

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF JUNE 7, 2013 MEETING**

The Accountancy Board met on June 7, 2013 in Room South A 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: W. Michael Fritz, CPA (Chair), Robert Fay, CPA (Vice Chair), Michael Comer, CPA (Secretary), Greta Russell (Past Chair), James Carroll, CPA (Member), Adriana Sfalcin (Public Member), James Gero, CPA (Member) and James Gottfried, CPA (Member). Margaret Houston, CPA (Immediate Past Chair) was absent.

Representing the Board staff was John E. Patterson, Executive Director and Tracey F. Fithen, Assistant Executive Director. Board counsel present was Hilary R. Damaser, Esq., representing the office of the Attorney General. Jesse Dixon, Enforcement Officer, opened the meeting with the Pledge of Allegiance.

Present in the audience was Barbara Benton, Vice President for Governmental Affairs of the Ohio Society of Certified Public Accountants (OSCPA) and Joe Skoda, CPA, representing the National Society of Accountants.

Mr. Fritz called the meeting to order at 10:00 a.m., and welcomed the guests in the audience.

APPROVAL OF THE APRIL 26, 2013 BOARD MEETING MINUTES

Upon motion by Mr. Gero, seconded by Mr. Carroll, the Board voted to approve the minutes of the April 26, 2013 Board meeting. Motion carried 7-0. Ms. Russell arrived late.

INFORMATION REPORTS AND UPDATES

BUDGET AND FINANCIAL REPORT

Ms. Fithen noted that the Board as of June 6, 2013 was still spending less than its projected budget for fiscal year 2013, so it would be certain once again that the Board would not spend its entire appropriation. She added that Mr. Patterson and she had met with Budget Management and have been appropriated their requested allotment for fiscal year 2014 and 2015. The amount would be the same as in the past few years.

RENEWAL INFORMATION

Ms. Fithen noted that the Tax Consulting Firm renewal, consisting of 514 firms, has been mailed out on May 31, 2013. Approximately 130 have renewed as of this morning, June 7, 2013 and are due on July 31, 2013. The Peer Review Firms (502) that are due to renew by October 31, 2013 will be mailed out on September 3, 2013.

Ms. Fithen also noted that approximately 11,140 individual CPA renewal reminder cards were mailed out on June 3, 2013 and that we were beginning to receive return cards with address changes. The renewal letter for the individual CPAs will be mailed on October 7, 2013 and the

renewal period would run through December 31, 2013.

INVESTIGATIONS REPORT

Mr. Dixon noted that 7 cases were opened since the last Board meeting, 9 cases closed and a total of 34 open investigations in 2013. Four licensees have still not complied with the continuing education verification. These licensees are scheduled for a hearing and would likely have hearings in July or September.

PROPOSED RULE CHANGES

Mr. Patterson presented one rule, 4701-11-05 *Form of Practice and Name*, due to be filed along with the five-year review rules and procedures. Mr. Patterson also stated that this rule would bring us in compliance with the AICPA's Uniform Accountancy Act (UAA) rule regarding forms of practice and firm names. He has also been in contact with the Ohio Society of CPAs (OSCPA) and has received suggestions from them as well. He noted that any comments can be included in the rule filing process due to begin after the July 12, 2013 Board meeting. The Board members had several questions and comments on the changes.

NASBA REPORT

Mr. Patterson reported the NASBA Eastern Regional Meeting would be held in Chicago, June 26-29, 2013, and that he and Ms. Fithen would be attending as well as a few of the Board members.

EDUCATION ASSISTANCE PROGRAM REPORT

Karen Salyer, of the Accountancy Board, reported a total of \$286,091 was spent for education assistance in fiscal year 2013. She added that \$280,406 was actually used for grant payments and \$5,685 due to refund checks sent back to the Board. The top 3 colleges to receive grant monies to date are Youngstown State University, University of Cincinnati and Ohio State University. Ms. Salyer also noted that we would not be spending the complete allocation for fiscal year 2013.

There was discussion concerning the possible changes in the forms used for the Board meeting reports and the Board was asked to provide Ms. Salyer with their suggestions. One suggestion was to do a year-to-year comparable report.

OLD BUSINESS

Mr. Patterson noted, per the April 26, 2013 Board meeting, the status of the hearings were processed and remedies were ordered.

NEW BUSINESS

Mr. Patterson requested the Board to approve the Professional Standards and Responsibilities Course by the Better Business Administration. Mr. Patterson suggested that a sub-

committee be formed to discuss the different PSR courses being offered and what standards should be met. The Board moved to accept the course as an Ohio sponsored PSR course. Upon motion by Mr. Comer, seconded by Mr. Gero, the Board voted to approve the course.

CLOSE COMPLAINT APPEAL: MICHAEL D. CLEVINGER

Mr. Patterson recommended that the Board close the case of a complaint on Michael D. Clevenger, noting that it's a very difficult case. A complaint should be based on legal issues not personal complaints. Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to close the complaint.

FORMAL HEARING: DALE B. SHAFER

Mr. Fritz opened a disciplinary hearing at 10:34 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Shafer with a violation of section 4701.16(A)(8) of the Ohio Revised Code, concerning suspension or revocation of the right to practice before any state or federal agency.

Ms. Damaser called Mr. Patterson as a witness and introduced State's Exhibits 1 through 10. Mr. Shafer then spoke to the Board and was asked questions by the Board.

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

FORMAL HEARING: MICHAEL F. DENOEWER

Mr. Fritz opened a disciplinary hearing at 10:50 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Denoewer with a violation of section 4701.16(A)(5) of the Ohio Revised Code, concerning conviction of a felony under the laws of any state or of the United States.

Ms. Damaser called Mr. Patterson as a witness and introduced State's Exhibits 1 through 22. Mr. Denoewer then spoke to the Board and was asked questions by the Board.

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

FORMAL HEARING: JOHN R. WRIGHT, JR./WRIGHT & ASSOCIATES CPAS, INC.

Mr. Fritz opened a disciplinary hearing at 11:34 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Wright with a violation of section 4701.16(A)(9) of the Ohio Revised Code, pertaining to the failure to obtain an Ohio permit and a firm registration and Section 4701.16(A)(11) of the Revised Code, concerning failure of the firm to comply with the firm registration requirements in section 4701.04 of the Revised Code.

Ms. Damaser called Mr. Patterson as a witness and introduced State's Exhibits 1 through 23. Mr. Wright then spoke to the Board and was asked questions by the Board.

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

FORMAL HEARING: RICK D. SNOW

Mr. Fritz opened a disciplinary hearing at 11:51 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Snow with a violation of section 4701.16(A)(5) of the Ohio Revised Code, concerning conviction of a felony under the laws of any State or of the United States.

Ms. Damaser called Mr. Patterson as a witness and introduced State's Exhibits 1 through 21. Mr. Snow was not in attendance.

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

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson introduced two new employees that have joined the Accountancy Board staff. Ms. Beatrice Johnson, Information Secretary and Ms. Jenny Kochensparger, Board Investigator.

Mr. Patterson also noted that he participated in the PUCO interviews that are mandatory of the Accountancy Board Executive Director. Mr. Patterson would also like to discuss in the future, attest firms switching back and forth from a Peer Review firm to a Tax Consulting firm to avoid doing the peer review.

Mr. Patterson also informed the Board of possibilities in his operations of dealing with issues and discussions. Mr. Patterson requested that Mr. Carroll have a meeting of the Licensing Committee and to invite the OSCP to participate as well.

EXECUTIVE SESSION

Upon motion by Mr. Fritz, seconded by Mr. Comer, the Board voted to recess into executive session pursuant to Ohio Revised Code section 121.22(G)(1) to discuss the confidential investigative cases with Mr. Patterson. Motion carried 8-0 on a roll call vote. After discussion, the Board returned to general session.

BOARD DECISIONS

DISCIPLINARY HEARING: DALE B. SHAFER

Upon motion by Mr. Comer, seconded by Mr. Fay, the Board voted to revoke the CPA certificate of Dale B. Shafer and he may not apply for reinstatement until the terms and conditions of the court order are met in February, 2017.

Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: MICHAEL F. DENOEWER

Upon motion by Mr. Comer, seconded by Mr. Gero, the Board voted to revoke the CPA certificate of Michael F. Denoewer and he may not apply for reinstatement until the terms and conditions of the court order are met.

Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: JOHN R. WRIGHT, JR./WRIGHT & ASSOCIATES CPAS, INC.

Upon motion by Mr. Comer, seconded by Mr. Carroll, the Board voted to revoke the CPA certificate of John R. Wright, Jr., and the firm registration of Wright & Associates CPAs, Inc, but stay the revocation subject to the completion of the following requirements by July 31, 2013:

- Payment of a fine of \$500.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved professional standards and responsibilities course.

Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: RICK D. SNOW

Upon motion by Mr. Comer, seconded by Mr. Fay, the Board voted to revoke the CPA certificate of Rick D. Snow and he may not apply for reinstatement until the terms and conditions of the court order are met.

Motion carried 8-0 on a roll call vote.

Upon motion by Ms. Sfalcin, seconded by Mr. Gero, the Board voted to adjourn. Motion carried 8-0.

W. MICHAEL FRITZ, CHAIR

MICHAEL S. COMER, SECRETARY