

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
May 31, 2019**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on May 31, 2019, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Willie Sims, Jr., Chair
Rick Elam, Vice Chair
David Bridgers, Secretary
Mark Peach
William Kelly
Charles Prince

Board Member Absent

Angela Pannell

Board Staff Present

Andy Wright, Executive Director
Sharee Brewer, Associate Director, Investigations
Lane McNeal, Administrative Assistant

Legal Counsel Present

Onetta Whitley, Deputy Attorney General
Bridgett Wiggins, Hearing Officer

Others Present

Ed Jones, MSCPA Representative
Court Reporter

I. General

1. The Board opened the meeting with an invocation from Ed Jones.
2. The minutes from the April, 2019 meeting were unanimously approved.
3. The CPA certificates of licensure from the April, 2019 meeting were signed by the Board members.
4. The Board determined who will attend the NASBA Regionals and the MSCPA Convention for registration purposes.

I. General (Continued)

- 5. Board Members were reminded that the Ethics Commission Statement of Economic Interest is due April 30, 2019.

- 6. The Board reviewed tentative meeting/activity dates for 2019:

June 11-13	NASBA Eastern Regional, Washington, DC
June 18-20	NASBA Western Regional, Salt Lake City, UT
June 20-23	MSCPA Annual Convention, Destin, FL
August 2	8:30 a.m. Board Meeting
September 20	8:30 a.m. Board Meeting
October 27-30	NASBA Annual Meeting, Boston, MA
November 1	10:00 a.m. Board Meeting
November 2	New CPA Ceremony
December 6	8:30 a.m. Board Meeting

II. National Regulatory Concerns

- 1. The NASBA *State Board Report* for April 2019 was discussed.

- 2. Focus Question Responses were reviewed and discussed.

- 3. The Board noted Texas adopted complete CPA Firm Mobility.

- 4. NASBA April B.O.D. Meeting Highlights were discussed.

III. Administration

- 1. The MSBPA Balance Sheets, Funds 3845 and 3850, as of April 30, 2019 were reviewed.

- 2. The FY 2019 Budget to Actual Comparison – Fund 3845, for the ten months ended April, 2019 was reviewed.

- 3. The Statement of Revenues and Expenditures, Fund 3845 for the ten months ended April 30, 2019 was reviewed.

- 4. Additional per diem days were approved.

IV. CPA Examination, Licensing & Firms

1. The Board noted staff approval of 76 candidate applications (18 initial, 58 reexam) for 119 Sections of the computerized CPA examination received since the April 26, 2019 meeting.
2. The Board considered and approved two special requests by candidate numbers 14884, 14890 all related to good moral character.
3. The following actions on applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits were unanimously approved by the Board unless otherwise noted:

Applications for Original CPA License

Name	Number	Action
Eugene Marshall Acklin	7761	Approved
Laura Lynn Brumfield	7762	Approved
Mallory Elizabeth Carcich	7763	Approved
Steven William Eilders	7764	Approved
Peyton Puckett Gordon	7765	Approved
Jasmine J. Johnson	7766	Approved
Grace Allison Lunardini	7767	Approved
Bailey Wright Posadas	7768	Approved
David Tyler Pray	7769	Approved
Hayden Laurell Scott	7770	Approved

Applications for Reciprocal CPA License

Name	Number	Action
LeeAnn Watts Bonney	R7771	Approved
Edwin Alan Casteel	R7772	Approved
Andrew Rickman Fairley	R7773	Approved
Robert Bernard Guerriero, Jr.	R7774	Approved
Robert Ashley Knight	R7775	Approved
James Christian Lamb	R7776	Approved
William Grant Lander	R7777	Approved
Collin Monroe Mascagni	R7778	Approved
Michelle Miller Smith	R7779	Approved
Karan Lorraine Van Hersh	R7780	Approved
Stephen Harold Woods	R7781	Approved
Kimberly Denise Young	R7782	Approved

IV. CPA Examination, Licensing & Firms (continued)

4. Applications (continued)

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Bivins & Baird, CPAs, PLLC	Jackson, MS	7758	Approved
Drake Certified Public Accountants, PC	Horton, MI	7759	Approved
Stegall & Associates, PLLC	Pontotoc, MS	7760	Approved

Amendments to Registered Firms

No.	Name	City, State	Change
F1341	Brooks CPA Firm, PC	Pearl, MS	Address Change
F0356	Harmon CPA, PLLC	Brandon, MS	Organization Change
F0706	Tarver Tarver Kirby & Jackson, LLC	Greenville, MS	Organization Change

Application for Reinstatement of a CPA Firm Permit to Practice

Number	Name	City, State	Action
7031	Alvin G. Damron, CPA	Olive Branch, MS	Approved
F0357	Harold Hodges & Company, PA	Tupelo, MS	Approved
F1047	Palazzo & Co., CPA	Gulfport, MS	Approved
F1671	C.P. Smith & Associates, PLLC	Jackson, MS	Approved
7447	Julie Thompson, CPA	Southaven, MS	Approved

5. The Board considered and approved two CPE Waiver Requests for license numbers 3806 and 4763.

V. Continuing Professional Education

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

Sponsor/Title	Dates	Hours	Action
AFWA – Jackson Chapter 1. The Economy and What It Means For Your (and Your Clients) Investments	3/5/2019	1	Approved
Beta Alpha Psi, School of Accountancy, USM 1. Accounting and Auditing Update/Ethics, Rules and Regulations	5/16-17/2019	8 including 4 Ethics (3 General 1 Rules)	Approved
CPE Solutions 1. Ethics for Mississippi CPAs	Online Self Study	4 Ethics (3 General 1 Rules)	Approved
CPE Depot 1. Ethics for Mississippi CPAs	Online Self Study	4 Ethics (3 General 1 Rules)	Approved
Estate Planning Council of MS 1. Market Update and Outlook	1/8/2019	1	Approved
2. Succession Planning: Navigating a Different Way to View Health	2/12/2019	1	Approved
3. High Net Worth Divorce	3/12/2019	1	Approved
4. Charitable Update	5/14/2019	1	Approved
Gleim Publications, Inc. 1. AICPA Code of Professional Conduct	Online Self Study	4 General Ethics	Approved
Harper Rains Knight & Company, P.A. 1. Compliance and Risk Management 2019 Update	5/29-31/2019	24	Approved
Hood Industries 1. Becoming More Effective Leaders (Personal Development)	2/21-22/19 3/21-22/19 4/8-9/19	20	Approved
Kaplan Financial Education powered by SmartPros 1. Ethics for Mississippi	Online Self Study	4 Ethics (3 General 1 Rules)	Approved
May & Company 1. Asset Sales and Trades	5/16/19	1	Approved
Nail McKinney Professional Association 1. Documenting Your EBP Audit: What You Need To Know	5/10/2019	8	Approved
WebCE Inc. 1. Personal and Professional Ethics for Mississippi CPAs	Online Self Study	4 Ethics (3 General 1 Rules)	Approved

V. Continuing Professional Education

2. The Board members present unanimously authorized the following actions concerning CPE request from individuals.

Sponsor/Title	Dates	Hours	Action
LexisNexis Publishing 1. Bender's 2019 Payroll Tax Guide (Chapters 5, 6 and 9)	Published Book	18	Approved
2. Employee Compensation and Benefits Tax Guide 2019 (Chapters 6-8, 11-13 and 15) <i>Requested by Bob Kilpatrick</i>	Published Book	20	Approved

3. The Exposure Draft Summary for CPE Standard Changes was discussed.

VI. Rules and Regulations

1. The Board discussed the MSBPA rules changes pending before the OLRC.
2. The Board heard from Harold Pizzetta, Attorney General's office, the use of other accounting credentials from a legal perspective.

VII. Regulatory Matters

1. The Board heard a report from Associate Director Sharee Brewer regarding the regulatory activities from April 27, 2019 to May 31, 2019:

Activity	Number
Cases Opened Beginning of Period	28
Cases Opened	6
Cases Closed ①	4
Cases Open End of Period	30
Open Cases Referred to Members	0

① *Cases Closed:*

Case 2018.129 Case opened to investigate complaint from a former client against a CPA Firm for refusal to provide records to him regarding financial activity from a joint venture the former client claimed to have once been part owner of. CPA Firm documented that the former client was not an owner in the joint venture and he was not in violation of Board rules for not turning requested records over. CPA Firm legal counsel provided documentation that firm had been advised to not turn records over without a subpoena from the court because the property did not have the Complainant listed as an owner. Complainant has not returned any further contact from the Investigator. Matter was closed.

Case 2019.14 Case opened to investigate a potential CPA Firm practicing public accounting without a firm permit. Investigation determined the CPA was an attorney and was practicing tax law. It has been the practice of the Board to exempt attorneys from having to have a firm permit in order to provide income tax services if they are a CPA. Matter was closed.

Case 2019.21 Case opened to investigate a former licensee of the Board who had recently had license suspended but had an advertisement in the newspaper still reflecting his firm as a CPA Firm. Statement provided by the former licensee from the newspaper that the advertisement was not cleared with the firm and had just been continued under contract. Newspaper has since received edited advertisement that does not violate rules in place under suspension. Matter was closed.

Case 2019.25 Case opened to investigate complaint from a former client against a CPA Firm for refusal to turn client records over to client when client sought new CPA Firm. Respondent CPA Firm remitted records at our request and provided signed receipt from client to investigator. Matter was closed.

2. Ms. Brewer then discussed the open cases presented on the active case log.

VIII. Trial Board

The Board convened as the Trial Board for the purpose of considering matters related to disciplinary cases. Willie Sims, Trial Board President, was the presiding officer.

At 9:25 AM, the Trial Board commenced a hearing of complaint in case **2018.03**, concerning the Respondent, Quinn A. Rigby, CPA d/b/a Quinn A. Rigby CPA, PLLC, individual license 6198 and CPA firm permit F1532. Onetta Whitley, Deputy Attorney General, was the presenting attorney. Bridgette Wiggins, Special Assistant Attorney General, was the hearing officer. Mr. Rigby was present at the hearing and was represented by attorney Jason Purvis of Purvis and Co., PLLC.

The complaint alleges the respondent gave three false statements to the Board for the purposes of renewing a license and performing the practice of public accounting without a firm permit issued by the Board. Specifically, the 2016 and 2017 firm permit renewal applications reflected the firm had not performed any work subject to the peer review program when the respondent's firm had completed four (4) reviews during the applicable previous periods. Also, the 2017-2018 individual license renewal application reflected that the individual had not performed any work subject to peer review when the respondent's firm had completed one (1) review in the applicable previous period. Additionally, the respondent did not have an active firm permit on file with the Board between January 1, 2017 and September 7, 2018 when the licensee was practicing public accounting. These allegations together supported the charges made in the complaint that the Respondent gave three false statements to the Board for the purpose of renewing licenses and performed the practice of public accounting without a firm permit.

The Trial Board members heard statements from both Onetta Whitley, Board attorney and Jason Purvis, the Respondent attorney as well as testimony from sworn witness, Sharee Brewer, Board Associate Director and Investigator. The Board attorney entered documents into evidence. The documents included a report listing engagements completed by the Respondent, an email from the Respondent and a report from the State Board of Contractors which reflected the five (5) reviews performed by the licensee. The Board attorney also entered the applicable individual license and firm permit renewal applications to support the charges noted above and took testimony from the Investigator about the lack of a firm permit for the one period in question.

Respondent's attorney questioned the Investigator and Board members questioned the Investigator and Respondent.

After hearing closing arguments from the Board attorney and Respondent's attorney, the Board, upon a motion by Rick Elam with second by Mark Peach, then proposed to close the meeting for the limited purpose of considering whether or not they had a proper subject matter to go into Executive Session. Investigating Board member David Bridgers was recused. The Board then unanimously voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of a disciplinary matter. Accordingly, upon motion by Rick Elam with second from Mark Peach, the Board then 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 Mark Peach with second from Rick Elam, the Board found based upon clear and convincing evidence that the Respondent violated Board Rules as charged in the complaint; the Respondent shall be assessed a civil penalty of \$4,000.00, plus all costs of the hearing. Votes were - For: Mark Peach, Willie Sims, Rick Elam, William Kelly and Charles Prince; Against: None; and Recused: David Bridgers.

Upon the conclusion of this business, the Board upon motion by Mark Peach with second from Charles Prince 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 above actions and votes it had taken in Executive Session. This concluded the hearing of Complaint **2018.03**.

At 10:15 AM, the Trial Board commenced a hearing of complaint in case **2018.78**, concerning the Respondent, Andrew C. Copeland, CPA d/b/a Andrew Copeland, CPA, individual license 4830 and CPA firm permit F1617. Onetta Whitley, Deputy Attorney General, was the presenting attorney. Bridgette Wiggins, Special Assistant Attorney General, was the hearing officer. Mr. Copeland was present at the hearing and brought no attorney.

The complaint alleges the respondent failed to comply with the Compliance Assurance Program and gave multiple false statements to the Board for the purpose of renewing

licenses. Specifically, the 2016 - 2017 individual license and 2017 firm permit renewal applications reflected the individual and firm had not performed any work subject to the peer review program when the respondent's firm had completed one (1) review during the applicable previous period. Also, the 2017 - 2018 individual license and 2018 firm permit renewal applications reflected the individual and firm had not performed any work subject to the peer review program when the respondent's firm had completed two (2) reviews in the applicable previous period. Additionally, the 2019 firm permit renewal application reflected the firm had not performed any work subject to the peer review program when the respondent's firm had completed two (2) reviews in the applicable previous period. An additional false statement was alleged with this 2019 firm permit renewal because the respondent stated that the firm was enrolled in peer review with the MSCPA when documentation was obtained that disclosed the firm was not. These allegations together supported a charge that the respondent firm had failed to comply with the Compliance Assurance Program and gave multiple false statements to the Board for the purpose of renewing licenses.

The Trial Board members heard statements from both Onetta Whitley, Board attorney and Andrew Copeland, the Respondent and testimony from sworn witness, Sharee Brewer, Board Associate Director and Investigator. The Board attorney entered documents into evidence. The documents included a report listing engagements completed by the Respondent and a report from the State Board of Contractors which reflected the five (5) reviews performed by the licensee. The Board attorney also entered the applicable individual license and firm permit renewal applications to support the charges noted above. Board members questioned the Investigator and Respondent.

After hearing closing arguments from the Board attorney and Respondent, the Board, upon a motion by Charles Prince with second by Bill Kelly, then proposed to close the meeting for the limited purpose of considering whether or not they had a proper subject matter to go into Executive Session. Investigating Board member Mark Peach was recused. The Board then unanimously voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of a disciplinary matter. Accordingly, upon motion by Charles Prince with second from Bill Kelly, the Board then 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.

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Within the Executive Session, the Board took the following actions: Upon motion by Bill Kelly with second from David Bridgers, the Board found based upon clear and convincing evidence that the Respondent violated Board Rules as charged in the complaint; the Respondent shall be assessed a civil penalty of \$8,000.00, plus all costs of the hearing. Votes were - For: David Bridgers, Willie Sims, Rick Elam, William Kelly and Charles Prince; Against: None; and Recused: Mark Peach.

Upon the conclusion of this business, the Board upon motion by Charles Prince with second from Rick Elam 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 above actions and votes it had taken in Executive Session. This concluded the hearing of Complaint **2018.78**.

The Board then approved a Consent Order in Case **2019.02** involving a licensee charged with violations of the Board's Rules of Professional Conduct including the rule which prohibits acts discreditable to the accounting profession. Licensee was indicted on multiple charges of embezzlement from their employer and entered into a pre-trial diversion agreement. Consent order calls for revocation of their individual license and firm permit as well as a \$750 civil penalty, plus cost recovery of \$250. (Elam Investigative Committee)

The Board then approved a Stipulation and Consent Order in Case **2019.07** involving a firm that made one false statement for the renewal of a license. Investigation yielded one review report for the State Board of Contractors which was undeclared on the firm permit renewal. Order requires an accelerated peer review and a \$500 civil penalty. Firm has documented enrollment in the MSCPA peer review program. The firm fully cooperated with the investigation. (Kelly Investigative Committee)

The Board then approved a Stipulation and Consent Order in Case **2019.03** involving a firm with a fail rating on compilation engagements in a peer review report. The firm fully cooperated with the investigation and peer review program. The order requires the firm to schedule an accelerated peer review with a date acceptable to the Board if they become engaged to perform reviews or audits of financial statements in the future. (Prince Investigative Committee)

The Board meeting was then adjourned.

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APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member