

Alabama State Board of Public Accountancy
Minutes of Board Meeting
May 8, 2015

I. Date, Place and Attendance of Meeting:

A regular meeting of the Alabama State Board of Public Accountancy was held on Friday, May 8, 2015, in the office of the Board located in Montgomery, Alabama at 10:00 a.m.

Board Members Present: Mr. Steven M. Barranco, CPA
Mr. Michael Terry Comer, PA
Ms. Leighanne M. Faught, CPA
Mr. Steven H. Richards, CPA
Ms. Connie Sheppard-Harris, CPA
Mr. M. Chad Singletary, CPA

Board Members Absent: Mr. Neill S. Wright

A lawful quorum of the Board was present for the meeting.

Also present were Carol J. Preston, Acting Executive Director; D. Boyd Busby; Nicole T. Robinson, CPE Administrator; William D. Little, Assistant Attorney General; and Jeannine P. Birmingham, President and CEO of the Alabama Society of CPAs.

Sufficient prior notice of the meeting had been given as required by the Alabama Open Meetings Act.

II. Call to Order:

The meeting was called to order by Steven H. Richards, CPA, Chair.

III. Approval of Agenda:

Mr. Singletary made a motion to approve the agenda as presented for the May 8, 2015 meeting. Mr. Barranco seconded and the motion carried unanimously.

IV. Approval of Minutes:

Ms. Faught made a motion to approve the minutes of the March 20, 2015 meeting. Mr. Barranco seconded and the motion carried unanimously.

V. Executive Director Update:

Mr. Richards updated the Board on negotiations made with D. Boyd Busby for the position of Executive Director. Mr. Richards informed the Board that he and Mr. Singletary had met with Mr. Busby after the March 20, 2015 meeting to negotiate a compensation and benefits package. After meeting with Mr. Busby, Mr. Richards updated the Board by e-mail and submitted a letter to Mr. Busby with an offer that was contingent upon a successful background check. Mr. Richards

informed the Board that the background check came back clean and that Mr. Busby would start his position as Executive Director on Monday, May 11, 2015.

VI. Disciplinary Hearings on Licensees with Delinquent Peer Reviews as of December 31, 2013:

Ms. Kathy Brown, Esq., Governmental Hearing Officer served as hearing officer and presided over the disciplinary hearings for Ira H. Patrick, CPA, James H. Corbin Jr., CPA, Peggy R. Wall, CPA, and Robert R. Brogdon, CPA. Mr. Patrick and Ms. Wall did not attend the hearing and it was conducted in their absence. Present for the hearing were Mr. Corbin and Mr. Brogdon. At the conclusion of the hearing, Mr. Barranco made a motion to go into executive session to consider discipline for these four licensees with delinquent Peer Reviews. Mr. Comer seconded. Mr. Singletary made an amendment to the motion to allow Ms. Birmingham to remain, and the amended motion carried on a roll call vote. Voting in favor of the amended motion were Messrs. Barranco, Comer, Richards, Singletary, Mses. Faught and Sheppard-Harris. Everyone except qualified Board members and Ms. Birmingham was excused at 10:48 a.m. with an estimated time to reconvene at 11:15 a.m. The Board deliberated in executive session. At 11:12 a.m. after deliberation, Mr. Richards called the meeting back to order and called for separate motions for Mr. Patrick, Mr. Corbin, Ms. Wall, and Mr. Brogdon.

Mr. Singletary made a motion that the Board find Mr. Ira H. Patrick, CPA doing business as Ira H. Patrick CPA in noncompliance of the Peer Review Program requirements established by the Board and that this act constitutes a failure to satisfy the Peer Review Program requirements of the Board and constitutes a violation of the rules of professional conduct established by the Board. He further moved that Mr. Ira H. Patrick, CPA be fined \$2,000.00 and that his CPA Certificate No. 2252 and permit to practice be revoked and that the revoked certificate and permit to practice be returned to the Board Office within 30 days of this date. Mr. Comer seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Comer, Richards, Singletary, Mses. Faught and Sheppard-Harris.

Mr. Barranco made a motion that the Board find Mr. James H. Corbin, Jr., CPA doing business as James H. Corbin, Jr. CPA in noncompliance of the Peer Review Program requirements established by the Board and that this act constitutes a failure to satisfy the Peer Review Program requirements of the Board and constitutes a violation of the rules of professional conduct established by the Board. He further moved that Mr. James H. Corbin, Jr., CPA be fined \$2,000.00 and that his CPA Certificate No. 783 and permit to practice be revoked and that the revoked certificate and permit to practice be returned to the Board Office within 30 days of this date. Mr. Singletary seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Comer, Richards, Singletary, Mses. Faught and Sheppard-Harris. Mr. Richards informed Mr. Corbin that he could request to be reinstated upon resolution of his Peer Review. Mr. Richards further warned Mr. Corbin that he would not be able to hold himself out as a CPA or be able to perform services that are restricted to just those with a CPA license and permit to practice.

Ms. Sheppard-Harris made a motion that the Board find Ms. Peggy R. Wall, CPA doing business as Peggy R. Wall, CPA, Inc. in noncompliance of the Peer Review Program requirements established by the Board and that this act constitutes a failure to satisfy the Peer Review Program requirements of the Board and constitutes a violation of the rules of professional conduct established by the Board. She further moved that Ms. Peggy R. Wall, CPA be fined \$2,000.00 and that her CPA Certificate No. 6264 and permit to practice be revoked and that the revoked certificate and permit to practice be returned to the Board Office within 30 days of this date. Mr.

Barranco seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Richards, Singletary, Ms. Faught and Sheppard-Harris. Mr. Comer abstained from voting.

Ms. Faught made a motion that the Board find Mr. Robert R. Brogdon, CPA doing business as Bob Brogdon & Associates, LLC in noncompliance of the Peer Review Program requirements established by the Board and that this act constitutes a failure to satisfy the Peer Review Program requirements of the Board and constitutes a violation of the rules of professional conduct established by the Board. She further moved that Mr. Robert R. Brogdon, CPA be fined \$2,000.00 and that his CPA Certificate No. 1716 be revoked and that the revoked certificate be returned to the Board Office within 30 days of this date. Mr. Singletary seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Comer, Richards, Singletary, Ms. Faught and Sheppard-Harris. Mr. Richards informed Mr. Brogdon that he since he had no permit to practice with the Board, no permit to practice could be revoked. Mr. Richards warned Mr. Brogdon that he was to cease holding himself out as a CPA inappropriately and performing services that are restricted to just those with a CPA license and permit to practice. Mr. Richards further warned Mr. Brogdon that if he did not cease holding himself out as a CPA inappropriately, the Board would take action through the court system with an injunction. Mr. Richards informed Mr. Brogdon that he could request to be reinstated upon resolution of his Peer Review.

The Board Orders, Summons and Complaints and the transcript of the hearings are attached and become a part of these minutes.

FIRMS

<u>Case No.</u>	<u>Licensee</u>	<u>Certificate No.</u>	<u>Peer Review Due Date</u>
15R-61	Ira H. Patrick, CPA d/b/a Ira H. Patrick CPA	2252 Firm 190	July 31, 2013
15R-64	James H. Corbin, Jr., CPA d/b/a James H. Corbin, Jr., CPA	783 Firm 580	September 30, 2013
15R-67	Peggy R. Wall, CPA d/b/a Peggy R. Wall, CPA, Inc.	6264 Firm 2017	July 31, 2013
15R-69	Robert R. Brogdon, CPA d/b/a Bob Brogdon & Associates, LLC	1716 Firm 2220	December 31, 2013

VII. Disciplinary Hearing – Case No. 15-1:

Ms. Kathy Brown, Esq., Governmental Hearing Officer served as hearing officer and presided over the disciplinary hearing for Mr. Walter Smith Grider, Jr., CPA (inactive). Mr. Grider attended the hearing, presented oral arguments on his own behalf and brought his own witness, Mr. Russell White. At the conclusion of the hearing, Mr. Barranco made a motion to go into Executive Session to consider discipline of Mr. Grider. Mr. Singletary seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Comer, Richards, Singletary, Ms.

Faught and Sheppard-Harris. Everyone except qualified Board members was excused at 11:40 a.m. with an estimated time of 15-20 minutes needed to discuss the matter, and then the Board deliberated in Executive Session. After deliberation, at 11:53 a.m., Mr. Richards called the meeting back to order and called for a motion in the matter. Ms. Faught made a motion that the Board take no action with respect to the complaints against Mr. Walter Smith Grider, Jr. She further moved that should Mr. Grider seek active status in the future, he submit the required application and information and that he appear before the Board to inform the Board of his progress in his struggle with addiction and substance abuse. Mr. Comer seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Comer, Richards, Singletary, Ms. Faught and Sheppard-Harris. The Board's Order, Summons and Complaint and the transcript of the hearing are attached and become a part of these minutes.

VIII. Request for Reinstatement – Joshua J. Cosker:

A letter from Joshua J. Cosker, CPA Certificate No. 10649 requesting reinstatement to inactive status was presented to the Board. His reinstatement request included all of the completed forms and fees that the Board had decided at their March 21, 1997 meeting would be necessary to gain favorable consideration for reinstatement. Mr. Cosker did not attend the hearing and it was conducted in his absence. Mr. Cosker's written request also included completed 2014-2015 Registration Form electing inactive status and a cashier's check in the amount of \$150.00. The cashier's check comprised the reinstatement fee of \$100.00 and the \$50.00 registration fee for the fiscal year 2014-2015. After discussion, Mr. Singletary made a motion to reinstate Mr. Cosker's CPA Certificate No. 10649 to inactive status, subject to all the required fees and fines levied by the Board being paid. Mr. Barranco seconded the motion and it carried unanimously on a roll call vote with Messrs. Barranco, Comer, Richards, Singletary, Ms. Faught and Sheppard-Harris voting in favor of the motion. Mr. Cosker paid all the required fees and fines levied by the Board along with his reinstatement request.

IX. Request for Reinstatement – Robert Bryan Thompson:

A letter from Robert Bryan Thompson, CPA Certificate No. 4000 requesting reinstatement to active status was presented to the Board. His reinstatement request included all of the completed forms and fees that the Board had decided at their March 21, 1997 meeting would be necessary to gain favorable consideration for reinstatement. Mr. Thompson did not attend the hearing and it was conducted in his absence. Mr. Thompson's written request also included CPE Certificates of Completion for the CPE he reported for the fiscal years ended September 30, 2013 and September 30, 2014, completed 2013-2014 and 2014-2015 Registration Forms and a cashier's check in the amount of \$6,400.00. The cashier's check comprised the Reinstatement Fee of \$100.00; the \$4,000.00 administrative fine levied in the Board Order; the \$75.00 personal registration fee for each of the fiscal years 2013-2014 and 2014-2015; the \$500.00 personal late renewal penalty for each of the fiscal years 2013-2014 and 2014-2015; the \$75.00 firm registration fee for each of the fiscal years 2013-2014 and 2014-2015; and the \$500.00 firm late renewal penalty for each of the fiscal years 2013-2014 and 2014-2015. After discussion, Mr. Singletary made a motion to reinstate Mr. Thompson's CPA Certificate No. 4000 to active status, subject to all the required fees and fines levied by the Board being paid. Ms. Faught seconded the motion and it carried unanimously on a roll call vote with Messrs. Barranco, Comer, Richards, Singletary, Ms. Faught and Sheppard-Harris voting in favor of the motion. Mr. Thompson paid all the required fees and fines levied by the Board along with his reinstatement request.

X. Current Affairs Update—Dan Dustin, Vice President, NASBA State Board Relations:

Mr. Dan Dustin, Vice President, NASBA State Board Relations presented a current affairs update.

XI. Approval of New CPA Certificates:

Mr. Singletary made a motion to approve new CPA Certificates No. 12457 through 12583-R. Mr. Barranco seconded and the motion carried unanimously.

XII. Approval of January – February 2015 CPA Examination Grades:

The Board was presented with the AICPA Advisory Grades for the January – February 2015 Uniform CPA Examination for review. After review, Mr. Barranco made a motion to approve the grades as released to candidates on March 6, 2015 and April 10, 2015. Mr. Comer seconded and the motion carried unanimously.

XIII. Alabama CPA Examination Statistics:

A statistical summary of the Alabama CPA Examination was presented to the Board. A brief discussion ensued but no action was taken.

XIV. New Certificates by Transfer of Grades:

A statistical summary of new certificates by transfer of grades was presented to the Board for review. A brief discussion ensued but no action was taken.

XV. FY 2014-2015 Delinquent Licensees Update:

A statistical summary of FY 2014-2015 delinquent licensees was presented to the Board. A brief discussion ensued but no action was taken.

XVI. Peer Review Delinquencies at December 31, 2013 Update:

A statistical summary of Peer Reviews as of December 31, 2013 was presented to the Board. A brief discussion ensued but no action was taken.

XVII. Peer Review Delinquencies at December 31, 2014 Update:

A statistical summary of Peer Reviews as of December 31, 2014 was presented to the Board. A brief discussion ensued but no action was taken.

XVIII. Complaints Update:

A complaints summary for FY 2009-2010 through 2014-2015 was presented to the Board. A brief discussion ensued but no action was taken.

XIX. Licensees Count:

A statistical summary of the number of Board licensees by category as of May 8, 2015 was presented to the Board. A brief discussion ensued but no action was taken.

XX. Report from 120/150 Hour Task Force:

Ms. Birmingham updated the Board on the status of the 120/150 Hour Task Force legislation by informing the Board that the SB118 version of the bill passed in its original form without any amendments and was enrolled on May 7, 2015.

XXI. Legislation Update:

A pending legislation document was presented to the Board concerning bills of interest to the Board Operations in the 2015 Regular Session of the Legislature as of May 8, 2015. Pages one and two of the document are a bill status listing and pages three through five provide a brief content review of the bills of interest. A copy of the pending legislation document is attached and becomes a part of these minutes.

XXII. Other Business:

(a) NASBA Regional Directors' Focus Questions:

The Board was presented with the Regional Directors' Focus Questions for review. A discussion ensued but no action was taken.


(b) Approval of Proposed Personnel Action:

The Board was presented with proposed personnel actions that would abolish the Chief Operating Officer position (promotion of incumbent), create a Deputy Executive Director position (new position to be filled by promotion), and revise the Board's Compensation Plan to make necessary adjustments and to implement the position changes described above. Mr. Comer made a motion that effective on May 11, 2015 the Board abolish the Chief Operating Officer position, create a Deputy Executive Director position and adopt the proposed Compensation Plan presented to implement the proposed personnel actions described herein. Ms. Faught seconded and the motion carried unanimously. Voting in favor of the motion were Messrs. Barranco, Comer, Richards, Singletary, Mses. Faught and Sheppard-Harris. Mr. Singletary made a motion for the Board to recommend to the Executive Director that Step 5 of the newly adopted Compensation Plan be considered for the new position. Mr. Barranco seconded and the motion carried unanimously. Voting in favor of the motion were Messrs. Barranco, Comer, Richards, Singletary, Mses. Faught and Sheppard-Harris.

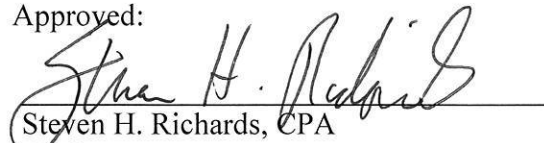
XXIII. Adjournment of Meeting:

The next meeting of the Board is scheduled for Friday, September 18, 2015 at 10:00 a.m. in the office of the Board. There being no further business to come before the Board, Mr. Singletary made a motion to adjourn. Ms. Faught seconded and the motion carried unanimously. The meeting adjourned at 1:40 p.m.

Respectfully Submitted:


Michael Terry Comer, CPA
Secretary

Approved:


Steven H. Richards, CPA
Chair