	Yes
12007	Jon T. Lee	R3270	3/23/07	Yes
12002	Jerome Fredrick Luebbers	R3271	3/23/07	Yes
12008	Lisa Lynn Patterson	R3272	3/23/07	Yes
12012	Ruthann Ray	R3273	3/23/07	Yes
12024	Edmund J. Reinhard	R3274	3/23/07	Yes
12021	Cory Leon Shumate	R3275	3/23/07	Yes
12017	Jennifer Burton Taylor	R3276	3/23/07	Yes
12032	Caroline Wiertelak-Vruno	R3277	3/23/07	Yes
12022	Gregory Fox Welch	R3278	3/23/07	Yes
12023	Barry T. Wilson	R3279	3/23/07	Yes

## IV. CPA Examination, Licensing and Firms (Continued)

## 3. Applications (Continued)

Applications for Reinstatement of CPA Licenses

<u>File</u> <u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
11521	Joe Barber Adams, II	R3035	Yes
3351	Daniel W. Alexander	2960	Yes
1327	William Scott Black	2224	Yes
7548	Sudhir Chopra	4986	Yes
8507	Michael Clay Collins	5009	Yes
4926	Donna K. Flowers Cox	4398	Yes
1176	Richard D. Douglas	2597	Yes
4153	Charles Martin Dunagin, Jr.	3405	Yes
4289	Kit Michelle Fox	3089	Yes
10837	John A. Frank	R2813	Yes
4627	Patricia D. Gibbens	4626	Yes
3834	Stephen G. Gillis	3312	Yes
4493	Chris P. Govero	3069	Yes
2038	Glyn W. Hanbery	1017	Yes
9129	David R. Harper	5148	Yes
11575	Rhett Henry Inabinet	R3077	Yes
3409	David Timothy Lincoln	2475	Yes
231	Michael J, Mercier	1822	Yes
11598	Dennis William Meyer	R3080	Yes
8640	Gregory A. Pohlman	R2463	Yes
6781	Donna Denise Rutland	4094	Yes
5474	Ernest E. Seal	3467	Yes
5696	Marvin Gwen Smith, Jr.	3893	Yes
7667	Frank M. Taylor	4406	Yes
5616	Sharon Carlisle Weber	3645	Yes

## IV. CPA Examination, Licensing and Firms (Continued)

## 3. Applications (Continued)

**Application for Retired CPA Licenses**

<u>File</u>	<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
3545		Carol Cooke McLellan	2742	Yes

**Applications for CPA Firm Permit to Practice**

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Akersloot, Patterson & Assoc PLLC Franklin, TN	F1126	Yes
Crowe Chizek & Company, LLC Columbus, OH	F1127	Yes
Dilley, Bachman & Glover, PLC Memphis, TN	F1128	Yes
Ernst & Young, LLP Memphis, TN	F1129	Yes
Brian E. Glickman, CPA Smithtown, NY	F1130	Yes
Lee & Berner, Ltd Missoula, MT	F1131	Yes
Scott & Pohlman, PC Memphis, TN	F1132	Yes
T. E. Lott & Company PA Tuscaloosa, AL	F1133	Yes
UHY LLP Houston, TX	F1134	Yes

**Applications for Reinstatement of a CPA Firm Permit to Practice**

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Brown Thornton Pacenta & Co. PA Pensacola, FL	F0190	Yes
Ernest E. Seal, CPA PA Cleveland, MS	F0828	Yes
Chris P. Govero, CPA PLLC Clinton, MS 39056	F0336	Yes
Michael K. Wahlen, CPA Bay St. Louis, MS	F1027	Yes

## IV. CPA Examination, Licensing and Firms (Continued)

4. The Board reviewed amendments to registered CPA firms, as follows:

<u>Name</u>	<u>Number</u>	<u>Description</u>
Samuel F. Britton, CPA Waynesboro, MS	F0847	Cancellation of firm
Ellis & Hirsberg, PLLC Clarksdale, MS	F0292	Name and organization change from Ellis & Hirsberg, CPA, LLC
Keene, Bourne & Sanderson Hattiesburg, MS	F0437	Address change
L. J. Kelso, CPA PLLC Tupelo, MS	F0439	Name and organization change from Kelso & West CPAs, PLLC
McDaniel CPA Firm Hattiesburg, MS	F0191	Name and organization change from Scotty McDaniel, CPA
Schamber, CPA Hattiesburg, MS	F0848	Name and organization change from Chamber & Co., CPAs
Shores Tagman Butler & Co PA Orlando, FL	F0664	Name from Shores & Company, PA
Stark, Winter, Schenkein & Co LLP Denver, CO	F1066	Address change
D. G. Yarborough, CPA PC Charlotte, NC	F0947	Name change from Gerald Yarborough, CPA PC

5. The Board discussed the April 28, 2007, CPA presentation ceremony. The ceremony is still scheduled to be held in the Old Supreme Court Chamber in the State Capitol. Also, Paul V. Breazeale, CPA, has agreed to provide the keynote speech for the ceremony.
6. The Board reviewed requests from three individual CPAs for refunds of the \$100 late fees assessed due to late 2007 annual registration. The Board members present unanimously approved the refunds.
7. The Board reviewed and discussed various information related to the CPA examination including:
- February 23, 2007, NASBA letter, concerning the 2007 fees increase,
  - NASBA *Candidate Care Department - Candidate Concerns 2006 Overview*,
  - *Reporting Issues to NASBA*, issued February 21, 2007,

#### IV. CPA Examination, Licensing and Firms (Continued)

##### 7. CPA examination information (Continued)

- AICPA Board of Examiners White Paper for State Boards of Accountancy Regarding Candidate Improper Use of Paste Function, March 2, 2007 and BOE January 2007 Minutes,
- *The Uniform CPA Examination Alert*, Winter/Spring 2007, and
- February 22, 2007, AICPA letter, concerning the Practice Analysis Survey.

#### V. Continuing Professional Education

1. The Board members present unanimously authorized the following actions on CPE sponsor programs submitted for approval.

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	American Institute on Federal Taxation				
	1. Thirty-first Annual American Institute on Federal Taxation	6/20-22/07	Tax	23	Yes
B.	Association of Government Accts				
	1. Avoiding a Disaster When Accounting for Katrina Funds	11/15/06	A&A	2	Yes
	2. Federal Tax Update	½3/07	Tax	2	Yes
	3. The Pension Protection Act of 2006: An Overview	½3/07	Other	1	Yes
	4. Mississippi Tax Institute	½3/07	Tax	1	Yes
C.	Midsouth Institute of Accountants				
	1. MSIA Spring 2007 Ethics Update	5/17/07 6/1/07	Ethics - General Ethics - Rules	3 1	Yes
	2. MSIA Spring 2007 A&A Seminar	5/25/07	A&A	8	Yes
D.	MS Bankers Association				
	1. 2007 FDIC Banker Outreach	2/7-8/07	Other	10.5	Yes
	2. MBA Remote Deposit Capture Seminar	3/30/07	Other	6	Yes
E.	Mississippi College				
	1. Family Business: A Symposium	3/29/07	Tax	2	Yes

## V. Continuing Professional Education (Continued)

## 1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
F.	MS Department of Finance & Administration				
	1. SAS 112: Risk Assessment and Internal Controls	2/12/07	A&A	5.6	Yes
G.	Mississippi Gulf Coast Community College	3/13/07 3/27/07			
	1. Certificate Program in International Business	4/10/07 5/11/07	Other	12	Yes
H.	Mississippi Society of CPAs				
	1. Identifying and Communicating Internal Control Deficiencies Under SAS 112	5/10/07	A&A	4	Yes
	2. FIN 48-Uncertainty in Income Taxes: A Must Know for Tax CPAs and Accountants/Auditor	5/10/07	A&A	4	Yes
	3. Employee Benefit Plans: 2006/2007 Audit & Accounting Risk Update and Alert	5/11/07	A&A	4	Yes
I.	Mississippi Power Company				
	1. Rate Fundamentals	3/26-28/07	Other	20	Yes
J.	Mississippi State University-College of Business & Industry				
	1. Public Accounting Statutes & Rules and Regulations of the Mississippi State Board of Public Accountancy(Dr. Mark Lehman)	4/20/07 4/21/07 5/4/07 5/5/07	Ethics - General Ethics - Rules	2 2	No (1)
K.	North Mississippi Planned Giving Council				
	1. From Prudent Man to Prudent Investor-The Investment Process Required by the Uniform Prudent Investor Act	3/29/07	Other	2	No (2)

(1) Deferred for change in content due to Statutory and Rules & Regulations amendments.

(2) Additional information needed on course.

V. Continuing Professional Education (Continued)

1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
L.	Professional Education Services LP (QAS)				
	1. Ethics and Professional Conduct for Mississippi CPAs	Self-study	Ethics - Rules	1	No (1)
M.	State Board for Community and Junior Colleges				
	1. MACJC Business Managers Winter Meeting	2/27-28/07	Ethics - General Other	1 2	Yes
N.	Western CPE (QAS)				
	1. Ethics and Professional Conduct for Mississippi CPAs	Self -study	Ethics-General Ethics-Rules	2 1	No (1)
O.	U.S. Advisors, LLC Timothy Cronin				
	1. Basic of 1031 Exchanges & New Developments	Various	Tax	2	Yes
P.	U.S. Department of Justice-Office of the United States Trustee				
	1. Bankruptcy Fraud Training	2/28/07	Other	4	Yes

(1) Deferred for change in content due to Statutory and Rules & Regulations amendments.

2. The Board members present unanimously authorized the following actions on CPE requests from individuals.

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	Bisk Education, CPE Easy (QAS)				
	1. Ethics Standards for New York CPAs Requested by Hartwell Herring	Self-study	Ethics - General	4	Yes
B.	Mississippi Technology				
	1. Conference on High Technology Requested by Tonya Klauser	12/6/06	Other	8	Yes

**V. Continuing Professional Education (Continued)**

## 2. Individual CPE Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
C.	Internal Revenue Service				
	1. Gulf Coast Disaster Assistance: A review of Casualty Losses and Guidance... (Phone Forum for Tax Professionals)	2/8/07	Other	1	Yes
	Requested by Gina McGraw				

3. The Board reviewed but denied a request from CPA Rodney Van Loon requesting vendors other than just QAS (Quality Assurance Service) approved sponsors for self-study programs.
4. The Board heard a report from Executive Director Susan Harris concerning actions to be taken on CPA's not submitting required documentation to support CPE in the area of Ethics, Professional Conduct, Public Accountancy Law and Regulations and not responding to Board communications requesting same.

**VI. Rules and Regulations**

1. The Board members present discussed the proposed amendments to Chapters 3, 4, and 9 of the Rules and Regulations. The Board acknowledged the change in its statute and the affect on proposed amendments for Chapter 3.
2. After discussion the Board determined to terminate the Chapter 3 amendments and to restudy any changes based on the statutory amendments effective July 1, 2007.
3. The Board members present unanimously approved amendments to Chapter 4 and Chapter 9 and previously released to the public. The amendments to Chapter 4, Continuing Professional Education (CPE), are effective July 1, 2007. The amendments and addition of Chapter 9, Administrative Procedures Rules, are effective thirty days after filing with the Secretary of State, April 26, 2007.
4. The Board discussed the mailing of a notice to CPAs and interested parties by postcard and referral to its web site. Printing of the amendments as inserts will occur when all changes are completed.

## VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from January 26, 2007, to March 23, 2007:

<u>Activity</u>	<u>Number</u>
Cases Opened	13
Cases Closed	18
Cases referred to Members	1
Total Cases Open	33

2. Cases closed:

Case 2006.19 - opened June 2, 2006. Action was taken by the Securities and Exchange Commission (SEC) on a reciprocal licensee. The Investigator closed the case with no probable cause to investigate further after the licensee was cancelled for failure to register. The case is remanded to the individual's file for future consideration.

Cases 2006.29-16, 2006.29-37, 2006.29-111, and 2006.29-129 - opened September 20, 2006. The licensees responded to the Board Notice of Hearing and Complaint with letters and CPE reporting forms which showed deficits. The Diane Day Investigative Committee recommended issuance of a consent order including a penalty of the CPE deficit hours and payment of the administrative and legal costs related to the case. The Trial Board accepted the orders, noted compliance and released the licensee from the consent order at the January 2007 meeting.

Cases 2006.29-52 and 2006.29-103 - opened September 20, 2006. Licensees did not send in the 2006 CPE reporting forms by the August 1 reporting deadline. The licensees did respond to the Board Notice of Hearing and Complaints submitting their 2006 CPE reporting forms which showed compliance with the reported hours. The Diane Day Investigative Committee recommended issuance of consent orders and payment of the administrative and legal costs related to the case. The Trial Board accepted the orders, noted compliance and released the licensees from the consent orders at the January 2007 meeting.

**VII. Regulatory Matters (Continued)**

## 2. Cases closed: (Continued)

2007.03 - opened January 10, 2007. A nonlicensed individual was listed as a certified public accountant (CPA) in a newspaper article. The nonlicensee documented that a Chamber of Commerce representative erroneously listed him as a CPA instead as an employee of a CPA firm. The Investigator closed the case with no probable cause to investigate further after the chamber representative confirmed that he (not the individual) made the error.

2007.04 - opened January 12, 2007. A CPA licensee's Louisiana licensee was revoked by that Board for failing to retain audit workpapers for at least three years and his false testimony during a deposition. The Investigator closed the case with no probable cause to investigate further and remanded the matter to the file after the Board canceled his license for failure to register for 2007.

2007.06, 2007.08, 2007.09, 2007.11, 2007.14, 2007.15, and 2007.16 - opened in January 2007. The Public Company Accounting Oversight Board (PCAOB) submitted its 2005 accounting firm inspection reports to the Board office. The PCAOB reported deficiencies however does not identify the individual firm offices. The Investigator closed the cases due to allowed time by the PCAOB for firms to respond and will monitor the Security Exchange Commission (SEC) web site for possible referrals by the PCAOB.

2007.18 - opened February 23, 2007. A nonlicensed individual was listed as a certified public accountant (CPA) in the BellSouth Yellow Pages. The Investigator closed the case with no probable cause to investigate further after response that BellSouth (not the individual) caused the error.

3. The Investigator reviewed the open case log by general description and reported on the investigative activities.

**VIII. Trial Board**

1. The Board members unanimously voted to convene as the Trial Board for the purpose of considering matters related to disciplinary cases.

VIII. Trial Board (Continued)

2. The Board did convene as Trial Board for the purpose of reviewing for release consent orders as previously issued by the Diane Day investigative committee and approved by the Trial Board. Upon motion by Jean Shepherd with second from Angela Pannell, the Trial Board approved release of the following CPA licensees from consent orders. Votes were - For: Jim Burkes, David Clarke, Rick Elam, Angela Pannell, Jean Shepherd; Against: None; Absent: Willie Sims; and Recused: Diane Day.

<u>Complaint No.</u>	<u>Name</u>	<u>License No.</u>
2006.29-6	Susan S. Bell	2357
2006.29-14	Edward A. Buckner. III	2231
2006.29-48	Lynn K. Green	R2213
2006.29-61	John D. Johnson	3021
2006.29-117	John T. Schultz, III	4643

APPROVED:

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Chair

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Board Member

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Vice Chair

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Board Member

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Secretary

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Board Member

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Board Member