

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF DECEMBER 8-9, 2014 MEETING**

The Accountancy Board met on December 8, 2014 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: Robert Fay, CPA (Chair), Michael Comer, CPA (Vice-Chair), James Carroll, CPA (Secretary), W. Michael Fritz, CPA (Immediate Past Chair), Margaret Houston, CPA (Past Chair), Adriana Sfalcin (Public Member), James Gero, CPA (Member), James Gottfried, CPA (Member) and Michael Guinigundo, CPA (Member).

Representing the Board staff was John E. Patterson, Executive Director and Tracey Fithen, Assistant Executive Director. Board counsel present was Rachel Huston, Esq., representing the office of the Attorney General.

Mr. Fay opened the meeting, with the Pledge of Allegiance, at 1:00 p.m., and said that the purpose of the meeting is to discuss the issues that will be of importance to the Board and the public accounting profession in 2015.

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

GOALS FOR 2015

Mr. Patterson discussed ways to inform CPAs and PAs of any CPE and peer review role changes via email blast, partner with the OSCPAs and others as well as information included in the Accountancy Board Newsletter. The question was raised of going paperless entirely as a possibility and what is permissible with the State of Ohio.

Mr. Patterson discussed revising the Disciplinary and Investigator Manual by separating the two and making significant changes by basically reducing the verbiage. He also discussed revising the orientation letter sent to newly licensed CPAs by including useful information and services offered by the Board, the OSCPAs as well as the National Association of State Boards of Accountancy (NASBA).

Mr. Patterson also discussed the changes to monitor our new rules pertaining to nano-learning.

ISSUES ON THE HORIZON

Mr. Patterson informed the Board that committees would meet at least once annually. He also discussed the new trend of PSR courses offered by instructors with a felony conviction and whether or not this should be permissible.

Mr. Patterson discussed whether or not an inactive, or retired licensee, may continue working in a CPA firm. Also discussed, is the 150 hours to sit for the CPA exam with a GMAT score of 620.

Mr. Fay discussed the frustration by the Board when deciding disciplinary and late fees. Ms. Fithen explained the procedure the staff uses in issuing late, back and disciplinary fees with the Board. The Board would like to see the fees and their reference to disciplinary charges on the future hearing summaries.

BOARD COMMITTEES

Mr. Comer, as the Board's new incoming Chair for 2015, led discussion concerning the Board's committee structure for 2015. He agreed to look at committees and present them at the February 6, 2015 Board meeting.

Mr. Fritz asked that all Board members consider serving on NASBA's various committees to fully represent the State of Ohio. The committees consist of the Enforcement Committee, Compliance Assurance Committee, Education Committee, Ethics and Strategic Professional Issues Committee, Uniform Accountancy Act (UAA) Committee and the Global Strategies Committee.

BOARD MEMBERS OBTAINING CPE

Mr. Fay led the Board in a discussion concerning the accrual of cpe for Board Member attendance at Board meetings as well as attendance at the OSCP Peer Review Committee meetings. The Board decided to allow four hours of cpe for Board meeting attendance with a maximum of 28 hours per year. Legislative members of the Federal and State tax related committees would also receive credit.

BOARD CALENDAR OF EVENTS

The Board reviewed the following meeting dates for 2015-2016:

- February 6, 2015 (Friday) (Regular Board meeting)
- April 24, 2015 (Room East B)
- June 12, 2015 (Room East B)
- July 10, 2015 (Room East B)
- September 4, 2015 (Room East B)
- November 6, 2015 - Annual Meeting (Room East B)
- December 7th, 2015 - Board Retreat (Rooms West B and C)
- December 8th, 2015 (Rooms West B and C)
- February 5th, 2016 (Room not yet assigned)

Mr. Comer, as the new incoming Chair, will review and discuss at the February 6th, 2015 meeting.

OHIO ETHICS TRAINING

All Board members required to take the ethics training have done so prior to the Board Retreat.

Mr. Fay concluded the meeting by passing the gavel to Mr. Comer, as the new Chair. The meeting was adjourned until the following day, Tuesday, December 9th, 2014.

**DECEMBER 9, 2014
ACCOUNTANCY BOARD OF OHIO
BOARD MEETING**

The Accountancy Board reconvened on December 9, 2014 at 9:00 a.m. 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: Michael Comer, CPA (Chair), James Carroll, CPA (Vice-Chair), James Gero, CPA (Secretary), Robert F. Fay, CPA (Immediate Past Chair), W. Michael Fritz, CPA (Past Chair), Margaret Houston, CPA (Past Chair), Adriana Sfalcin (Public Member), James Gero, CPA (Member), James Gottfried, CPA (Member) and Michael Guinigundo, CPA (Member).

Mr. Fay opened the meeting with the Pledge of Allegiance at 9:00 a.m.

Mr. Comer, as the new Chair, presented Mr. Fay with the Chair Gavel Award for his service as Chair during the 2014 year. Representing the Board staff was John E. Patterson, Executive Director and Tracey Fithen, Assistant Executive Director. Board counsel present was Rachel Huston, Esq., representing the office of the Attorney General.

Present in the audience were Ken Bishop, CEO of NASBA, Walter Davenport, NASBA's Chair for 2014-15, Greta Russell, CPA, Scott D. Wiley, CEO, Barbara Benton, Vice President for Governmental Affairs, Laura Hay of the Ohio Society of Certified Public Accountants (OSCPA), and Joseph Skoda, CPA, representing the Ohio Association of Independent Accountants.

**PRESENTATION BY NASBA'S
KEN BISHOP AND WALTER DAVENPORT**

Mr. Comer introduced Ken Bishop, CEO, and Walter Davenport, NASBA's Chair for 2014-2015.

Mr. Bishop spoke with the board regarding all the changes and new ideas being implemented by NASBA. He noted that the Accountancy Board of Ohio has consistently been among the national leaders in accountancy regulation and their involvement with NASBA. Mr. Bishop also thanked Mr. Fritz for his service as the Great Lakes Regional Director of NASBA. He also commended the Board for its efforts in maintaining its leadership among the states, as well as globally, and noted several changes within NASBA towards improving its standards.

Mr. Davenport thanked the Ohio Board for the hospitality and efforts in bringing Ohio into the forefront and with the new implementation of the cpe verify and mobility standards.

APPROVAL OF THE NOVEMBER 7, 2014 BOARD MEETING MINUTES

Upon motion by Ms. Sfalcin, seconded by Mr. Gottfried, the Board voted to approve the minutes of the November 7, 2014 Board meeting with a small change to page one by Ms. Houston. Motion carried 9-0.

INFORMATION REPORTS AND UPDATE

FINANCIAL AND BUDGET REPORT

Ms. Fithen said that the Board's current budget situation was good and there were no unexpected expenses so far in fiscal year 2015.

EDUCATION ASSISTANCE PROGRAM REPORT

Ms. Elisabeth Newell reported that a total of \$196,748 has been paid in scholarships so far in fiscal year 2015. This amount includes the \$50,000.00 grant to the Accounting Career Awareness Program paid in October of 2014.

INVESTIGATIONS REPORT

Ms. Newell reported that, to date, there are a total of 30 open cases and only one case in litigation. Currently, there are 9 cases with compliance action pending.

ATTEST FIRM RENEWAL UPDATE

Ms. Kelly Kelly, firm registration secretary, updated the board on the status of the attest firms that were due to renew by October 31, 2014.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson discussed the status of past hearings report as well as a residency waiver request by Eric Leonard.

REQUESTS FOR WAIVER OF LATE FILING FEES

SCOTT A. DEMARCO

Mr. DeMarco requested a waiver of the \$150 late fee applicable to the renewal of his Ohio firm license due to the post office postmarking his payment one day late.

BRAD M. MCFANN

Mr. McFann requested a waiver of the \$1,000 late fee applicable to the renewal of his Ohio Permit due to moving and not updating his address with the Board.

THOMAS BAIRD

Mr. Baird requested a waiver of the \$1,250 late fee applicable to the renewal of his Ohio permit due to an oversight and confusion with the OSCP.

DISPLINARY HEARING: DAVID L. COOK/BOOKKEEPING SERVICES, INC.

Mr. Comer opened a disciplinary hearing at 10:10 a.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged David L. Cook with violation of section 4701.16(A)(1) & (4) of the Ohio Revised Code, concerning fraud and deceit in obtaining an Ohio permit; and a violation of a rule of professional conduct promulgated by the board; specifically continuing education verification. Mr. Cook was in attendance.

Ms. Huston called Mr. Cook as a witness and introduced State's Exhibit A, 1 through 11 and Exhibit B, 1 through 43.

The Board admitted into evidence all exhibits. Mr. Comer concluded the hearing.

DISPLINARY HEARING: LARRY E. COUCHOT

Mr. Comer opened a disciplinary hearing at 10:40 a.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Larry E. Couchot with 4701.16(A)(5), concerning conviction of a felony under the laws of any state or of the United States. Mr. Couchot was in attendance and represented by counsel, James Leo.

Ms. Huston called Mr. Couchot as a witness and introduced State's Exhibit A, 1 through 13 and Exhibit B, 1 through 33.

The Board admitted into evidence all exhibits. Mr. Comer concluded the hearing.

CHAIR'S REPORT

Mr. Comer requested that board committee assignments and calendar be decided at the February 6, 2015 Board meeting.

QUASI-JUDICIAL DELIBERATIONS

Upon motion by Mr. Comer, seconded by Mr. Gottfried, the Board voted to enter into quasi-judicial deliberations. 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. Gero, seconded by Mr. Gottfried, the Board voted to approve the appeal of the following licensee for waiver of the late filing fee:

- Scott A. DeMarco

Motion carried 7-2 on a roll call vote.

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

- Brad M. McFann
- Thomas Baird

Motion carried 9-0 on a roll call vote.

FORMAL HEARING: DAVID L. COOK/BOOKKEEPING SERVICES, INC.

Upon motion by Mr. Gero, seconded by Mr. Fritz, the Board voted to revoke the CPA certificate of David L. Cook/Bookkeeping Services, Inc., but stay the revocation subject to the completion of the following requirements by January 31, 2015:

- Payment of a fine of \$5,000 for fraud or deceit in obtaining an Ohio permit.
- Payment of a fine of \$5,000 for failure to provide CPE verification by December 31, 2014.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved professional standards and responsibilities course.

Motion carried 9-0 on a roll call vote.

FORMAL HEARING: LARRY E. COUCHOT

Upon motion by Mr. Gero, seconded by Ms. Sfalcin, the Board voted to revoke the CPA certificate of Larry E. Couchot until all terms and conditions are met by the court order.

Motion carried 8-0 on a roll call vote with Ms. Houston recusing.

DISTINGUISHED SERVICE AWARD: MARGARET (MAGGIE) HOUSTON, CPA

Mr. Comer awarded, Ms. Margaret (Maggie) Houston, CPA (Past Board Member), with the Distinguished Service Award for her years serving on the board in appreciation for her service and contributions.

ADJOURNMENT

Upon motion by Mr. Comer, seconded by Mr. Gottfried, the Board voted to adjourn. Motion carried 9-0.

MICHAEL S. COMER
CHAIR

JAMES P. GERO
SECRETARY