

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF JULY 8, 2011 MEETING**

The Accountancy Board met on July 8, 2011 in Room East B 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), W. Michael Fritz, CPA (Secretary), Mark LaPlace (Immediate Past Chair), James Landaker, CPA (Past Chair), Robert Fay, CPA (Member), Michael Comer, CPA (Member), James Carroll, CPA-Inactive (Member), and Adriana Sfalcin (Public member). Maggie Houston, CPA (Vice Chair) was absent.

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

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

Ms. Russell called the meeting to order at 10:06 a.m., and welcomed the guests in the audience.

APPROVAL OF THE JUNE 2011 BOARD MEETING MINUTES

Upon motion by Mr. Comer, seconded by Mr. Landaker, the Board voted to approve the minutes of the June 3, 2011 Board meeting. Motion carried 8-0.

REPORT ON PROPOSED RULES

Mr. Joseph noted the rules approved by the Board for filing on April 29, 2011 were filed on May 5, 2011. He added that the public hearing concerning the rule changes was held in the Board office on June 7, 2011. No adverse comments were received at that rules hearing. The Joint Committee on Agency Rule Review met on June 20, 2011 at 1:30 p.m. in Room 121 of the Statehouse to consider the proposed rules, and no adverse comments were received at that meeting. The rules are scheduled to be filed in final form on July 11, 2011, and the effective date of the rules will be July 21, 2011.

INFORMATION REPORTS AND UPDATES

NASBA REPORT

Ms. Russell said Mr. Joseph attended the Western Regional Meeting in Omaha, Nebraska with her, and that it was an excellent meeting. Mr. Rotaru and other Board members who attended the Eastern Regional Meeting in Point Clear, Alabama concurred.

The Board members discussed their NASBA committee assignments, as follows:

- Bylaws Committee-James Carroll
- Communications Committee-Michael Comer
- CPA Examination Administration Committee-Maggie Houston
- CPE Advisory Committee-Robert Fay
- Ethics and Strategic Professional Issues Committee-W. Michael Fritz

- Global Strategies Committee-W. Michael Fritz

Mr. Fritz said Ted Long, a former Board member and two-time Chair, was not renominated to the NASBA Board of Directors. He remarked that Ohio has no representation on the Board of Directors as a result.

BUDGET AND FINANCIAL REPORT

Mr. Joseph presented the budget report and said Governor Kasich signed the final fiscal year 2012-2013 budget bill. The same appropriation was awarded to the Accountancy Board as that designated in the original Governor's Executive Budget recommendation. The budget recommendation reduced the operating funds appropriation for the Board by \$22,800 for fiscal year 2012 and \$23,500 for fiscal year 2013. He produced a chart of Board expenses for fiscal year 2011 ending June 30, 2011, and said the Board expenses for the year were \$1,143,674, of which \$210,000 were expenses for the education assistance program.

INVESTIGATIONS REPORT

Mr. Joseph noted one licensee has failed to verify continuing education and the Board was placing a legal notice in the *Atlanta Journal-Constitution* since he did not claim his certified mail. Mr. Joseph added that, otherwise, the continuing education verification is complete.

Mr. Joseph said three hearings were scheduled for September so far—one reinstatement hearing and two hearings continued from the July 2011 Board meeting.

Mr. Rotaru said Robert McRae would be late for his hearing before the Board due to car trouble. Mr. Joseph added Patrick Cox also said he would be about an hour late. The Board agreed to change the order of hearings to fit the two late arrivals.

EDUCATION ASSISTANCE PROGRAM REPORT

Mr. Joseph said the first set of education assistance reports dated June 30, 2011 constituted the complete report for fiscal year 2011. A total of \$210,000 in grants was awarded for fiscal year 2011, and \$50,000 of that amount was awarded to the Accounting Career Awareness Program (ACAP). Ohio State University, Youngstown State University, and DeVry University were the recipients of the greatest number of grant dollars.

Mr. Joseph added the second set of education assistance reports constituted the new reports for fiscal year 2012 commencing July 1, 2011. So far, Youngstown State University, Baldwin-Wallace College, and Cleveland State University were the recipients of the greatest number of grant dollars.

Mr. Price reported the program for minority students known as "Aspire" held at Cuyahoga Community College in May 2011 was a success. He added Cuyahoga Community College provided valuable support for the program that helped lower the cost of the program for the student participants.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

BOARD CALENDAR OF EVENTS

Mr. Rotaru presented the calendar of events for 2012, as follows:

- **February 3, 2012 (Board meeting)**
- March 2012 (NASBA Executive Directors/Legal Counsel Conference)
- **April 27, 2012 (Board meeting)**
- **June 8, 2012 (Board meeting)**
- June 13-15, 2012 (NASBA Eastern Regional Meeting, Philadelphia, PA)
- **July 13, 2012 (Board meeting)**
- **September 7, 2012 (Board meeting)**
- October 2012 (NASBA Annual Meeting)
- **November 2, 2012 (Annual Meeting)**
- **December 10, 2012 (Board retreat)**
- **December 11, 2012 (Board meeting)**
- **February 1, 2013 (Board meeting)**

FORMAL HEARING: MICHAEL S. FAIR

Ms. Russell opened a disciplinary hearing at 10:31 a.m. pursuant to Chapter 119 of the Revised Code. Michael S. Fair was charged with a violation of section 4701.16(A)(4) of the Ohio Revised Code, pertaining to Mr. Fair's failure to comply with the continuing education verification requirements, and section 4701.16(A)(1) of the Revised Code, pertaining to fraud or deceit in obtaining an Ohio permit. Mr. Fair requested a hearing in a timely manner and he was present at the hearing.

Mr. Patterson and Mr. Fair waived opening statements.

Mr. Patterson called Mr. Fair as a witness, and asked he be sworn in. Mr. Fair took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. Fair. Mr. Patterson then asked for the admission of State's Exhibit A and Respondent Exhibit 1. Mr. Fair did not object and Ms. Russell accepted the exhibits.

Mr. Fair admitted that he failed to respond to the Board's notices. He added he believed he complied with the continuing education requirements but was not clear about the supporting documentation for three credits. A review of the continuing education documentation Mr. Fair submitted revealed he met the continuing education requirements for the reporting period January 1, 2008 through December 31, 2010.

The Board then asked questions of Mr. Fair. Following the questions, Mr. Patterson said the Board has jurisdiction to act in this matter.

Ms. Russell concluded the hearing.

FORMAL HEARING: CHARLES ZAGARA/TAX WARRIORS

Ms. Russell opened a disciplinary hearing at 10:42 a.m. pursuant to Chapter 119 of the Revised Code.

Charles Zagara was charged with a violation of section 4701.16(A)(11) of the Ohio Revised Code, pertaining to the failure of his public accounting firm, Tax Warriors, to comply with the firm registration requirements, and section 4701.16(A)(3) regarding unlawful practice. Mr. Zagara requested a hearing in a timely manner and he was present at the hearing.

Mr. Patterson and Mr. Zagara waived opening statements.

Mr. Patterson called Mr. Zagara as a witness, and asked that he be sworn in. Mr. Zagara took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. Zagara. Mr. Patterson then asked for the admission of State's Exhibit A. Mr. Zagara did not object and Ms. Russell accepted the exhibit.

Mr. Zagara said it was not his intention to be noncompliant, and that he was in the process of getting the peer review accomplished for his firm. He added that he found a reviewer to perform his firm's peer review, and noted that he covered the "CPAs" designation on his firm's sign and removed his office business cards on receipt of the Board's notice to cease and desist the use of the term "CPAs." He said he purchased a firm that was not in good standing with the Board in 2008, so he changed the name to Tax Warriors and registered that firm name.

The Board then asked questions of Mr. Zagara. As a result of the questioning, Mr. Zagara revealed that he issued attest reports during the time his firm was not in compliance with the Board, but he said he was unaware of the extent of noncompliance.

Mr. Patterson moved for the acceptance of State's Exhibit A. Mr. Zagara did not object, and Ms. Russell accepted the exhibit. Mr. Patterson said the Board has jurisdiction to act in this matter.

Ms. Russell concluded the hearing.

FORMAL HEARING: KIRK G. SALISBURY

Ms. Russell noted the hearing for Kirk G. Salisbury was continued until the September 9, 2011 Board meeting.

FORMAL HEARING: JOSEPH P. O'DONNELL/JOSEPH P. O'DONNELL, CPA

Ms. Russell opened a disciplinary hearing at 11:04 a.m. pursuant to Chapter 119 of the Revised Code. Joseph P. O'Donnell was charged with a violation of section 4701.16(A)(11) of the Ohio Revised Code, pertaining to failure of Mr. O'Donnell's public accounting firm to comply with the firm registration requirements, section 4701.16(A)(3) of the Revised Code pertaining to unlawful practice, and section 4701.16(A)(4) of the Revised Code pertaining to failure of Mr. O'Donnell to respond to Board communications in a timely manner. Mr. O'Donnell requested a hearing in a timely manner and he was present at the hearing.

Mr. Patterson and Mr. O'Donnell waived opening statements.

Mr. Patterson called Mr. O'Donnell as a witness, and asked that he be sworn in. Mr. O'Donnell took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. O'Donnell.

Mr. Patterson moved for the acceptance of State's Exhibit A. Mr. O'Donnell did not object, and Ms. Russell accepted the exhibit.

Mr. O'Donnell said he would meet the requirements for firm registration as soon as possible, and apologized for not complying with the Board's cease and desist order regarding his firm sign.

In response to questions from Board members, Mr. O'Donnell said his public accounting practice is part time and he holds a full-time position outside public accounting. He added that because of this, he noted that he did not visit his office very often outside tax season and that he may have missed some Board correspondence.

Mr. Patterson said the Board has jurisdiction to act in this matter.

Ms. Russell concluded the hearing.

FORMAL HEARING: WEI-I SHEN

Ms. Russell opened a disciplinary hearing at 11:23 a.m. pursuant to Chapter 119 of the Revised Code. Wei-I Shen was charged with a violation of section 4701.16(A)(4) of the Ohio Revised Code, pertaining to Mr. Shen's failure to comply with the continuing education verification requirements, and section 4701.16(A)(1) of the Revised Code, pertaining to fraud or deceit in obtaining an Ohio permit. Mr. Shen did not request a hearing in a timely manner and he was not present at the hearing.

Mr. Patterson waived his opening statement, 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. Mr. Rotaru said Mr. Shen renewed his Ohio permit and indicated he completed 120 continuing education credits, but he failed to verify the credits claimed.

Mr. Patterson moved for the acceptance of State's Exhibit A and Ms. Russell accepted the exhibit. Mr. Patterson said the Board has jurisdiction to act in this matter.

Ms. Russell concluded the hearing.

FORMAL HEARING: TONG ZHANG

Ms. Russell opened a disciplinary hearing at 11:28 a.m. pursuant to Chapter 119 of the Revised Code. Tong Zhang was charged with a violation of section 4701.16(A)(4) of the Ohio Revised Code, pertaining to Mr. Zhang's failure to comply with the continuing education verification requirements, and section 4701.16(A)(1) of the Revised Code, pertaining to fraud or deceit in obtaining an Ohio permit. Mr. Zhang did not request a hearing in a timely manner and he was not present at the hearing.

Mr. Patterson waived his opening statement, 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. Mr. Rotaru said Mr. Zhang renewed his Ohio permit and indicated he completed 120 continuing education credits, but he failed to verify the credits claimed.

Mr. Patterson moved for the acceptance of State's Exhibit A and Ms. Russell accepted the exhibit. Mr. Patterson said that the Board has jurisdiction to act in this matter.

Ms. Russell concluded the hearing.

FORMAL HEARING: ALEXANDER W. MILLER

Ms. Russell noted that the hearing for Alexander W. Miller was continued until the September 9, 2011 Board meeting.

FORMAL HEARING: KENNETH P. KRESE

Ms. Russell opened a disciplinary hearing at 11:34 a.m. pursuant to Chapter 119 of the Revised Code. Kenneth P. Krese was charged with a violation of section 4701.16(A)(4) of the Ohio Revised Code, pertaining to Mr. Krese's failure to comply with the continuing education verification requirements, and section 4701.16(A)(1) of the Revised Code, pertaining to fraud or deceit in obtaining an Ohio permit. Mr. Krese did not request a hearing in a timely manner and he was not present at the hearing.

Mr. Patterson waived his opening statement, 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. Mr. Rotaru said Mr. Krese renewed his Ohio permit and indicated he completed 120 continuing education credits, but he failed to verify the credits claimed.

Mr. Patterson then called Mr. Joseph as a witness, and asked that he be sworn in. Mr. Joseph took the oath. In response to a question, Mr. Joseph said the Board used Mr. Krese's work address as the contact address when the Board attempt to deliver mail at his home address was unsuccessful.

Mr. Patterson moved for the acceptance of State's Exhibit A and Ms. Russell accepted the exhibit. Mr. Patterson said the Board has jurisdiction to act in this matter.

Ms. Russell concluded the hearing.

REINSTATEMENT HEARING: PATRICK J. COX

Ms. Russell opened a reinstatement hearing at 11:45 a.m. Present at the hearing was Patrick J. Cox, whose CPA certificate was revoked by the Board on August 10, 2007 pursuant to Ohio Revised Code section 4701.06(A)(10) then in effect, pertaining to conduct discreditable to the holder of an Ohio registration by Mr. Cox in connection with Securities and Exchange Commission (SEC) administrative proceeding 3-12355 dated December 29, 2006 regarding events related to the Veritas Financial Advisors and Veritas Advisors companies owned by Mr. Cox. The SEC settlement with Mr. Cox included a ban from being associated with an investment advisor and a civil penalty of \$120,000.

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

- Take no action, leaving Mr. Cox's CPA certificate in revoked status;
- Reinstatement Mr. Cox's CPA certificate, or
- Reinstatement Mr. Cox's CPA certificate subject to the fulfillment of certain conditions.

Mr. Patterson called Mr. Cox as a witness, and asked that he be sworn in. Mr. Cox took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. Cox, and he asked Mr. Cox read the relevant portions of the SEC order into the record. Mr. Patterson asked if Mr. Cox had complied with all the provisions in the SEC order, and Mr. Cox replied that he had not paid the civil penalty.

Mr. Cox produced several letters from various people in support of his reinstatement request, and these were marked as Respondent Exhibit 1. Mr. Patterson moved for the acceptance of State's Exhibit A and Respondent Exhibit 1. Mr. Cox did not object, and Ms. Russell accepted the exhibits.

David Cullen, a long-time friend of Mr. Cox's family, then spoke in favor of Mr. Cox's request for reinstatement of his CPA certificate.

The Board then asked questions of Mr. Cox.

Ms. Russell closed the hearing.

REINSTATEMENT HEARING: ROBERT E. McRAE

Ms. Russell opened a reinstatement hearing at 12:10 p.m. Present at the hearing was Robert E. McRae, whose firm registration was revoked by the Board on November 5, 2010 pursuant to Ohio Revised Code section 4701.06(A)(11) then in effect, pertaining to the failure of Mr. McRae'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. McRae's request for reinstatement. Mr. Patterson added that the Board has three options:

- Take no action, leaving Mr. McRae's firm registration in revoked status;
- Reinstate Mr. McRae's firm registration, or
- Reinstate Mr. McRae's firm registration subject to the fulfillment of certain conditions.

Mr. Patterson called Mr. McRae as a witness, and asked that he be sworn in. Mr. McRae took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. McRae.

Mr. McRae indicated he had completed the peer review required for renewal of his firm registration. Mr. Patterson noted another peer review was due by August 31, 2012.

Mr. Patterson moved for the acceptance of State's Exhibit A. Mr. McRae did not object, and Ms. Russell accepted the exhibit.

The Board then asked questions of Mr. McRae.

Ms. Russell closed the hearing.

FORMAL HEARING: NEIL F. TOLBERT

Ms. Russell opened a disciplinary hearing at 12:28 p.m. pursuant to Chapter 119 of the Revised Code. Neil F. Tolbert was charged with a violation of sections 4701.16(A)(4) and 4701.16(A)(1) of the Ohio Revised Code, pertaining to failure to complete the continuing education verification requirements and fraud or deceit in obtaining an Ohio permit. Mr. Tolbert requested a hearing in a timely manner, but he was not present at the hearing.

Mr. Patterson waived his opening statement, 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. Mr.

Rotaru indicated Mr. Tolbert did not complete the continuing education verification requirement.

Mr. Patterson moved for the acceptance of State's Exhibit A and Ms. Russell accepted the exhibit.

Mr. Patterson called Jesse Dixon as a witness, and asked that he be sworn in. Mr. Dixon took the oath. Mr. Patterson asked Mr. Dixon if he personally delivered the Board's notice of opportunity for hearing and hearing scheduling letters to Mr. Tolbert's address and Mr. Dixon replied in the affirmative.

Mr. Patterson said the Board has jurisdiction to act in this matter.

Ms. Russell concluded the hearing.

REQUESTS FOR WAIVER OF LATE FILING FEES

ZVI S. KATZ

Mr. Katz requested a waiver of the \$250 late fee applicable to the late renewal of his Ohio permit because he believed that taking continuing education courses automatically updated his license.

KEVIN B. VENNEFRON

Mr. Vennefron requested a waiver of the \$500 late fee applicable to the late renewal of his Ohio permit because the firm administrator at his place of business did not file for renewal of his license.

PAUL A. PENLER

Mr. Penler requested a waiver of the \$500 late fee applicable to the late renewal of his Ohio permit due to family problems.

MICHAEL J. BRINKMAN

Mr. Brinkman requested a waiver of the \$1,250 late fee applicable to the late renewal of his Ohio permit because he did not recall receiving his license renewal notice.

JOHN R. PECK

Mr. Peck requested a waiver of the \$500 late fee applicable to the late renewal of his Ohio permit because he assumed his payment for a firm registration in 2010 also renewed his individual license.

EMER M. McNAMARA

Ms. McNamara requested a waiver of the \$500 late fee applicable to the late renewal of her Ohio permit because she was unaware that her license had expired.

EDWARD V. WALSH

Mr. Walsh requested a waiver of the \$600 late fee applicable to the late renewal of his Ohio permit because he believed he renewed online. The records of the Board did not show he completed the online renewal process.

NICHOLAS A. EVANS

Mr. Evans requested a waiver of the \$250 late fee applicable to the late renewal of his Ohio registration because he moved and did not receive his license renewal notice.

JOHN M. BOUTTON

Mr. Boutton requested a waiver of the \$500 late fee applicable to the late renewal of his Ohio permit because he did not receive his license renewal notice.

CATHY S. CROW

Ms. Crow requested a waiver of the \$500 late fee applicable to the late renewal of her Ohio permit due to family health problems.

RICHARD F. MAINS

Mr. Mains requested a waiver of the \$1,250 late fee applicable to the late renewal of his Ohio permit because he inadvertently failed to renew on time.

JOSEPH M. DeBOTH

Mr. DeBoth requested a waiver of the \$250 late fee applicable to the late renewal of his Ohio registration because he did not receive the license renewal notice.

SUSAN M. MURPHY

Ms. Murphy requested a waiver of the \$350 late fee applicable to the late renewal of her Ohio registration because she did not receive her license renewal notice.

DAVID J. HOGAN

Mr. Hogan requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he inadvertently failed to renew on time.

BRUCE T. DIAMOND

Mr. Diamond requested a waiver of the \$450 late fee applicable to the late renewal of his Ohio registration because he moved three times and did not receive his license renewal notice.

NICHOLAS A. ROGERS

Mr. Rogers requested a waiver of the \$400 late fee applicable to the late renewal of his Ohio registration because he inadvertently failed to renew on time.

STEVEN P. SCHOTT

Mr. Schott requested a waiver of the \$400 late fee applicable to the late renewal of his Ohio registration because he moved and did not receive his renewal notice.

JEFFREY J. ENSMAN

Mr. Ensmann requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he did not recall receiving his license renewal notice.

BRIAN J. STOLARSKI

Mr. Stolarski requested a waiver of the \$600 late fee applicable to the late renewal of his Ohio permit because he moved and did not receive his renewal notice.

JOHN D. HOPTON

Mr. Hopton 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 notice.

KIMBERLY E. VIRZI

Ms. Virzi requested a waiver of the \$350 late fee applicable to the late renewal of her Ohio registration because she did not receive her license renewal notice.

ANTHONY F. GUSICH

Mr. Gusich requested a waiver of the \$400 late fee applicable to the late renewal of his Ohio registration because he did not receive his license renewal notice.

ANDREW R. HERCHEK

Mr. Herchek requested a waiver of the \$400 late fee applicable to the late renewal of his Ohio registration because he moved three times and did not receive his license renewal notice.

DENNIS J. FERRA

Mr. Ferra requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he did not recall receiving his license renewal notice.

DARSHANA J. PAREKH

Ms. Parekh requested a waiver of the \$350 late fee applicable to the late renewal of her Ohio registration because she moved and did not receive her license renewal notice.

CHRISTOPHER L. HENN

Mr. Henn requested a waiver of the \$450 late fee applicable to the late renewal of his Ohio registration because he moved and did not receive his license renewal notice.

RICHARD E. QUIGGLE

Mr. Quiggle requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he moved and did not receive his license renewal notice.

CHARLOTTE A. RECH

Ms. Rech requested a waiver of the \$350 late fee applicable to the late renewal of her Ohio registration because she moved four times and did not receive her license renewal notice.

DENNIS E. ROSE, JR.

Mr. Rose requested a waiver of the \$300 late fee applicable to the late renewal of his Ohio registration because he did not receive his license renewal notice.

PETER W. JAWORSKI

Mr. Jaworski requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he inadvertently failed to renew on time.

LAWRENCE M. BLACKBURN

Mr. Blackburn requested a waiver of the \$500 late fee applicable to the late renewal of his Ohio registration because he moved and did not receive his license renewal notice.

CHRISTOPHER G. MILLER

Mr. Miller requested a waiver of the \$450 late fee applicable to the late renewal of his Ohio registration because he moved twice and did not receive his license renewal notice.

DENISE A. MAJIKES

Ms. Majikes requested a waiver of the \$400 late fee applicable to the late renewal of her Ohio registration due to a death in the family that occurred in 2007.

CHRISTOPHER A. HANSEN

Mr. Hansen requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he inadvertently failed to renew on time.

BOARD DISCUSSION OF LATE FEES

The Board discussed issues related to the assessment of late filing fees and agreed to consider the matter in more detail at the upcoming Board retreat in December 2011.

EXECUTIVE SESSION

Upon motion by Mr. LaPlace, seconded by Mr. Fay, 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 9-0 on a roll call vote. After discussion, the Board returned to general session.

BOARD DECISIONS

LATE FEE WAIVER APPEALS

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

- Zvi S. Katz
- Kevin B. Vennefron
- Paul A. Penler
- Michael J. Brinkman
- John R. Peck
- Emer M. McNamara
- Edward V. Walsh
- Nicholas A. Evans
- John M. Boutton
- Joseph M. DeBoth
- Susan M. Murphy
- David J. Hogan
- Bruce T. Diamond
- Nicholas A. Rogers
- Steven P. Schott
- Jeffrey J. Ensman
- Brian J. Stolarski
- John D. Hopton
- Kimberly E. Virzi
- Anthony F. Gusich
- Andrew R. Hercheck
- Dennis J. Ferra
- Darshana J. Parekh

- Christopher L. Henn
- Richard E. Quiggle
- Charlotte A. Rech
- Dennis E. Rose, Jr.
- Peter W. Jaworski
- Lawrence M. Blackburn
- Christopher G. Miller
- Denise A. Majikes
- Christopher A. Hansen

Motion carried 8-0 on a roll call vote.

Mr. Fritz motioned to deny the appeal of Cathy Crow for waiver of the late fees related to her Ohio permit. Mr. LaPlace seconded the motion. The motion failed 4-4, with Mr. Landaker, Mr. Fay, Mr. Fritz, and Mr. Comer dissenting.

Mr. Landaker motioned to reduce the late fees for Ms. Crow to \$100. Ms. Sfalcin seconded the motion. The motion failed 3-5, with Mr. Fritz, Mr. Comer, Mr. LaPlace, Mr. Carroll, and Ms. Russell dissenting.

Mr. Landaker motioned to reduce the late fees for Ms. Crow to \$250. After discussion, the motion failed for lack of a second.

Mr. Comer motioned to waive the late fees for Ms. Crow. Mr. Landaker seconded the motion. Mr. LaPlace remarked he did not see any clear difference between Ms. Crow's letter and many others the Board considered in the past for which late fees were not waived. He added that the letter contained no supporting documentation although such documentation was volunteered by Ms. Crow. He concluded by expressing concern at the precedent being set if the Board waived Ms. Crow's late fees without sufficient evidence to set the request apart from the others the Board considered in the past. Mr. Comer then withdrew his motion, and Mr. Landaker agreed.

Mr. Landaker motioned that the late fee waiver request made by Ms. Crow be tabled until the September 9, 2011 Board meeting, so the documentation Ms. Crow said she could submit in support of her request could be reviewed at that time. Mr. Fritz seconded the motion. Motion carried 6-2, with Mr. LaPlace and Mr. Carroll dissenting.

Upon motion by Mr. Fritz, seconded by Mr. Carroll, the Board voted to take no action on the request for waiver of late fees submitted by Richard F. Mains. Motion carried 8-0.

DISCIPLINARY HEARING: MICHAEL S. FAIR

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to assess a \$500 fine against Michael S. Fair and require he take a Board-approved professional standards and responsibilities course by August 31, 2011. Motion carried 7-0 on a roll call vote, with Mr. Fritz abstaining.

DISCIPLINARY HEARING: CHARLES ZAGARA/TAX WARRIORS

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to revoke the CPA certificate of Charles Zagara and the firm registration of Tax Warriors, with the stipulation that Mr. Zagara cannot apply for

reinstatement until December 31, 2012. Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: JOSEPH P. O'DONNELL/JOSEPH P. O'DONNELL, CPA

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to assess a \$2,000 fine against Joseph P. O'Donnell and require he take a Board-approved professional standards and responsibilities course by September 30, 2011. Motion carried 8-0 on a roll call vote.

REINSTATEMENT HEARING: ROBERT E. McRAE

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to reinstate the firm registration of Robert E. McRae, subject to payment of a \$500 fine and completion of a Board-approved professional standards and responsibilities course by September 30, 2011. Motion carried 8-0 on a roll call vote.

REINSTATEMENT HEARING: PATRICK J. COX

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to take no action on the reinstatement request of Patrick J. Cox and require he satisfy the conditions set by the Securities and Exchange Commission before requesting reinstatement again. Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: NEIL F. TOLBERT

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to revoke the CPA certificate of Neil F. Tolbert. Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: WEI-I SHEN

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to revoke the CPA certificate of Wei-I Shen. Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: TONG ZHANG

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to revoke the CPA certificate of Tong Zhang. Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: KENNETH P. KRESE

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to revoke the CPA certificate of Kenneth P. Krese. Motion carried 8-0 on a roll call vote.

Upon motion by Mr. Landaker, seconded by Mr. Fay, the Board adjourned. Motion carried 8-0.

GRETA J. RUSSELL, CHAIR

W. MICHAEL FRITZ, SECRETARY