

Texas State Board Report

June 2001

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Austin, Texas

Vol. 73

THE UNIFORM CPA EXAMINATION IS ONE OF THE WORLD'S LEADING HIGH-STAKES EXAMINATIONS. Its purpose is to admit individuals into the profession only after they have demonstrated the entry-level knowledge and skills necessary to protect the public interest in a rapidly changing business and financial environment.

The Uniform
CPA Examination
is entering the
21ST
CENTURY

IN ORDER TO CONTINUE TO MEET its mission, the examination has, from time-to-time, undergone revision. Modifications in recent years have included changes in structure and content, non-disclosure of test questions, multiple formats, and equating. The more closely an examination reflects the current real-world environment, the more effective the test is in protecting the public interest.

Once again, it is time to restructure the examination to ensure that the process continues to meet our public protection mandate. To this end, the Texas Legislature passed H.B. 430 to amend the *Public Accountancy Act*. The amendments will provide the necessary legal authority to implement the computerized format.

The amendments to the *Public Ac-*

countancy Act in Texas are twofold:

- ♦ removal of the fee cap in the current *Act* to accommodate the increased cost of the examination due to the computerization of the exam; and
- ♦ allowance for non-numerical grading, such as pass/fail, in the event that it is determined that such a method is the best way to score the exam.

William Holder, CPA, DBA and Craig N. Mills, EdD, wrote in their recent article "Pencils Down, Computers Up — The New CPA Exam" published in the March

See *21st Century*, page 2

THE BENEFITS

THE CONVERSION TO A COMPUTERIZED examination will benefit the exam candidates, the Board, and the profession by increasing:

- ♦ the ability to offer the examination at more frequent intervals and to spread out test dates at the candidates' convenience; and
- ♦ the ability to offer the examination at more locations.

2001 issue of the *Journal of Accountancy*, “A powerful force that has affected the practice of accounting is the expanding universe of information that accountants

must know. One need look no further than the body of literature that represents the enforceable professional standards to realize the tremendous increase in information that is the foundation of competent practice. Further, with the increase in volume has come a growth in complexity.”

The intent of the examination will change if it is computerized, as it will examine a candidate’s skills to handle the volume and complexity of accounting literature in finding solutions to exam questions.

The exam is crucial to the responsibility of state boards of accountancy to protect the public. It must remain a high-quality and well-respected means of determining entry into the accounting profession.

Although the test has been modified to some extent in recent years, its standard premise and format remain unchanged.

Holder and Mills believe that “the new exam must equal or exceed the current one in its quality or it will not protect the public.”

Paper-based examinations are limited in their ability to test higher-level skills, information technology, and integration of knowledge across subject areas. The revised examination has been targeted for delivery via computer in order to create an examination experience that more

closely replicates the “real world” environment. By restructuring the examination to a computerized format, it will reflect the changes in the work performed by entry-level CPAs, including the need for more complex skills, while also recognizing the increasingly integral role of technology in CPAs’ work product.

As the profession and the world’s technology evolves, more emphasis is put on research and the use of technology in problem-solving situations, with less emphasis on recall of facts.

Holder and Mills state, “Perhaps the most obvious change in the practice [of accounting] is the tremendous and pervasive effect of technology; accountants are able to obtain almost unlimited information electronically. Developing effective solutions for client problems involves gathering information. Thus, the ability to use technology to address and resolve client problems has become an important feature of practice.”

They go on to say, “Consequently, a practicing accountant doesn’t need simply to know the answers to practice questions as they arise but needs, rather, the ability to find such answers.”

The current paper-based examination will not keep pace with the need to stay aligned with the expanding “real world” requirements of entry-level work. By testing the required skills in a more robust manner, a computerized examination helps ensure uninterrupted protection of the public interest. A computer-based Uniform CPA Examination also makes available to the regulatory community (*i.e.*, the 54 state boards of accountancy) a number of powerful benefits, including those shown in the sidebar on page 1.

Prior to the exam’s implementation, a great deal of study, testing, and analysis of various models must be completed. The National Association of State Boards of Accountancy and the American Institute of CPAs have formed a joint committee on the computerized examination initiative which is working toward resolving the myriad details surrounding the conversion to the computerized examination.

Extensive work is already underway by other groups as well. Psychometricians

The CPA exam in the

REAL WORLD

The “real world” — a perspective that focuses on the changing realities in which the computerized examination will operate — shows us:

- ♦ a marketplace that continues to challenge the work of entry-level CPAs;
- ♦ the continual evolution of the services that CPAs provide;
- ♦ the need for entry-level CPAs to be technologically competent;
- ♦ the rate and pace at which new information must be assessed and assimilated; and
- ♦ the increasingly complex requirements of the public interest that the 54 state boards of accountancy serve.

See **21st Century**, page 15

*Would you like to write or review questions for future CPA exams?
The AICPA is seeking CPAs across the country to do just that.*

Question writers & reviewers sought for computerized exam

COMPUTER-BASED TESTING WILL CREATE THE NEED FOR A LARGER bank of questions. According to the AICPA, secure, continuous testing requires a large pool of high-quality objective questions, and approximately 10,000 multiple choice items will be needed by 2004. The new questions must be developed and pretested within the next two years.

The AICPA's current in-house staff production of exam questions cannot fill this need. Therefore, the AICPA's Examinations Team in February 2001 issued a request for proposal for the creation of new questions and has awarded bids to two development contractors: ACT and The Chauncey Group. The nation will be divided geographically in this endeavor, with Texas item writers and reviewers working with ACT; licensees residing outside of Texas should contact the AICPA to determine which contractor is responsible for this project in other areas. [See sidebar].

Recruitment and training.

The AICPA will develop detailed criteria for the approximately 300 qualified item writers and reviewers needed to develop the 10,000 multiple-choice exam questions. Each contractor is responsible for the recruitment and training phase of this operation.

The item writers and reviewers will be monetarily compensated and may also be eligible for AICPA continuing professional education credit.

Each item writing group will be composed of a balance of experienced educators, recently licensed CPAs, and experienced CPA practitioners representing different firm sizes. The practitioners must possess good writing skills as well as a practical knowledge of auditing, accounting, or taxation. A predominance of the

members of each group must have an awareness of entry-level CPA functions and have recent experience in supervising new CPAs.

Contractors will also have the responsibility of recruiting and training fairness review panels, each of which will have a minimum of six reviewers whose backgrounds span a variety of cultural and ethnic groups and who are not CPA exam content experts. The panels will include a balance of males and females, plus at least one member who is trained in sensitivity issues related to disabilities.

How it will work.

The Examinations Team will provide the contractors with comprehensive guidelines on procedures for writing and

Interested?

**Texas residents
should contact:**

ACT

**Rosemary Regan-Gavin
(319) 337-1087
gavin@act.org**

**Non-Texas residents
should contact:**

AICPA

**Ahava Goldman
(201) 938-3424
agoldman@aicpa.org**

See *Exam Writers*, page 15

SSARS 8

ENGAGEMENTS

AT ITS MARCH 2001 MEETING, THE BOARD CONFIRMED THAT ENGAGEMENTS PERFORMED under the new SSARS 8 standards must be peer reviewed as part of the Board's quality review program.

"A SSARS 8 engagement is a compilation under professional standards," said Jimmie Lee Mason, CPA, chair of the Quality Review Committee. "Compilations are among those services for which quality review is required under the Board's rules."

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Jimmie Lee Mason, CPA chairman,
TSBPA Quality Review Committee

What is a SSARS 8 engagement?

A SSARS 8 engagement is a compilation made possible by an amendment to the AICPA's *Statements on Standards for Accounting and Review Services* (SSARS), effective January 1, 2001. These compilations may be issued by a CPA with-

out a report so long as the following conditions are met:

- ◆ The compilation is submitted to client's management who has knowledge of the company and the limitation of the financial information.
- ◆ The compilation is not reasonably expected to be used by a third party.
- ◆ The CPA has documented an understanding with his client in an engagement letter concerning the use and limitations on the statements, among other things.
- ◆ The compilation contains a reference on each page restricting the use of the financial statement.

A CPA is entitled reasonably to rely on the representation of management concerning the intended use of the statement unless contradicting information comes to his or her attention. A CPA may still elect to issue an accountant's re-

port on any compilation under SSARS 1 even if the compilation is not expected to be used by a third party.

Other than the lack of an accountant's report, a SSARS 8 compilation itself is no different from any SSARS compilation. In preparing a SSARS 8 compilation, the CPA should comply with the compilation performance requirements of AR Sections 100.05 and 100.07-10. Therefore, the CPA should have a level of knowledge about the accounting practices of the industry in which the entity operates and an understanding of the nature of the entity's business transactions. Although no inquiry or procedure to verify management representations is required, if the CPA has knowledge that the information supplied by the entity is incorrect, the CPA must obtain additional information. Finally, the CPA should read the financial statements and make sure that they are appropriate in form and free from obvious material errors, such as mistakes in the application of accounting principles.

Quality Review Committee action.

The Board's Quality Review Committee considered the revised SSARS standards and an article describing them published in the *Journal of Accountancy*. SSARS 8 engagements were intended to expand the communications options between a CPA and a client in the provision of the very popular compilation service. The AICPA, the standards-setting body responsible for the new rule, did not intend to create a new kind of service — just another kind of compilation. The Board's Quality Review Committee therefore determined that the SSARS 8 compilations are still compilations.

The Committee noted that Texas Board rules, specifically *Section 527.4 (Quality Review Program)*, require that firms issuing compilations as their highest level of service participate in a quality review program.

“Reviewing these new engagements will help CPAs learn to follow the new standards,” said Mr. Mason. “The quality review program will assist CPAs to serve their clients better.”

AICPA action.

Board rules incorporate portions of AICPA *Standards for Performing and Reporting on Peer Reviews* as minimum standards for its program of quality review. (See Section 527.4). AICPA interpretive guidance states that where SSARS 8 engagements are reviewed, the reviewer should treat the engagement letter as the “report” within the meaning of the AICPA standards. The Texas State Society of CPAs, which administers a practice monitoring program under the AICPA standards in Texas, will therefore have clear guidance about the treatment of SSARS 8 engagements under the *Standards for Performing and Reporting on Peer Reviews*.

It is interesting to note that the AICPA membership rules require peer review only of licensees that issue reports on financial statements. (See AICPA By Law, Section 220R.02-.03.) Because there is no “report” in a SSARS 8 engagement, firms that issue only SSARS 8 compilations need not have a peer review to maintain AICPA membership. Board rules, by contrast, require quality review of any firm issuing a compilation.

“The Board’s quality review program has always been strong and slightly different from those of neighboring states,” said Mr. Mason. “The Board’s leadership in this area has served the profession in this state well. We think that the quality review program will help ensure that CPAs in Texas are able to take full advantage of the new communications option offered to them by the changes in SSARS. That’s good for the public.” ❖

Section 527.4. Quality Review Program

The following operations of the program shall be conducted by the board. This section shall not require any firm to become a member of any sponsoring organization.

(1) **Applicability.** Participation in the program is required of each firm licensed or registered with the board that performs accounting and/or auditing engagements, including, but not limited to, audits, reviews, compilations, forecasts, projections, or other special reports.

(2) **Operation.**

(A) Each firm registered with the board shall enroll in the program of an approved sponsoring organization in accordance with paragraph (6) of this section within one year from its initial licensing date or the performance of services that require a review. The firm shall adopt the review due date assigned by the sponsoring organization, and must notify the board of the date within 30 days of its assignment. In addition, the firm shall schedule and begin an additional review within three years of the previous review’s due date, or earlier as may be required by the sponsoring organization.

(B) It is the responsibility of the firm to anticipate its needs for review services in sufficient time to enable the reviewer to complete the review by the assigned review due date.

(3) **Standards.** The board adopts system reviews and engagement reviews described in “*Standards for Performing and Reporting on Peer Reviews*” promulgated by the American Institute of Certified Public Accountants, Inc., as its minimum standards for review of firms. The board does not recognize “report reviews” performed under the AICPA Standards.

(4) **Oversight.** The board shall appoint a Quality Review Oversight Board (QROB) whose function shall be the oversight and monitoring of sponsoring organizations for compliance and implementation of the minimum standards for performing and reporting on reviews. Oversight procedures to be followed by the QROB shall be provided for by rules promulgated by the board. Information concerning a specific firm or reviewer obtained by the QROB during oversight activities shall be confidential, and the firm’s or reviewer’s identity shall not be reported to the board. The QROB shall consist of three members, none of whom is a current member of the board.

(5) **Compensation.** Compensation of QROB members shall be set by the board.

(6) **Sponsoring organizations.** Qualified sponsoring organizations shall be the SEC Practice Section (SECPS), American Institute of Certified Public Accountants (AICPA) Peer Review Program, state CPA societies fully involved in the administration of the AICPA Peer Review Program, National Conference of CPA Practitioners (NCCPAP), and such other entities which are approved by the board.

(7) **Mergers, combinations, dissolutions, or separations.** In the event that a firm is merged, otherwise combined, dissolved, or separated, the sponsoring organization shall determine which firm is considered the succeeding firm. The succeeding firm shall retain its peer review status and the review due date.

(8) The board will accept extensions granted by the sponsoring organization to complete a review, provided the board is notified by the firm within 20 days of the date that an extension is granted.

(9) A firm that has been rejected by a sponsoring organization for whatever reason must make an application to the board and receive authorization to enroll in a program of another sponsoring organization.

(10) A firm choosing to change to another sponsoring organization may do so provided that the firm authorizes the previous sponsoring organization to communicate to the succeeding sponsoring organization any outstanding corrective actions related to the firm’s most recent review. Any outstanding actions must be cleared and outstanding fees paid prior to transfer between sponsoring organizations.

Thank you, proctors

The May 2001 Uniform CPA Examination was conducted at six Texas locations, with 2,662 candidates writing one or more parts. The Board relies on members of the profession to proctor, as it would be unable to conduct an exam of this magnitude without assistance. The Board sends its sincere appreciation to the following individuals who proctored in May and to their employers who allowed them to help in this effort.

Austin

David Catlin	Austin Information Systems
Philip Hiller	Austin Information Systems
Kamal Butala	Damark
Tanya Stokes	D & S Residential
Susan Schader	Gindler Chappell Morrison & Co.
Jean Lein	Haegelin Construction
James Pumphret	IRS
Hugh Higgins	Office of Public Counsel
Juliette Bell	PricewaterhouseCoopers
Richard James	Ranger Excavating Inc.
Bobby Cook	Retired
Maxwell Godwin	Retired
Mike Hardison	Self-employed
Paul Koffend	Self-employed
Joseph Stanfield	Self-employed
Julia Swisher	Self-employed
Lila Beasley	TCADA
Kelly Wagner	Texas Dept. of Insurance
Rita Chase	Texas Education Agency
Spencer Stevens	Thompson & Knight
Brenda Horton	Travis Business Park
Ben Barber	TSBPA
Micaela Hernandez	TSBPA
Shannon Simmons	TSBPA
Betty Works	U.S. Army Audit Agency
Don Woods	U.S. DOJ

El Paso

Edward Lobdell	Bixler & Co.
Jimmy Stevens	Retired
Andra Crossland	Self-employed
Suzanna Hallmark	Self-employed
Brenda Yeager	Wm. E. Rister & Co.

Fort Worth

Shane Messing	Bank One
Kathryn Isbell	Bell & Isbell

Stephanie Corrigan	Burlington Northern Santa Fe
Gene Anderson	City of Paris
Ryan Scoville	Dr Pepper/7-Up
Angela Richardson	Ernst & Young
Frank Norris	FDIC
Laurel Spohrer	Grant Thornton
George Lavina	IRS
Bonnie Vaughn	Lange & Assoc
Johnna McNeal	Malnory McNeal & Co
Anthony Adeyemo	R I A Fast Tax
Lynn Badgwell	Self-employed
Walter Baldree	Self-employed
Donna Chamberlain	Self-employed
Richard Crow	Self-employed
Tom Hatfield	Self-employed
Patty Havard	Self-employed
Terry Hobbs	Self-employed
George Moore	Self-employed
A.Z. Smith	Self-employed
Sharron Walker	Self-employed
Philip Baker	The Rayzor Company
Christine Stinson	TSCPA
Sandra McCall	USDA
Diane Hartgraves	Verizon
James Reed	Weaver & Tidwell
Todd Deller	Wilson & Associates

Houston

William McCormick	American Steel Building Co.
William Nall	Burlington Resources, Inc.
Susan Lee	Chase Manhattan Bank
Beverly Riggans	City of Houston
Gary Dullum	Comptroller of Public Accounts
Pamela Nickell	CSD, Inc.
David Castillo	DC Castillo Consulting Services
Isabelle Giraudet	Ernst & Young
Hemant Khemka	Ernst & Young
Steven Smith	Grant Thornton
Michael Young	Green & McElreath

Elyse Turla	TSCPA Houston Chapter
Melvin Doolan	IRS
Carol Donnelly	IRS
Robert Estill	IRS
Ingrid Mathis	IRS
Steve Lewis	IRS
Nancy Springer	IRS
Pamela Tuttle	IRS
Evelyn Watson	IRS
Walter Winger	IRS
Henny Kusumawati	Jackson Hewitt Tax Service
Diana Tiberia	Keith Lawyer Management
Josephine Williams	Kellogg Brown & Root, Inc.
Tracy Vu	Kinder Morgan
Dora Navarro	Kingwood Medical Center
Angie Chi	Lawford Real Estate Investments, Inc.
Tracy Short	Mohle Adams
Gregory Garrett	Mir Fox & Rodriguez
Alice Gatlin	PricewaterhouseCoopers
Laura Sanchez	PricewaterhouseCoopers
Keith Kerr	Reliant Energy
Jane Healey	Rice University Facilities & Engineering
Leigh McAuliffe	SeaRiver Maritime, Inc.
G.M. Barziza	Self-employed
Malachy Byrne	Self-employed
John Childs	Self-employed
Lynn Embrey	Self-employed
Dennis Nelson	Self-employed
Barbara Parrigin	Self-employed
Randy Pollard	Self-employed

Charles Quirk Jr.	Self-employed
Jaydean Tullos	Self-employed
Kenneth Huewitt	Service Master
Lynn Correa	Silvertech Systems
Marvin Williams	University of Houston Downtown
Michael Gallagher	World ByNet.Com

Lubbock

Marion Bryan	American State Bank
Clay Adrian	Bolinger, Segars, Gilbert & Moss
Stephen Book	Bolinger, Segars, Gilbert & Moss
Jeff Marshall	Bolinger, Segars, Gilbert & Moss
Jeremy Royal	Bolinger, Segars, Gilbert & Moss
Kerrie Cribbs	Cannon Payne & Cribbs, LLC
Dottie Lewis	City of Lubbock
Yvette Peters	E. Jordan Mills
Angela Echols	Self-employed
Daphna Simpson	Self-employed
LaDelle Watson	Self-employed
Robert Ricketts	Texas Tech University
Kerrie Smith	Weiss & Associates

San Antonio

James Deaven	CCC Group, Inc.
Annette Garnett	CCC Group, Inc.
Donald Malik	Crockett Street Management



The November 7-8, 2001 examination will be held at the following locations:

FORT WORTH

WILL ROGERS MEMORIAL CIVIC CENTER

AUSTIN

LESTER E. PALMER AUDITORIUM

EL PASO

HAWTHORN INN & SUITES

HOUSTON

[FACILITY UNDETERMINED AT PRESS TIME]

LUBBOCK

LUBBOCK CIVIC CENTER

SAN ANTONIO

LIVE OAK CIVIC CENTER

If you are interested in proctoring even one session, please call your local TSCPA chapter or contact the Board by e-mail at: exam@tsbpa.state.tx.us

ENFORCEMENT ACTIONS

Disciplinary Actions

Respondent: Peter Lynn Allman (Round Rock)

Certificate No.: 066518

Complaint No.: 99-12-13L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order in which the respondent agreed to complete an additional eight hours of live CPE concerning not-for-profit accounting by June 30, 2001, and to provide documentation of the courses completed by July 31, 2001. The respondent failed to exercise due care during an audit. The respondent's conduct violated *Section 21(c)(4)* of the *Act* and *Section 501.22 (Auditing Standards)* of the Board's *Rules*.

Respondent: Roosevelt E. Bassie (Houston)

Certificate No.: 059203

Complaint No.: 99-05-10L

Date of Board ratification: 3/22/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded with the requirements that the respondent pay \$250.00 in administrative penalties, pay \$500.00 in administrative costs, and complete and submit six hours of live CPE in the area of professional ethics.

The respondent failed to respond to Board communications in violation of *Sections 901.502(6)* and *901.502(11)* of the *Act* as well as *Section 501.48 (Responses)* of the *Rules*.

Respondent: David B. Blomstrom (Richmond)

Certificate No.: 006107

Complaint Nos.: 99-07-04L and 99-10-06L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded. The respondent must engage a qualified outside technical consultant who has been approved in writing by the Technical Standards Review Committee chair, and the respondent will not issue any product in connection with any audit engagement unless the reviewer has approved its issuance. The respondent will not perform any peer reviews until the Board authorizes him to do so.

The respondent failed to comply with Generally Accepted Auditing Standards in the preparation of financial reports for a school. The respondent's actions violated *Sections 901.502(6)* and *901.502(11)* of the *Act* and *Section 501.22 (Auditing Standards)* of the *Rules*.

Respondent: Bryan D. Bulloch (Dallas)

Certificate No.: 053989

Complaint No.: 00-03-22L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent was placed on a one-year probated suspension with the requirement that the respondent must complete a four-hour professional ethics course within 90 days of the date of the order.

The respondent practiced public accountancy without a practice unit and with a personal license that was delinquent and expired. In addition, the respondent failed to return client records. The respondent's conduct violated *Sections 901.502(6)* and *901.502(11)* of the *Act* as well as *Sections 501.4 (Practice of Public Accountancy)*, *501.32 (Records)*, and *501.40 (Registration Requirements)* of the *Rules*.

Respondent: Timothy J. Buzzelli (Denton)

Certificate No.: 070733

Complaint No.: 99-11-01L

Docket No.: 457-00-2157

Date of Board ratification: 3/22/01

Disposition: The respondent's license was revoked and he was ordered to pay a \$2,000.00 administrative penalty and \$500.00 in administrative costs.

The respondent falsely listed J. Kevin Kasperek as a partner of E. Business, Inc. in an attempt to secure a business line of credit for E. Business, Inc. The respondent falsely listed J. Kevin Kasperek as guarantor of a loan application to Bank One to secure a business line of credit for E. Business, Inc. The respondent violated *Sections 901.502(2)*, *901.502(6)* and *901.502(11)* of the *Act*.

Respondent: Coopers & Lybrand, LLP (now PricewaterhouseCoopers, LLP) and individuals listed below.

Registration No.: P4511 (now P4834)

Complaint No.: 98-01-64L

Date of Board ratification: 3/22/01

- ◆ **Respondent:** Robert E. Creager (Houston)
Certificate No.: 024351
Complaint No.: 00-03-10L
Date of Board ratification: 3/22/01
- ◆ **Respondent:** Kendall W. Cowan (Lubbock)
Certificate No.: 017922
Complaint No.: 00-03-09L
Date of Board ratification: 3/22/01
- ◆ **Respondent:** Dan H. Sawyers (Flower Mound)
Certificate No.: 035978
Complaint No.: 00-04-09L
Date of Board ratification: 3/22/01

Disposition: The respondents entered into an agreed consent order whereby PricewaterhouseCoopers (PwC), for the betterment of the accounting profession, will make a voluntary contribution of \$275,000 payable to the Office of the Attorney General.

Respondent Creager was ordered to complete an additional eight hours of CPE by live instruction in the areas of auditing issues or new standards by December 31, 2001 and provide documentation to the Board by January 31, 2002 of the courses completed.

Respondents Cowan and Sawyers were ordered to complete an additional eight hours of CPE by live instruction in the areas of Generally Accepted Accounting Principles by December 31, 2001 and provide documentation to the Board by January 31, 2002 of the courses completed.

The Resolution Trust Corporation (RTC) sued Coopers & Lybrand (Coopers) in federal court in New York City for \$112 million alleging that Coopers was negligent in reviewing the 1987 financial statements of Caprock Savings and Loan Association of Lubbock. Coopers settled the RTC suit for \$5,425,000. Coopers said it settled the lawsuit because of the high cost of litigation, the risk that a New York City jury might not understand the complexities associated with a Texas savings and loan, and the negative press surrounding the savings and loan industry.

Coopers violated SAS Nos. 1, 2, 11 and 31 by failing to obtain sufficient competent evidential matter when it relied

upon appraisals to determine if the valuation of the Title USA Corporation transaction was fairly presented in the financial statements. Coopers violated SAS Nos. 1 and 2 by not disclosing that Caprock's 1987 financial statements contain a departure from GAAP because the financial statements included \$1.7 million of profit from the 1988 sale of real estate. Coopers violated FAS No. 19 by failing to corroborate Caprock's management's representations regarding the recognition of \$1.7 million in profit from the 1988 sale of real estate in the 1987 financial statements. Coopers failed to properly apply FAS 66 when it issued or caused to be issued Cooper's opinion that Caprock's financial statements were presented in conformity with GAAP when those financial statements departed from GAAP by including \$1.7 million of profit from a 1988 sale of real estate and that profit had a material effect on the financial statements taken as a whole.

PwC denies the above allegations, denies any violation of the *Act* or the *Rules* and maintains that it fully complied with all applicable standards. The respondents' conduct violated *Section 901.502(6)* of the *Act* as well as *Sections 501.60 (Auditing Standards)* and *501.61 (Accounting Principles)* of the *Rules*.

Respondent: Freddy B. Dulock (Waco)
Certificate No.: 008780
Complaint No.: 99-04-15L
Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent would be placed on probated suspension for two years. The respondent must meet once a month with a representative of the TSCPA's Concerned CPA Network Program, submit a notarized written report detailing his progress in the counseling program, and submit a written report concerning his ongoing psychiatric course of treatment.

The respondent failed to forward client records and work papers to a successor auditor. In addition, the respondent failed to respond to Board communications regarding this matter. The respondent's actions violated Board *Rules 501.32 (Records)*, *501.33 (Responses)*, and *501.48 (Responses)* as well as *Sections 21(c)(4)* and *21(c)(11)*

of the *Act*.

Respondent: Richard J. Goldberg (El Paso)
Certificate No.: 014408
Complaint No.: 00-06-31L

Date of Board ratification: 1/24/01
Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent's certificate was suspended pending the appeal of a felony conviction. If the respondent's appeal is denied or his conviction becomes final by operation of law or otherwise, the respondent's certificate will be automatically revoked.

The respondent was convicted on one count of conspiring to commit mail fraud and one count of conspiring to launder monetary instruments in Cause No. EP-98-CR-959-DB(3) in the United States District Court of the Western District of Texas. As a result of his conviction, the respondent was sentenced to 100 months in prison. The respondent is presently appealing his conviction. The respondent's actions violated *Section 901.505* of the *Act*.

Respondent: James Richard Griffin (Brady)
Certificate No.: 005738
Complaint No.: 00-10-01L

Date of Board ratification: 1/24/01
Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent's certificate was voluntarily revoked in lieu of further disciplinary proceedings. On March 18, 1999 the Board revoked the respondent's certificate. On May 18, 2000 the Board reinstated the respondent's certificate. While the respondent's certificate was revoked, the respondent performed audits of six Texas Housing and Urban Development funded entities. The respondent's conduct violated *Section 901.502* of the *Act* and *Section 501.80 (Practice of Public Accountancy)* of the *Rules*.

Respondent: Joe B. Hansen (Lubbock)
Complaint No.: 00-05-29L
Certificate No.: 08598

Date of Board ratification: 3/22/01
Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent was placed on an indefinite probated suspension with the requirement that the re-

spondent complete four hours of live continuing professional education in the area of professional ethics and eight hours of live CPE in a 1040 tax preparation course within 90 days of the date of the order.

The respondent was disbarred by the Internal Revenue Service for failure to file personal tax returns for the years 1988-1991. The respondent's conduct violated *Sections 901.502(6), 901.502(9), and 901.502(11)* of the *Act* as well as *Section 501.41(7) (Discreditable Acts)* of the *Rules*.

Respondent: Jeff D. Heard, PC (Austin)

Registration No.: C03149

Complaint No.: 99-12-12L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order whereby the respondent must complete an accelerated quality review by a quality reviewer acceptable to the Board's Technical Standards Review Committee chair by June 30, 2001 and submit the report to the Board by August 1, 2001.

The respondent failed to exercise due care during an audit. The respondent's conduct violated *Section 21(c)(4)* of the *Act* and *Section 501.22 (Auditing Standards)* of the *Rules*.

Respondent: Jefferson Davis Heard (Austin)

Certificate No.: 015523

Complaint No.: 99-12-14L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order whereby the respondent agreed to complete an additional eight hours of live CPE in the area of not-for-profit accounting by June 30, 2001 and provide documentation of courses completed by July 31, 2001.

The respondent failed to exercise due care during an audit. The respondent's conduct violated *Section 21(c)(4)* of the *Act* and *Section 501.22 (Auditing Standards)* of the *Rules*.

Respondent: Jacqueline R. Jones (Dallas)

Certificate No.: 057024

Complaint No.: 00-07-02L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent's certifi-

cate was revoked in lieu of further disciplinary action.

In April 2000, the respondent was convicted of Interstate Transportation of Property Taken by Fraud, a federal felony. In addition, the respondent failed to report this conviction within 30 days as required by the Board *Rules*. The respondent's conduct violated *Sections 901.502(6), 901.502(10), and 901.502(11)* of the *Act* as well as *Sections 501.36 (Reportable Events) and 501.41 (Discreditable Acts)* of the *Rules*.

Respondent: Larry W. Kimes (Irving)

Certificate No.: 017343

Complaint No.: 96-05-11L

Date of Board ratification: 1/24/01

Disposition: The respondent was reprimanded based on his disbarment from practicing law in the State of Texas.

The respondent violated *Sections 901.502(6) and 901.502(11)* of the *Act* as well as *Section 501.41 (Discreditable Acts)*.

Respondent: KPMG Peat Marwick LLP

Registration No.: P4938

Complaint Nos.: 95-10-03L and 95-10-04L

Date of Board ratification: 1/24/01

Disposition: The Board and KPMG entered into an Agreed Consent Order in lieu of possible disciplinary action by the Board against KPMG. The Agreed Consent Order is not an adjudication adverse to KPMG regarding the merits of the related matters investigated by the Board. KPMG has agreed to make a voluntary contribution in the amount of \$425,000 for the betterment of the accounting profession and the enforcement of the *Public Accountancy Act*.

Respondent: Frank A. Kuhn (San Antonio)

Certificate No.: 028203

Complaint No.: 99-12-23L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded and placed on probated suspension for two years. In addition, the respondent: (1) must engage a qualified outside technical consultant who has been approved in writing by the Technical Standards Review Committee chair; (2) is prohibited from issuing any product in connection with any attest engage-

ment unless the consultant has approved its issuance; (3) must pay the Board a \$1000.00 administrative penalty; (4) must complete and send to the Board certificates of completion for 24 hours of live instruction of continuing professional education in the area of SSARS and compilations; (5) must register a practice unit with the Board within 30 days of the order; (6) must enroll in and begin peer review for his practice unit within 90 days of the order; (7) must timely pay all license and practice unit fees; and (8) must timely report all CPE in connection with his personal license and firm registration renewals.

The respondent failed to register a practice unit while in the client practice of public accountancy for a period in excess of ten years and performed public accounting services with a license that was delinquent and expired. The respondent also issued reports on financial statements that did not comply with the SSARS and performed attest and compilation services for more than three years without enrolling in a peer review program and obtaining a peer review. The respondent's actions violated *Sections 901.502(6) and 901.502(11)* of the *Act* and *Sections 501.4 (Practice of Public Accountancy), 501.21 (Competence), 501.24 (Other Professional Standards), 501.40 (Registration Requirements), and 527.4 (Quality Review Program)* of the *Rules*.

Respondent: Stephen C. Lawson (Lockhart)

Certificate No.: 024927

Complaint Nos.: 99-09-16L and 99-09-43L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent would be placed on probated suspension for two years. The respondent will meet once a month with a representative of the TSCPA's Concerned CPA Network Program, submit a notarized written report detailing his progress in the counseling program, undergo psychiatric evaluation by a physician within 90 days of the start of the probation, file quarterly reports from his physician if the psychiatrist recommends treatment, and submit proof.

The respondent will also take a four-hour ethics course above and beyond his existing requirement within three

months of the start of the probation and pay a \$1,000.00 administrative penalty. The respondent failed to complete tax engagements for clients, failed to respond to client inquiries, and failed to respond to Board communications. The respondent's actions violated *Sections 901.502(6) and 901.502(11) of the Act*, as well as *Sections 501.21 (Competence), 501.41(12) (Discreditable Acts), and 501.48 (Responses) of the Rules*.

Respondent: Thaland D. Logan (Cedar Hill)

Registration No.: S09948

Respondent: Logan & Associates (Cedar Hill)

Certificate No.: 03181

Complaint Nos.: 00-08-01L and 00-08-02L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded.

The respondent issued an audit report at a time when the respondent's personal and firm licenses were delinquent and expired. The respondent's conduct violated *Sections 901.502(6) and 901.502(11) of the Act and Sections 501.4 (Practice of Public Accountancy) and 501.40 (Registration Requirements) of the Rules*.

Respondent: Joseph Onwuteaka (Sugar Land)

Certificate No.: 046275

Complaint No.: 99-04-08L

Docket No.: 457-00-1235

Date of Board ratification: 3/22/01

Disposition: The respondent was reprimanded by the State Bar of Texas on August 24, 1999. Following a public hearing on December 19, 2000, an administrative law judge of the State Office of Administrative Hearings entered a default judgment against the respondent. The Board revoked the respondent's license and ordered him to pay a \$2,000.00 administrative penalty and \$838.60 in administrative costs. The respondent violated *Sections 901.502(6) and 901.502(11) of the Act and Sections 501.48 (Responses) and 501.90 (Discreditable Acts) of the Rules*.

Respondent: Kenneth Ray Pinckard (Phoenix, AZ)

Certificate No.: 010485

Complaint No.: 99-10-04L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order whereby the respondent's certificate was revoked in lieu of further disciplinary proceedings. The respondent also agreed to complete 120 hours of CPE prior to applying for reinstatement.

The respondent prepared and issued financial statements that were pervasively incorrect, did not comply with SSARS, and recognized a \$40,000,000 CD prior to its issuance. In addition, the respondent's license was delinquent and expired because he has not paid the correct annual license fee. The respondent's conduct violated *Sections 21(c)(2), 21(c)(4), and 21(c)(11) of the Act and Sections 501.21 (Competence), 501.23, (Accounting Principles) and 501.24 (Other Professional Standards) of the Rules*.

Respondent: Alan Charles Sundstrom (Plano)

Certificate No.: 032739

Complaint No.: 00-05-11L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order whereby the respondent must complete an additional 24 hours of live CPE in the areas of personal financial statements and SSARS reports by June 30, 2001 and provide evidence of completion by July 31, 2001.

The respondent prepared a report on a balance sheet for submission to the Texas Workforce Commission that did not comply with SSARS. The respondent's conduct violated *Sections 901.502(6) and 901.502(11) of the Act and Sections 501.61 (Accounting Principles), 501.62 (Other Professional Standards), and 501.74 (Competence) of the Rules*.

Respondent: Roberta B. Walters (Farmersville)

Certificate No.: 014632

Complaint No.: 00-01-25L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded. In addition, the respondent is required to complete a four-hour ethics course within 90 days of the date of the order.

The respondent failed to timely complete an engagement to prepare a 1998 corporate income tax return and financial statements and misrepresented to the client the completion date of the projects. The respondent's conduct violated *Sections 901.502(6) and 901.502(11) of the Act* as well as *Sections 501.21 (Competence) and 501.41 (Discreditable Acts) of the Rules*.

Respondent: John A. Wilkinson (Highland Village)

Certificate No.: 067581

Complaint No.: 00-05-09L

Date of Board ratification: 1/24/01

Disposition: The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded.

The respondent was suspended from practicing public accountancy in Kansas and fined \$500.00 for failure to comply with the Kansas State Board of Public Accountancy's peer review requirements. The respondent's conduct violated *Section 901.502(6) of the Act* as well as *Section 501.41 (Discreditable Acts) of the Rules*.

CPE Actions

Respondents: INDIANA: Hilland, Jennifer Ryne

TEXAS: (Austin) Spaulding, Evan Patrick

(Dallas) Phillips, Daren

(Fulshear) Yates, Herbert Spencer

(Houston) Dillon, Thomas Kevin; Gorden, William Clark Jr.; Harwell, Michael Joe; Sanchez, Peter Anthony;

(Rowlett) Oliver, Michael Paul

Complaint Nos.: 00-08-10209 through 00-08-10324

Docket No.: 457-00-2284.C

Date of Board ratification: 1/24/01

Disposition: The license of each respondent not in compliance with the Board's CPE requirements as of the January 24, 2001 Board meeting was suspended for three years, or until the respondent complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, each respondent was assessed a penalty of \$100 for each year that the respondent has been in non-compliance with the Board's CPE requirements.

The respondents failed to report sufficient continuing professional education

credits required under *Section 901.411* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act* and *Section 501.2 (Definitions)* of the *Rules*.

Respondents: **ARIZONA:** Wither-
spoon, Sharon Elyse

ILLINOIS: Schimmels, James A.

LOUISIANA: Youngblood, Nancy
Colquitt

TEXAS: (Cedar Hill) McElroy,
Roosevelt Jr.

(Dallas) Kirksey, Timothy Scott;
Stockwell, Mel Foster; Wilson, Ronald
Albert

(El Paso) Schwartz, Raymond Edward

(Floresville) Bippert, Laura Yvonne

(Garland) Mwangi, Michael K.

(Houston) Denson, John Russell; Hous-
ton, Laura Ann Eaton; Johnson, Rich-
ard Welton; Perry, Jamie Patrice

(Plano) Siemer, Gary W.

(Richardson) Brown, James Martin

(San Antonio) Dooley, Douglas Edward

Complaint Nos.: 00-09-10068 through
00-09-10415

Docket No.: 457-01-0170.B

Date of Board ratification: 1/24/01

Disposition: The license of each re-
spondent not in compliance with the
Board's CPE requirements as of the
January 24, 2001 Board meeting was
suspended for three years, or until the
respondent complies with the licensing
requirements of the *Act*, whichever is
sooner. Additionally, a penalty of \$100
was imposed for each year the respon-
dent has been in non-compliance with
the Board's CPE requirements.

The respondents failed to report suf-
ficient continuing professional education
credits required under *Section 901.411*
of the *Act*. The respondents are in vio-
lation of *Section 901.411* of the *Act* as
well as *Sections 501.25 (Mandatory
Continuing Professional Education)* and
523.62 (Mandatory CPE Reporting) of
the *Rules*.

Respondents: **TEXAS: (Austin)**

Haynes, Michelle Deanne

(Cedar Hill) Trotter, Michael Reese

(Cypress) Lavan, Matthew Ryan

(Dallas) Ciuba, Gary S.

(Houston) Harper, Matthew Elliott; Mor-
ris, Jesse Enrique; Schnake, John Reed

(Plano) Myers, Bruce Martin

(Richardson) Scott, John Jr.

Complaint Nos.: 00-10-10065 through
00-10-10226

Docket No.: 457-01-0485.B

Date of Board ratification: 1/24/01

Disposition: The license of each re-
spondent not in compliance with the
Board's CPE requirements as of the
January 24, 2001 Board meeting was
suspended for three years, or until the
respondent complies with the licensing
requirements of the *Act*, whichever is
sooner. Additionally, a penalty of \$100
was imposed for each year the respon-
dent has been in non-compliance with
the Board's CPE requirements.

The respondents failed to report suf-
ficient continuing professional education
credits required under *Section 901.411*
of the *Act*. The respondents are in vio-
lation of *Section 901.411* of the *Act* and
*Sections 501.25 (Mandatory Continuing
Professional Education)* and *523.62
(Mandatory CPE Reporting)* of the
Rules.

Respondents: **CALIFORNIA:** English,
Travis Bernard

TEXAS: (Austin) Elkouri, Brian Ameen

(Carrollton) Bennett, Larry Rogers

(Dallas) Parker, Heidi Jo

(Dripping Springs) Horne, Jerry Lee

(Houston) Baker, Phillips Stabe Jr.;

Howe, Michael; Wallis, Christopher
David

(Irving) Watson, Shannon Michelle

(Lubbock) Bruffey, George William III

(Mesquite) Wooten, Michael Riley

(Missouri City) Hall, Dena Rachelle

(Pearland) Wyatt, Wallace Wayne

(Seabrook) Lane, Terrance Joseph

Complaint Nos.: 00-11-10052 through
00-11-10239

Docket No.: 457-01-0980.B

Date of Board ratification: 3/22/01

Disposition: The license of each re-
spondent not in compliance with the
Board's CPE requirements as of the
March 22, 201 Board meeting was sus-
pended for three years, or until the re-
spondent complies with the licensing
requirements of the *Act*, whichever is
sooner. Additionally, a penalty of \$100
was imposed for each year the respon-
dent has been in non-compliance with
the Board's CPE requirements.

The respondents failed to report suf-
ficient CPE credits under *Section
901.401* of the *Act*. The respondents
are in violation of *Section 901.411* of the
Act, as well as *Sections 501.25 (Man-
datory Continuing Professional Educa-
tion)* and *523.62 (Mandatory Continuing*

Professional Education Reporting) of the
Rules.

Three-Year Delinquent Actions

Respondents (individuals): **ALABA-
MA:** Fagin, Michael Kyle

ARKANSAS: Foshee, Marchelle Lee;
Launius, Keith Randall

CALIFORNIA: Consolacion, Franco
Herminia; Paymaster, Ashwin Chandra-
kant; Quinn, Todd David; Slane, Ken-
neth Edward

COLORADO: Sparrow, Timothy David

FLORIDA: Scarpati, Erica Julie;

Hoover, Robert Bradley II; Myers,
Michael Alan; Mendoza, Marylou Carroll

GEORGIA: Faust, Boyd Douglas;

Tullos, Rachel Elizabeth

IOWA: Buell, Donna Lou

ILLINOIS: Clevenger, Carolyn Elizabeth

LOUISIANA: Franciscus, George Ed-
ward

MASSACUSETTS: Fuller, Robert
Donnell;

MISSOURI: Gates, Amy Leigh

NORTH CAROLINA: Posner, Gail A.
Perrey

NEW YORK: Feuer, Marvin; Helfert,
Cynthia Sue;

OKLAHOMA: Cutter, Duane Clayton

TENNESSEE: Marriam, Pamela I.

TEXAS: (Arlington) Brakke, Erling Bert

(Austin) Berns, Karen Joines; Chu,
Kathy Ching-Wen; Hartman, Adam
Whitesell

(Beaumont) Long, Robert Lee

(Boerne) Helmke, David A.

(Corpus Christi) Carter, Peggy

(Dallas) Edwards, Charles Montgomery;
Fogarty, William Thomas; Gaitan, Rob-
ert; Johnson, Steven John; Rice, Keith
Lynn; Terry, Kevin Patrick; Winikka,
Daniel Paul

(De Soto) Wehtje, Ronald Mark; Ensley,
Francis Annette

(El Paso) Simms, Douglas Allen

(Ennis) Mahaley, Donald Richard

(Flower Mound) Horrell, Lisa Anne

(Fort Worth) Schroeder, Ricci Dale

(Grapevine) Stempel, Irving Jay

(Harlingen) Volpe, Maricela

(Houston) Algaze, Robert; Cutsinger,
Richard Dean; Kech, Abby Hatcher;

Maresh, Melvin Albert; Satterfield,
Marilyn Goode; Valentine, Kenneth
Dewitt

(Hurst) Webb, Alice Marie

(Irving) Osborne, Andrew Joseph

(Kingwood) Wursche, Richard John

(McKinney) Ayers, Daniel Freeman
(Missouri City) MacCallon, James Wallace
(Plano) Bates, Kerry D.; Driver, Donald Benjamin; McCracken, Patrick Edward; Morton, Kimberly Hope
(Richardson) Rehn, Ronda Frances Steely
(San Antonio) Dupont, Michael Maurice; Hooper, Bennie Mike; Vincent, Walter Jones
(Sugar Land) Jarrell, Donald Stanley; Thomas, Jeffrey John
(Waco) Landon, Kirk Wayne

Complaint Nos.: 00-08-10001 through 00-08-10071

Docket No.: 457-00-2284.A

Date of Board ratification: 1/24/01

Disposition: The license of each respondent not in compliance with the Board's license requirements as of the January 24, 2001 Board meeting was revoked without prejudice. Each respondent firm may regain certification by paying all the required license fees and penalties and by otherwise coming into compliance with the *Act*.

The respondents failed to pay the license fees and penalties required under *Section 901.502(4)* of the *Act* for three consecutive license periods.

Respondents: (firms) **IDAHO:** Robyn Rowse Parks

IOWA: Thomas Webster Heeter

TEXAS: (Abilene) (Arlington) Bruce Carlton Wood; Don E. Drake; Fredric Russell Mance Jr.; John M. Crosby; Lamont D. Kennedy II; Maria de Los Angeles Delgado; Melvin G. Alexander
(Austin) Brenda Stermer; Farias Jett & Co.; John E. Rogers Jr.; Robert R. Roe, P.C.

(Bandera) Diane Butler Whiteley

(Baytown) Carl C. Currie

(Beaumont) Curtis Allen Lichey; Desa M. Praznik

(Bedford) Jack E. Mounts, Jr.; Rickey L. Sweat

(Buffalo) Shirley Watson Newsom

(Carrollton) Jo Ellen Teasdale; Marsden Ronald Avery III

(Colleyville) Uday Patil

(Conroe) L. Rigby Owen, III

(Coppell) Robert Wesley McKee

(Crockett) Randy Carson Holloway

(Crowley) Richard B. McConathy

(Dallas) Bailey, Vaught, Robertson & Company; David J. Quick; Deborah Brumley Postell; James R. Wolkenstein

Jeffery Robert Campbell; Keith Lynn Rice; Michael Clayton Wilson; Martin Alan Paul; Stephen Michael Regan; Steven E. Miller; Thomas Craig Maples
(El Paso) Wiener, Strickler & Co., P.C.

(Eules) Tonja Higgins

(Fort Worth) Kimberly Baggett; Milton West Soward; Scott Randall Mills; Steven W. Leshikar

(Gorman) Scott E. Gressett

(Granbury) Frank J. Hartman, Inc.

(Houston) Ash Huq; Barbara Chou; Brian S. McPherson; Charles E. Bryson Jr.; Dianne I. Metcalf; E. C. Moore; E. W. Allen; Glenn Arwin January; James T. Harris; Janice C. Wolfe; Jitendra Rajnikant Shah; John F. Synnott; Larry Roe Pirkle Jr.; Mark Anthony Newsome; Mark C. Candela; Paul A. Vanek; Paul D. Garcia Jr.; Ralph D. Hollingshead; Robert Algaze; Stephen K. Radosch; Thomas Francis Dunn; Victor Parisian, P.C.; William H. Fitzsimmons;

(Humble) Gail R. Hall

(Huntsville) Jacob Vernon Mitchell Jr.

(Kaufman) John T. Andrews III

(Kingwood) Richard John Wursche

(Lake Jackson) Thomas Alfred Sewall

(League City) Gary Richard Davis

(Longview) Atwood David Hines

(Lubbock) Ronnie Alan Foster

(Mansfield) Paul W. Christopher, P.C.

(McKinney) Thomas A. Gray

(Mesquite) Debra Sue Loudd

(North Richland Hills) George M. Trevino

(Pearland) Linda J. Nacvich

(Plano) Christopher A. Shaw; James McGowan Hudgins; Robert E. Dais, P.C.; Thomas J. Gingerich

(Roanoke) Timothy J. Zimmerer

(San Angelo) George M. Johnston

(San Antonio) James H. Day Jr.; Joyann Earnest; Kyle Lynn Cole; Philip A. Kolovson; Sharon Kay Williams

(Sherman) Frederick O. Lehmann Jr.

(Spring) Glenn Scott Daniel

(Stafford) Judy Marie Boyd

(Texarkana) Gregrey D. Porter

(Tyler) Jeanne C. Lewis

(Waco) Max Chapman & Company, P.C.

(Winnie) Robert George Adams

Complaint Nos.: 00-08-10072 through 00-08-10208

Docket No.: 457-00-2284.A

Date of Board ratification: 1/24/01

Disposition: The license of each respondent firm not in compliance with the Board's license requirements as of the January 24, 2001 Board meeting was

revoked without prejudice. Each respondent firm may regain licensure by paying all the required license fees and penalties and by otherwise coming into compliance with the *Act*.

The respondent firms failed to pay the license fees and penalties required under *Section 901.502(4)* of the *Act* for three consecutive license periods.

Respondents: ARIZONA: Locke, Michael Lee

COLORADO: Phillips, Anne Potts

FLORIDA: Cantillo, Julio; Schechter, David William; Winegar, Steven Kent

GEORGIA: Engh-Kittelsen, Karsten

HONG KONG: So, Kitty Mankit

ILLINOIS: Hoffmann, Anita Kathleen; Wiles, Scott Alan

NEW JERSEY: Fugger, Jill Brown

NEW MEXICO: Lopez, Andrew Leo

NEW HAMPSHIRE: Webber, Clare Marie

NEW YORK: Ranney, Michael Henry; Xu, Zuming

OHIO: Harrington, Daniel P.

OKLAHOMA: Carter, Andrew Scott

PENNSYLVANIA: Anderson, Orman Larue; Kohl, Joseph George

TEXAS: (Aledo) Muir, Margaret Ann Muller

(Arlington) Eskridge, John Ira

(Corpus Christi) Abel, Ralph Bruce

(Dallas) Barnard, Joseph Michael; Bengtson, Stacy Leigh; McBrayer, Jeffrey Todd

(Fort Worth) Alderman-Murrell, Cynthia Kay; McCollough, William Rufus

(Houston) Counts, Richard Bailey; Franklin, Thomas Darrell; Harbach, Pamela Kaup; Orosco, Alfonso Christianson; Thomas, David Wayne; Westerman, James Anthony; Wood, Jeffrey Powell

(Jones Creek) McPherson, Michael Scott

(NASA Bay) McKenzie, Clifford Hugh

(Plano) Shapley, Terry Mack; Weiss, Elizabeth D.

(Round Rock) Gibbs, Gary Wayne

(San Antonio) Christian, Cynthia V.

(Spring) McCaig, Wendy Renee

(Sugar Land) Phipps, Sylvester

(Texarkana) Shadix-Cochran, Jenny L

Complaint Nos.: 00-09-10001 through 00-09-10067

Docket No.: 457-01-0170.A

Date of Board ratification: 1/24/01

Disposition: The certificate of each respondent not in compliance with the

Board's license requirements as of the January 24, 2001 Board meeting was revoked without prejudice. Each respondent may regain certification by paying all required license fees and penalties and by otherwise coming into compliance with the *Act*.

The respondents are in violation of *Section 901.502(4)* of the *Act*. The respondents failed to pay the license fees and penalties required under *Section 901.502(4)* of the *Act* for three consecutive license periods.

Respondents: CALIFORNIA: Milliken, Robert Larry; Etemad, Linda Kay Jenkins; Davis, D'Lynda Danielle
COLORADO: Wright, David Charles
FLORIDA: Velarde, Jorge Manuel; Otero, George Louis
GEORGIA: Fowler, Stuart Clay; Smith, Homer Reeves
INDIANA: Rosenfeld, Julius Allan
KOREA: Ko, Wan Kyu
LOUISIANA: Strickland, Melissa Carol; Crays, David Edward; Hendricks, Danny Ray; Hummingbird, Rita
MARYLAND: Di Marco, Paula Ann
MICHIGAN: Carmody, Mary Kathleen
MISSOURI: Varner, Linda Sue Deines
NORTH CAROLINA: Dyson, Michael Ryan
OKLAHOMA: Jenson, Joshua
PENNSYLVANIA: Eggers, Johnnie Lawrence
TEXAS: (Austin) Chu, Stephen Ming; Jobe, Everette Dean; Roche, David Leslie; Salmon, Charles Robert
(Bellaire) Pursell, Alan Wade
(Dallas) Ball, Brian Craig; Carlyle, John Kevin; Fajack, Matthew Marion
(El Paso) Garrity, Joseph Patrick
(Flower Mound) Allen, Dean Lee
(Fort Worth) Doyle, Patrick Allen; Mills, Scott Randall
(Gordon) Savage, Angela Kay
(Grapevine) Jones, Samuel Dee
(Houston) Adair, Michael A.; Baker, Walter Searls Jr.; Bragg, Paul Alfred; Brune, Rebecca Lynn; Grove, Allison H.; McNeil, Lowery Walter; Reicherzer, Gary Wayne; Stratton, Michele Ann; Welsch, Glenn Andrew; Yaeger, Kathleen Marie Ling
(Livingston) Koperna, William James
(Plano) Hurt, Sondra Kemp
(San Antonio) Busby, Walter George; Fetech, Barbara; Mariscal, Jorge Ariel; Roberts, Jerry Irving; Sphar, Barbara Bogue

(Southlake) Epperson, Jeffrey B.
(Spring) Daniel, Glenn Scott; Ryden, Gerald Bruce
(Sugar Land) Pettibone, Fred Edwin Jr.
WISCONSIN: Binder, Kerri Elizabeth
Complaint Nos.: 00-10-10001 through 00-10-10064
Docket No.: 457-01-0485.A
Date of Board ratification: 1/24/01
Disposition: The certificate of each respondent still not in compliance with the Board's license requirements as of the January 24, 2001 Board meeting was revoked without prejudice. Each respondent may regain certification by paying all the required license fees and penalties and by otherwise coming into compliance with the *Act*.

The respondents failed to pay the license fees and penalties required under *Section 901.502(4)* of the *Act* for three consecutive license periods. The respondents are in violation of *Section 901.502(4)* of the *Act*.

Respondents: ARIZONA: Peiser Robert Kenneth
COLORADO: King, Jogina
FLORIDA: Cox, David William; Khimji, Zenobia
IOWA: Fleischer, Richard Ray
ILLINOIS: Wong, Julia Kay
KANSAS: Marquis, Troy M.
MASSACHUSETTS: Embs, Stephen Edward
MISSOURI: Presley, Theresa Janet
NEW YORK Christiansen, Barry Lee; Kennedy, Charlotte Lee Banks
OHIO: Goodwin, James Edward Jr.
TEXAS: (Arlington) Bibb, Robert Lee; Rains, Diana Lynn Cooper
(Austin) Chan, Olivia; Kirby, John Albert; Sedgwick, John Edwin
(Belton) Daskocil, Dawn Lynn Spring
(Brownsville) Diaz-Granados, Harmodio
(Cedar Park) Moerbe, Diann Louise
(Coleman) Patrick, Jane Burton
(Dallas) Chiu, Gin-Phong; Dion, Donald Armand; Gass, Steven Ray
(Flower Mound) Scroggins, Boyd Keith
(Fort Worth) McClanahan, Paul Kirk; Sheffy, Robbie Kay
(Houston) Dennard, Andrew Joseph; Massoudi, Javad; Radusch, Stephen Kent; Richards, Stanford Stephen; Sharif, Sarfraz Aftab; Tang, Alan
(Katy) Macon, George Thomas
(Lubbock) Hendricks, Robert T.

(Missouri City) Craig, Daniel Layne; Gremillion, James Paul Jr.
(San Antonio) Pairett, Monica Jeanne
(Sugar Land) Crosley, Charles Douglas; Woods, Michelle Marie
(Tomball) Marshall, Mickey Vernon
VIRGINIA: Pollard, Mark Edward
Complaint Nos.: 00-11-10001 through 00-11-10051

Docket No.: 457-01-0980.A
Date of Board ratification: 3/22/01
Disposition: The certificate of each respondent not in compliance with the Board's license requirements as of the March 22, 2001 Board meeting was revoked without prejudice. Each respondent may regain certification by paying all the required license fees and penalties and by otherwise coming into compliance with the *Act*.

The respondents failed to pay the license fees and penalties required under *Section 901.401* of the *Act* for three consecutive license periods. The respondents are in violation of *Section 901.502* of the *Act*.

Failure to Complete License Notice

Respondents: TEXAS: (Canton) Smith, Charles
(Tivoli) Fagan, Fred Nicholas
Investigations Nos.: 00-11-10240 through 00-11-10284
Docket No.: 457-01-0980.C
Date of Board ratification: 3/22/01
Disposition: Each respondent's registration was revoked without prejudice until such time as the individual's license renewal complies with the license requirements of the *Act*.

The respondents failed to complete the renewal of their licenses required under *Section 901.401(b)* of the *Act*. The respondents are in violation of *Sections 901.502(6)* and *901.502(11)* of the *Act* as well as *Section 515.1 (License)* of the *Rules*.

Quality Review Actions

Respondents: TEXAS: (Allen) Timothy Alfred Phillips
(Arlington) William Joseph Balkon
(Austin) Tonya M. Williams
(Azle) Russell W. Thompson
(Buda) Wesley A. Tucker
(Cedar Hill) Astonida Holmes
(Dallas) Carroll A. Geddie, PC; Kirk Lee

Tennant; William L. Tate
(Eules) Billy G. Davenport
(Fort Worth) Stephen L. Tottenham
(Houston) Gwendolyn Irma Peet Wilson; Jennifer K. Heller; Michele M. Stanton
(La Porte) Marcia Harris Valerius
(Matagorda) Helen Woodford Morgan
(Mathis) Denise B. Thomas
(Midland) Michael Jordan
(Orange) Jerry Daniel Meads
(San Antonio) Edmund T. Sinykin; Frederick L. Allerkamp
(South Padre Island) Kenneth W. Kury
(Southlake) Tommie Gwen Miller Holmes
(Spring) Lydia Delgado-Roth
Complaint Nos.: 00-10-0001Q through 00-10-0142Q
Docket No.: 457-01-0148
Date of Board ratification: 1/24/01

Disposition: The registration of each respondent firm in non-compliance with the Board's quality review requirements as of the January 24, 2001 Board meeting was revoked without prejudice until such time as the respondent firm responds to the Board's inquiry concerning quality review. In addition, an administrative penalty of \$200 was assessed against each respondent firm not in compliance at the time the Board ratified the proposal for decision.

The respondent firms failed to complete and notarize affidavits that verified their exemption from the Board's quality review program. The respondent firms were in violation of *Sections 901.502(6) and 901.502(11) of the Act* as well as *Section 501.93 (Responses) and Chapter 527 (Quality Review) of the Rules.* ❖

Exam Writers

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evaluating effective multiple-choice questions, a glossary of terms and assumptions, as well as an exam blueprint.

AICPA technical managers will work with the contractors in preparing the deliverables, reviewing and approving the contractors' training materials, and serving as subject matter experts at the item writing and reviewing workshops. The item writing and examination development workshops will be conducted

in June and July 2001 under the guidance of a measurement or test development professional. Item review panels will meet in September.

The AICPA's Examinations Team staff will review the items prior to submission to subcommittees for further appraisal. Preparation subcommittees and content committees will focus on either accepting or rejecting the items rather than attempting to rework unacceptable questions.

All items will then undergo evaluation, pretesting, and calibration prior to building the computer-based test forms. ❖

21st Century

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are involved in research to determine whether the computerized exam is sound. State boards of accountancy are providing input from the legislative and regulatory sector. Volunteer participants are taking part in exam simulations while research groups are proceeding with various other aspects.

Holder and Mills see the creation

of a computerized Uniform CPA Examination as essential to maintaining the esteem that American CPAs have earned. "Thus, we see a profession that is both highly regarded and yet subject to increasing criticism and questioning. This situation affects all accountants and, by extension, the CPA exam. We do not believe the current exam fails to protect the public; however, we do think the exam must change if it is to remain effective in protecting the public interest." ❖

CONCERNED CPA NETWORK

Offering ***CONFIDENTIAL*** assistance to CPAs, exam candidates, and accounting students who may have a drug or alcohol dependency problem or mental health issues.

***For information call
(800) 289-7053***

The network is sponsored by the TSCPA and is endorsed by the Board.

LEGAL NOTICE: The identity and communications and fact of membership of anyone attending this group are confidential and protected under penalty of law under *Chapter 467* of the *Texas Health and Safety Code*.

DID YOU KNOW?

Volunteers in the ***Concerned CPA Network*** receive training about:

- ♦ chemical dependency and mental illness;
- ♦ guidelines for identification;
- ♦ intervention skills; and
- ♦ policies and procedures used by the TSCPA Peer Assistance Program.

If you are interested in becoming a volunteer, call for a confidential referral to a member of the ***Concerned CPA Network*** near you for information about the training.

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