

**ACCOUNTANCY BOARD OF OHIO  
MINUTES OF SEPTEMBER 9, 2011 MEETING**

The Accountancy Board met on September 9, 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), Michael Comer, CPA (Member), James Carroll, CPA-Inactive (Member), and Adriana Sfalcin (Public member).

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), Laura Hay, Chief Operating Officer of the OSCP, and Joseph Skoda, CPA, representing the Ohio Association of Independent Accountants.

Ms. Russell called the meeting to order at 10:03 a.m., and welcomed the guests in the audience.

**APPROVAL OF THE JULY 2011 BOARD MEETING MINUTES**

Upon motion by Mr. Carroll, seconded by Mr. Landaker, the Board voted to approve the minutes of the July 8, 2011 Board meeting. Motion carried 8-0. Ms. Houston abstained as she was not present at that meeting.

**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 were filed in final form on July 11, 2011, and the effective date of the rules was July 21, 2011.

**INFORMATION REPORTS AND UPDATES**

***NASBA REPORT***

Mr. Rotaru noted four persons were scheduled to attend the NASBA Annual Meeting in Nashville, Tennessee on October 23-26, 2011. He added that the deadline for registration was September 14, 2011.

***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.

### ***NASBA BYLAWS COMMITTEE REPORT***

Mr. Carroll reported on the activities of the NASBA Bylaws committee. He indicated that no changes in the bylaws would be presented at the NASBA Annual Meeting, but that one of the proposed changes was to limit the number of terms a person could serve on a NASBA committee.

### ***INVESTIGATIONS REPORT***

Mr. Joseph noted the one licensee has not been able to verify his continuing education due to computer problems with a continuing education sponsor. Mr. Joseph added that, otherwise, the continuing education verification is complete.

Mr. Joseph remarked the Court of Common Pleas of Tuscarawas County upheld the Board's order revoking the CPA certificate of Tab Keplinger on August 19, 2011. He added that there were no other appeals of Board decisions in process.

Mr. Joseph said six hearings were possible for the November meeting.

Mr. Joseph reported the investigators were currently visiting the 76 tax/consulting public accounting firms that did not renew their firm registrations by July 31, 2011. He added past experience suggested a substantial majority of the firms would not be advertising and hence would not be required to maintain a firm registration with the Board.

### ***EDUCATION ASSISTANCE PROGRAM REPORT***

Mr. Joseph reported a total of \$57,465.16 spent for education assistance so far in fiscal year 2011 (July 1, 2011-August 29, 2011). He referred to the total appropriation for fiscal year 2011 of \$240,000 and said that progress was good even compared to last year's record total of grants under the new rules. He concluded by stating that Cleveland State University, Franklin University, and Youngstown State University were the three top recipients of scholarship dollars.

Ms. Houston said the purpose of the scholarship program should be to maximize the amount of money disbursed in grant dollars. The Board generally agreed with this proposal. Mr. Fay noted that the education assistance committee should meet before the next Board meeting to discuss issues relevant to the scholarship program.

### ***OLD BUSINESS***

There was no old business to discuss.

### ***NEW BUSINESS***

### ***OSCPA LETTER REGARDING LATE FEES***

Ms. Houston expressed appreciation to the OSCP A for its letter to members regarding their license status and their requirements under state law.

### **COMMUNITY COLLEGE CPA EXAM PROGRAM**

Ms. Houston noted Owens Community College is developing a program that would permit candidates to sit for the CPA exam with a two-year degree. Ohio is one of few states that permit candidates to obtain a CPA certificate with less than five years of college.

Mr. Joseph noted that Columbus State Community College has a similar program. He added the required 620 score on the Graduate Management Admission Test is the main reason most of the community college students do not qualify for the CPA certificate.

### **FOREIGN AUDITORS**

Ms. Houston said that the Texas State Board of Public Accountancy is conducting an investigation with respect to foreign auditors of SEC firms. Mr. Joseph noted the Accountancy Board of Ohio had not received any complaints from the SEC or others regarding this matter.

### **REQUESTS FOR WAIVER OF LATE FILING FEES**

#### ***JAMES F. GAUL***

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

#### ***RICHARD J. CIOFANI***

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

#### ***GILBERT C. BERNHARDT***

Mr. Bernhardt requested a waiver of the \$600 late fee applicable to the late renewal of his Ohio permit due to family health problems.

#### ***DANIEL R. RAMBO***

Mr. Rambo requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he was a member of the OSCP in good standing since acquiring his permit.

#### ***VALERIE K. FRANK***

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

#### ***STEVEN M. SOEDER***

Mr. Soeder requested a waiver of the \$600 late fee applicable to the late renewal of his Ohio permit

because he did not receive a license renewal notice.

***COLIN G. FUNK***

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

***CAROLYN N. DOME***

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

***LYLE W. VIKRE, JR.***

Mr. Vikre requested a waiver of the \$300 late fee applicable to the late renewal of his Ohio registration because he assumed his license renewal date was July 31<sup>st</sup> instead of December 31<sup>st</sup>.

***THOMAS J. COOK***

Mr. Cook requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he changed employment and his previous employer had paid his license fees.

***JOHN K. LEWIS***

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

***MATTHEW A. GRISWOLD***

Mr. Griswold requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio permit because he changed employment and his previous employer had paid his license fees.

***JAMES S. BETTNER***

Mr. Bettner 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.

***MITCHEL T. COLEMAN***

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

***NANCY K. BOOE-KISER***

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

***CLIFFORD E. ROE***

Mr. Roe requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he inadvertently failed to renew his license in a timely manner.

***DON L. SMITH***

Mr. Smith requested a waiver of the \$400 late fee applicable to the late renewal of his Ohio registration because he inadvertently failed to renew his license in a timely manner.

***WILLIAM H. BALLARD***

Mr. Ballard requested a waiver of the \$750 late fee applicable to the late renewal of his Ohio registration because he moved and did not receive a renewal notice.

***TOD A. WADDELL***

Mr. Waddell requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio registration because he did not receive a 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 medical problems.

**FORMAL HEARING: KIRK G. SALISBURY**

Ms. Russell opened a disciplinary hearing at 10:45 a.m. pursuant to Chapter 119 of the Revised Code. Kirk G. Salisbury was charged with a violation of section 4701.16(A)(8) of the Ohio Revised Code, pertaining to his disbarment from the right to practice before the Internal Revenue Service (IRS). Mr. Salisbury requested a hearing in a timely manner and he was present at the hearing. The hearing was continued from the July 8, 2011 Board meeting.

Mr. Patterson and Mr. Salisbury waived opening statements.

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

Mr. Salisbury admitted that the IRS disbarred him from practicing before the agency on December 31, 2009. Mr. Salisbury appealed the IRS decision, and the IRS Office of Professional Responsibility upheld the decision of the agency on August 5, 2010. Mr. Salisbury said that the IRS decision was based on his failure to file tax returns for the years 2002 through 2007. He added he sent the returns to the IRS but did not have certified mail receipts to verify delivery.

Mr. Patterson then asked for the admission of State's Exhibit A. Mr. Salisbury did not object and Ms. Russell accepted the exhibit.

The Board then asked questions of Mr. Salisbury. Following the questions, Mr. Patterson said the Board has jurisdiction to take action in this matter.

Ms. Russell concluded the hearing.

#### **REINSTATEMENT HEARING: JOSEPH J. MERRELLI, JR.**

Ms. Russell opened a reinstatement hearing at 11:19 a.m. Present at the hearing was Joseph J. Merrelli, Jr., whose CPA certificate was revoked by the Board on June 3, 2011 pursuant to Ohio Revised Code sections 4701.16(A)(4) and 4701.16(A)(1) then in effect, pertaining to failure to comply with the continuing education verification requirements and fraud or deceit in obtaining an Ohio permit.

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

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

Mr. Merrelli produced his verified continuing education credit in support of his reinstatement request, and this was marked as Respondent Exhibit 1. Mr. Patterson moved for the acceptance of State's Exhibit A documenting the reinstatement hearing notices and Respondent Exhibit 1. Mr. Merrelli did not object, and Ms. Russell accepted the exhibits.

The Board then asked questions of Mr. Merrelli.

Ms. Russell closed the hearing.

#### **FORMAL HEARING: JOHN J. JURCAGO**

Ms. Russell opened a disciplinary hearing at 11:30 a.m. pursuant to Chapter 119 of the Revised Code. John J. Jurcago was charged with a violation of section 4701.16(A)(9) of the Ohio Revised Code, pertaining to failure to obtain an Ohio permit, and section 4701.16(A)(3) of the Revised Code pertaining to unlawful practice. Mr. Jurcago requested a hearing in a timely manner and he was present at the hearing.

Mr. Patterson and Mr. Jurcago waived opening statements.

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

Mr. Jurcago said he had continuing education to submit to the Board, and apologized for not complying with the Board's cease and desist order regarding his firm sign. He added he did not accept any new work or clients after he received the order.

In response to questions from Board members, Mr. Jurcago said he contacted the Board regarding his license as a result of a letter he received from the OSCP stating his license was suspended. He added that he completed the continuing education required for the prior reporting period January 1, 2006 through December 31, 2008. He concluded by stating that he completed a peer review for his firm in 2010, and his firm registration is due to be renewed October 31, 2011. Ms. Hay confirmed the peer review information under oath.

Upon motion by Mr. Landaker, seconded by Mr. Comer, the Board voted to recess the hearing in order for Mr. Dixon to verify Mr. Jurcago's continuing education. Motion carried 9-0.

Upon motion by Mr. Landaker, seconded by Ms. Houston, the Board voted to return to general session. Motion carried 9-0.

The Board discussed the possibility of continuing the hearing until November 4, 2011 due to the continuing education issue. After discussion, the Board agreed that a decision would be made at the current meeting.

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

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

Ms. Russell concluded the hearing.

#### **REINSTATEMENT HEARING: TONG ZHANG**

Ms. Russell opened a reinstatement hearing at 12:01 p.m. The CPA certificate of Tong Zhang was revoked by the Board on July 8, 2011 pursuant to Ohio Revised Code sections 4701.16(A)(4) and 4701.16(A)(1) then in effect, pertaining to failure to comply with the continuing education verification requirements and fraud or deceit in obtaining an Ohio permit.

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

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

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 Mr. Zhang's request for a reinstatement hearing and the correspondence related to the hearing.

Mr. Zhang, who resides in California, produced his verified continuing education credit in support of his reinstatement request in lieu of an appearance, and this was marked as Respondent Exhibit 1. Mr. Patterson said that a written statement was acceptable in lieu of a personal appearance.

Mr. Patterson called Mr. Joseph as a witness, and asked that he be sworn in. Mr. Joseph took the oath. Mr. Patterson reviewed Mr. Zhang's continuing education with Mr. Joseph, and Mr. Joseph indicated that Mr. Zhang had completed 120 verified continuing education credits for the reporting period January 1, 2008 to December 31, 2010.

Mr. Patterson moved for the acceptance of State's Exhibit A documenting the reinstatement hearing notices and Respondent Exhibit 1. Ms. Russell accepted the exhibits.

Ms. Russell closed the hearing.

### **FORMAL HEARING: MARY C. ROGERS**

Ms. Russell noted that Ms. Rogers requested a continuance of the hearing, and said that her hearing would be held at the next meeting of the Accountancy Board of Ohio on November 4, 2011.

### **REINSTATEMENT HEARING: MARK A. BEESON**

Ms. Russell opened a reinstatement hearing at 12:09 p.m. Present at the hearing was Mark A. Beeson, whose CPA certificate was revoked by the Board on April 17, 2009 pursuant to Ohio Revised Code sections 4701.16(A)(10) pertaining to conduct discreditable to the public accounting profession or to the holder of an Ohio permit arising from an enforcement proceeding before the Securities and Exchange Commission (SEC); specifically, SEC Administrative Proceeding 3-11530 issued June 29, 2004. As a result of an agreement, Mr. Beeson submitted to a two-year bar from the mutual fund industry, a three-year prohibition on serving as an officer or director of a mutual fund or investment advisor, and he was assessed a civil penalty of \$100,000.

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

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

Mr. Beeson produced evidence in support of his reinstatement request. He added that many years have elapsed since the SEC action, and that he paid the civil penalty assessed by the SEC. He concluded by stating that he does not practice public accounting but would like to have his CPA certificate back in good standing.

Mr. Patterson moved for the acceptance of State's Exhibit A documenting the reinstatement hearing notices. Mr. Beeson did not object, and Ms. Russell accepted the exhibit.

The Board then asked questions of Mr. Beeson.

Ms. Russell closed the hearing.

### **FORMAL HEARING: ALEXANDER W. MILLER**

Ms. Russell opened a disciplinary hearing at 12:21 p.m. pursuant to Chapter 119 of the Revised Code. Alexander W. Miller was charged with a violation of section 4701.16(A)(4) of the Ohio Revised Code, pertaining to Mr. Miller'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. Miller requested a hearing in a timely manner but he was not present at the hearing. The hearing was continued from the July 8, 2011 Board meeting.

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. Miller 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 take action in this matter.  
Ms. Russell concluded the hearing.

### **REVIEW OF JOHN JURCAGO'S CONTINUING EDUCATION**

Mr. Dixon reported that Mr. Jurcago reported continuing education for 2008-2010 and thus it was not clear from the submission whether Mr. Jurcago met the continuing education requirement for the 2006-2008 reporting period or the 2009-2011 reporting period.

### **EXECUTIVE SESSION**

Upon motion by Mr. Fay, seconded by Mr. LaPlace, 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. Mr. Landaker was not present for this vote. After discussion, the Board returned 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:

- James F. Gaul
- Richard J. Ciofani
- Gilbert C. Bernhardt
- Daniel R. Rambo
- Valerie K. Frank
- Steven M. Soeder
- Colin G. Funk
- Carolyn N. Dome
- Lyle W. Vikre, Jr.
- Thomas J. Cook
- John K. Lewis
- Matthew A. Griswold
- James S. Bettner
- Mitchel T. Coleman
- Nancy K. Booe-Kiser
- Clifford E. Roe
- Don L. Smith
- William H. Ballard
- Tod A. Waddell

Motion carried 9-0 on a roll call vote.

Upon motion by Mr. Fritz, seconded by Mr. LaPlace, the Board voted to deny the appeal of Cathy S. Crow for waiver of the late filing fee. Motion carried 7-2, with Mr. Comer and Mr. Fay 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: KIRK G. SALISBURY***

Upon motion by Mr. Fritz, seconded by Mr. Landaker, the Board voted to revoke the CPA certificate of Kirk G. Salisbury, with the provision that he may not apply for reinstatement until he has resolved the issue of his disbarment before the IRS. Motion carried 9-0 on a roll call vote.

***DISCIPLINARY HEARING: ALEXANDER W. MILLER***

Upon motion by Mr. Fritz, seconded by Ms. Houston, the Board voted to revoke the CPA certificate of Alexander W. Miller. Motion carried 9-0 on a roll call vote.

***REINSTATEMENT HEARING: JOSEPH J. MERRELLI, JR.***

Upon motion by Mr. Fritz, seconded by Mr. Comer, the Board voted to reinstate the CPA certificate of Joseph J. Merrelli, Jr., subject to the payment of a \$750 fine and completion of a Board-approved professional standards and responsibilities course by October 31, 2011. Motion carried 9-0 on a roll call vote.

***DISCIPLINARY HEARING: JOHN J. JURCAGO***

Upon motion by Mr. Fritz, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of John J. Jurcago, but stay the revocation subject to the submission of 120 documented continuing education credits for the reporting period January 1, 2006 to December 31, 2008, compliance with all existing cease and desist orders, payment of a \$2,000 fine, and completion of a Board-approved professional standards and responsibilities course by September 30, 2011. Motion carried 9-0 on a roll call vote.

***REINSTATEMENT HEARING: TONG ZHANG***

Upon motion by Mr. Fritz, seconded by Mr. Comer, the Board voted to reinstate the CPA certificate of Tong Zhang, subject to the payment of a \$500 fine and completion of a Board-approved professional standards and responsibilities course by October 31, 2011. Motion carried 9-0 on a roll call vote.

***REINSTATEMENT HEARING: MARK A. BEESON***

Upon motion by Mr. Comer, seconded by Mr. LaPlace, the Board voted to reinstate the CPA certificate of Mark A. Beeson, subject to the payment of a \$1,000 fine and completion of a Board-approved professional standards and responsibilities course by October 31, 2011. Motion carried 8-0 on a roll call vote, with Mr. Fritz abstaining.

***APPEAL OF CLOSED CASE: OAKES vs. KENNEDY***

Upon motion by Mr. Landaker, seconded by Mr. Carroll, the Board voted to uphold the decision of the Executive Director to close the case known as Oakes vs. Kennedy. Motion carried 9-0 on a roll call vote.

The Board adjourned.

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**GRETA J. RUSSELL, CHAIR**

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**W. MICHAEL FRITZ, SECRETARY**