

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF APRIL 29, 2011 MEETING**

The Accountancy Board met on April 29, 2011 in Rooms West B and C on the 31st floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: Greta Russell, CPA (Chair), Maggie Houston, CPA (Vice Chair), W. Michael Fritz, CPA (Secretary), Mark LaPlace (Immediate Past Chair), James Landaker, CPA (Past Chair), Robert Fay, CPA (Member), James Carroll, CPA-Inactive (Member), and Adriana Sfalcin (Public member). Michael Comer, CPA (Member) was absent.

Representing the Board staff were Ronald Rotaru, Executive Director, and Robert Joseph, CPA, Assistant Director. Board counsel present was John Patterson, Esq., representing the office of the Attorney General.

Present in the audience were Barbara Benton, Vice President for Governmental Affairs of the Ohio Society of Certified Public Accountants (OSCPA), and Joseph Skoda, CPA, representing the Ohio Association of Independent Accountants.

Ms. Russell called the meeting to order at 10:02 a.m., and welcomed the guests in the audience.

APPROVAL OF THE FEBRUARY 2011 BOARD MEETING MINUTES

Upon motion by Mr. Landaker, seconded by Ms. Houston, the Board voted to approve the minutes of the February 4, 2011 Board meeting with corrections. Motion carried 8-0.

REPORT ON PROPOSED RULES

Mr. Joseph noted that the rules approved by the Board for filing became effective on April 28, 2011. He added that two of the rules needed technical changes, and he described the proposed changes as follows:

4701-3-06 (Conditional admission to the CPA examination): Language was added stating that a candidate can specify an alternate date for the notice to schedule earlier than the first day of the window specified in the rule.

4701-9-04 (Generally accepted accounting principles): The reference to the Financial Accounting Standards Board accounting standards in paragraph (A) should be changed to conform to the change in paragraph (D) of the rule.

Upon motion by Mr. LaPlace, seconded by Mr. Landaker, the Board voted to approve the two rules for filing. Motion carried 8-0.

INFORMATION REPORTS AND UPDATES

NASBA REPORT

Mr. Rotaru said that the NASBA regional meetings would be held in June 2011. He noted that Ms. Russell and Mr. Joseph would be attending the Western Regional Meeting in Omaha, Nebraska. He added that he would be attending the Eastern Regional Meeting in Point Clear, Alabama, and asked for a show of hands from those planning to attend that meeting.

BUDGET AND FINANCIAL REPORT

Mr. Joseph presented the budget report and said the Governor's Executive Budget recommendation reduced the operating funds appropriation for the Board by \$22,800 for fiscal year 2012 and \$23,500 for fiscal year 2013.

EDUCATION ASSISTANCE PROGRAM REPORT

Mr. Joseph noted that a total of \$194,357.74 was paid so far in fiscal year 2011, and that there was a total of \$752,988.68 in commitments outstanding. He added that a mass e-mailing was sent to all college accounting department chairs and faculty in February. He concluded by stating that the projected payments for the fiscal year would exceed the Board's appropriation limit of \$200,000 and that a request for additional appropriation authority from the Controlling Board would be filed in time for the May 23, 2011 meeting of the Controlling Board.

Ms. Houston said that part of the result of the additional funds allocated to the Accounting Career Awareness Program (ACAP) was a program targeted toward minority students attending two-year colleges in Ohio. The purpose of the program was to promote the CPA profession as a possible career path for those students.

Ms. Houston added that many of the college accounting professors are members of the American Accounting Association (AAA) and not the OSCP and hence are not as aware of the Board's scholarship activities. Ms. Benton noted that she was scheduled as a speaker at the upcoming meeting of the AAA Ohio Region on May 12-14, 2011 in Dublin and said she would present material the Board gave her regarding the Board's scholarship program. Ms. Benton added that additional promotion of the scholarship program could be in the form of an article written for the OSCP professional journal.

INVESTIGATIONS REPORT

Mr. Joseph noted that 46 licensees were not in compliance with the continuing education verification process, and that there would likely be more hearings scheduled for the June and July Board meetings.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

There was no new business to discuss.

REQUESTS FOR WAIVER OF LATE FILING FEES

DAVID S. WELDON

Mr. Weldon requested a waiver of the \$50 late fee applicable to the late renewal of his Ohio registration because he believed that the renewal deadline was later than the actual date.

MARGARET T. STEWART

Ms. Stewart requested a waiver of the \$50 late fee applicable to the late renewal of her Ohio registration due to family health problems.

SUSAN K. CLARK

Ms. Clark requested a waiver of the \$100 late fee applicable to the late renewal of her Ohio permit due to financial problems.

JEFFREY A. SCOTT

Mr. Scott requested a waiver of the \$400 late fee applicable to the late renewal of his Ohio registration because he did not understand the Board's licensing requirements.

ROSIE M. HERREN

Ms. Herren requested a waiver of the \$350 late fee applicable to the late renewal of her Ohio registration due to financial problems.

GOSHI OHNUMA

Mr. Ohnuma requested a waiver of the \$100 late fee applicable to the late renewal of his Ohio permit because he did not receive a renewal notice in the mail.

JOHN C. BENDER

Mr. Bender requested a waiver of the \$150 late fee applicable to the late renewal of his Ohio permit because he was not certain of his license renewal deadline.

SHERYL P. LANIER

Ms. Lanier requested a waiver of the \$350 late fee applicable to the late renewal of her Ohio registration due to family health problems.

KAREN J. GAYNOR

Ms. Gaynor requested a waiver of the \$400 late fee applicable to the late renewal of her Ohio registration due to financial problems.

KEVIN M. STALLER

Mr. Staller requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he did not receive his license renewal forms in 2009.

MAHASWETA WEXLER

Ms. Wexler requested a waiver of the \$400 late fee applicable to the late renewal of her Ohio registration due to family health problems.

NICOLA R. HARMON

Ms. Harmon requested a waiver of the \$350 late fee applicable to the late renewal of her Ohio permit due to financial problems.

EUN SIL IN

Ms. In requested a waiver of the \$200 late fee applicable to the late renewal of her Ohio permit because she was not certain of the license renewal procedure.

REINSTATEMENT HEARING: TIMOTHY H. ZORN

Ms. Russell opened a reinstatement hearing at 10:40 a.m. Present at the hearing was Timothy H. Zorn, whose CPA certificate and firm registration were revoked by the Board on September 9, 2010 pursuant to Ohio Revised Code section 4701.06(A)(11) then in effect, pertaining to the failure of Mr. Zorn's public accounting firm to comply with the firm registration requirements specified in section 4701.04 of the Revised Code.

Mr. Patterson noted that the only duty of the Board at a reinstatement hearing was to listen to Mr. Zorn's request for reinstatement. Mr. Patterson added that the Board has three options:

1. Take no action, leaving Mr. Zorn's CPA certificate in revoked status;
2. Reinstate Mr. Zorn's CPA certificate and firm registration, or
3. Reinstate Mr. Zorn's CPA certificate and firm registration subject to the fulfillment of certain conditions.

Mr. Zorn indicated that he did not obtain his peer review acceptance letter from the Ohio Society of CPAs due to an outstanding invoice. He noted that he has since paid the invoice and he produced his peer review acceptance letter dated January 2010 applicable to his firm's 2009 registration renewal.

Mr. Zorn said that his practice consisted of tax work only and he did not perform any attest work.

The Board asked questions of Mr. Zorn concerning his practice and the continuing education he has completed since September 2010.

Mr. Zorn indicated that he would like guidance from the Board concerning how his CPA certificate could be reinstated.

Ms. Russell closed the hearing.

FORMAL HEARING: RYAN D. KRATZ

Ms. Russell opened a disciplinary hearing at 11:14 a.m. pursuant to Chapter 119 of the Revised Code. Ryan D. Kratz was charged with a violation of section 4701.16(A)(5) of the Ohio Revised Code, pertaining to Mr. Kratz's conviction in the Court of Common Pleas of Cuyahoga County, Ohio of aggravated theft, tampering with records, misuse of credit cards, and falsification. All the crimes for which Mr. Kratz was convicted were felonies. Mr. Kratz did not request a hearing in a timely manner, and he was not present at the hearing.

Mr. Patterson called Mr. Rotaru as a witness, and asked that he be sworn in. Mr. Rotaru took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. Rotaru, consisting of documents showing Mr. Kratz's conviction of the four crimes for which he was charged and the notices from the Board regarding the hearing.

Mr. Patterson said that the Board has jurisdiction to act in this matter, and asked for the admission of State's Exhibit A without objection. Ms. Russell accepted the exhibit.

Ms. Russell concluded the hearing.

CLOSED CASES

STEVENS vs. WHITFIELD

Mr. Patterson said that this was a probate case in which the complainant Stevens alleged that the respondent Whitfield gave personal information to other family members without the complainant's consent. Mr. Patterson noted that the accountancy law does not give the Board jurisdiction to act in this case.

NIED vs. POTOCZAK

Mr. Patterson said that complainant Nied hired respondent Potoczak as an accountant for tax work. Potoczak took \$500 in fees from a refund account that Potoczak thought was for that purpose and Nied said was not. Although Potoczak refunded Nied the \$500, Nied pressed the case alleging that Potoczak acted unethically. Mr. Patterson noted that the accountancy law does not give the Board jurisdiction to act in this case.

JONES vs. CENTOFANTI

Mr. Patterson said that complainant Jones married a former employee of respondent Centofanti and started a competing bookkeeping business. The case is currently in litigation with the dispute centering on which clients rightfully should be with Jones and which should be with Centofanti. Mr. Patterson noted that the accountancy law does not give the Board jurisdiction to act in this case and that the litigation was the proper venue for this dispute.

PROCACCIO vs. POLOS

Mr. Patterson said that this was a probate case in which the complainant Procaccio alleged that the respondent Polos was not giving him sufficient information. Polos alleges that Procaccio was not the person designated to receive the information. Mr. Patterson noted that the accountancy law does not give the Board jurisdiction to act in this case because the probate court would be the proper venue to resolve this matter.

EXECUTIVE SESSION

Upon motion by Mr. LaPlace, seconded by Mr. Landaker, the Board voted to recess into executive session to discuss the requests for waiver of late fees and confidential investigative cases with Mr. Patterson. Motion carried 8-0 on a roll call vote. After discussion, the Board voted to return to general session.

BOARD DECISIONS

LATE FEE WAIVER APPEALS

Upon motion by Mr. Fritz, seconded by Mr. LaPlace, the Board voted to deny the appeals of the following licensees for waiver of the late filing fee:

- David S. Weldon
- Margaret T. Stewart
- Susan K. Clark
- Jeffrey A. Scott
- Rosie M. Herren
- Goshi Ohnuma
- John C. Bender
- Sheryl P. Lanier
- Karen J. Gaynor
- Kevin M. Staller
- Mahasweta Wexler
- Nicola R. Harmon
- Eun Sil In

Motion carried 8-0 on a roll call vote.

REINSTATEMENT HEARING: TIMOTHY H. ZORN

Upon motion by Mr. Fritz, seconded by Mr. Landaker, the Board voted to take no action on the reinstatement request of Timothy H. Zorn. Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: RYAN D. KRATZ

Upon motion by Mr. Fritz, seconded by Mr. LaPlace, the Board voted to revoke the CPA certificate of Ryan D. Kratz, with the provision that he may not apply for reinstatement until all court-ordered requirements have been fulfilled. Motion carried 8-0 on a roll call vote.

ADJOURNMENT

Upon motion by Ms. Houston, seconded by Mr. Landaker, the Board agreed to adjourn the meeting. Motion carried 8-0.

**GRETA RUSSELL
CHAIR**

**W. MICHAEL FRITZ
SECRETARY**