

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
December 15, 2006**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on December 15, 2006. The following record of that meeting was maintained.

Board Members Present

Jean T. Shepherd, Chair
Jim E. Burkes, Vice Chair
Willie B. Sims, Jr., Secretary
David E. Clarke
Diane S. Day
Angela L. Pannell

Board Members Absent

Rick Elam

Board Staff Present

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

Legal Counsel Present

Onetta Whitley, Deputy Attorney General
Bridgette Wiggins, Special Assistant Attorney General

Others Present

Jimmy Boyd, MAPA
Gary Walker, MSCPA
Kelly Powell, Brooks Court Reporting

I. General

1. The Board opened the meeting with the invocation by Vice Chair Jim Burkes.
2. The Board members present unanimously approved the minutes from the November 17, 2006, meeting.
3. The Board members present signed the CPA certificates of licensure from the November 17, 2006, 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 2007.

January 26	8:30 a.m.	Meeting
February 23		Meeting
March 23		Meeting
April 27		Meeting
April 28		CPA Presentation Ceremony
May 23		Meeting
June 6 - 8 -		NASBA Eastern Regional
June 20 - 22		NASBA Western Regional
June 21 - 24		MSCPA Annual
July 27		Meeting
August 24		Meeting
September 28		Meeting
October 28 - 31		NASBA Annual
November 16		Meeting
November 17		CPA Presentation Ceremony
December 14		Meeting

5. The Board noted information related to the NASBA 25th Executive Directors and State Board Staff Conference (March 11-14), NASBA 12th Legal Counsel Conference (March 11-13), and NASBA 2007 CPE Conference (March 12-14), and members present unanimously approved the attendance of the Executive Director, Investigator and Licensing Administrator to attend the Executive Director and Staff Conference and the Attorney to attend the Legal Counsel Conference. The Board also approved attendance of the members of the CPE Committee, Willie Sims and Rick Elam, to attend the CPE Conference.

II. National Regulatory Concerns

1. The Board members present reviewed and responded to the National Association of State Boards of Accountancy (NASBA) focus questions as forwarded from Ted Long, Chair - Committee Relations with Member Boards. Executive Director Susan Harris submit the response by the December 21, 2006, deadline.
2. The Board reviewed and discussed the November and October 2006 NASBA *State Board Reports*.

II. National Regulatory Concerns (Continued)

3. The Board noted the memorandum from NASBA President David Costello, concerning its organizational changes.
4. The Board members present reviewed the NASBA *Exposure Draft - Additions and Modifications to Uniform Accountancy Act Model Rules - October 2006*, and the comments from Board member Rick Elam. The Board deferred any action until all members are present. Comments are requested by April 30, 2007.
5. The Board members present noted a Public Company Accounting Oversight Board Release entitled *Board to Consider Proposing a Revised Auditing Standard on Internal Control over Financial Reporting*, December 5, 2006.

III. Administration

1. The Board reviewed and discussed the SAAS Summary Trial Balances as of November 30, 2006, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the five months ended November 30, 2006.
2. The Board heard a report from Executive Director Susan Harris concerning the January 2007 Senate and House budget hearings and the fact that no 2008 budget recommendation has been released by the Legislative Budget Committee.
3. The Board members present unanimously approved additional per diem days as follows:

Jim Burkes	January 3 - 4, 2007	NASBA Compliance Assurance Review Board (CARB)
Diane Day	November 2, 2006	Board Investigative Committee Meeting

IV. CPA Examination, Licensing and Firms

1. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (5 initial, 13 reexam) received since the September meeting. In addition, the Board unanimously approved candidate 11963 after careful consideration of good moral character issues.

IV. CPA Examination, Licensing and Firms (Continued)

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

File Number	Name	Number	Date	Approved
11972	Shea Sides Rea	5837	12/15/06	Yes

Applications for Reciprocal CPA License

File Number	Name	Number	Date	Approved
11966	Brian Paul Bentz	R3254	12/15/06	Yes
11934	Jeffrey Colin Miller	R3255	12/15/06	Yes
11967	Elizabeth F. Nance	R3256	12/15/06	Yes
11762	David Brent Wyper	R3257	12/15/06	Yes

Applications for Reinstatement of CPA Licenses

File Number	Name	Number	Approved
4768	Robert Emmett Burle	3910	No (1)

(1) Board decision summarized below.

The Board convened at 12:27 p.m. to provide a show cause hearing concerning the application for reinstatement of the CPA license of Robert Emmett Burle. Jean T. Shepherd, Chair, was the presiding officer. Bridgette Wiggins, Special Assistant AG, represented the Board, and Onetta Whitley, Deputy AG, was the presenting attorney. Kelly Powell, Brooks Court Reporting, recorded the discussions.

During the show cause hearing, the Board heard evidence from witnesses Ransom C. Jones, CPA Investigator, and applicant Robert Emmett Burle. Following the hearing and upon motion by Angela Pannell with second by Willie Sims, the Board members present 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. David Clarke was recused.

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for Reinstatement of CPA Licenses (Continued)

In the closed meeting the Board upon motion by Angela Pannell with second from Willie Sims voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of a Board action that could be appealed. Accordingly, the Board reopened the closed meeting and upon motion by Angela Pannell with second from Willie Sims 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.

Within the Executive Session, the Board took the following action: Upon motion by Angela Pannell with second from Willie Sims, the Board determined to deny Mr. Burle's request for reinstatement and return his application fee. Votes were for: Jean Shepherd, Jim Burkes, Willie Sims, Diane Day, Angela Pannell; Absent: Rick Elam, and Recused: David Clarke.

Upon the conclusion of this business, the Board upon motion by Willie Sims and second from Willie Sims 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 Retired CPA Licenses (Effective for 2007)

<u>File</u>			
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
1631	David Felding Bradford	1864	Yes
1707	Charles Russell Campbell III	R1571	Yes
4097	Edward E. Easterling	2882	Yes
1158	Gerald Culley Rikard	2327	Yes
6851	Susan Head Sumrall	4614	Yes

IV. CPA Examination, Licensing and Firms (Continued)

2. Applications (Continued)

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Ernst & Young, LLP Cleveland, OH	F1104	Yes
Kemp, Williams, Steverson & Bernard, PA Meridian, MS	F1105	Yes
John L. Kenna, CPA Ocean Springs, MS	F1106	Yes
Richard Kimbrough, CPA Baldwyn, MS	F1107	Yes
Polk, King & Company, PLLC Batesville, MS	F1108	Yes
D. M. Thomas, CPA, LLC Columbus, MS	F1109	Yes (1)

(1) Pending amendment to PLLC (professional limited liability company) and refiling.

3. The Board members present approved requests from CPAs for amendments to the 2006 CPE compliance requirements.

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
C. Renee M. Dellenger	5125	Extension to 12/31/06 - 2 CPE hours
Sherrill G. Robertson	4477	Extension to 12/31/06 - 6 A&A hours
Karen Sowell Thomas	4537	Extension to 12/31/06 - 3.5 A&A hours
Eric E. Lindstrom, Jr.	3921	Extension to 12/31/06 - 8 w/6 A&A hours
Hal W. Dale, Jr.	1869	Non-QAS self-study not allowed, no deficit.

4. The Board reviewed and discussed a December 4, 2006, AICPA letter, concerning the Practice Analysis Project for the CPA Examination.

5. The Board heard an added request from candidate 11355, Stewart C. Heard, related to problems at the Jackson Prometric testing center November 2, 2006, when he tested for BEC. The Board members present considered Mr. Heard's request and unanimously approved extension of his credit for REG from November 2, 2006, to February 2, 2007. In addition, Prometric and the Operations Committee has agreed to provide Mr. Heard a free retest for BEC.

V. Continuing Professional Education

1. The Board 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.	MS Society of Certified Public Accountants				
	1. Comprehensive Staff Tax Training - Forms 1120 & 1120S	10/18-20/06	Tax	24	Yes
	2. Are your Clients Saving Enough for Retirement? Strategies to get Them There	10/31/06	Tax	4	Yes
	3. Educators Symposium	11/3/06	Other	8	Yes
	4. 2006 Mississippi Tax Institute	11/9-10/09	Tax Ethics- Rules	15 1	Yes
	5. 2006 Business Valuation and Litigation Services Conference	11/16/06	Other	8	Yes
	6. Challenges Facing the CPE Professional: Past, Present and Future (Presented by CAMICO Insurance)	1/23/07	Other	3	Yes
B.	Create Foundation-Northeast MS Community Foundation (Presented at meeting of North Ms Planned Giving Council.)				
	1. <i>Practical Followup on New Charitable Options in the Pension Protection Act of 2006 & Under-utilized and/or Misunderstood Structured Giving Options</i>	12/7/06	Other	2	Yes
C.	Office of the State Auditor				
	1. Auditing Compliance With MS Ethics Laws & Government Auditing & Accounting Update	11/29/06	A&A	8	Yes
	2. New AICPA Risk Assessment Suite of Standards: SAS-104-111	11/30/06	A&A	8	Yes

V. Continuing Professional Education (Continued)

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.	American College of Trust and Estate Counsel (ACTEC)				
	1. 2005 Annual Meeting Requested by Jamie Houston	2/25/05 (out of 6 day conf.)	Ethics - General	2.1	Yes
B.	AICPA CPE Express (QAS Sponsor)				
	1. Ethics: Department of Enforcement - You Are the Accounting Investigator	Self Study	Ethics - General	1	Yes
	2. Ethics: Precious Mining Inc. - You Are the Audit Committee Requested by Sandra Munden	Self Study	Ethics - General	1	Yes
C.	Mississippi College				
	1. Chapter 3 - Auditing Course Code of Professional Ethics Requested by Sandra Parks	Instructor July 2004	Ethics - General	6	Yes

VI. Rules and Regulations

1. The Board members present discussed the administrative procedure requirements and unanimously approved the proposed timeline for rule adoption, as follows:

December 18, 2006	-Notice of proposed rule adoption to the Secretary of State in accordance with Administrative Procedures Rules. -Send summary notice to all CPAs and other interested parties in accordance with Mississippi Code Section Annotated 73-33-5 (j).
December 18, 2006 - February 1, 2007	-Receive written comments.

VI. Rules and Regulations (Continued)

1. Approved Timeline (Continued)

February 23, 2007 -Hold oral proceeding (hearing) in accordance with Administrative Procedures Rules, if requested by minimum ten individuals, a state agency, or political subdivision.

March 23, 2007 -Scheduled final adoption of amendments.

March 26, 2007 -Notice of final adoption to the Secretary of State.

April 26, 2007 -Effective date Chapter 9, Board Administrative Procedure Rules.

July 1, 2007 -Effective date Chapter 3, CPA Firm Permits, and Chapter 4, Continuing Professional Education.

2. The Board members present unanimously approved the Notice of Proposed Rule Amendments (summary) to be mailed to CPA licensees and any other interested parties. The Board also discussed the placement of the full-text on the Board's website. In addition, the mailing of the full text will be provided as requested.
3. The Board members continued discussions by reviewing proposed amendments to Mississippi Code Section 73-33-1, 73-33-3, 73-33-11, and 73-33-15, as discussed with the members of the Legislation Committee of the Mississippi Society of CPAs. After review and discussions, the Board members present unanimously determined that the proposed amendments as drafted were acceptable for introduction by the Society representatives.

VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from November 17, 2006, to December 15, 2006:

VII. Regulatory Matters (Continued)

1. investigator's Report (Continued)

<u>Activity</u>	<u>Number</u>
Cases Opened	None
Cases Closed	63
Cases referred to Members	1
Total Cases Open	44

2. Cases closed:

Case 2006.20 - opened June 16, 2006. A reciprocal CPA licensee self-reported a conviction for a crime. The David Clarke Investigative Committee closed this case with no probable cause to investigate further after the Board revoked his CPA license related to another matter (Compliant 2006.29-17).

Cases 2006.29-24, 2006.29-28, 2006.29-44, 2006.29-47, 2006.29-60, 2006.29-113, and 2006.29-141 - 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. The Diane Day Investigative Committee closed the cases with no probable cause to investigate further after reviewing the case documents.

Case 2006.29-26 - opened September 20, 2006. A licensee did not send in the 2006 CPE reporting form by the August 1 reporting deadline. The licensee did respond to the Board Notice of Hearing and Complaint with a letter and her 2006 CPE reporting form which showed a deficit. 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 order, noted compliance and released the licensee from the consent order at the November 2006 meeting.

Cases 2006.29-11, 2006.29-36, 2006.29-40, 2006.29-45, 2006.29-56, 2006.29-58, 2006.29-59, 2006.29-66, 2006.29-73, 2006.29-80, 2006.29-81, 2006.29-91, 2006.29-92, 2006.29-106, 2006.29-107, 2006.29-110, 2006.29-120, 2006.29-121, 2006.29-126, 2006.29-143, 2006.29-144, 2006.29-147, 2006.29-149, 2006.29-157, and 2006.29-158 - opened September 20, 2006. Licensees did not send in the 2006 CPE reporting forms by the August 1 reporting deadline.

VII. Regulatory Matters (Continued)

2. Cases closed: (Continued)

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 November 2006 meeting.

Cases 2006.29-13, 2006.29-34, 2006.29-71, and 2006.29-94, - 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 Notices of Hearing and Complaint with requests to cancel their CPA licenses. The Diane Day Investigative Committee reviewed case documents and based on that review, recommended that the Board remand the licensees' noncompliance to their files and close the cases with Remand Orders. The Trial Board approved the Remand Orders at the November 2006 meeting.

Cases 2006.29-4, 2006.29-9, 2006.29-17, 2006.29-20, 2006.29-21, 2006.29-30, 2006.29-39, 2006.29-49, 2006.29-57, 2006.29-65, 2006.29-88, 2006.29-89, 2006.29-102, 2006.29-112, 2006.29-115, 2006.29-124, 2006.29-128, 2006.29-130, and 2006.29-138 - opened September 20, 2006. Licensees did not send in the 2006 CPE reporting forms by the August 1 reporting deadline. The licensees also did not respond to a Board Notice of Hearing and Complaint. A Trial Board Hearing was held November 17, 2006, and the Trial Board revoked the CPA licenses.

Case 2006.29 -142 - opened September 20, 2006. A licensee did not send in the 2006 CPE reporting form by the August 1 reporting deadline. The Diane Day Investigative Committee reviewed his past noncompliance (two prior CPE consent orders) and sent the licensee a Board Notice of Hearing and Complaint. The licensee did not respond to the Notice. The Trial Board Hearing was held November 17, 2006, and the Trial Board revoked the CPA license.

Cases 2006.29-12, and 2006.29-155 - 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 Notices of Hearing and Complaint submitting their 2006 CPE reporting forms which showed compliance. The

VII. Regulatory Matters (Continued)

2. Cases closed: (Continued)

Diane Day Investigative Committee closed the cases with no probable cause to investigate further after reviewing the case documents, but determined to send strong closed letters.

Cases 2006.29-31, 2006.29-50, and 2006.29-99 - 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 Notices of Hearing and Complaint with requests to cancel their CPA licenses. The Diane Day Investigative Committee reviewed case documents and based on that review, accepted the responses, and closed the cases with no probable cause to investigate further, canceling the licenses with noncompliance noted.

3. The Investigator reviewed the open case log by general description and provided a general report 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.
2. The Board did convene as Trial Board for the purpose of holding a formal administrative hearing related to Complaint 2006.29-86 - CPA's alleged noncompliance with continuing professional education requirements. Jean T. Shepherd, Trial Board President, was the presiding officer. Bridgette Wiggins, Special Assistant AG, represented the Board, and Onetta Whitley, Deputy AG, was the presenting attorney. Kelly Powell, Brooks Court Reporting, recorded the discussions.

The Board heard evidence from witnesses Ransom C. Jones, CPA Investigator, and respondent Timothy Paul McKey, CPA license 2805. Legal and proper notice were delivered to the respondent and the Board received a reply November 2, 2006, his CPE reporting form, and a request for continuance from November 17, 2006, to December 15, 2006. In addition, Mr. McKey had two other prior and related disciplinary actions including 2002 and 2003 consent orders for late CPE reporting.

VIII. Trial Board (Continued)

2. (Continued)

Following the administrative Trial Board hearing and upon motion by Angela Pannell with second from Willie Sims, the Board members present 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. Diane Day was recused.

In the closed meeting the Board upon motion by Jim Burkes with second from Willie Sims voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of a Trial Board order that could be appealed. Accordingly, the Board reopened the closed meeting and upon motion by Jim Burkes with second from Willie Sims 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.

Within the Executive Session, the Board took the following actions: Upon motion by David Clarke with second from Angela Pannell, the Board determined that the respondent had indeed violated *Rules and Regulations* Sections 4.1.1. - 4.1.3. and 4.2.5. and voted to accept the respondent's CPE report late, assessing and requiring reimbursement of investigative, legal, and hearing costs. Votes were - For: Jean Shepherd, Jim Burkes, Willie Sims, David Clarke, Angela Pannell; Against: None; Absent: Rick Elam, and Recused: Diane Day.

Upon the conclusion of this business, the Board upon motion by Angela Pannell and second from David Clarke 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.

3. The Board continued as Trial Board for the purpose of reviewing for approval consent orders issued by the Diane Day investigative committee related to CPE noncompliance. Upon motion by Jim Burkes with second from David Clarke, the Trial Board approved the following consent orders as issued by the investigative committee and previously agreed to by the respondent. Votes were - For: Jean Shepherd, Jim Burkes, Willie Sims, David Clarke, Angela Pannell; Against: None; Absent: Rick Elam; and Recused: Diane Day.

VIII. Trial Board (Continued)

3. (Continued)

<u>Complaint No.</u>	<u>Name</u>	<u>License No.</u>
2006.29-69	Laura M. Kinney	3359
2006.29-70	Clifton Leslie Kling	4683
2006.29-72	Leslie Lynn Latour	3140
2006.29-74	Lynn Burt Lister	4937
2006.29-75	Elizabeth Love Little	4700
2006.29-77	Keturah T. Maraska	5255
2006.29-93	Wade Rodney Moran	4728
2006.29-104	Julius C. Phillips	4458
2006.29-111	James White Richter	3769
2006.29-118	Gregory William Schwartz	R2781
2006.29-136	Michael G. Vaughn	5160
2006.29-146	Douglas James Wise	5122
2006.29-151	Brenda S. Myers	4314
2006.29-156	Farrell A. Turner	R2360

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

<u>Complaint No.</u>	<u>Name</u>	<u>License No.</u>
2006.29-69	Laura M. Kinney	3359
2006.29-70	Clifton Leslie Kling	4683
2006.29-72	Leslie Lynn Latour	3140
2006.29-74	Lynn Burt Lister	4937
2006.29-75	Elizabeth Love Little	4700
2006.29-77	Keturah T. Maraska	5255
2006.29-93	Wade Rodney Moran	4728
2006.29-104	Julius C. Phillips	4458
2006.29-118	Gregory William Schwartz	R2781
2006.29-136	Michael G. Vaughn	5160
2006.29-146	Douglas James Wise	5122
2006.29-151	Brenda S. Myers	4314
2006.29-156	Farrell A. Turner	R2360

VIII. Trial Board (Continued)

5. The Board reviewed for reconsideration complaint 2006.29-24, W.D. Canup, CPA license 5063. The Board had accidentally taken action against the license at the November 17, 2006, after respondent had submitted satisfactory proof of CPE compliance on the day of the hearing for release from the complaint. Upon motion by Willie Sims with second by Angela Pannell, the Trial Board reopened the complaint. Also, upon motion by Willie Sims with second by Angela Pannell, the Board members present unanimously approved correction of the error removing the respondent from the November 17, 2006, Trial Board minutes. Votes were - For: Jean Shepherd, Jim Burkes, Willie Sims, David Clarke, Angela Pannell; Against: None; Absent: Rick Elam; and Recused: Diane Day.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member