

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
MINUTES
September 20, 2019**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi on September 20, 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 Members 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

Josh Norris, MSCPA Representative
Karen Moody, President, MSCPA
Court Reporter

I. General

1. The Board opened the meeting with an invocation from Charles Prince.
2. The minutes from the August, 2019 meeting were approved.
3. The CPA certificates of licensure from the August, 2019 meeting were signed by the Board members.
4. The Board noted that Jimmy Burkes will be the keynote speaker for the November 2019 CPA Ceremony.

I. General (Continued)

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

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 August 2019 was discussed.
2. The “Evolution of CPA” with was discussed.
3. The Regulatory Models Survey was reviewed.
4. The shift in accounting firm hiring was discussed.
5. The Regional Directors’ Focus Questions were discussed.
6. The July NASBA Board of Directors Meeting highlights were discussed.

III. Administration

1. The MSBPA Balance Sheets, Funds 3845 and 3850, as of August 31, 2019 were reviewed.
2. The FY 2020 Budget to Actual Comparison – Fund 3845, for the two months ended August, 2019 was reviewed.
3. The Statement of Revenues and Expenditures, Fund 3845 for the two months ended August, 2019 was reviewed.
4. Additional per diem days were approved.

IV. CPA Examination, Licensing & Firms

1. The Board noted staff approval of 104 candidate applications (24 initial, 80 reexam) for 139 Sections of the computerized CPA examination received since the August 2, 2019 meeting.
2. 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
Nina Elise Bellipanni	7826	Approved
Vann Robert Berry	7827	Approved
John Brandon, II	7828	Approved
Jack Davis Butts	7829	Approved
Moises Guevara Espinal	7830	Approved
Alexis Claudia Kercheval	7831	Approved
Laura M. Law	7832	Approved
Joshua Tanner Menist	7833	Approved
Robert Pickering Montgomery	7834	Approved
Christa Alexander Owen	7835	Approved
Sloan Kyle Session	7836	Approved
Jessica L. Sullivan	7837	Approved
Lorretta Denise Williams	7838	Approved

Applications for Reciprocal CPA License

Name	Number	Action
Roy Lee Austin	R7839	Approved
Sharon McCullers Ezell	R7840	Approved
Patrick Michael Fox	R7841	Approved
Matthew P. Grice	R7842	Approved
JoAnne J. Ivy	R7843	Approved
Chelsea S. Wildman	R7844	Approved

IV. CPA Examination, Licensing & Firms (continued)

4. Applications (continued)

Applications for Reinstatement of CPA License

Name	Number	Action
Emily P. Ford	R7535	Approved
Sherman Lamar Pounds	4428	Approved

Applications for CPA Firm Permit to Practice

Name	City, State	Number	Action
Goldman & Company, CPAs PC	Marietta, GA	7822	Approved
Mitchell & Titus LLP	New York, NY	7823	Approved
Jan Palfreyman CPA LLC	Gulfport, MS	7824	Approved
Schellman & Company, LLC	Tampa, FL	7825	Approved

5. The Board members present took the following actions to approve requests for 2019 CPE extensions that include deficit and penalty hours:

Name	Number	Total Hours	Extension Date
Arnold Himelstein	1290	24	9/30/19
Max Loper	1206	6	9/30/19
Michael Weeks	5456	3	9/30/19

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
Alexander Van Loon Sloan Levens & Favre 1.20 th Annual Tax Update	11/1/19	8	Approved
Donna Ingram 1.Ethics and the CPA	Various	4 Ethics (3 General 1 Rules)	Approved
Nail McKinney Professional Association 1.2019 Accounting and Auditing Update	8/22/19	8	Approved
Silas Simmons, LLP 1.Annual A&A Update	9/19/19	8	Approved
Tulane University 1.68 th Tulane Tax Institute	11/20-22/19	22.5 including 2.4 General Ethics	Approved

VI. Rules and Regulations

1. The Board discussed possible future Rules or Statutes changes.

VII. Regulatory Matters

1. The Board heard a report from Associate Director Sharee Brewer regarding the regulatory activities from August 3, 2019 to September 20, 2019:

Activity	Number
Cases Opened Beginning of Period	32
Cases Opened	138
Cases Closed ①	11
Cases Open End of Period	159
Open Cases Referred to Members	6

① *Cases Closed:*

VII. Regulatory Matters (continued)**Closed Cases (continued)**

Case 2018.08 Case opened when firm dropped from AICPA Peer Review Program. Firm permit and individual license of 100% owner had lapsed. Multiple attempts to reach. Owner eventually requested reinstatement of license and firm permit and complied with investigation. Owner reported that no work was performed subject to peer review during the period applicable to enrollment. Matter was closed.

Case 2019.13 Case opened when learned a licensee was working for a non-qualified firm. Investigation had licensee obtain a firm permit and to follow Rule 3.1.9. Firm permit obtained at August 2, 2019 Board meeting. Matter was closed.

Case 2019.30 Case opened when an advertisement was noted in a magazine for a CPA known to be on retired status to perform work meeting the definition of the practice of public accounting. Investigation explained to licensee that the only options available to retired CPAs were to not perform that type of work or cancel the license. The licensee chose to cancel the license. Matter was closed.

Case 2019.31 Case opened when an advertisement was noted online of a non-licensee reporting to be a CMA. Discussion among Board members and advice from legal counsel determined that our Board Rule 1.2.1 was not enforceable against a non-licensee of the Board. Matter was closed.

Case 2019.35 Case opened upon learning of a potential false statement on a firm permit renewal. Investigation disclosed that there was no false statement but did expose a potential loophole in the public accountancy statute for future Board consideration. Matter was closed.

Case 2019.42 – 2019.47 Cases opened after a crosscheck was run of certain data available in LARS indicating individual licensees were perhaps performing the practice of public accounting without a firm permit. All licensees obtained firm permits. Matters were closed.

2. Ms. Brewer then discussed the open cases presented on the active case log.
3. The Board heard an update on 2019 CPE reporting deficiencies including requests for waiver of financial penalty received from Seheon Oh (\$100), Ronnie Ashby (\$250), Amanda Suber (\$250), Matthew Glover (\$250), and Fred Page (\$250). The Board denied the requests for any financial penalty waiver.
4. The Board denied a request for a waiver of peer review.

VII. Regulatory Matters (continued)

5. The Board considered their interpretation of the definition of “practice of public accounting” relevant to an individual licensee needing a firm permit and determined it was not required under the circumstances of a licensee operating a student tutoring business.
6. The Board agreed to have legal counsel pursue an injunction against an individual who had prepared a review report for the State Board of Contractors wherein they claimed to be a CPA and they were not.
7. The Board discussed pursuing a change in law to include SOC1 engagements in the requirement to obtain a firm permit for out of state firms.
8. A request from suspended licensee to reconsider Board order was approved. Board voted to lift suspension after one year.
9. Proposed summary of “Enforcement Actions” for website was given to the Board.
10. A proposed new PROC member was noted by the Board.

VIII. Trial Board

Trial Board Hearing Continuance:

Presentation of Order granting motion for Continuance to December Meeting for a Show Cause Hearing in matter involving **File Number 11822** Request for Board to reverse denial of applicant to sit for CPA exam

Trial Board Hearing:

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

At 9:00 AM, the Trial Board commenced a hearing of complaint in case **2019.06**, concerning the Respondent, Nathan I. Prager, CPA d/b/a Nathan I. Prager CPA (Firm), individual license R3609 and CPA firm permit F1574. Onetta Whitley, Deputy Attorney General, was the presenting attorney. Bridgette Wiggins, Special Assistant Attorney General, was the hearing officer. Mr. Prager was present at the hearing.

VIII. Trial Board (continued)

The complaint alleges the respondent gave three false statements to the Board for the purposes of renewing licenses and failing to comply with the Board's Compliance Assurance Program (peer review). Specifically, the 2017, 2018, and 2019 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 eight (8) reviews during the applicable previous periods. Also, the 2016-2017, 2017-2018, and 2018-2019 individual license renewal application reflected that the individual had not performed any work subject to peer review when the respondent's firm had completed eight (8) reviews in the applicable previous period. 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 failed to comply with the Board's Compliance Assurance Program (peer review).

The Trial Board members heard statements from Onetta Whitley, Board attorney and Licensee Mr. Prager. Although Sharee Brewer, Board Associate Director and Investigator was sworn in to testify, that became unnecessary when the licensee used his opening statement to say to the Board that he did not dispute the charges. In order to fully document the case however, the Board attorney entered documents into evidence. The documents included a report listing engagements completed by the Respondent which reflected the eight (8) 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. Ms. Whitley did not seek testimony from Ms. Brewer as the licensee stated in his opening statement. Ms. Whitley tendered the Licensee to the Board for any questions they had.

After hearing closing statements from the Board attorney and Licensee, the Board 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, 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.

VIII. Trial Board (continued)

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: Rick Elam, William Kelly, Mark Peach, Charles Prince, and Willie Sims; Against: None; and Recused: David Bridgers.

Upon the conclusion of this business, the Board upon motion by Mark Peach with second from Bill Kelly 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 **2019.06**.

APPROVED:

Chair

Board Member

Vice Chair

Board Member

Secretary

Board Member

Board Member