

**Alabama State Board of Public Accountancy
Minutes of Board Meeting
September 18, 2017**

1. Date, Place and Attendance of Meeting:

A regular meeting of the Alabama State Board of Public Accountancy was held on Monday, September 18, 2017 at Troy University Trojan Center located in Troy, Alabama at 10:00 a.m.

Board Members Present: Mr. Steven M. Barranco, CPA
Mr. J. Earl Blackmon, CPA
Mr. Michael Terry Comer, PA
Dr. Steve Grice, CPA
Mr. Delbert Madison
Ms. Connie Sheppard-Harris, CPA
Mr. M. Chad Singletary, CPA

There were no Board members absent. A lawful quorum of the Board was present for the meeting.

Also present were D. Boyd Busby, Executive Director; Carol J. Preston, Deputy Executive Director; Nicole T. Robinson, CPE Administrator; and Billington M. Garrett, Assistant Attorney General. Jeannine P. Birmingham, President and CEO of the Alabama Society of CPAs was present for the afternoon portion of the meeting.

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

2. Call to Order:

The meeting was called to order by M. Chad Singletary, CPA, Chair.

3. Approval of Agenda:

Mr. Comer made a motion to approve the agenda as presented for the September 18, 2017 meeting. Mr. Blackmon seconded and the motion carried unanimously.

4. Approval of Minutes:

Mr. Barranco made a motion to approve the minutes of the May 12, 2017 meeting. Mr. Madison seconded and the motion carried unanimously.

5. Disciplinary Cases:

a. Disciplinary Case No. 17-14 – Justin Heath McCleskey, Certificate No. 7922:

Ms. Kathy Brown, Esq., Governmental Hearing Officer served as hearing officer and presided over the disciplinary hearing for Mr. Justin Heath McCleskey, CPA. Mr. McCleskey attended the hearing and represented himself. At the conclusion of the hearing, Ms. Sheppard-Harris made a motion to go into Executive Session to deliberate on a contested case. Mr. Grice seconded and the motion carried on a roll call vote. Voting in favor of the motion were Ms. Sheppard-Harris, Messrs. Barranco, Blackmon, Grice, Madison, and Singletary. Mr. Comer abstained. Qualified Board members excused themselves at 10:50 a.m. to deliberate with an estimated time of 10 minutes needed to discuss the matter. The Board then deliberated in Executive Session. After deliberation, at 11:10 a.m., Mr. Singletary called the meeting back to order and called for a motion in the matter. Mr. Barranco made a motion that the Board find Mr. Justin Heath McCleskey guilty of all charges in the summons and complaint and that the Board revoke his CPA Certificate number 7922. He further moved that Mr. McCleskey be fined \$2,000.00 and that the revoked certificate and permit to practice be returned to the Board office within 30 days of this date. Mr. Grice seconded and the motion carried on a roll call vote. Voting in favor of the motion were Ms. Sheppard-Harris, Messrs. Barranco, Blackmon, Grice, Madison, and Singletary. Mr. Comer abstained. Mr. Singletary advised Mr. McCleskey that he could request reinstatement and requested that Mr. McCleskey complete the AICPA Professional Ethics course prior to any request for reinstatement. The Board's Order, Summons and Complaint, and the transcript of the hearing are attached and become a part of these minutes.

b. Disciplinary Case No. 17-15 – James Ben Bowen, Certificate No. 4460:

Ms. Kathy Brown, Esq., Governmental Hearing Officer served as hearing officer and presided over the disciplinary hearing for Mr. James Ben Bowen, CPA. Mr. Bowen did not attend the hearing and it was conducted in his absence. At the conclusion of the hearing, Mr. Grice made a motion to go into Executive Session to deliberate on a contested case. Mr. Comer seconded and the motion carried on a roll call vote. Voting in favor of the motion were Messrs. Barranco, Blackmon, Comer, Grice, Madison, and Singletary. Ms. Sheppard-Harris abstained. Qualified Board members excused themselves at 11:25 a.m. to deliberate with an estimated time of 10 minutes needed to discuss the matter. The Board then deliberated in Executive Session. After deliberation, at 11:32 a.m., Mr. Singletary called the meeting back to order and called for a motion in the matter. Mr. Grice made a motion that the Board find Mr. James Ben Bowen guilty of all charges in the summons and complaint and that the Board revoke his CPA Certificate number 4460. He further moved that Mr. Bowen be fined \$9,000.00 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, Blackmon, Comer, Grice, Madison, and Singletary. Ms. Sheppard-Harris abstained. The Board's Order, Summons and Complaint, and the transcript of the hearing are attached and become a part of these minutes.

6. Declaratory Ruling Request—Corporate Tax Advisors:

In order to accommodate the time and travel of individuals involved with the request for declaratory ruling, Mr. Busby made a change in the order of the agenda by moving the declaratory rulings in front of the requests for reinstatement.

Mr. Busby presented a letter from Mr. Michael Woeber, CPA on behalf of Corporate Tax Advisors, Inc. (CTA) requesting a declaratory ruling with regards to whether or not CTA is 1) practicing public accountancy, 2) required to register as a CPA firm, and 3) if deemed a firm, required to have less than fifty percent ownership by non-licensees. The Board reviewed Mr. Woeber's request and began deliberating on this issue. At 12:37pm Mr. Singletary dismissed the Board for a lunch break. At 1:58pm, the Board reconvened and continued deliberations. Mr. Grice made a motion to address the question of whether CTA is practicing public accountancy. Mr. Blackmon seconded the motion and it carried unanimously on a roll call vote with Ms. Sheppard-Harris, Messrs. Barranco, Blackmon, Comer, Grice, Madison, and Singletary voting to affirm that CTA is practicing public accountancy. Mr. Grice made a motion to address the question of whether CTA is required to register as a firm. Mr. Barranco seconded the motion. The Board concluded that CTA is not required to register as a firm with votes from Mr. Barranco, Blackmon, Grice and Madison. Ms. Sheppard-Harris, Messrs. Comer and Singletary dissented.

7. Declaratory Ruling Request—Jarrod Randall CPA:

Mr. Busby presented a letter from Mr. Jarrod Randall, CPA requesting a declaratory ruling with regards to whether or not he can use the term "Badass CPA" in marketing material. The Board reviewed Mr. Randall's request and began deliberating on this issue. Ms. Sheppard-Harris made a motion that Mr. Randall cannot use the word "badass" in any advertising or marketing material. Mr. Barranco seconded the motion and it carried unanimously on a roll call vote with Ms. Sheppard-Harris, Messrs. Barranco, Blackmon, Comer, Grice, Madison, and Singletary voting in favor of the motion.

8. Request for Reinstatement – Kimberly Celeste Nall:

Mr. Busby presented a letter from Kimberly Celeste Nall, CPA Certificate No. 11943 requesting reinstatement to inactive status. Her reinstatement request included all 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. Ms. Nall did not attend the hearing and it was conducted in her absence. Ms. Nall's written request also included a completed 2016-2017 Registration Form electing inactive status and 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. After discussion, Mr. Grice made a motion to reinstate Ms. Nall's CPA Certificate No. 11943 to inactive status, subject to all the required fees levied by the Board being paid. Mr. Barranco seconded the motion and it carried unanimously on a roll call vote with Ms. Sheppard-Harris, Messrs. Barranco, Blackmon, Comer, Grice, Madison and Singletary voting in favor of the motion. Ms. Nall paid all the required fees levied by the Board along with her reinstatement request.

9. Request for Reinstatement – Brittini Allen King:

Mr. Busby presented a letter from Brittini Allen King, CPA Certificate No. 11061 requesting reinstatement to active status. Her reinstatement request included all 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. Ms. King did not attend the hearing and it was conducted in her absence. Ms. King's written request also included a completed 2016-2017

Registration Form electing active status, verification of active status in the state of Tennessee, and cashier's check in the amount of \$175.00. The cashier's check comprised the reinstatement fee of \$100.00 and personal registration fee of \$75.00 for the fiscal year 2016-2017. After discussion, Mr. Grice made a motion to reinstate Ms. King's CPA Certificate No. 11061 to active status, subject to all the required fees levied by the Board being paid. Mr. Barranco seconded the motion and it carried unanimously on a roll call vote with Ms. Sheppard-Harris, Messrs. Barranco, Blackmon, Comer, Grice, Madison, and Singletary voting in favor of the motion. Ms. King paid all the required fees levied by the Board along with her reinstatement request.

10. Executive Director's Update and Report on Activities:

(a) Continued Enforcement Activities

Mr. Busby updated the Board on continued enforcement activities. He informed the Board of site visits that he had made and of the focus of future site visits for revoked CPAs or non-CPAs holding themselves out as CPAs.

(b) Out of State CPAs

Mr. Busby updated the Board on future research and enforcement of CPAs who are licensed in other states practicing in Alabama.

(c) Fred R. Johnson

Mr. Busby informed the Board that Mr. Fred R. Johnson appeared before Circuit Court Judge Greg Griffin admitting that he had in fact violated an earlier Court Order and assuring the Court that he would not violate statute going forward.

11. Report to Board on Education Task Force:

Mr. Grice updated the Board on the activities of the Education Task Force. He informed the Board that the Task Force had their first meeting on August 1, 2017 where the consensus was to recommend that the Board remove the class specific requirements to sit for the CPA exam and for Licensure. The Task Force will meet again to discuss the number of hours that would be required to sit for the exam and the number of hours that would be required for licensure and submit to the Board a memo with their recommendations.

12. Discussion & Approval of Board Statement on CPAs/Firms Providing Services to Marijuana Industry:

Mr. Grice made a motion for the Board to issue the statement on CPAs and Firms providing services to the marijuana industry as written (included in Board package) and previously discussed at the May 12, 2017 Board meeting. Mr. Barranco seconded and the motion carried unanimously.

13. Discussion & Approval of Board Statement on Proposed UAA Language on Use of Titles:

Mr. Busby presented a letter addressing proposed changes to the UAA with regards to use of titles. After discussion and one alteration, Mr. Grice made a motion for the Board to send the

amended letter issuing a statement regarding the proposed UAA changes on use of titles. Ms. Sheppard-Harris seconded and the motion carried unanimously.

14. Approval of Change in CPA Exam Fees:

Ms. Sheppard-Harris made a motion to approve an increase in CPA exam fees to offset an increase in AICPA and Prometric fees that will be effective January 1, 2018. Mr. Grice seconded and the motion carried unanimously.

15. Approval of Statute Revisions:

Mr. Busby presented to the Board several statute changes that are in need of change. Mr. Busby informed the Board of the legislative process and reviewed the proposed changes. The Board agreed that Mr. Busby should proceed in pursuing these changes.

16. Approval of Rule Revisions:

Mr. Busby presented proposed changes to Chapters 30-X-6 and 30-X-8 of the Board's Rules.

Mr. Barranco made a motion that the Executive Director and the Board Counsel proceed with the rulemaking procedures required in the Alabama Administrative Procedures Act to effect the adoption of the proposed amendments to Board Rule 30-X-8-.03. Mr. Grice seconded and the motion carried on a roll call vote. Voting in favor of the motion were Ms. Sheppard-Harris, Messrs. Barranco, Blackmon, Comer, Grice, Madison, and Singletary.

Mr. Grice made a motion that the Executive Director and the Board Counsel proceed with the rulemaking procedures required in the Alabama Administrative Procedures Act to effect the adoption of the proposed amendments to Board Rule 30-X-6-.01(1). Mr. Comer seconded and the motion carried on a roll call vote. Voting in favor of the motion were Ms. Sheppard-Harris, Messrs. Barranco, Blackmon, Comer, Grice, Madison, and Singletary.

Mr. Grice made a motion that the Executive Director and the Board Counsel proceed with the rulemaking procedures required in the Alabama Administrative Procedures Act to effect the adoption of the proposed amendments to Board Rule 30-X-6-.05(6). Ms. Sheppard-Harris seconded and the motion carried on a roll call vote. Voting in favor of the motion were Ms. Sheppard-Harris, Messrs. Barranco, Blackmon, Comer, Grice, Madison, and Singletary.

17. Approval of April-May-June 2017 CPA Examination Grades:

The Board was presented with the AICPA Advisory Grades for the April-May-June 2017 Uniform CPA Examination for review. After review, Mr. Barranco made a motion to approve the grades as released to candidates on August 31, 2017. Ms. Sheppard-Harris seconded and the motion carried unanimously.

18. Approval of New CPA Certificates No. 13126 to 13195:

Mr. Barranco made a motion to approve new CPA Certificates No. 13126 through 13195. Ms. Sheppard-Harris seconded and the motion carried unanimously.

19. Approval of Operating Calendar FY 2017-2018:

An Operating Calendar for FY 2017-2018 was presented to the Board. After discussion, Mr. Comer made a motion to approve the Operating Calendar as presented. Mr. Grice seconded and the motion carried unanimously.

20. Approval of FY 2017-2018 Operations Plan:

The FY 2017-2018 Operations Plan was presented to the Board. After discussion, Mr. Grice made a motion to approve the Operations Plan as presented. Mr. Comer seconded and the motion carried unanimously.

21. 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.

22. 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.

23. FY 2016-2017 Delinquencies Update:

A statistical summary of FY 2016-2017 delinquent licensees was presented to the Board. A brief discussion ensued but no action was taken.

24. Peer Review Delinquencies Update at December 31, 2016:

A statistical summary of Peer Reviews as of December 31, 2016 was presented to the Board. A brief discussion ensued but no action was taken.

25. CPE Audits Update:

A statistical summary of CPE audit results to date for the CPE reporting period ended September 30, 2016 was presented to the Board. A brief discussion ensued but no action was taken.

26. Complaints Update:

A complaints summary for FY 2009-2010 through 2016-2017 was presented to the Board. A brief discussion ensued but no action was taken.

27. Licensee Count:

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

28. Approval of Proposed Personnel Action:

The Board was presented with a proposed personnel action that would create a Senior Accountant position. Mr. Grice made a motion to approve the proposed position analysis creating the position of Senior Accountant. Mr. Barranco seconded and the motion carried unanimously. Additionally, the Board was presented with a new Compensation Plan that included the new position of Senior Accountant, added additional steps to the CPA Examination Coordinator position and increased the number of available Clerical Aide positions. Mr. Grice made a motion to approve the new Compensation Plan as presented. Mr. Madison seconded and the motion carried unanimously.

29. Adjournment of Meeting:

The next meeting of the Board is scheduled for Wednesday, November 15, 2017 at 10:00 a.m. on the campus of The University of Alabama. There being no further business to come before the Board, Mr. Grice made a motion to adjourn. Mr. Blackmon seconded and the motion carried unanimously. The meeting adjourned at 4:31 p.m.

Respectfully Submitted:



Delbert Madison
Secretary

Approved:



Connie Sheppard-Harris, CPA
Acting Chair