

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY**  
**MINUTES**  
**May 30, 2008**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on May 30, 2008, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Willie B. Sims, Jr., Chair  
Rick Elam, Vice Chair  
David Clarke, Secretary  
Jim E. Burkes  
Diane S. Day

Board Members Absent

Angela Pannell  
Jean Shepherd

Board Staff Present

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

Legal Counsel Present

Onetta Whitley, Deputy Attorney General  
Gloria Green, Special Assistant Attorney General

Others Present

Jimmy Boyd, MAPA  
Gary Walker, MSCPA  
Charles Wells, Applicant  
Shanna T. May, Brooks Court Reporting

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**I. General**

1. The Board opened the meeting with an invocation from Jimmy Boyd.
2. The Board members present approved the minutes from the April 25, 2008, meeting.

## I. General (Continued)

3. The Board members present signed the CPA certificates of licensure from the April 25, 2008, meeting.
4. The Board members set the start time for the next meeting and reviewed the tentative meeting dates and activities for the first of 2008.

July 25	8:30	Meeting
August 22		Task Force Meeting
September 26		Meeting
October 26-29		NASBA Annual Meeting Boston, MA
November 14		Meeting
November 15		CPA Presentation Ceremony
December 12		Meeting
5. The Board members discussed reports for NASBA Regional Meeting roll calls and MSCPA Annual Business Meeting, Saturday, June 28, 2008.
6. The Board members reviewed information from the Council on Licensure, Enforcement and Regulation (CLEAR) concerning its 2008 Annual Conference but took no action.
7. The Board members discussed the NASBA Conference on the State of the Examination, held in Dallas, May 19, 2008, which covered the history and progress of the computerized CPA examination, the CBT agreement, current and projected costs, Board of Examiners, contingency examination, and international delivery.
8. The Board heard a report from member Jim Burkes concerning the NASBA Compliance Assurance Review Board, its program, and a potential meeting September 8, 2008.

## II. National Regulatory Concerns

1. The Board reviewed and discussed the April 2008 NASBA *State Board Report*
2. The Board members noted other Boards' recommendations for NASBA nominations: but took no action.

## II. National Regulatory Concerns (Continued)

3. The Board noted the April 30, 2008, NASBA email concerning the approval of the Uniform Accounting Act UAA Model Rules and each member received a copy of the Rules.
4. The Board reviewed and approved submittal of a response to NASBA's *Discussion paper - Education and Licensure Requirements for Certified Public Accountants: A Discussion Regarding Degree Candidates Sitting for the Uniform CPA Examination with a Minimum of 120 Credit Hours and Becoming Eligible for Licensure with a Minimum of 150 Credit Hours*.
5. The Board members discussed the Spring 2008 AICPA *State Regulatory Update*.
6. The Board members reviewed an update from NASBA's Mobility Task Force.
7. The Board reviewed and discussed Public Accounting Oversight Board (PCAOB) Release entitled *PCAOB Announces Roundtable Discussion Regarding Reliance Proposal*.
8. The Board members received a copy of the International Federation of Accountants - International Ethics Standards Board for Accountants - Strategic and Operational Plan 2008 - 2009.
9. The Board members present reviewed the April 22, 2008, NASBA memorandum from David Costello, forwarding Quarterly Communications including:
  - Highlights of the NASBA Board Meeting, April 18, 2008,
  - Minutes of NASBA Board Meeting January 18, 2008,
  - NASBA Regional Directors' Report (Focus Responses), and
  - UAA Model Rules 5-1 and 5-2 approved April 2008.

## III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of April 30, 2008, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the ten months ended April 30, 2008.

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## IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (18 initial, 34 reexam) received since the April 25, 2008, meeting.
2. The Board members reviewed a special situation with candidate 12270 related to foreign credits earned from a Brazilian university. The Board also evaluated the candidate's education received at a Mississippi university. Based on its evaluation, the Board members present unanimously approved the candidate's application to sit for the examination as a Mississippi candidate.
3. The Board unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

**Applications for Original CPA License**

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
10683	Jason Edward Pryor	5913	05/30/08	Yes

**Applications for Reciprocal CPA Licenses**

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12249	David Alan Craig	R3371	05/30/08	Yes
12287	William H. Cullinan	R3372	05/30/08	Yes
12293	Walter Franklin Fennell III	R3373	05/30/08	Yes
12282	Daniel Joseph Hefner, Sr.	R3374	05/30/08	Yes
12290	Kathleen Jane LaBrake	R3375	05/30/08	Yes
12289	Steven J. McCann	R3376	05/30/08	Yes
12291	Hans C. Pettit	R3377	05/30/08	Yes
12302	Kimberly Shea Pierce	R3378	05/30/08	Yes
12256	Elizabeth Jean Randall	R3379	05/30/08	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>
11650	Charles A. Giraud III	R3108	Yes
11374	Thomas Matthew Knight	R2969	Yes
10470	Janet Elaine Sacks	R2743	Yes
10551	Stephen Christian Schaaf	R2840	No (1)
01154	Charles D Wells	2602	No (2)

(1) Pending completion of Ethics CPE.

(2) Board decision summarized below.

The Board convened at 10:30 a.m. to provide a show cause hearing concerning the CPA license reinstatement application of Charles D. Wells. Within the show cause hearing the Board heard evidence from witnesses Ransom C. Jones, CPA Investigator, and respondent Charles D. Wells. The respondent was asked to respond to open cases related to offenses while an active licensee before he failed to register his license January 1, 1997.

Following the show cause hearing and upon motion by Jim Burkes with second from David Clarke, the Board unanimously voted to close the meeting for the limited purpose of considering whether or not they had a proper subject matter to go into Executive Session. Willie Sims was recused from deliberations.

In the closed meeting the Board upon motion by Jim Burkes with second from David Clarke voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of an action related to a CPA license that could be appealed. Accordingly, the Board members present reopened the closed meeting and upon motion by David Clarke with second from Diane Day unanimously voted to go into Executive Session for the purpose set forth above. Having announced this stated purpose the Board then entered into Executive Session for this specific purpose.

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

##### 3. Applications (Continued)

Within the Executive Session, the Board took the following actions to be set in Board order. The Board members present determined the following:

1. Respondent violated Mississippi Code Sections 73-33-13, 73-33-15 (a), 73-33-15 (b), and 73-33-15(c).
2. Respondent's application for reinstatement of License No. 2602 is hereby denied;
3. Respondent is assessed a civil penalty of \$5,000.00 to be paid within thirty (30) days of the date of the Board order;
4. Respondent shall pay all costs and attorney fees of this hearing totaling \$1,714.00 within thirty (30) days from the date of the Board order.
5. Respondent shall not be eligible to apply for reinstatement until expiration of at least one year from and after the date of the Board order;

Votes were for: Rick Elam, David Clarke, Jim Burkes(#1-4), Diane Day; Recused: Willie Sims; Against: Jim Burkes (#5); Absent: Angela Pannell and Jean Shepherd.

Upon the conclusion of this business, the Board members present unanimously voted to come out of Executive Session and resumed the open meeting. The Board came out of Executive Session and resumed the open meeting by announcing the actions and votes it had taken in Executive Session.

##### Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
The Gillon Group, PLLC Natchez, MS	F1177	Yes

##### Application for Reinstatement of a CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Jimmy F. West, PA Tupelo, MS	F0757	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>
Robert R. Cummings, CPA Hattiesburg, MS	F0248	Organization Change from Sole Proprietor to PLLC
Rodney M. Fountain CPA PA D'Iberville, MS	F1042	Name Change from Rodney M Fountain, CPA
Michael D. Tolleson, CPA, PA Pascagoula, MS	F0722	Name Change from Seymour & Tolleson, CPA

5. The Board noted the CPE reporting forms for the compliance period June 30, 2008, were mailed May 22, 2008. The submittal deadline is August 1, 2008.
6. The Board members present reviewed and unanimously approved an extension request from candidate 11477 extending the AUD score through October 31, 2008, due to health complications.
7. The Board discussed various information related to CPA examination including:
- May 5, 2008, AICPA letter, concerning the new CPA examination tutorial and sample tests;
  - May 1, 2008, AICPA letter, presenting *Exposure Draft, Proposed Content and Skill Specifications for the Uniform CPA Examination*;
  - NASBA Candidate Care Department - Candidate Concerns 08Q1, January 1 - March 31, 2008; and
  - AICPA Board of Examiners Conference Calls.

#### 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>Dates</u>	<u>Hours</u>	<u>Approved</u>
A. American Society of Women Accountants			
1. Computer Aided Auditing Techniques	4/22/08	1	Yes
2. Mississippi's 529 College Savings Plan	5/27/08	1	Yes

## V. Continuing Professional Education (Continued)

### 1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
B.	Association of Government Accountants - Jackson Chapter.			
	1. Updates on Mississippi State Board of Public Accountancy	9/26/07	1 Ethics Rules	Yes
	2. Overview of MS State Personnel Board Policies and Practices	10/17/07	1	Yes
	3. Auditing for Purchasing: Keeping Expenditures Legal	11/14/07	4	Yes
	4. Overview of Community & Junior College System in MS	12/13/07	1	Yes
	5. AGA/ASWA Joint Tax Seminar	1/22/08	4	Yes
	6. Government Agency Insurance Update & Review	2/20/08	1	Yes
	7. Auditing for Fraud	3/19/08	2	Yes
	8. Fraud Prevention and Detection Techniques	3/19/08	2	Yes
C.	Association of Government Accountants/NASACT			
	1. The Anatomy of Ethical Slips in Government - Audio Conference	5/14/08	2 Ethics General	Yes
D.	Beta Alpha Psi and USM			
	1. Accounting and Auditing Update	05/21/08	8	Yes
E.	Electric Power Associations of MS			
	1. EPA's of MS Accountancy and Finance Meeting	5/8-9/08	6	Yes
F.	Estate Planning Council			
	1. Utilizing Disclaimers in an Uncertain Estate Planning Environment	9/11/07	1	Yes
	2. Managing Natural Resources and Real Estate in the Trust Environment	10/9/07	1	Yes
	3. Business Succession Planning	11/13/07	1	Yes

## V. Continuing Professional Education (Continued)

### 1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
F.	Estate Planning Council (Continued)			
	4. Legal Concepts in Construction of Wills	1/8/08	1	Yes
	5. Pending and Needed Estate and Trust Legislation in Mississippi	2/12/08	1	Yes
	6. The Impact of Long Term Care on Estate Planning	3/11/08	1	Yes
	7. Tennessee Investment Services	4/8/08	1	Yes
	8. The CPA's Role in Estate Planning and Administration	5/13/08	1	Yes
G.	Institute of Internal Auditors - Central Chapter			
	1. Introduction to Fraud and Forensic Investigations	6/12-13/08	16	Yes
H.	May & Company			
	1. Annual Pre-Tax Season Update	1/18/08	4	Yes
I.	Merrill Lynch - The DMS Group			
	1. Act Like an Institution - Emotions Cost Money	Various 2008	1	Yes
J.	MS Association of Community and Junior Colleges - MACJC			
	1. What the Numbers Mean	5/20/08	7	Yes
K.	Mississippi Association of Public Accountants			
	1. Accounting Forum Jackson & Hattiesburg	5/28/08 and 6/06/08	1 Ethics Rules 2 Ethics General 5	Yes
L.	Mississippi Society of CPAs			
	1. AICPA's Federal Tax Update	5/15/08	4	Yes

## V. Continuing Professional Education (Continued)

### 1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
M.	MSCPA - Central Chapter			
	1. Valuation & Litigation Services Overview: A Growing Niche for CPAs	4/17/08	1	Yes
	2. 2008 Mississippi Tax Update	5/15/08	1	Yes
N.	Mississippi State Tax Commission			
	1. International Fuel Agreement/ International Registration Plan Training	5/21-23/08	18	Yes
O.	Morgan Keegan			
	1. Morgan Keegan CPE Seminar	6/17/08	1 Ethics General 7	Yes
P.	Nail McKinney Professional Assn.			
	1. Accounting and Auditing Update	7/17/08	8	Yes
Q.	New Horizons Computer Learning Center			
	1. Crystal Reports XI Level 1	1/10-11/08	16	Yes
	2. Crystal Reports XI Level 2	2/7-8/08	16	Yes
	3. Microsoft Access 2003 Level 2	6/2-3/08	16	Yes
R.	Office of the State Auditor			
	1. Government Accounting and Auditing Update	4/16-17/08	16	Yes
	2. Ethics Forum	4/18/08	1 Ethics- Rules 3 Ethics General	Yes
	3. Overview of GASB #40	4/18/08	1	Yes
	4. Office of the State Auditor - Education Division Training	5/6-7/08	12	Yes

## V. Continuing Professional Education (Continued)

### 1. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
S.	Professional Education Services 1. Ethics and Professional Conduct for Mississippi CPAs	QAS Self Study	1 Ethics Rules 3 Ethics General	Yes
T.	SmartPros Ltd. 1. Ethics for Mississippi	QAS Self Study	1 Ethics Rules 3 Ethics General	Yes
U.	Watkins Ward and Stafford PLLC 1. Accounting & Auditing Update	5/16/08	8	Yes

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

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
A.	Mississippi Bankers Association 1. Call report Update: 041 Report Requested by Mary Ann Briggs	1/29/08	2	Yes
B.	Kaplan Financial 1. Series 7 Class Requested by John F. Hill	12/10-14/07	40	Yes
C.	Mississippi Technology Conference 1. Conference on High Technology	11/27-28/07	12	Yes

3. The Board members present reviewed a letter from CPA 3010 concerning on-line programs through Practicing Law Institute (PLI) that are not QAS approved. The Board disapproved the self-study course for CPE credit. PLI needs to secure QAS (Quality Assurance Services) approval in order for it to qualify as self-study CPE.
4. The Board members reviewed the April issue of *CPE-Monitor - A Quarterly E-Newsletter for CPE Providers*.

## VI. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from April 25 to May 30, 2008:

<u>Activity</u>	<u>Number</u>
Cases Opened	4
Cases Closed	3
Cases referred to Members	1
Total Cases Open	25

2. Cases closed

Case 2008.04 - opened February 28, 2008. A nonlicensee was holding-out as a CPA in the Batesville, MS telephone directory. The Investigator closed the case with no probable cause to investigate further after the Board issued a reciprocal licensee to the individual at the April 2008 meeting

Case 2008.11 and 2008.12 0- opened May 9, 2008. Two nonlicensees were listed as CPAs in Governor Barbour's press release for The Tax Study Commission. The Governor's office was contacted and they sent the Board office a letter stating that all designations will be left off of all future communications of the names of Commission members. The Investigator closed the case with no probable cause to investigate further.

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

## VII. Trial Board

1. The Board members unanimously voted to convene as the Trial Board for the purpose of considering matters related to disciplinary cases.
2. The Board did convene as Trial Board for the purpose of holding administrative hearings related to complaints number 2008.07-A and 2008.07-B. The Board heard a report from Deputy Attorney General Onetta Whitney concerning the attorney's request for continuance of the administrative hearings scheduled for 9:30 and 10:00 a.m. today. The Jim Burkes Investigative Committee had allowed continuance of the hearings until the July 25, 2008, Board meeting.

**VII. Trial Board (Continued)**

2. (Continued)

Upon motion by Rick Elam with second by David Clarke, the Board members present unanimously ratified the continuance of the hearings for complaints 2008.07-A and 2008.07-B to July 25, 2008. Votes were for: Willie Sims, Rick Elam, David Clarke, Diane Day; Recused: Jim Burkes; and Absent: Angela Pannell and Jean Shepherd.

3. The Board continued as Trial Board to review matter 2007.38-35 related to 2007 CPE noncompliance. The David Clarke Investigative Committee had noted that the respondent Stephen J. Oberlies had earlier paid a civil penalty related to a 2007 CPE deficit. Mr. Oberlies later noted that his CPE hours reported are in compliance and he was late in reporting. Upon motion by Rick Elam with second by Diane Day, the Board members present approved a motion to amend the original Trial Board Order approving the amended order. Votes were for: Willie Sims, Rick Elam, Jim Burkes, Diane Day; Recused: David Clarke; Absent: Angela Pannell and Jean Shepherd.

The Trial Board continued in order to release Mr. Oberlies from the related Consent Order due to his compliance. Votes were for: Willie Sims, Rick Elam, Jim Burkes, Diane Day; Recused: David Clarke; Absent: Angela Pannell and Jean Shepherd.

4. Upon conclusion of Trial Board business, the Board adjourned as Trial Board.

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**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