

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY  
MINUTES  
November 14, 2008**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on November 14, 2008, beginning at 10:00 a.m. The following record of that meeting was maintained.

Board Members Present

Willie B. Sims, Jr., Chair  
Rick Elam, Vice Chair  
David E. Clarke, Secretary  
Shelly B. Boone  
Jim E. Burkes  
David L. Miller

Board Members Absent

Jean T. Shepherd

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  
Lori W. Busick, Brooks Court Reporting

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**I. General**

1. The Board opened the meeting with an invocation from Jim Burkes.
2. The Board acknowledged and accepted the oath of offices for new Board members Shelley B. Boone and David L. Miller appointed by Governor Haley Barbour for the terms ending 2012.

## I. General (Continued)

3. The Board members present approved the minutes from the September 26, 2008, meeting.
4. The Board members present signed the CPA certificates of licensure from the September 26, 2008, meeting.
5. The Board members set the start time for the next meetings and reviewed the remaining meeting dates and activities for 2008.
 

November 15	9:00	CPA Presentation Ceremony
December 12	8:30	Meeting
6. The Board members present set tentative meeting/activity dates for 2009:
 

January 23	Meeting	June 25-28	MSCPA Annual
February 20	Meeting	July 24	Meeting
March 20	Meeting	August 21	Meeting
April 24	Meeting	September 25	Meeting
April 25	Ceremony	November 1-4	NASBA Annual
May 29	Meeting	November 13	Meeting
June 3-5	NASBA W. Regional	November 14	Ceremony
June 17-19	NASBA E. Regional	December 11	Meeting
7. The Board members present unanimously approved attendance by Vice Chair Rick Elam and Executive Director Susan Harris at the AICPA's Southeast Regional CPA Examination Forum, December 8, 2008, Atlanta, Georgia.
8. The Board members discussed its proposed changes to the Public Accountancy Act as amended during the 2008 Regular Legislative Session. The members again reviewed their amendments and the members present unanimously approved submittal of its proposals to the 2009 Regular Legislative Session. The amendments proposed by the Board relate to the mobility of CPAs through practice privilege while continuing to require CPA firms to register that perform audit and certain attestation functions.
9. The Board members present unanimously adopted resolutions recognizing and honoring outgoing members Diane S. Day and Angela L. Pannell for their service and contributions in 2008 which represents dedicated continuance from the original appointment terms by the Governor.
10. Vice Chair Rick Elam gave a report concerning his attendance of the NASBA Forum of International Accountancy Regulators held after its Annual Meeting.

## II. National Regulatory Concerns

1. The Board members reviewed the responses to the NASBA Focus Questions from the September 26, 2008, meeting.
2. The Board members present reviewed the November 6, 2008, NASBA memorandum from David Costello, forwarding Quarterly Communications including:
  - Highlights of the NASBA Board Meeting, October 24, 2008,
  - Minutes of NASBA Board Meeting July 25, 2008,
  - Executive Summary - Focus Questions September 2008,
  - Regional Director's Focus Questions Responses, and the
  - Exposure Draft - NASBA UAA Model Rules (January 30, 2009, due date).The Board deferred action on the UAA Model Rules Exposure Draft until the December 12, 2008, Board meeting to give members an opportunity to review the document.
3. The Board members reviewed the November 5, 2008, memorandum from Kent Smoll, Chair, Committee on Relations with Member Boards, but deferred answering the Focus Questions until the December 12, 2008, Board meeting. Responses are due to NASBA by December 29, 2008.
4. The Board reviewed and discussed the October 2008 NASBA *State Board Report*.
5. The Board discussed an October 27, 2008, NASBA letter to Securities Exchange Commission Chairman Christopher Cox concerning fair value measurement and the Financial Accounting Standards Board.
6. The Board members noted an October 6, 2008, NASBA letter to the International Federation of Accountants regarding: Exposure Draft - Code of Ethics for Professional Accountants July 2008.
7. The Board reviewed two publications from the American Institute of CPAs:
  - *AICPA State Regulatory Update*, Fall 2008, and
  - *AICPA State Legislative Update*, November 5, 2008.
8. The Board discussed the Public Accounting Oversight Board (PCAOB) Release entitled *Board Proposes New Auditing Standards Related to the Auditor's Assessment of and Responses to Risk*.

**III. Administration**

1. The Board member present reviewed and discussed the SAAS Summary Trial Balances as of October 31, 2008, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the four months ended October 31, 2008.
2. The Board discussed the current lodging arrangement for out-of-town members and resolved to remain at the Cabot Lodge North at least through December to determine if the hotel facilities improve.
3. The Board discussed the current State of Mississippi budget situation with the General Fund decreased projection. As a Special Fund agency, the Board funds have not yet been affected.

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

1. The Board members present unanimously ratified the Window 3 - July - August 2008 CPA examination grades for 187 candidates, 258 examination sections. Twenty Five (25) candidates completed all four examination sections.
2. The Board reviewed and discussed a special candidate situation related to good moral character - candidate 12310. Based on its careful evaluation of criminal misdemeanor convictions, the Board members present unanimously approved the application to sit for the examination as a Mississippi candidate.
3. The Board members present unanimously accepted the listing of candidate applications for the computerized examination (11 initial, 72 reexam) received since the September 26, 2008, meeting.
4. 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</u>	<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
	12256	Daniel James Deblanc			No (1)
	12143	Matthew Gartin Ferrell	5934	11/14/08	Yes
	11872	John Eric Hester	5935	11/14/08	Yes

(1) Pending additional information concerning experience.

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

## 4. Applications (Continued)

Applications for Original CPA License

File Number	Name	Number	Date	Approved
12148	Ashlea Marie Leggett	5936	11/14/08	Yes
11190	Ollie Lance Mohamed	5937	11/14/08	Yes
12414	Kristen Renee Oesch	5938	11/14/08	Yes
12065	Jonathan Matthew Pear	5939	11/14/08	Yes
11638	Scott David Rinicker	5940	11/14/08	Yes
12019	Michael Andrew Ross	5941	11/14/08	Yes
11778	Virginia Ruth Stearns	5942	11/14/08	Yes
12116	Stephen James Stenmark	5943	11/14/08	Yes
12133	Christopher Glenn Walker	5944	11/14/08	Yes
11990	Richard Lee Watts, Jr.	5945	11/14/08	Yes
11579	Jason Rush Witcher	5946	11/14/08	Yes
12108	Ashley Herring Witt	5947	11/14/08	Yes

Applications for Reciprocal CPA Licenses

File Number	Name	Number	Date	Approved
12419	Bruce M. McClintock	R3396	11/14/08	Yes
12404	Patricia Faye Parrish	R3397	11/14/08	Yes
12420	Robert Emile Petro	R3398	11/14/08	Yes
12039	Thomas Marion Peyton, Jr.	R3399	11/14/08	Yes
12418	David Scott Pritchett	R3400	11/14/08	Yes

Applications for Reinstatement of CPA Licenses

File Number	Name	Number	Approved
11363	Trina R. Cochran	5639	Yes
03242	Wade Rodney Moran	4728	Yes
10551	Stephen Christian Schaaf	R2840	Yes

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

## 4. Applications (Continued)

Applications for CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Fountain-Ferrara & Murphy & Co D'Iberville, MS	F1193	Yes
McClintock & Associates, PC Bridgeville, PA	F1194	Yes
Petro & Associates PC Mobile, AL	F1195	Yes
Thomas M. Peyton, CPA Hattiesburg, MS	F1196	Yes

Application for Reinstatement of a CPA Firm Permit to Practice

<u>Name</u>	<u>Number</u>	<u>Approved</u>
Baugh & Company Brandon, MS	F0819	Yes

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

<u>Name</u>	<u>Number</u>	<u>Description</u>
Deemer, Dana & Froehle, LLP Savannah, GA	F0317	Name Change from Lazard Dana, LLP
William G. Murphy, CPA, PLLC D'Iberville, MS	F1121	Cancel Firm Permit

## 6. The Board members present discussed the November 15, 2008, CPA Presentation Ceremony and approved the program. Honorable Stacey Pickering will provide the keynote speech..

## 7. The Board members present unanimously took the following actions related to requests for amendments to the 2008 CPE compliance requirements:

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Linda Duckworth	3225	Extension to 11/30/08 - 10 CPE hours
Songhee Han	5752	Extension to 11/30/08 - 12 CPE hours
Dan R. Lee	1751	Waiver - Medical
Sammy Liddell	3077	Waiver - Medical
Jay Schwarz	R3190	Waiver - Medical

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

8. The Board members present unanimously approved requests from CPAs for waivers of the 2008 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2009, as follows:

<u>Name</u>	<u>Number</u>
John R. Behrman	R2074
Henry Edward Blakeslee, III	1626
Egbert Rufus Warren	2500

9. The Board reviewed and discussed various information related to the CPA examination including:
- *The Uniform CPA Examination Alert*, Fall 2008,
  - NASBA Summary of Candidate Information, September 29, 2008,
  - NASBA and ChoicePoint letters concerning allegations related to candidate fingerprinting,
  - October 6, 2008, NASBA email, concerning the Revised Draft 120/150 Paper, comments due December 31, 2008, and the
  - October 22 Illinois Board letter discussing a necessary 150-hour education for examination candidates.

#### 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.	Association of Government Accts.			
	1. MS State Board of Public Accountancy Law and Rules Update (Susan Harris)	9/17/08	Ethics: Rules 1	Yes
	2. Protecting and Validating Personal Information In a Disaster Recovery Program	10/15/08		Yes
B.	Bancorp South			
	1. Bancorp South ERISA Seminar	10/8/08	8	Yes

## V. Continuing Professional Education (Continued)

### I. CPE Sponsor Applications (Continued)

	<u>Sponsor/Program Title</u>	<u>Dates</u>	<u>Hours</u>	<u>Approved</u>
C.	Delta Chapter, MSCPA 1. What You and Your Clients Should Know About Section 409A	9/23/08	1	Yes
D.	Division of Business Services Mississippi State University 1. 2008 Tax Update Seminar	11/13&14/08 11/24&25/08 12/1&2/08 12/11&12/08 12/15&16/08	15	Yes
E.	Midsouth Institute of Accountants 1. MSIA Fall 2008 Seminar	12/15/08	8	Yes
F.	Mississippi Association of Public Accountants 1. Annual Seminar	10/22/08	8	Yes
G.	Mississippi Bankers Association 1. MBA 2008 Consumer Compliance Conference 2. MS Bankers Trust Conference	9/25-26/08 11/6-7/08	12 9	Yes Yes
H.	MS Society of CPAs 1. Healthcare Services Seminar	9/18/08	8	Yes
I.	Office of the State Auditor 1. Detecting Fraudulent Financial Reporting Using Data Analysis 2. County Audit Section Regional Staff CPE Training 3. New Auditor Orientation 4. Education Division Training	9/18&19/08 9/24&25/08 10/15&16/08 9/29&30/08 10/6&7/08 10/22&23/08	7 16 10 12	Yes Yes Yes Yes
J.	Silas Simmons, LLP 1. Accounting & Auditing Seminar	9/26/08	8	Yes
K.	The University of Mississippi, School of Business Administration 1. 2008 Banking and Finance Symposium	11/7/08	4	Yes



## VI. Rules and Regulations

1. The Board members present noted that the amendment to Rules and Regulations Section 3.1.11. (c) related to CPA firm names was announced through the Administrative Procedures requirements and filed with the Secretary of State. The Board noted that all licensees were notified of the proposed amendment and that no comments or requests for an oral proceeding were made.

Noting the same, the Board members present unanimously approved the following amendment to become effective 30 days after filing or December 17, 2008:

*No firm will be permitted to register with the Board as a certified public accounting firm unless the firm name contains the personal name/names, initials and names, or initials of one or more individuals who are present or previous CPA owners of the firm. However, a firm name may contain the name or pertinent part thereof which identifies membership of that firm in an association or alliance of certified public accounting firms.*

## VII. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from September 26 to November 14, 2008:

<u>Activity</u>	<u>Number</u>
Cases Opened	123
Cases Closed	5
Cases referred to Members	121
Total Cases Open	149

2. Cases closed:

Case 2007.23 - opened March 16, 2007. The Board received a complaint from a citizen related to tax services and elder type services from a CPA. The Rick Elam's investigative committee determined that there is no probable cause to investigate the matter further after evaluating all related evidence from both parties.

**VII. Regulatory Matters (Continued)**

## 2. Cases closed: (Continued)

Case 2008.07-A - opened April 16, 2008. The Board became aware of a Securities Exchange Commission (SEC) action against the former Arthur Andersen manager and audit partner for the audit of WorldCom for the year ended December 31, 2001. The case was closed after the Trial Board revoked the individual's CPA license through a Consent Order for the minimum period of the SEC order not eligible for reinstatement until relieved by the SEC.

Case 2008.07-B - opened April 16, 2008. The Board became aware of a SEC action against the former Arthur Andersen lead engagement partner for the audit of WorldCom for the year ended December 31, 2001. The case was closed after the Trial Board executed an Order which confirmed, documented and associated the cancellation with the violations.

Case 2008.28-47 - opened October 21, 2008. A licensee did not submit his 2008 CPE reporting form and did not correspond by the deadline. The case was closed when his June 2008 death was confirmed and substantiated.

Case 2008.28-86 - opened October 21, 2008. A licensee did not submit his 2008 CPE reporting form and did not correspond by the deadline. The case was closed after Board staff determined that he faxed his CPE report on July 31, 2008, and staff did not follow-up related to required original CPE form submittal.

3. The Investigator reviewed the open case log by general description and reported on the investigative activities.
4. The Board reviewed but denied a request from James Spears, CPA 2383, requesting waiver of his June 2009 peer review (last review June 30, 2006), due to his discontinuing that part of his practice. Mr. Spears has performed audits of financial statements since 2006 and the Board determined that those audits and any other financial statement work must be peer reviewed in accordance with the Board's requirements.

**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.
2. The Board did convene as Trial Board for the purpose of hearing complaints related to alleged noncompliance with Board Rules and Regulations concerning CPE requirements for the period ended June 30, 2008. Willie B. Sims, Jr., Trial Board President, was the presiding officer. Bridgette Wiggins, Special Assistant Attorney General, represented the Board, and Onetta Whitley, Deputy Attorney General, was the presenting attorney. Lori Busick, Brooks Court Reporting, recorded the discussions. Jean T. Shepherd was absent and David Clarke was recused.
3. The Board continued as Trial Board for the purpose of hearing complaint 2008.27-01, concerning Gregory Barlow Barron, CPA license 2384. Within the Trial Board the Board heard evidence from witness Ransom C. Jones, CPA Investigator and respondent Gregory Barron. The respondent allegedly failed to comply with the Chapter 4 CPE requirements for the compliance period ended June 30, 2008, through not reporting and not obtaining the required CPE credit hours. Mr. Barron has two other prior and related disciplinary actions including 2003 and 2004 consent orders for late CPE reporting and deficits.

Following discussion and the administrative Trial Board hearings related to Gregory Barlow Barron, and upon motion by Rick Elam with second from David Miller 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 Miller 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 Miller 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:

**VIII. Trial Board (Continued)**

## 3. Complaint 2008.27-01 (Continued)

Upon motion by Jim Burkes with second from David Miller the Board unanimously determined that the respondent Gregory Barlow Barron had indeed violated Chapter 4 of the Board Rules and Regulations as charged. The Board unanimously determined that Mr. Barron shall obtain the required forty (40) CPE credit hours for the period ending June 30, 2008, plus an additional 50% penalty of said deficit, all of which are to be completed by June 30, 2009. The Board unanimously determined to assess the respondent all investigative, legal, and hearing costs of this matter to be paid by check or money order within thirty days of the Trial Board order. Votes were - For: Willie Sims, Rick Elam, Shelly Boone, Jim Burkes, David Miller; Against: None; Absent: Jean Shepherd; and Recused: David Clarke.

Upon the conclusion of this business, the Board upon motion by Rick Elam with second from David Miller 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. The Board continued as Trial Board for the purpose of hearing complaint 2008.27-02, concerning Bethany Dalton Bruce, CPA license 4395. The Board received a Motion for Continuance from the respondent's legal counsel, Frank "Kim" Breese, III. After consideration and upon motion by Jim Burkes with second from David Miller, the Board unanimously voted to permit continuance of the hearing related to the complaint until the next Board meeting to be held at the Board office, December 12, 2008. Votes were - For: Willie Sims, Rick Elam, Shelly Boone, Jim Burkes, David Miller; Against: None; Absent: Jean Shepherd; and Recused: David Clarke.
5. The Board continued as Trial Board for the purpose of hearing complaint 2008.27-03, concerning William Daniel McCaskill, CPA license R2406. The Board received a Motion for Continuance from the respondent's legal counsel, Frank "Kim" Breese, III. After consideration and upon motion by Rick Elam with second from Jim Burkes, the Board unanimously voted to permit continuance of the hearing related to the complaint until the next Board meeting to be held at the Board office, December 12, 2008. Votes were - For: Willie Sims, Rick Elam, Shelly Boone, Jim Burkes, David Miller; Against: None; Absent: Jean Shepherd; and Recused: David Clarke.

**VIII. Trial Board (Continued)**

6. The Board continued as Trial Board for the purpose of hearing complaint 2008.27-04, concerning Gregory William Schwartz, CPA license R2781. The Board heard a report from Attorney Onetta Whitley providing recommendation based on documentation and evidence received. After consideration and upon motion by Rick Elam with second from Jim Burkes, the Board unanimously voted to allow the respondent to cancel his license and approved an "Order of Remand to the File" for execution by the Trial Board President Willie Sims. The Trial Board order will be placed in the individual's file noting the noncompliance and remanded for future action if he applies to the Board for reinstatement. Votes were - For: Willie Sims, Rick Elam, Shelly Boone, Jim Burkes, David Miller; Against: None; Absent: Jean Shepherd; and Recused: David Clarke.
7. The Board continued as Trial Board for the purpose of hearing complaint 2008.27-05, concerning Kimberly Cassidy Shearer, CPA license 5498. The Board received a written request from the Ms. Shearer to appear before the Trial Board hearing via telephone. After consideration and upon motion by Jim Burkes with second from Rick Elam, the Board denied the request for her attendance by telephone but unanimously voted to permit continuance of the hearing related to the complaint until the next Board meeting to be held at the Board office, December 12, 2008. Votes were - For: Willie Sims, Rick Elam, Shelly Boone, Jim Burkes, David Miller; Against: None; Absent: Jean Shepherd; and Recused: David Clarke.
8. The Trial Board heard a report from Attorney Onetta Whitley providing a recommendation to continue all other open complaints related to alleged noncompliance with Board Rules and Regulations concerning CPE requirements for the period ended June 30, 2008, that are not resolved or that respondents have not responded to the Notice of Hearing and Complaints. Upon motion by Jim Burkes with second from Rick Elam, the Board unanimously voted to permit continuance of the hearings related to the complaints until the next Board meeting to be held at the Board office, December 12, 2008, and to notify the respondents or same. Votes were - For: Willie Sims, Rick Elam, Shelly Boone, Jim Burkes, David Miller; Against: None; Absent: Jean Shepherd; and Recused: David Clarke.
9. Upon conclusion of Trial Board business, the Board adjourned as Trial Board.

**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

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY  
RESOLUTION

November 14, 2008

WHEREAS, Diane S. Day, CPA, served as a member of the Mississippi State Board of Public Accountancy an additional ten months during 2008 after serving the preceding five year term. She served this Board, the citizens of Mississippi, and the accounting profession with dedication and distinction; and

WHEREAS, she served diligently providing extraordinary insight and direction on the National Regulatory Concerns Committee; and

WHEREAS, significant matters requiring leadership and professional direction came before this Board; and

WHEREAS, the results of her devotion and of her achievements will be accepted and remembered as exemplary in the annals of public accountancy.

THEREFORE, BE IT RESOLVED, in recognition of Diane S. Day's contributions to the Mississippi State Board of Public Accountancy, this resolution is adopted and spread upon the minutes for all to see.

RESOLVED, this November 14, 2008.

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Chair

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Board Member

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Vice Chair

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Board Member

\_\_\_\_\_  
Secretary

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Board Member

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Board Member

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY  
RESOLUTION

November 14, 2008

WHEREAS, Angela L. Pannell, CPA, served as a member of the Mississippi State Board of Public Accountancy an additional ten months during 2008 after serving the preceding five year term. She served this Board, the citizens of Mississippi, and the accounting profession with dedication and distinction; and

WHEREAS, she served diligently providing extraordinary insight and direction as the Chair, CPA Examination, Licensing, and Firms Committee; and

WHEREAS, significant matters requiring leadership and professional direction came before this Board; and

WHEREAS, the results of her devotion and of her achievements will be accepted and remembered as exemplary in the annals of public accountancy.

THEREFORE, BE IT RESOLVED, in recognition of Angela L. Pannell's contributions to the Mississippi State Board of Public Accountancy, this resolution is adopted and spread upon the minutes for all to see.

RESOLVED, this November 14, 2008.

\_\_\_\_\_  
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