

Accountancy Board of Ohio
Minutes of Board Meeting July 20, 2018

The Accountancy Board of Ohio (Board) met on July 20, 2018 in Rooms West B & C, 31st floor of the Riffe Center, Columbus, with the following members present: James Gottfried, CPA (Chair), James Gero, CPA (Immediate Past Chair), Michael Guinigundo, CPA (Vice-Chair), Margaret Gilmore, CPA (Secretary), Kenya Watts, CPA (Member), John Soucie, CPA (Member), Gerald Weinstein, CPA (Member).

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 Rachel Huston, Esq., representing the office of the Ohio Attorney General.

Present in the audience was Barbara Benton, Vice President of Governmental Affairs, of the Ohio Society of Certified Public Accountants (OSCPA); and Lori Brown and Robert Fay, CPA of the Ohio CPA Foundation. David Dennis, CPA was also present.

Mr. Gottfried called the meeting to order at 10:01 a.m., and opened the meeting with the Pledge of Allegiance. Mr. Gottfried also welcomed the guests in the audience.

REQUESTS FOR RECONSIDERATION

Mr. Patterson discussed the reciprocal CPA application for Timothy Hurley. Mr. Hurley applied for an Ohio CPA certificate based on substantial equivalency. He currently holds a CPA license in California which does not permit him to sign off on attest work, and his Ohio application was denied on that basis. However, Mr. Hurley contends his license is substantially equivalent based on the requirements for an initial Ohio CPA certificate. After discussion, the Board took a voice vote 7-0 in favor of granting Mr. Hurley an Ohio CPA certificate.

Mr. Patterson also brought forth the request to reconsider the denial of an extension of the Exam window from 18 months to 20 months for Brandon Corbin. Mr. R. Scott Blake (Public Member) arrived during this discussion.

After discussion and upon motion by Mr. Weinstein, the Board voted 4-3, with one abstention (Mr. Blake) on a roll call vote to uphold the decision to deny the request.

REINSTATEMENT HEARING: GENE T. CUMMINGS

Mr. Gottfried opened a reinstatement hearing at 10:11 a.m. pursuant to section 4701.17 of the Revised Code. Mr. Cummings was in attendance and was represented by counsel, Brandon M. Smith, attorney.

Ms. Huston called Mr. Cummings as a witness and introduced State's Exhibits A, 1 through 3; B, 1 through 2; and C, 1 through 2. Mr. Cummings then spoke and was questioned by the Board.

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

FORMAL HEARING: JOSEPH M. BRENNER

Mr. Gottfried opened a disciplinary hearing at 10:18 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Brenner with a violation of section 4701.16(A)(1) of the Revised Code, concerning fraud and deceit in obtaining an Ohio permit; specifically 4701-15-12 Continuing education verification.

Ms. Huston called Ms. Charlene Nortey, Board Investigator as a witness and introduced State's Exhibit(s) A, 1 through 11; B, 1 through 6; C, 1 through 29; and D, 1 through 11.

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

FORMAL HEARING: G. MICHAEL BROWN/G. MICHAEL BROWN & ASSOCIATES, INC. (GOLDMAN)

Mr. Gottfried opened a disciplinary hearing at 10:30 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Brown with a violation of 4701.16(A)(4), (A)(9) & (A)(11), concerning a violation of a rule of professional conduct promulgated by the Board, specifically rule 4701-1107, Board communications; 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. Brown was not in attendance and was not represented by counsel.

Ms. Huston gave an opening statement, and called Mr. John Patterson, Executive Director, to testify to the accuracy of the records of the Board, and introduced State's Exhibit A, 1 through 9, and B, 1 through 4. Ms. Huston then called Ms. Charlene Nortey, Board investigator, as a witness. Ms. Huston made a closing statement.

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

REQUEST FOR WAIVER OF LATE FEES

DEGRANDIS & DEGRANDIS CPAS

Mr. DeGrandis requested a waiver of the \$300 late fee due to non-renewal of his attest firm registration.

QIONG (JOAN) MENG

Ms. Meng requested a waiver of the \$300 late fee due to non-renewal of her Ohio registration.

BRUCE A. MCDONNELL

Mr. McDonnell requested a waiver of the \$600 late fee due to non-renewal of his Ohio permit.

JEFFREY D. CLARK

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

TERRI ROGERS

Ms. Rogers requested a waiver of the \$300 late fee due to non-renewal of her Ohio registration.

QUASI-JUDICIAL DELIBERATIONS

Upon Mr. Gottfried'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

Gene T. Cummings (Case #2017-75)

Upon the motion by Ms. Gilmore, and seconded by Mr. Guinigundo, the Board voted to reinstate Mr. Cummings' CPA certificate subject to the completion of the following conditions by September 30, 2018:

Completion of three credits of a Board approved professional standards and responsibilities course, specific to Ohio laws and rules.

Motion carried 8-0 on a roll call vote.

Joseph M. Brenner (Case #2018-79)

Upon the motion by Ms. Gilmore, and seconded by Mr. Weinstein, the Board voted to revoke the CPA certificate of Mr. Brenner, but stay the revocation subject to completion of the following conditions by September 30, 2018:

- (1) Payment of a fine of \$500
- (2) Payment of a fine of \$10 for each credit of CPE completed in 2018, used to meet licensing requirements for 2015-2017 (\$660)

Motion carried 8-0 on a roll call vote.

G. Michael Brown / G. Michael Brown & Associates (Case #2018-49)

Upon the motion by Ms. Gilmore, and seconded by Mr. Gero, the Board voted to revoke the CPA certificate of G. Michael Brown and the Firm registration of G. Michael Brown & Associates, CPA.

Motion carried 8-0 on a roll call vote.

LATE FEE WAIVER REQUESTS

Upon the motion by Ms. Gilmore and seconded by Mr. Weinstein, the Board voted to deny the requests for waiver for DeGrandis & DeGrandis, CPAs; Joan Meng; Bruce McDonnell; Jeffrey Clark; and Terri Rogers.

Motion carried 8-0 on a roll call vote.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson reported he recently spoke to the Dayton CPA group, and attended the ACAP luncheon. He also addressed the upcoming September Board meeting in Akron, and asked that Board members in various aspects of public accounting speak for 3-5 minutes at this upcoming meeting, to provide context and information to students attending.

INFORMATION REPORTS AND UPDATES

Budget/Financial Update/Annual Report

Ms. Fithen discussed the closing of FY 2018 and the start of the 2019 FY. The audit of FY 2017 & FY 2018 is finishing up.

Education Assistance Report

Mr. Patterson discussed the request made to raise the education assistance funding budget from \$325,000 to \$450,000 in the 2020-2021 biennial budget. Mr. Patterson stated that the controlling board has had to approve additional funding in this biennium, as assistance requests exceeded the allotted \$325,000/year.

Investigations Report

Ms. Oklok reported there are currently 18 cases pending Board hearing.

Rules Update

Ms. Oklok noted a public meeting is scheduled for August 20, 2018 regarding changes to the Board communications rule.

Approval of June 1, 2018 Board Meeting Minutes

Upon motion by Ms. Gilmore and seconded by Ms. Watts, the Board voted 8-0 to approve the minutes of the June 1, 2018 Board meeting.

OLD BUSINESS

Status of Past Hearings

Ms. Huston reported oral arguments in the Fidler case are scheduled for July 27, 2018.

NEW BUSINESS

None.

CHAIR'S REPORT

Finance and Audit Committee

Mr. Gottfried opened a meeting of the Finance and Audit Committee at 11:26 a.m. to discuss matters before it. The members of the committee in attendance were Michael Guinigundo, Chair; James Gero, and Maggie Gilmore. Mr. Guinigundo asked Mr. Patterson to speak about the upcoming budget and timeline to implement statutory changes to meet future needs.

The committee concluded its meeting at 11:43 a.m.

Mr. Gottfried opened a meeting of the Education Assistance Committee at 11:43 a.m. to discuss matters before it. The members of the committee in attendance were Michael Guinigundo, Chair; Kenya Watts; and Gerald Weinstein. Mr. Guinigundo invited Mr. Fay and Ms. Brown to speak on behalf of the Ohio CPA Foundation. They outlined the Foundation's accomplishments and goals, and recognized the support the Board has given to the Foundation, and expressed their hope the Board will continue the same.

The committee concluded its meeting at 11:50 a.m.

Mr. Gottfried stated he was interested in pursuing a policy allowing conditional admission to the CPA Exam to those who had earned at least 120 semester hours but less than 150 semester hours of education. If adopted, a rule change would be necessary. After a short discussion, the matter was tabled until the October 19 meeting. Ms. Oklok reported on eLicense upon request from Mr. Gottfried; and addressed what, if any changes can be made to cease and desist notices to encourage better compliance. Mr. Gottfried reminded all in attendance of the September meeting in Akron September 7.

SUMMARY OF BOARD REQUESTS

None.

ADJOURNMENT

Upon motion by Mr. Guinigundo and seconded by Mr. Blake, the Board voted to adjourn.

Motion carried 8-0.

JAMES D. GOTTFRIED, CHAIR

MARGARET A. GILMORE, SECRETARY