

Accountancy Board of Ohio
Minutes of Board Meeting June 7, 2019

The Accountancy Board of Ohio (Board) met on June 7, 2019 in Rooms West B & C, 31st floor of the Riffe Center, Columbus, with the following members present: Michael Guinigundo, CPA (Chair), Margaret Gilmore, CPA (Vice- Chair), Kenya Watts, CPA (Secretary), James Gottfried, CPA (Immediate Past Chair), James Redmond, CPA (Member), John Soucie, CPA (Member), Gerald Weinstein, CPA (Member), and Scott Blake (Public Member). Brendan Fitzgerald, CPA (Member) was not present.

Representing the Board staff was John E. Patterson, Executive Director; Tracey F. Fithen, Assistant Executive Director; and Donna M. Oklok, Investigations Supervisor. Board counsel present was Jahan S. Karamali, Esq., representing the office of the Ohio Attorney General.

Present in the audience was Laura Hay, Executive Vice President, and Barbara Benton, Vice President of Governmental Affairs, of the Ohio Society of Certified Public Accountants (OSCPA). David Dennis, CPA was also present.

Mr. Guinigundo called the meeting to order at 10:00 a.m., and opened the meeting with the Pledge of Allegiance. Mr. Guinigundo also welcomed the guests in the audience.

REINSTATEMENT HEARING: DALE B. SHAFER

Mr. Guinigundo opened a reinstatement hearing at 10:00 a.m. pursuant to section 4701.17 of the Revised Code. Mr. Shafer was in attendance and he was not represented by counsel.

Ms. Karamali gave an opening statement and called Mr. Shafer as a witness. She introduced State's Exhibits A, 1 through 9; B, 1 through 4; and C, 1 through 3. Mr. Shafer then spoke and was questioned by the Board.

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

FORMAL HEARING: DOUGLAS HOLTHUES / HOLTHUES & ASSOCIATES, CPAs

Mr. Guinigundo opened a disciplinary hearing at 10:15 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Holthues with a violation of 4701.16 (A)(3), (A)(9) & (11), concerning a violation of section 4701.14 of the Revised Code; failure of a holder of a CPA certificate or PA registration to obtain an Ohio permit or an Ohio registration, or the failure of a public accounting firm to obtain a firm registration; and failure of a public accounting firm to comply with section 4701.04 of the Revised Code. Mr. Holthues was in attendance and was represented by James J. Leo, attorney at law.

Ms. Karamali gave an opening statement, and introduced State's Exhibit(s) A, 1 through 4; B, 1 and 2; and C, 1 through 9. Mr. Leo gave an opening statement and introduced Respondent's Exhibits A, (1); and B, (1). Ms. Karamali called Ms. Charlene Nortey, Board investigator, to testify to the facts of the case. Mr. Leo cross examined Ms. Nortey. Mr. Holthues then spoke and was questioned by the Board.

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

FORMAL HEARING: TRACY M. SMITH (GOLDMAN)

Mr. Guinigundo opened a disciplinary hearing at 11:01 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Ms. Smith with a violation of section 4701.16(A)(1) of the Revised Code, concerning fraud or deceit in obtaining a firm registration or in obtaining a CPA certificate, a PA registration, an Ohio permit, or an Ohio registration.

Ms. Karamali gave an opening statement, and called Ms. Faith Ottavi, Board Investigator, as a witness and introduced State's Exhibit A, 1 through 11, and B, 1 through 16. Ms. Karamali made a closing statement.

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

REQUEST FOR WAIVER OF LATE FEES

DONALD W. SMITH

Mr. Smith requested a waiver of the \$200 late fee due to non-renewal of his Ohio permit.

REYNOLDS & COMPANY CPAs

Mr. Brown requested a waiver of the \$300 late fee due to non-renewal of the firm's registration.

TOUFIC TAKESH

Mr. Takesh requested a waiver of the \$250 late fee due to non-renewal of his Ohio permit.

MARLENA G. CASEBOLT

Ms. Casebolt requested a waiver of the \$250 fee due to late payment of her Ohio permit.

MATTHEW M. GARDNER

Mr. Gardner requested a waiver of the \$500 late fee due to non-renewal of his Ohio permit.

MATTHEW C. DOBAY

Mr. Dobay requested a waiver of the \$500 late fee due to non-renewal of his Ohio permit.

WILLIAM E. GABEL

Mr. Gabel requested a waiver of the \$400 late fee due to non-renewal of his Ohio permit.

RICHARD W. SMALLWOOD

Mr. Smallwood requested a waiver of the \$900 late fee due to non-renewal of his Ohio permit.

MARLENE A. NICKLE

Ms. Nickle requested a waiver of the \$250 late fee due to non-renewal of her Ohio registration.

QUASI-JUDICIAL DELIBERATIONS

Upon Mr. Guinigundo's direction, the Board went into quasi-judicial deliberations to discuss the formal hearings and requests for waivers of late fees. After discussion, the Board returned to general session.

BOARD DECISIONS

Dale B. Shafer (2012-54)

Upon the motion by Ms. Watts, and seconded by Mr. Gottfried, the Board voted to reinstate the CPA certificate of Mr. Shafer, pending completion of the following conditions:

- (1) Payment of a reinstatement fee of \$250.

Motion carried 8-0 on a roll call vote.

Douglas Holthues / Holthues & Associates (CO2019-4508)

Upon the motion by Ms. Watts, and seconded by Ms. Gilmore, the Board voted to revoke the CPA certificate of Mr. Holthues and the firm registration of Holthues & Associates, but stay the revocation pending completion of the following conditions:

By August 15, 2019:

- 1) Completion of three (3) credits of Board-approved, Ohio-specific professional standards and responsibilities
- 2) Payment of a fine of \$2,500

By October 15, 2019:

- 3) Compliance with firm registration requirements, including submission of appropriate documentation indicating completion, approval, and appropriate sign-offs of a firm peer review, as well as all firm licensing and late fees.

Motion carried 8-0 on a roll call vote.

Tracy M. Smith (CO2019-2283)

Upon the motion by Ms. Watts, and seconded by Mr. Redmond, the Board voted to revoke the CPA certificate of Ms. Smith.

Motion carried 8-0 on a roll call vote.

LATE FEE WAIVER REQUESTS

Upon the motion by Ms. Watts and seconded by Mr. Weinstein, the Board voted to approve Reynolds & Company CPAs' late fee waiver request.

Motion carried 8-0 on a roll call vote.

Upon the motion by Ms. Watts and seconded by Mr. Soucie, the Board voted to deny the requests for waiver for Donald Smith, Toufic Takesh, Marlena Casebolt, Matthew Gardner, Matthew Dobay, William Gabel, Richard Smallwood, and Marlene Nickle.

Motion carried 8-0 on a roll call vote.

REQUESTS FOR RECONSIDERATION

Mr. Patterson discussed the closed case review of Lou-Ray and Associates, submitted by Leland Menke. The Board voted 8-0 to take no action.

Mr. Patterson discussed the closed case review of Christopher Isabella, CPA, submitted by Joseph Isabella. The Board voted 8-0 to take no action.

Mr. Patterson discussed the closed case review of Shields, Blice & Company, submitted by Alvin Smith. The Board voted 8-0 to take no action.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson addressed the potential impact of the UAA committee's proposal to require an additional 500-2,000 hours of supervised audit work prior to being licensed to perform independent audit engagements. He also spoke about the updated CPE tracking website and its functionality, and the potential for moving license renewal from a uniform December 31 deadline to a birth month deadline. Mr. Gottfried asked whether a post-licensing or post-renewal survey would be a valuable addition, specific to the process of licensure/certification.

INFORMATION REPORTS AND UPDATES

Budget/Financial Update/Annual Report

Education Assistance Report

Investigations Report

Rules Update

The Board discussed additional option for the revision of rule 4701-15-11, breaking audit CPE into categories based on areas selected as high-risk by the AICPA. It was agreed that additional input from other jurisdictions, NASBA, and stakeholders would be necessary prior to revising the rule, and that the previous revision of this rule will be filed while additional input is gathered. The previously filed revision to this rule will be filed with JCARR.

Approval of April 26, 2019 Board Meeting Minutes

Upon motion by Mr. Gottfried and seconded by Mr. Blake the Board voted 8-0 to approve the minutes of the April 26, 2019 Board meeting.

OLD BUSINESS

Status of Past Hearings

Ms. Oklok reported that she testified in Mercer County court regarding a case against Jeffrey Rasaweher, who had filed complaints with the Board against his brother in law, an Ohio CPA.

NEW BUSINESS

Ms. Gilmore opened a discussion on recent industry articles regarding the value of a CPA license, and how to evaluate future needs of the profession in light of industry trends. The Board members discussed the changing nature of public accounting work and other options accounting students have in the job market.

Disciplinary Advisory Committee

Mr. Guinigundo opened a meeting of the Disciplinary Advisory Committee at 1:00 p.m. to discuss matters before it. The members of the committee in attendance were James Redmond, Chair; John Soucie; and Scott Blake. The Board, upon request from Mr. Redmond, approved the updated investigations manual. The committee concluded its meeting at 1:03 p.m.

CHAIR'S REPORT

Mr. Guinigundo reminded the members attending the NASBA Eastern Regional conference to submit their travel information to Ms. Fithen.

SUMMARY OF BOARD REQUESTS

Mr. Patterson will bring up topics at the regional meeting regarding audit failure and discipline.

ADJOURNMENT

Upon motion by Ms. Gottfried and seconded by Mr. Weinstein, the Board voted to adjourn.

Motion carried 8-0.

MICHAEL M. GUINIGUNDO, CHAIR

KENYA Y. WATTS, SECRETARY