

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
December 13, 2013**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on December 13, 2013, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Willie B. Sims, Jr., Chair
Jim E. Burkes, Vice Chair
Rick Elam, Secretary
David E. Clarke
David L. Miller
Angela L. Pannell
Mark P. Peach

Board Staff Present

Ransom C. Jones, Executive Director
Lane McNeal, Administrative Assistant

Legal Counsel Present

Onetta Whitley, Special Assistant Attorney General
Bridgette Wiggins, Hearing Officer

Others Present

Gary Walker, MSCPA

I. General

1. The Board opened the meeting with an invocation from Gary Walker.
2. The Board members approved the minutes from the November 8 meeting. Board Member Angella Pannell abstained.
3. The Board members signed the CPA certificates of licensure from the November 8, 2013, meeting.
4. The Board set the time for next meeting and reviewed the tentative meeting dates and activities for the first part of 2014:

January 10 Meeting at 10:00 a.m.

I. General (Continued)

5. The Board set tentative meeting/activity dates for 2014:
- | | |
|-----------------------------------|-------------------------------|
| February 14 (canceled) | July 18 |
| March 3-6 NASBA Exec. Conf. | August 22 |
| March 21 | September 19 |
| April 18 | November 2-5 NASBA Annual Mtg |
| April 19 CPA Ceremony | November 14 |
| May 16 | November 15 CPA Ceremony |
| June 4-6 NASBA Eastern | December 12 |
| June 11-13 NASBA Western | |
| June 26-29 MSCPA Annual Mtg | |

II. National Regulatory Concerns

1. The Board members noted and discussed the NASBA *State Board Report* for November 2013.
2. The Board discussed the November 15, 2013, Alabama State Board letter to NASBA Chair, Hansen, nominating Ken Odom for NASBA Vice Chair for 2014-15. The Board Passed a motion to send a letter of support for the nomination of Ken Odom for NASBA Vice Chair for 2014-15.
3. The Board members discussed the November 18, 2013, Arkansas State Board letter to NASBA UAA Committee and to the AICPA UAA Committee regarding UAA Exposure draft on Firm Mobility. The Executive Director handed out letters from Accountancy Boards (Guam, Oregon, and South Dakota) which opposed Firm Mobility.
4. The Board noted and discussed the following recent Public Accounting Oversight Board (PCAOB) releases entitled:
 - *PCAOB Approves Dodd-Frank Conforming Amendments for Broker-Dealer Audits and Certain Other Updates and Clarifications*
 - *PCAOB Reproposes Amendments to Improve Transparency by Requiring Disclosure of the Engagement Partner and Certain Participants in the Audit*
5. The Board reviewed the November 2013 AICPA publication, *Ethically Speaking*.
6. The Board members discussed and answered an AICPA State Board Committee Quickpoll.

III. Administration

1. The Board reviewed Schedules of Cash In State Treasury and Balance Sheet Accounts as of December 13, 2013, for Funds 3845 and 3850. The Board then reviewed the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the month ended November 30, 2013.
2. The Board members discussed the Executive Director's selection of Andy Wright, CPA, to fill the position of Associate Director - Investigations.
3. The Executive Director discussed the status of the Board's IT project.
4. The Executive Director handed out a copy of the Joint Legislative Budget Committee Recommendations for Fiscal Year 2015. The Board reviewed the document.
4. The Board approved the attendance of the new Associate Director, Investigations at NASBA University in the Spring of 2014.

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of 34 candidate applications for the computerized examination (10 initial, 24 reexam) received since the November meeting.
2. The Board members present unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

Applications for Original CPA License

<u>File No</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
13278	Travis Lamarlo Brown	6346	Yes
13441	William Rhine Chesteen	6347	Yes
13294	Clifton H. Hinson	6348	Yes

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for Reciprocal CPA Licenses

<u>File No</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
13458	Charles W. Wall, Jr.	R3640	Yes
13546	Lauren T. Wrather	R3641	Yes

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Bailey & Delali CPAs, LLC Memphis, TN	F1636	Yes
Grant Thornton, LLP Columbia, SC	F1637	Yes
Glynn Kegley, CPA Florence, MS	F1638	Yes
Myers and Stauffer, LC Leawood, KS	F1639	Yes
Necaise & Company, PLLC Gulfport, MS	F1640	Yes
Nina S. Collum, CPA Columbus, MS	F1641	Yes
Oakes CPA Firm, PLLC Olive Branch, MS	F1642	Yes
Salmon Sims Thomas & Associates PLLC Dallas, TX	F1643	Yes

The Board reviewed and accepted amendments to registered firms, as follows:

<u>Name</u>	<u>Number</u>	<u>Description</u>
Walters & Balducci, PLLC Clarksdale, MS	F0745	Name Change from W.L. Walters, CPA

IV. CPA Examination, Licensing and Firms (Continued)

3. The Board members took the following actions related to requests for amendments to the 2013 CPE compliance requirements:

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
C. Steven Downs	1446	Extension to 2/28/14 for 6 CPE hours (including 4 Board approved ET)
Eleanor H. James	5926	Extension to 12/31/13 for CPE form
D. Scott Neiman	R3365	Extension to 2/28/14 for 36 CPE hours
John Serafin	3771	Extension to 6/30/14 for 40 CPE hours (in addition to the 40 hours for 2014.)
Scot A. Thigpen	3895	Extension to 6/30/14 for 60 CPE hours (including 4 Board approved ET, and in addition to the 40 hours for 2014.)

V. Continuing Professional Education

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

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
A.	Delta Chapter of CPAs			
	1. 401(k) - Industry Overview and Best Practices	10/29/13	1	Yes
B.	Electric Power Associations of Mississippi			
	1. Electric Power Associations of MS - Accounting & Finance Meeting	11/7/13	3	Yes
C.	Focus Audits			
	1. Information Security Officer Training	Various	12	Yes
D.	Frances Rushton Memorial Scholarship Trust			
	1. 19 th Annual Continuing Professional Education Seminar	11/7/13	8	Yes
E.	Mississippi Association of Public Accountants			
	1. Gear Up 1040 Individual Tax Seminar	11/7-8/13	16	Yes

V. Continuing Professional Education

1. CPE Sponsors Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
F.	Office of the State Auditor 1. GASB Update & Auditing Standards Updates	11/6-7/13	16	Yes
G.	Silas Simmons, LLP 1. Fraud Seminar 2. AICPA's Annual Federal Tax Update	11/15/13 1/3/14	8 8	Yes Yes
H.	The University of Mississippi School of Business 1. 2014 Banking & Finance Symposium	11/8/13	3	Yes

VI. Rules and Regulations

1. Rick Elam discussed the fact that a number of professors teaching at Mississippi universities may be holding out as CPAs without a valid license. The Board discussed a proposal for an amnesty program for previously licensed CPAs to become licensed Mississippi CPAs. The Board did not adopt the amnesty program and instead decided to send a Board letter to all Deans of Business Schools in Mississippi to make schools aware of the issue. Rick Elam and Angela Pannell will draft the letter and email it to Board members for review and comment.

VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities from November 8, 2013, to December 13, 2013:

<u>Activity</u>	<u>Number</u>
Cases Opened	0
Cases Closed	8
Cases referred to Members	0
Total Cases Open	28

VII. Regulatory Matters (continued)

1. **Cases Closed:** Cases 2013.14-4, 2013.14-8, and 2013.14-18 were opened October 25, 2013, because the respondents did not send in their 2013 CPE reporting forms by the deadline. The licensees responded and sent their CPE forms. The Angela Pannell investigative committee accepted the excuses, closed the cases, and directed Board staff to send strong close letters to the licensees.

Case 2013.14-9 was opened October 25, 2013, because the respondent did not send in his 2013 CPE reporting form by the deadline. The licensee, a Memphis resident who works in industry, responded with a request to cancel his license. The Angela Pannell investigative committee accepted the request, closed the case, and remanded the CPE noncompliance to his file. The license will be canceled with a status of C-X, which means the 2013 CPE problem will have to be resolved if he applies for reinstatement.

Case 2013.14-6 was opened October 25, 2013, because the respondent did not send in his 2013 CPE reporting form by the deadline. The licensee, an 85 year old retired CPA, responded with a request to cancel his license. The Angela Pannell investigative committee contacted the individual, closed the case, and mailed him an Initial Application for CPA-Retired Status. The license will be canceled with a status of C-E, unless he completes the Retired Application.

Cases 2013.15, 2013.14-7, and 2013.14-13 were opened October 25, 2013, because the respondents did not send in their 2013 CPE reporting forms by the deadline. The licensees responded and sent their CPE forms and extension letters. The Angela Pannell investigative committee accepted the requests for extensions, closed the cases, and placed the extensions on the December 2013 Board agenda.

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

VIII. Trial Board

1. The Board members present unanimously voted to convene as the Trial Board for the purpose of considering matters related to disciplinary cases. Willie Sims, Trial Board President, was the presiding officer. Onetta Whitley, Deputy Attorney General, was the presenting attorney. Bridgette Wiggins, Special Assistant Attorney General, was the hearing officer.
2. The Board continued as Trial Board for the purpose of hearing complaint 2013.14-5 concerning Robert C. Holeman, CPA license 1774. Angela Pannell was recused from deliberations. On the recommendation of the Board Investigative Committee, the Board authorized an Order Granting Motion for Continuance of the instant cause. The matter was continued to January 10, 2014, at 11:00 a.m..
3. The Board continued as Trial Board for the purpose of holding formal administrative hearings related to eleven CPA licensees' noncompliance with continuing professional education requirements and that also failed to respond to the Board's Notices of Hearing and Complaints. Angela Pannell was recused as the Investigative Officer. Upon motion by Rick Elam with second from David Clarke, the Board members present voted to consolidate these complaints for hearing purposes. Votes were - For: Willie Sims, Jim Burkes, Rick Elam, David Clarke, David Miller, Mark Peach; Against: None; and Recused: Angela Pannell.

The following eleven complaints were consolidated for hearing purposes:

<u>Complaint No.</u>	<u>Name</u>	<u>License No.</u>
2013.14-1	Jeremy Bofman	R3552
2013.14-2	Thomas B. Butchart	2008
2013.14-3	Edward Earl Crenshaw	2280
2013.14-10	Thomas Wayne Owens	R3416
2013.14-11	Alyse Albritton Rodriguez	5949
2013.14-12	Joseph P. Sullivan	5176
2013.14-14	Howard Lester Tripplett, Jr.	6286
2013.14-15	Joseph J. Tuccio, Jr.	1882
2013.14-16	Susan Renee Walker	3969
2013.14-17	Michael Shannon Webb	4723
2013.14-19	Jessica L. Williams	5933

VII. Trial Board (Continued)

3. Administrative Hearing (Continued)

Within the Trial Board the Board heard evidence from Ransom C. Jones, CPA Investigator, concerning the respondents' failure to comply with the CPE requirements for the fiscal year ended June 30, 2013, and failure to respond to Board written communications related thereto. Legal and proper notice were delivered to the above respondents. None attended the hearing.

Following discussion and the administrative Trial Board hearing and upon motion by Rick Elam 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.

In the closed meeting the Board upon motion by Rick Elam 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 Trial Board orders that could be appealed. Accordingly, the Board reopened the closed meeting and upon motion by Rick Elam with second from David Clarke 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. Within the Executive Session, the Board took the following actions:

Upon motion by David Clarke with second from Rick Elam the Board determined that the eleven respondents had indeed violated Chapter 4 of the Board Rules and Regulations as charged and voted to revoke the respondents CPA licenses. The Board determined to assess the respondents a fine (civil penalty) of \$250 in addition to a fee of \$250 to recover investigative, legal, and hearing costs and of this matter. The total assessment of \$500 is to be paid by check or money order within thirty days of the Trial Board order. Votes were - For: Willie Sims, Jim Burkes, Rick Elam, David Clarke, David Miller, Mark Peach Against: None; and Recused: Angela Pannell.

Upon the conclusion of this business and upon motion by Rick Elam with second by David Miller, 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.

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

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member