

# Texas State Board Report

## Texas Legislature amends the

# Public Accountancy Act

**D**URING ITS 2001 SESSION, THE 77TH TEXAS LEGISLATURE AMENDED THE *Public Accountancy Act*, the Texas State Board of Public Accountancy's enabling statute.

The amended *Public Accountancy Act*, which will become effective September 1, 2001, is essentially aligned with the *Uniform Accountancy Act* (UAA), a model document created jointly by the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA). The UAA's purpose is to facilitate greater mobility and reciprocity for licensees, as well as to enhance effective regulation. To date, 28 state boards of accountancy have passed all or part of the UAA.

The main points of the UAA's efforts, which have been ongoing for the past several years, are captured in the *Texas Act*. These include:

- ♦ non-CPA ownership in CPA firms and regulation of firms/practice;
- ♦ continuing professional education;
- ♦ substantial equivalency;

- ♦ holding out and registration (CPA = CPA);
- ♦ safe harbor language;
- ♦ commissions and contingent fees;
- ♦ attest and compilation; and
- ♦ conversion to a computerized examination format.

These modifications in the statute are intended to simplify CPAs' practices across state borders and also permit non-CPAs to become partners with CPAs in any organization. Additionally, the amendments will increase the required proficiency standards for attest services, while maintaining the regulatory focus on all services.

### *Why is conformity with the UAA important?*

The AICPA and NASBA designed the

*Uniform Accountancy Act* as the “ideal public accountancy act” to provide guidance to state legislatures and U.S. boards of accountancy with a standardized approach to regulation of the accounting profession. It mirrors the primary provisions for uniformity between states as recommended by the AICPA/NASBA Joint Committee on Regulation of the Profession. These include numerous proposals for enhancing the existing state-oriented regulatory structure for the profession in the twenty-first century.

The following areas of the UAA are central to any revamping of the regulatory system for CPAs in today’s global economy and marketplace.

State boards of accountancy must ensure that all who use the CPA

designation are licensed and subject to state board regulations, regardless of their areas of employment. It is incumbent upon state boards to promulgate and enforce uniform rules for licensing, practice, and ethics between licensing jurisdictions and to eradicate obstacles limiting a CPA’s mobility.

Serving clients and employers outside the state where a CPA is licensed is becoming increasingly commonplace, thus facilitating the ability of CPAs to work across state lines, whether in person or electronically, is important.

The UAA and the revisions to the *Public Accountancy Act* remove unnecessary obstacles that restrict CPAs and CPA firms from success-

fully competing in the marketplace for a wide scope of professional services in order to achieve an equilibrium between public protection and the free market.

The 2001 amendments to the *Public Accountancy Act* contain language from the UAA that requires anyone using the CPA designation to adhere to a requisite level of professionalism. An operative enforcement system enhances and protects the public interest where it is most critical.

### *Hitting the highlights of the amended Public Accountancy Act.*

**Non-CPA ownership in CPA firms and regulation of firms/practice.** The most notable changes in this area are the provisions allowing non-CPA ownership in CPA firms. However, the firm must be owned by a majority of CPAs licensed by a recognized licensing jurisdiction. A firm, even one partly owned by non-CPAs, is to abide by all Board rules.

*Section 901.351* requires a firm providing attest services or using the title “CPA’s,” “CPA Firm,” “Certified Public Accountants,” “Certified Public Accounting Firm,” or “Auditing Firm,” or any variation of one of these titles to hold a firm license issued by the Board. All attest services provided in such a firm may only be performed and supervised by a licensed CPA.

*Section 901.005’s* amendments state that a person *licensed as a CPA*, as opposed to being *engaged in the “practice of public accountancy”* is required to meet certain criteria.

*Section 901.159* requires the Board by rule to provide for a *peer*, rather than a *quality*, review program to review the work product of a license holder or of the CPA firm in which the holder is a member. A peer

review must include verification that each individual in a CPA firm who is responsible for supervising attest services and

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who signs or authorizes another person to sign an accountant's reports on financial statements on behalf of the firm meets the competency requirements of the professional standards that apply to those services.

The Board is authorized to require a non-CPA owner of a CPA firm to submit a complete set of fingerprints to the Board and is further authorized to perform a background investigation and obtain criminal history records on the non-CPA owner. Anyone refusing to provide fingerprints for this purpose will be prohibited from becoming an owner of the firm.

#### **Continuing professional education.**

The 2001 amendments to the *Public Accountancy Act* remove the mandate of 120 hours of CPE every three years and allow the Board, by rule, to set the number.

**Substantial equivalency.** In 1997 Texas became the first state to adopt a rule providing for substantial equivalency. The concept is based on the premise that a more streamlined process to facilitate multi-state practice and enforcement better serves the public interest. Substantial equivalency is not meant to refuse a CPA the ability to practice in Texas or to obtain reciprocity; instead it is a more efficient way to simplify the regulatory process and reduce duplicate recredentialing and delays.

Substantial equivalency allows a CPA who has a valid license from a state with CPA licensing criteria that are "substantially equivalent" to those outlined in the UAA to cross state lines, either physically or electronically, to practice public accountancy without obtaining a license in that state. However, the CPA must notify the state board of his or her intent to practice in that state and agree to follow the law and rules of that state.

Under the new Texas statute, a person certified or licensed as a CPA in another state and whose principal place of business is in the other state may have all the privileges of a Texas licensee, dependent on meeting specific conditions. These include registering with the Board and maintaining the authority to practice public accountancy in the other state. A CPA who relocates his or her principal place of business to Texas must obtain a reciprocal license to practice in Texas.

The Board will be able to automatically revoke or refuse to renew the permit of a CPA firm of another state practicing in Texas if the firm fails to maintain a license as a CPA firm in the other state.

Under substantial equivalency, a non-resident of Texas who applies for a certificate or firm license is considered to have appointed the Secretary of State as the applicant's agent for service of process in any action or proceeding against the applicant arising out of any transaction related to any accounting services the applicant performs while the applicant holds a certificate or firm license in Texas.

Under Section 901.260 of the revised *Public Accountancy Act*, the Board is authorized to issue a certificate to an applicant who holds a credential, either U.S. or foreign, which is substantially equivalent to the Texas CPA certificate. Section 901.454 authorizes a person licensed in a foreign jurisdiction to use any title or designation under which the person practices in the foreign jurisdiction. The title or designation must be followed by its English translation if it is in a different language and by the name of that jurisdiction.

**Holding out and registration (CPA = CPA).** Regardless of whether a licensee uses the CPA title, in order to hold a valid certificate the CPA is subject to Board licensure and regulation and must comply with the *Public Accountancy Act* and the Board's rules. All CPAs, whether they work in public accounting, industry, government, or academia must meet the same education and experience requirements to become certified.

Court decisions have ruled that a duly licensed CPA may use that title while employed in a non-CPA firm. Therefore, the definition of "holding out" as it relates to

**"The state shall hold each board member, employee or agent of the board, and volunteer member of a constructive enforcement committee of the board harmless from any cost, damage, or attorney's fees arising from a claim or suit against that person for an action taken by the person in good faith in the discharge of the board's responsibilities."**

*~ The Public Accountancy Act,  
Section 901.162, Immunity  
from Liability*

the “practice of public accountancy” has been removed from the latest version of the *Public Accountancy Act*. The law continues to hold that, irrespective of employment, all CPAs are subject to Board regulation.

In the recently revised *Public Accountancy Act*, the experience requirement was changed to allow a broader range of work experience for initial licensure.

**Safe harbor language.** The UAA endorses specific language to be used by a person who is not a license holder without violating the provisions of the *Act*. Safe harbor language has been used in Texas since 1986, following the settlement of a lawsuit, *Opella et. al. vs. Texas State Board of Public Accountancy*. Simply stated, it allows non-licensees to continue to provide non-attest services (e.g., book-keeping, tax work, etc.) that they have always been permitted to perform.

**Commissions and contingent fees.**

The UAA recommends that state boards of accountancy allow the receipt of commissions and contingent fees in certain circumstances, reflecting the AICPA’s *Code of Professional Conduct*. Forty states, including Texas, currently have such provisions, which essentially enable a CPA to accept commissions if disclosed to the client. An exception is a situation where a CPA performs traditional attest or compilation services for the client.

A CPA may also accept contingent fees for services except from clients for whom they perform attest or compilation services and in instances where the CPA prepares an original tax return. Contingent fees for the preparation of an amended tax return are allowable, assuming that the claim would be the subject of a substantive review by the taxing authority.

**Attest and compilation.** The 2001

amendments to the *Public Accountancy Act* contain a definition of “attest services” (see sidebar, page 5) which requires the Board by rule to specify what constitutes attest services. In the past, the Board permitted licensees to perform audits, reviews and compilations, if carried out in accordance with professional standards (SAS and SSARS). The amended *Public Accountancy Act* takes that concept a step further by adding other engagements performed in accordance with AICPA standards or other nationally recognized standards. Because the public and other third parties rely on the licensee’s report concerning financial statements, this is the only professional accounting service reserved exclusively for CPAs.

**Conversion to a computerized CPA examination format.** The previous *Public Accountancy Act* did not specifically contain provisions for a computer-based examination. However, new language grants the Board the ability to conduct the examination or contract directly with vendors offering such an examination.

Other revisions to the *Public Accountancy Act* permit the Board to adopt a method for grading the examination and to establish the criteria for passing. The Board is also required to adopt rules on grading the examination, to the extent possible, to be uniform with those of other states.

The exam fees will no longer have a ceiling set by the Legislature in the *Public Accountancy Act*, but will allow the Board to set the exam fees to accommodate the costs associated with the computer-based exam.

**What’s ahead.**

The changes to the *Public Accountancy Act* require the Board to amend a number of its rules, particularly in the areas of firm registration and continuing professional education (CPE). The Board and the TSCPA have formed a joint task force to determine what revisions or new rules will be necessary. We anticipate that rules in the following areas will be affected:

- ◆ firm registration;
- ◆ non-CPA ownership;
- ◆ firm names;

See **New Act**, page 15

The Board welcomes comments and suggestions on the implementation of the amended Act. Please address letters or e-mail messages to:

William Treacy, Executive Director  
Texas State Board  
of Public Accountancy  
333 Guadalupe  
Tower 3, Suite 900  
Austin, Texas 78701-3900  
[executive@tsbpa.state.tx.us](mailto:executive@tsbpa.state.tx.us)

# New definitions in the *Public Accountancy Act*

*Section 901.002, General Definitions, subsections (1) and (12) of the amended Public Accountancy Act defines “attest services” and “professional accounting services” in the following manner:*

(1) **“Attest service”** means:

(A) an audit or other engagement required by the board to be performed in accordance with the auditing standards adopted by the American Institute of Certified Public Accountants or another national accountancy organization recognized by the board;

(B) an engagement required by the board to be performed in accordance with standards for accounting and review services adopted by the American Institute of Certified Public Accountants or another national accountancy organization recognized by the board;

(C) an engagement required by the board to be performed in accordance with standards for attestation engagements adopted by the American Institute of Certified Public Accountants or another national

accountancy organization recognized by the board; or

(D) any other assurance service required by the board to be performed in accordance with professional standards adopted by the American Institute of Certified Public Accountants or another national accountancy organization recognized by the board. . .

(12) **“Professional accounting services”** or “professional accounting work” means services or work that requires the specialized knowledge or skills associated with certified public accountants, including:

(A) issuing reports on financial statements;

(B) providing management or financial advisory or consulting services;

(C) preparing tax returns; and

(D) providing advice in tax matters.

*Section 901.0021, Meaning and Implication of Report, describes a “report” as shown below:*

(a) In this chapter, a reference to a **report** used with respect to a financial statement means an opinion, report, or other document, including an assurance prepared in accordance with standards for accounting and review services adopted by the American Institute of Certified Public Accountants or another national accountancy organization recognized by the board, that:

(1) states or implies assurance as to the reliability of the financial statement; and

(2) includes or is accompanied by a statement or implication that the person issuing the opinion, report, or other document has special knowledge or competence in accounting or auditing.

(b) A statement or implication of assurance as to the reliability of a financial statement or as to the special knowledge or competence of the person issuing the opinion, report, or other document includes any form of language that is conventionally understood to constitute such a statement or implication.

(c) A statement or implication of special knowledge or competence in accounting or auditing may arise from:

(1) the use by the issuer of the opinion, report, or other document of a name or title indicating that the person is an accountant or auditor; or

(2) the language of the opinion, report, or other document itself.

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To order a copy of the new *Public Accountancy Act*, contact the Board office at **(512) 305-7800**.

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*A new feature on the Board's website allows you to*

**check your own**

**LICENSE**

**STATUS**

**F**OR THE BENEFIT OF THE BOARD'S LICENSEES AND THE PUBLIC, a new feature has been added to the Board's website.

This feature gives a CPA with the ability to check his or her own license information. Both licensees and the public will be able to access the Board's database for the license status of individual CPAs and continuing professional education sponsors.

*check your status.*

By entering your own certificate number, Social Security number, and birthday "Check Your Own Status" option, you will be able to access a secure area on the website where you can verify your license information in the Board's records. The menu offers these choices:

- ✓ **Address and telephone number.** If you find that we do not have your current mailing address and telephone number(s), notify the Board in writing. Section 501.93(c) of the Board rules states:

*Each applicant, certificate holder and each person required to be registered with the board under the Act shall notify the board, in writing, of any and all changes in such person's mailing address and the effective date thereof within 30 days before or after such effective date.*

Future plans are for licensees to be able to report address changes on-line, but meanwhile, changes may be submitted either by regular mail or e-mail:

333 Guadalupe  
Tower 3, Suite 900  
Austin, Texas 78701-3900  
licensing@tsbpa.state.tx.us.

- ✓ **Current license status and license renewal processing information.** This screen in the secure area will give you the following information:

- ◆ the effective dates of your most recently issued license (e.g., March 1, 2001 through February 28, 2002);
- ◆ the date your most recent license card was printed;
- ◆ your license expiration date;
- ◆ the date your renewal notice was printed;
- ◆ the date the Board received your license fees and the amount of the fees received; and
- ◆ the reason (if any) that the issuance of your license is being held at the Board office (e.g., insufficient reporting of CPE, failure to sign the renewal notice, etc.).

✓ **Continuing professional education.**

Based on the hours you have previously reported, this area shows how the Board has calculated your CPE requirement for the upcoming license period and allows you to plan how to meet your CPE requirements. It also shows how many CPE ethics course hours you must report on your next license renewal.

✓ **Certification/registration information.** This area shows your legal name as well as the name on your certificate. It also gives the date of your certification/registration.

*Searching the database.*

The *Public Accountancy Act* prohibits the Board from releasing to the public certain confidential information regarding a licensee's qualifications. However, the public can look up a licensed individual to find out an individual CPA's license status. This information includes the CPA's or firm's name, state/license number, certification/registration date, license expiration date, and the city and state of residence. Additionally, it includes the CPA's current license status, such as whether:

- ◆ the license is currently revoked, suspended, or surrendered;
- ◆ there is a restriction on the licensee's practice (e.g., restricted from performing audits, etc.);
- ◆ the license has been issued in retired or permanently disabled status.

Additionally, both licensees and the public can access a list of CPE sponsors either alphabetically or by city. This information contains each sponsor's mailing address, telephone and fax numbers, and contact person.

*Look for more to come . . .*

In the future, look for additional access into the database that will allow the public to view the status information on CPA firms. The secure area will contain additional processing and status data for those who submit information and fees to the Board, including firm license status, fee processing status, and peer review.

*What else is available on the website?*

Numerous licensing forms may be printed from our website, providing faster registration and service. Potential examination candidates may print an application of intent online as well.

In addition, for those wishing to look up the text of the *Public Accountancy Act* or any of the Board's rules, we have links from our site to the Secretary of State's website, as well as links to the State of Texas' website. ❖



## Highlights of the June 2001

### Ushers needed

for November  
swearing-in ceremonies

The Board's next swearing-in ceremonies will be held November 3, 2001 in Austin, and November 10 in Arlington and Humble.

The Board is in need of CPAs to volunteer as ushers and to hand out programs and certificates. To volunteer, contact either the Austin, Fort Worth, Dallas, or Houston chapter of the Texas Society of CPAs.

# Swearing-in Ceremonies

**T**HE BOARD'S THREE REGIONAL SWEARING-IN CEREMONIES WERE HELD SIMULTANEOUSLY in Austin, Humble, and Fort Worth on June 2, 2001 when the newest Texas CPAs received their certificates.

Of the 874 CPAs receiving their certificates, 12 were recognized for earning the highest scores on the CPA exam. They are:

**Jonathan Philip Bray**  
**Corrie Brooks Byrd**  
**Michael Lance Carle**  
**Kendra Fowler**  
**Charles Andrew Higdon**  
**Tara A. McDonald**  
**Barbara Anne Nagy**  
**Jennifer Cleaver Robertson**  
**Stacy Marie Romine**  
**Bradley R. Stewart**  
**Heather Dawn Turner**  
**Yimin Zhang**

The individuals listed below have maintained their CPA licenses for fifty years and were also honored.

**CALIFORNIA:** Benjamin Friedman; Elroy Schoppa

**DISTRICT OF COLUMBIA:** Alexander E. Wis-  
kup

**OKLAHOMA:** Charles M. Stewart

**TENNESSEE:** J. Henry Owen

**TEXAS: (Amarillo)** Leonard Gerhardt

**(Austin)** Bert L. Gentry; Alton M. Toombs

**(Ballinger)** Reason D. Travis Jr.

**(Beaumont)** Fred C. Theobald Jr.

**(Brownwood)** Henry D. Colyer

**(Corpus Christi)** F.A. Thompson Sr.

**(Dallas)** Joe D. Burton; Henry C. Drummond;  
C.E. Hervey; T.J. Kreatschman; Charles W.  
Powers; Robert G. Rowe; George P. Spicer

**(Ennis)** Walter H. Coleman

**(Fort Worth)** J. Harry Bailey; Robert N. Chris-  
tian; Carlos N. Guinn

**(Garland)** William R. Bozman

**(Houston)** Miles J. Aaronson; Thomas C.  
Adams; Eugene Cortner; Michael C. Gaines  
Jr.; Tom S. Gillis; John G. Heard; Fox H. Hollis;  
Norman J. Luke; Robert W. Robinson; Merle  
D. Wauson

**(Irving)** Hubert L. Owens

**(Lago Vista)** Sue Wegenhoft Briscoe

**(Lake Jackson)** Harriet Walker Hems

**(League City)** J.H. Richburg Jr.

**(Lubbock)** Max B. Caraway

**(McAllen)** Paul G. Veale

**(McKinney)** B.J. Chenault

**(Montgomery)** Hollis R. Dean

**(Nacogdoches)** Cecil R. Bomar

**(New Braunfels)** Jessie I. Lyons

**(Orange)** S. Malcolm Vaughn

**(Palestine)** Robert Deward Harrell

**(San Antonio)** Alfonso J. Garza

**(Scroggins)** Harry M. Nelson

**(Tyler)** Joe B. Cassel

**(Waller)** James N. Adams

**(Wichita Falls)** Franklin R. Madera



# ENFORCEMENT ACTIONS

## Disciplinary Actions

**Respondent:** Cheatham & Lansford (Stephenville)

**Registration No.:** P2102

**Investigation No.:** 00-09-01L

**Date of Board ratification:** 5/17/01

- ♦ **Respondent:** Blake M. Briscoe (Stephenville)  
**Certificate No.:** 69699  
**Investigation No.:** 00-12-07L
- ♦ **Respondent:** Paul A. Lansford (Stephenville)  
**Certificate No.:** 9755  
**Investigation No.:** 00-12-06L

**Disposition:** The respondents signed an agreed consent order whereby anyone employed by the respondent firm who will work on any governmental audit must complete by August 31, 2001 twenty-four hours of live CPE in governmental accounting/auditing, taught by a third-party who is not an employee of the respondent firm. In connection with all future *Yellow Book* governmental audits with a fiscal year ending in 2001, the respondent Cheatham & Lansford firm must engage a pre-approved, qualified outside technical consultant, acceptable to the TSR chair, with professional proficiency in *Yellow Book* audits through CPE and experience. The respondent firm may not issue any product in connection with any governmental audit engagement unless the reviewer has approved its issuance. The requirement of pre-issuance review applies to the respondent firm and any successor firm of the respondent firm.

The respondents' actions violated *Sections 901.502(6) and 901.502(11)* of the *Act* as well as *Sections 501.60 (Auditing Standards) and 501.61 (Accounting Principles)* of the *Rules*.

**Respondent:** Rolando Garcia (Donna)

**Certificate No.:** 042320

**Investigation No.:** 00-11-22L

**Date of Board ratification:** 5/17/01

**Disposition:** The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded. On April 19, 1999, the Disciplinary Commission of the Alabama State Bar issued the respondent a public reprimand for violating the *Alabama Rules of Professional Conduct*. On September 28, 2000, the Texas State Bar issued the respondent a public reprimand based on reciprocal discipline identical to that imposed by the Alabama State Bar.

The respondent's conduct violated *Sections 901.502(6), 901.502(9), and 901.502(11)* of the *Act* as well as *Section 501.90(7) (Discreditable Acts)* of the Board

*Rules.*

**Respondent:** Kyle W. Johnson (Arlington)

**Certificate No.:** 042478

**Investigation No.:** 00-10-15L

**Date of Board ratification:** 5/17/01

**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 October 25, 2000, the respondent was convicted of three counts of felony theft in the 19th Circuit Court of Benton County, Arkansas.

The respondent's conduct violated *Sections 901.502(6) and 901.502(11)* of the *Act* as well as *Section 501.90(4) (Discreditable Acts)* of the *Rules*.

**Respondent:** David William Tolbert (North Carolina)

**Certificate No.:** 022600

**Investigation No.:** 00-10-04L

**Date of Board ratification:** 5/17/01

**Disposition:** The respondent entered into an agreed consent order with the Board whereby the respondent was reprimanded. The respondent practiced public accountancy with a misleading firm name and in an unregistered entity.

The respondent's conduct violated *Sections 901.502(6) and 901.502(11)* of the *Act* as well as *Sections 501.81 (Registration Requirements) and 501.83 (Firm Names)* of the Board *Rules*.

## CPE Actions

**Respondents: TEXAS: (Allen)** Pinson, Kimberly

**(Athens)** McFarland, David Grant

**(Austin)** Collins, Terry Worth

**(Bedford)** Sweat, Rickey Lee

**(Clute)** Kirk, Carolyn Schaefer

**(Commerce)** Taggart, Annette Murphy

**(Dallas)** Edgemon, Karan Ann Rogers; Gizaw,

Getachew; Lovvorn, Holly Ann Smallwood

**(Grapevine)** Cook, John Robert

**(Houston)** Bishop, Kristi Leigh; Greenberg,

Gary M.; Patterson, Norris Lige

**(Keller)** Goforth, John Lytle

**(Plano)** Baumann, John Gregory; Robinson,

George Joseph III

**(Richardson)** Gaynor, Michael Gale;

Thompson, Stephen Brian

**Investigation Nos.:** 00-12-10053 through 00-12-10388

**Docket No.:** 457-01-1256.B

**Date of Board ratification:** 5/17/01

**Disposition:** The license of each respondent still not in compliance as of the May 17, 2001 Board meeting was suspended for three years, or until he or she complies with the

licensing requirements of the *Act*, whichever is sooner. Additionally, a \$100 penalty was imposed for each year a respondent has been in non-compliance with the Board's CPE requirements.

The respondents failed to report sufficient CPE courses required under *Section 901.411* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act* and *Sections 501.25 (Mandatory Continuing Professional Education)*, and *523.62 (Mandatory Continuing Professional Education Reporting)* of the *Rules*.

**Respondents: ARKANSAS:** Foreman, Mark Olan

**MISSOURI:** MacKenzie, Gregory Scott

**TEXAS: (Austin)** Kiser, Virgil Lee Jr.

**(Bellaire)** Sweeney, Patrick L. Jr.

**(Dallas)** Cooper, Richard Cash; Nordeen, Todd Robert

**(Missouri City)** Thurston, Phillip Wayne

**(Pflugerville)** Spruell, Suzanne Marie

**(Plano)** Dolan, Mark M.

**(Round Rock)** Brown, Curtis McKinley

**(San Antonio)** McBrearty, Deborah Poston; Sinykin, Edmund Theodore

**Investigation Nos.:** 01-01-10069 through 01-01-10259

**Docket No.:** 457-01-1632.B

**Date of Board ratification:** 5/17/01

**Disposition:** The license of each respondent still not in compliance as of the May 17, 2001 Board meeting was suspended for three years, or until he or she complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, a \$100 penalty was imposed for each year the respondent has been in non-compliance with the Board's CPE requirements. The respondents failed to report sufficient CPE courses required under *Section 901.411* of the *Act*.

The respondents are in violation of *Section 901.411* of the *Act* and *Sections 501.25 (Mandatory Continuing Professional Education)* and *523.62 (Mandatory Continuing Professional Education Reporting)* of the *Rules*.

**Respondents: TEXAS: (Allen)** Kopetic, Thomas F.

**(Carrollton)** Breaux, Jerome J.

**(Fort Worth)** Allen, Jame Douglas; Alpar, Gloria Lynne; Vance, James Roy Jr.

**(Granbury)** Matheny, Corey Paul

**(Houston)** Chang, Jacqueline; Jenkins, Sandra G.

**(Lubbock)** Finlayson, Joseph Craig

**(Magnolia)** Eagan, Jerelyn Rosamond

**(Parker)** McConachie, Kathleen Susanne

**(Plano)** Demarest, Claude Michael

**(San Antonio)** Huggins, Mark Quinton

**Investigation Nos.:** 01-02-10059 through 01-

02-10221

**Docket No.:** 457-01-2104.B

**Date of Board ratification:** 5/17/01

**Disposition:** The license of each respondent still not in compliance as of the May 17, 2001 Board meeting was suspended for three years, or until he or she complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, a \$100 penalty was imposed for each year the respondent has been in non-compliance with the Board's CPE requirements. The respondents are in violation of *Section 901.411* of the *Act*, and *Sections 501.52 (Mandatory Continuing Professional Education)*, and *523.62 (Mandatory Continuing Professional Education Reporting)* of the *Rules*.

The respondents failed to report sufficient CPE credits required under *Section 901.411* of the *Act*.

### Non-Payment of License Fees for Three Consecutive Years

**Respondents: ARKANSAS:** Hart, Paul Raymond; Cupples, Richard Allen; Kee, Carolyn Ann Allen

**ARIZONA** Boyd, James Hayden

**CALIFORNIA:** O'Neill, Shawn Kenneth; Day, Bob Jr.; Kelbe, Peter Andrew; Lundberg, Jack Richard Jr.

**ENGLAND:** McKinney, Tammy Kaye

**FLORIDA:** Blaylock, Charles Mark; Ferris, Bruce Douglas

**GEORGIA:** Fowler, Ruth Goodwin

**KENTUCKY:** Isbell, Cynthia McKinney

**MASSACHUSETTS:** Miller, Kurt Robert

**NEW YORK:** Stein, Susan Lynn

**REPUBLIC OF CHINA:** Choi, Kok Kun

**TENNESSEE:** Smith, David Franklin; Willoughby, Diane Penelope

**TEXAS: (Austin)** Richard, David Russell

**(Bellaire)** Hart, Charles Joseph

**(Bryan)** Pitcock, Dennis Evans

**(Colleyville)** Brockenbush, Charles D.

**(Dallas)** Bryant, Steven Edgar; Daney, Deborah Kay; Moon, Tracy Lee

**(Fort Worth)** Beam, Ronald Alan; Tidwell, Jim Alvin

**(Granbury)** McFall, Paige Katherine Moosberg

**(Heath)** Wade, Patricia Lorraine

**(Houston)** Curtis, Harry Lamar III; Keith, Randall Dean; Khan, Karen Soochung; Litzler, Lee George

**(Plano)** Nelson, Elaine Clayton

**(San Antonio)** Stone, Matthew Mark

**(Sherman)** Lehmann, Frederick Otto Jr.

**WASHINGTON:** Bunch, Shondra

**Investigation Nos.:** 00-12-10001 through 00-12-10052

**Docket No.:** 457-01-1256.A

**Date of Board ratification:** 5/17/01

**Disposition:** The certificate of each respondent still not in compliance as of the May 17, 2001 Board meeting was revoked without prejudice. Each respondent may regain his or her certificate by paying all the required license fees and penalties and by otherwise coming into compliance with the *Act*. The respondents are in violation of *Section 901.502*.

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

**Respondents: COLORADO:** Packer, Ronald Scott; Folkerts, Don Arlyn

**GEORGIA:** McGeough, Janet S.

**GERMANY:** Burger, Klaus-Michael

**INDIANA:** Fleenor, Melody Schneck

**KANSAS:** Oliver, Lorna Jean

**OKLAHOMA:** McDonald, Aaron Lemuel

**TAIWAN:** Chang, Chihping

**TEXAS: (Beaumont)** Brassard, Raymond Maurice

**(Bedford)** Headrick, Roger Dale

**(Buda)** Washburn, John Frederick

**(Carrollton)** Phillips, Bret Franklin

**(Dallas)** Bucker, Rodney David; Garbin, Imelda M.; Grante, Lane Paige; Hall, Stanley Ray; Hill, Cheryl Ann; Holder, Michael Brian; Lee, Richard William

**(Duncanville)** Huff, Esther Louise

**(El Paso)** Maley, Michael Thomas; McCall, Beverly Bunnell

**(Euless)** Duncan, Michael Lee

**(Houston)** Frederick, Bradley J.; Harrison, Brian Edwin; Malo, Colleen Elizabeth; Parker, Daniel Keith; Pickens, George Clayton; Sheffield, John

**(Irving)** Alibhai, Moviz H.; Archer, Andrea Christine

**(Katy)** Kramer, Steven Wallace; Smith, James Louis

**(Laredo)** Salazar, Jorge Guadalupe

**(Plano)** Corlew, Betsy Calvert

**(Richardson)** Pond, James Robert

**(Rockdale)** Grimes, Tommy Paul

**(Round Rock)** Ferchill, Timothy John

**(Rowlett)** Gartrell, James Richard

**(San Antonio)** Lange, Felix Francis; Rodgers, Richard Waggaman

**(Waco)** Petty, John William II

**VIRGINIA:** Luke, Norman John Jr.

**Investigation Nos.:** 01-01-10001 through 01-01-10068

**Docket No.:** 457-01-1632.A

**Date of Board ratification:** 5/17/01

**Disposition:** The certificate of each respondent still not in compliance as of the May 17, 2001 Board meeting was revoked without prejudice. Each respondent may

regain his or her certificate by paying all the required license fees and penalties and by otherwise coming into compliance with the *Act*. The respondents are in violation of *Section 901.502*.

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

**Respondents: CALIFORNIA:** Parker, Carol Lynn

**CONNECTICUT:** Walker, Thomas George II

**DISTRICT OF COLUMBIA:** Gilbreath, John Malcolm

**FLORIDA:** Castles, Kimberly Anne

**GEORGIA:** Ling, Robert Van

**TEXAS: (Alice)** Rossi, Carl Anthony

**(Austin)** Accountius, Camille Maria

**(Carrollton)** Hansen, Robert Hartvig Jr.

**(Dallas)** Applegate, Connie Lyn; Gillam, David Edward; Massman, Edward Leo; Traynham, Patricia Lynn

**(Deer Park)** Harrison, James H.

**(Grand Prairie)** Vassar, Jennifer Sparks

**(Harlingen)** Scharinger, Douglas Scott

**(Houston)** Bailey, Joseph; Birchfield, Susan Kaye B.; Charbonnet, Martha McGreevy; Conrad, Erich Bradley; Wallace, Thomas William; Wood, Randall Erwin

**(Kerrville)** Ham, Charles Frederick Jr.

**(Plano)** Gordon, Michael Keith

**(Richardson)** Carter, Brian Frederick

**(Richmond)** Spence, Ellen Faye

**(Rockwall)** Clark, Susan

**(The Woodlands)** Kowalski, Michael Lynn

**Investigation Nos.:** 01-02-10001 through 01-02-10058

**Docket No.:** 457-01-2104.A

**Date of Board ratification:** 5/17/01

**Disposition:** The certificate of each respondent still not in compliance as of the May 17, 2001 Board meeting was revoked without prejudice. Each respondent may regain his or her certificate by paying all the required license fees and penalties and by otherwise coming into compliance with the *Act*. The respondents are in violation of *Section 901.502* of the *Act*.

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

## Failure to Complete License Renewal

**Respondent: ILLINOIS:** Bates, Sammy Jay

**Investigation No.:** 00-12-10404

**Docket No.:** 457-01-1256.C

**Disposition:** The respondent's certificate was

revoked without prejudice until such time as the respondent complies with the licensing requirements of the Act. The respondent is in violation of Sections 901.502(6) and 901.502(11) of the Act and Section 515.1 (License) of the Rules.

The respondent failed to complete the renewal of his license required under Section 901.401(b) of the Act.

**Respondent: NEW JERSEY:** Pitalue, Diane Dempsey

**Investigation No.:** 01-01-10274

**Docket No.:** 457-01-1632.C

**Date of Board ratification:** 5/17/01

**Disposition:** The respondent's certificate was revoked without prejudice until such time as she complies with the licensing requirements of the Act. The respondent is in violation of Sections 901.502(6) and 901.502(11) of the Act and Section 515.1 (License) of the Rules.

The respondent failed to complete the

renewal of her license as required under Section 901.401(b) of the Act.

**Respondents: TEXAS: (Hurst)** Lorentz, Norman

**(Wichita Falls)** Story, Herbert

**Investigation Nos.:** 01-02-10224 and 01-02-10222

**Docket No.:** 457-01-2104.C

**Date of Board ratification:** 5/17/01

**Disposition:** The certificate of each respondent, who was not in compliance as of the May 17, 2001 Board meeting, was revoked without prejudice until such time as the respondent complies with the licensing 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 and Section 515.1 (License) of the Rules. ❖

### Notice

It has come to our attention that due to a printing error, a small number of the June 2001 issue of the *Texas State Board Report* (Vol. 73) were incorrectly assembled with some pages out of order. If you received an erroneous copy, please let us know and we will mail you a new one.

--Ed.

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

### AUSTIN

LESTER E. PALMER AUDITORIUM

### EL PASO

HAWTHORN INN & SUITES

### FORT WORTH

WILL ROGERS MEMORIAL CIVIC CENTER

### GALVESTON

MOODY GARDENS CONVENTION CENTER

### 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](mailto:exam@tsbpa.state.tx.us)**

# NEWLY REPUBLISHED

## Board rule book now available

**A**FTER UNDERGOING AN EXTENSIVE RULE REVIEW PROCESS REQUIRED BY THE legislature, the board has recently republished the entire body of its rules in a three-ring binder for licensees, libraries, and other interested parties.

The initial publication and a one-year subscription of updates may be purchased by cashier's check, personal check, or money order made payable to the Texas State Board of Public Accountancy.

Included in the book are the Board's *Rules of Professional Conduct*, as well as the rules on licensing and registration, continuing professional education, quality review, the Uniform CPA Examination, and practice and procedure.

MAIL ORDER AREA	BASE PRICE	SALES TAX	SUBTOTAL	NUMBER OF ORDERS	TOTAL
Austin MTA*	\$22.13	\$ 1.83	\$23.96		\$
Outside Austin MTA	\$22.13	\$ 1.60	\$23.73		\$
Out of State	\$22.13	N/A	\$22.13		\$

### MAIL TO

Texas State Board  
of Public Accountancy  
333 Guadalupe  
Tower 3, Suite 900  
Austin, TX 78701-3900

\* MTA includes Austin, Jonestown, Lago Vista, Leander, and Manor.

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# NASBA seeks volunteers

## Members needed for committees, task forces

**T**HE NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY (NASBA) NEEDS VOLUNTEERS TO SERVE ON ITS COMMITTEES AND TASK FORCES. Committee and task force members do not necessarily have to be serving on their respective state boards of accountancy.

Made up of the 54 U.S. state and territorial boards of accountancy, NASBA's purpose is to address issues facing accountancy boards and to provide a forum for the boards to share information, problems, and solutions common to their agencies.

NASBA's committees and boards currently include the following:

- ♦ Administrative and Finance Committee
- ♦ Audit Committee
- ♦ Awards Committee
- ♦ ByLaws Committee
- ♦ Computerization Implementation Committee
- ♦ CPA Examination Review Board
- ♦ CPE Advisory Committee
- ♦ Education Committee
- ♦ Ethics Committee
- ♦ Examinations Committee
- ♦ International Qualifications Appraisal Board
- ♦ Litigation Response and Assistance Committee
- ♦ NASBA Services Group Managing Board
- ♦ Nominating Committee
- ♦ Regulatory Structures Committee
- ♦ Relations with Member Boards Committee
- ♦ Strategic Initiatives Committee
- ♦ Uniform Accountancy Act Education and Implementation Committee
- ♦ Uniform Accountancy Act Committee

Anyone interested should contact NASBA.

### National Association of State Boards of Accountancy

150 Fourth Ave. North  
Nashville, Tennessee 37219-2417

(615) 880-4200 Tel.  
(615) 880-4290 Fax  
[www.nasba.org](http://www.nasba.org)

## New Act

*continued from page 4*

- ♦ attest services;
- ♦ substantial equivalency;
- ♦ CPE; and
- ♦ miscellaneous terminology.

Until the Board has adopted rules to implement the new *Public Accountancy Act*, however, the current rules will remain in effect. The Board expects that the process of lawfully adopting the new rules could take until January 2002. As soon

as new and amended rules are proposed, the Board will post a notice on its webpage at:

[www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us)

The Board is grateful for the cooperation it received when the *Public Accountancy Act* was recodified in 1999. The result was a smooth transition from Article 41a-1 to Chapter 901 of the *Occupations Code*. We anticipate that we will again meet with the same high degree of cooperation and professionalism from the state's individual licensees and firms.

## Texas State Board Report

### Published by the

Texas State Board  
of Public Accountancy  
333 Guadalupe, Tower 3, Suite 900  
Austin, Texas 78701-3900

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### Accounting/Administration

(512) 305-7800 ♦ FAX (512) 305-7854  
[accounting@tsbpa.state.tx.us](mailto:accounting@tsbpa.state.tx.us)

### CPE

(512) 305-7844 ♦ FAX (512) 305-7875  
[licensing@tsbpa.state.tx.us](mailto:licensing@tsbpa.state.tx.us)

### Enforcement

(512) 305-7866 ♦ FAX (512) 305-7854  
[enforcement@tsbpa.state.tx.us](mailto:enforcement@tsbpa.state.tx.us)

### Executive Director

(512) 305-7800 ♦ FAX (512) 305-7854  
[executive@tsbpa.state.tx.us](mailto:executive@tsbpa.state.tx.us)

### Licensing

(512) 305-7853 ♦ FAX (512) 305-7875  
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(512) 305-7853 ♦ FAX (512) 305-7875  
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### Public Information

(512) 305-7802 ♦ FAX (512) 305-7854  
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### Qualifications

(512) 305-7851 ♦ FAX (512) 305-7875  
[exam@tsbpa.state.tx.us](mailto:exam@tsbpa.state.tx.us)

### Automated Information

(512) 305-7870

# ***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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