

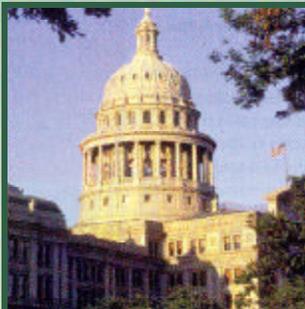
Board Report

June 2003

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Austin, Texas

Vol. 79

78th Texas Legislature



New accountancy act adopted, SDSI to continue for six years

A NUMBER OF SIGNIFICANT ACTIONS BY THE 78TH TEXAS LEGISLATURE, REGULAR session, will affect the Texas State Board of Public Accountancy. Primarily, the Board was continued as a state agency for another 12 years as recommended by the Sunset Commission, the *Public Accountancy Act* (Chapter 901 of the Texas *Occupations Code*) was amended (effective September 1, 2003), and the Board's self-directed, semi-independent state agency status was renewed for six years.

The Board must adopt rules putting these amendments into effect by March 1, 2004. These amendments do not have any effect on an individual's or firm's conduct occurring before September 1, 2003; the prior *Act* provisions apply to all conduct occurring before that date.

Amendments to the *Public Accountancy Act*.

Board membership. The new *Act* clarifies that individuals or their spouses in positions of authority or who are paid consultants of statewide Texas accounting trade associations are prohibited from becoming Board members. Likewise, a lobbyist for an accounting industry body may not be a Board member or serve as the Board's general counsel.

Board functions/Board committees. Significant among the changes to the *Act* is an amendment requiring the Board to implement procedures separating the Board's policy-making functions from the Board staff's management functions. Along these lines, Board committees are divided into two types:

- ♦ **Policy-making committees** are defined as those which assist the Board in formulating policies, drafting rules, setting budgets, representing the Board, and performing oversight duties to administer the *Act*. Only Board members may sit on policy-making committees. Using the existing committee structure as an example, these would be the Executive, Regulatory Compliance, and Rules Committees.
- ♦ **Working committees** are those which assist the Board in carrying out functions such as enforcement, examination, and licensing matters. Non-Board members may be full, voting members of working committees. The previously mentioned prohibition on membership or affiliations in



trade associations also applies to non-Board working committee members, who must comply with the financial disclosure requirements applicable to Board members. This provision also defines when a non-Board member is prohibited from holding a position on a working committee. A licensee who has been disciplined by the Board will be prohibited from serving on an enforcement committee.

Finally, even though this has been the Board's practice for a number of years, the amendment requires the Board to officially adopt rules barring any later discussion, participation, or vote in an official Board meeting by a Board member on a matter considered by the same individual at the enforcement committee level. The Board member must state the reason for the member's recusal.

Disciplinary actions. Under the revised *Act*, the Board must compile a list of all Texas misdemeanor offenses that would result in Board disciplinary actions and implement a process for determining whether misdemeanor convictions in other states correlate to the listed Texas misdemeanors in conformity with the Texas *Occupations Code*.

The Board will be able to share otherwise confidential information with other regulatory and criminal law enforcement agencies that are pursuing enforcement actions. The Board, in conjunction with other law enforcement agencies, will be required to investigate felonious violations of the *Act* by intentional fraud, with the felony level dependent on the amount of money involved in the offense. An intentional fraud offense under the *Act* is defined as:

- (1) a state jail felony if it is shown on the trial of the offense that the violation resulted in a monetary loss of less than \$10,000 or did not result in a monetary loss;
- (2) a felony of the third degree if it is shown on the trial of the offense that the violation resulted in a monetary loss of at least \$10,000 but less than \$100,000; or
- (3) a felony of the second degree if it is shown on the trial of the offense that the violation resulted in a monetary loss of at least \$100,000.

Other amendments add restitution to the list of disciplinary actions the Board may take against a certificate or registration holder. The Board may impose any combination of disciplinary sanctions, describe the method for ordering a certificate or registration holder to pay restitution, and specify the limitations on what must be repaid.

Although the Board's policy has been to include the following information in its complaint files, the amended *Act* specifies that the complaint files must contain:

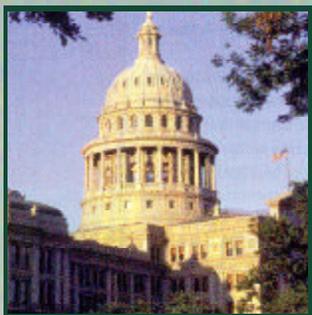
- ♦ the complainant's name;
- ♦ the date the Board receives the complaint;
- ♦ a description of the complaint;
- ♦ the name of each person contacted during the investigation;
- ♦ a summary of the results of the investigation; and
- ♦ the reason the file was closed, if the Board closed it without taking actions (other than to investigate the complaint).

Additionally, the Board must provide to the complainant and respondent its policies and procedures relating to the complaint investigation and its resolution as well as quarterly updates on the status of the investigation .

The Board's subpoena power will be expanded by authorizing the Board to subpoena records, witnesses, and tangible things for good cause. The Board will also be able to administer oaths and take testimony for any matters within its jurisdiction.

A newly added section allows the Board to order emergency suspensions without notice or hearing in cases where a certificate or registration holder poses an immediate threat to the public welfare through acts of fraud or other violations of the *Act*. It also outlines the procedures for a hearing to contest the suspension in such circumstances.

The new *Act* contains an amendment that allows the Board to impose a maximum administrative



penalty of \$100,000 per violation and requires the Board to adopt a schedule showing penalty ranges for prohibited conduct and the circumstances surrounding the conduct. In addition, the new *Act* removes the Board's permanent injunction remedy for the unauthorized practice of public accountancy and replaces it with a cease and desist order to be issued following an administrative hearing by the State Office of Administrative Hearings. Any violation of a cease and desist order will result in a maximum administrative penalty of \$25,000.

Another new provision creates civil and criminal immunity for someone reporting violations of the *Act* in good faith. However, self-reporting does not qualify for immunity.

The Board will be empowered to set negotiated rulemaking and alternative dispute resolution policies. The Board must designate a trained coordinator to implement these policies, assist in associated training, and collect data regarding the effectiveness of the Board's procedures.

The Board will be required to report to the governor, lieutenant governor, and speaker of the House of Representatives regarding conforming state law and Board rules to the *Sarbanes-Oxley Act*, the Government Accounting Office's audit rotation report and related legislation.

CPA Examination. *Section 901.304(a)* will permit the Board to set the CPA examination fee and delegate the fee collection to the entity conducting the examination.

Licensing. An amendment to the *Act* will shorten the license expiration notice requirement from 31 days to 30 days. In addition, a limitation will be set on a

person's ability to renew a license if the certificate holder is otherwise ineligible to renew (*i.e.*, insufficient CPE hours or failure to complete the ethics requirement). The certificate holder will be barred from performing public accounting work while unlicensed. Most significantly, a certificate holder who has not obtained a license for two years will be required to retake and pass the CPA examination in order for his or her license to be reinstated. (See sidebar.)

Continuation as a self-directed, semi-independent state agency.

Another significant piece of legislation was the continuation of the self-directed, semi-independent state agency ("SDSI") status that began in 2001. By its action, the Legislature endorsed its support of the Board's programs, especially its enforcement efforts. This legislation supersedes and overrides any conflicting statute.

Under this pilot project, the Board and two other licensing agencies (the Board of Architectural Examiners and the Board of Professional Engineers) will test their effectiveness by operating outside the confines of the *Appropriations Act*, resulting in greater flexibility in managing their own budgets. Allocating funds where they are most needed provides for a stronger enforcement program and businesslike approach to the management of the agencies.

"The Legislature's confidence in our agency is evidenced by its support for an extension of the six-year pilot project under SDSI, which will enable us to respond more quickly and proactively to changes or needs both in the regulation of the accounting profession and the administration of the Public Accountancy Act," said Billy M. Atkinson, CPA, the Board's presiding officer. "The confidence in our Board is very gratifying and yet challenging as we move forward. The Legislature is entrusting us with a privilege held by very few state agencies, and for this we must execute our mission in a manner that proves the wisdom of the Legislature's trust." ❖

TWO-YEAR DELINQUENTS MUST RETAKE CPA EXAM

The new *Public Accountancy Act* specifies that an individual whose license has been expired for two or more years will not be able to simply renew the license by paying all unpaid fees and penalties and being current in the CPE requirements, but will instead be required to retake the CPA exam.

A request to renew will be handled as if the person is seeking an **original license** in terms of applicable requirements (such as the exam and fees). The renewal fees will vary according to the length of time the license has been delinquent.

Perry appoints Atkinson Board's presiding officer

GOVERNOR RICK PERRY HAS NAMED **BILLY M. ATKINSON**, CPA OF SUGAR LAND, as the Board's presiding officer. Mr. Atkinson was appointed to the Board in 1999 by then-Governor George W. Bush.

"I am indeed honored that our governor has asked me to lead the State Board of Public Accountancy at such a challenging time in our profession's history," Mr. Atkinson said. "Moreover, I am quite fortunate to be able to serve with such a capable group of Board members and Board staff.

"As an agency, we will share our experience and collective wisdom to assure that the Act is administered in the public interest with fairness and forthrightness."

Billy M. Atkinson, CPA

"The CPA profession continues to adjust to the many changes brought about in the wake of Enron, WorldCom, *et al.*, and the resulting *Sarbanes-Oxley Act*," he continued. "The public's expectations will continue to impact the Texas Board's rule development as we implement the changes from the Sunset legislation in the *Public Accountancy Act*. As an

agency, we will share our experience and collective wisdom to assure that the *Act* is administered in the public interest with fairness and forthrightness."

As a member of the Texas State Board of Public Accountancy, Mr. Atkinson has served on the Rules, Behavioral Enforcement, Regulatory Compliance, and Major Case Enforcement Committees. He has also chaired the Technical Standards Review and Major Case Committees.

A native of Richmond-Rosenberg, Mr. Atkinson graduated in 1972 as a distinguished student with a degree in accounting from Texas A&M University. He was also a member of the Corp of Cadets and president of the student Accounting Society. He continues to be active at his alma mater as a current member of the President's Advisory Council, the Accounting Advisory Council of the College of Business, and previously on the CBA Fellows Advisory Council.

Mr. Atkinson became a Texas CPA in 1976, and is also certified in Oklahoma and Louisiana. His career began with Coopers & Lybrand, LLP, which later merged with Pricewaterhouse to become PricewaterhouseCoopers, LLP. He is an audit partner in the Houston office and has previously served as partner-in-charge of the firm's Middle Market Advisory Services practice for the Southwest Region and Houston office, as well as Regional Staff Director in the firm's Southwest Region. He has been engagement partner in a broad range of industries representative of the Houston and Texas marketplaces, including both large public multinational and smaller private entities. Mr. Atkinson has been a leader in his firm's recruiting program at Texas A&M as well as its quality review program for many years.

A member of the Texas Society of Certified Public Accountants, he has demonstrated his leadership abilities on numerous committees, task forces, and councils, including its Executive Board and as a trustee on its Educational Foundation. He has also served in various capacities of the TSCPA's Houston Chapter, including as president in 1993 - 1994; he has just begun a three-year term on the AICPA Council.

Mr. Atkinson's community activities include serving on the Board of Directors of the Make-a-Wish Foundation of the Texas Gulf Coast as its current treasurer, the Houston Society for the Performing Arts, and the Boys/Girls Harbor. ❖

GOVERNOR RICK PERRY HAS APPOINTED SEVEN NEW BOARD MEMBERS. THE Senate confirmed their appointments on April 30.

A CPA from Austin, **J. Coalter Baker**, replaces K. Michael Conaway. Mr. Baker is partner in charge of the accounting firm of Baker, Ubersnosky & Majeres, LLP with offices in Austin and Houston. A 1977 graduate of the University of Texas at Austin, he will be serving on the Board's Rules, CPE, and Peer Assistance Oversight Committees. Mr. Baker will chair the Behavioral Enforcement Committee.

David D. Duree, CPA of Odessa, is partner in charge of the CPA firm Elms, Faris & Company in its Odessa office. He received his bachelor's degree in accounting in 1980 from the University of Texas of the Permian Basin. He has been appointed to the Rules, Technical Standards Review, and Behavioral Enforcement Committees. He replaces Rebecca B. Junker of Richmond.



Paula M. Mendoza of Houston has been appointed as a public member to complete the term of Edwardo B. Franco. She earned her bachelor's degree from the University of Houston, Downtown in 1995. She is president of her own company, Possible Missions, which provides consulting services, community outreach and organization structure for small business entities. She also provides consulting services to corporate America and their diversity management teams to increase minority and women-owned business participation. She will be serving on the CPE, Licensing, and Peer Assistance Oversight Committees.

Orville W. Mills Jr., CPA, earned a BBA from the University of Oklahoma in 1959 and is retired as the general auditor of Exxon Co. U.S.A. He has been assigned to the Rules, Major Case Enforcement, and the Behavioral Enforcement Committees. Mr. Mills, whose term will expire in 2009, replaces Gwen B. Gilbert.

Joseph W. Richardson, CPA, who replaces Barbara J. Thomas, is president and CEO of Harper & Pearson Company in Houston, providing day-to-day operating direction and planning for the firm of more than 50 employees; he also manages numerous audit and consulting clients. Mr. Richardson is also a certified fraud examiner. He is a 1973 graduate of Lamar University with a BBA in accounting. Mr. Richardson has been a member of the Board's Major Case Enforcement Committee for several years and will continue serving on that committee. He has also been appointed to the Technical Standards Review and the Peer Review Committees.

Public member **John W. Steinberg** of Converse replaces Catherine Rodewald. He is the director of safety and security for Little Caesar of San Antonio, Inc. where he provides for the safe and secure environment of all Little Caesar employees in Austin, Amarillo, and San Antonio. He received a bachelor's degree in criminal justice from Northern Michigan University in 1976 and an MBA from Central Michigan University in 1981. He will be on the Board's Major Case Enforcement, Behavioral Enforcement, and Licensing Committees.

John A. Walton, also a public member, is chairman, CEO, and president of the financial services firm The Walton Johnson Group, Inc. in Dallas. In this capacity he establishes policy and works with the management team to set strategy for its operating subsidiaries. Mr. Walton graduated from Texas Southern University in 1980. He is a member of the Board's Licensing, Qualifications, and Peer Review Committees. He replaces Reagan McCoy, whose term expired.



What do you say to someone claiming to be an

ACCOUNTANT

who is NOT a CPA?

A play in one act.

The *Public Accountancy Act* specifically prohibits an unlicensed person or firm from practicing public accounting, offering to perform public accounting services, holding out to the public as a licensed CPA or public accountant, or claiming an expertise in accounting.

These prohibitions include any advertisement, sign, business card, or other electronic, oral, or written communication which falsely state or imply that the person or business is licensed to practice in Texas.

The Board asks for your cooperation in letting us know of suspected instances of unlicensed practice.

Please send photographs, business cards, stationery, etc. and/or a written description of suspected activities to the Board's Enforcement Division for investigation.

Following is an example of how a licensee might handle a conversation with a non-CPA claiming to be an accountant.

THE PLAYERS: *You (a CPA) and Pat, a new acquaintance.*

THE TIME: *Tonight.*

THE SCENE: *A social gathering, homeowners' association meeting, or your child's bandboosters club bake sale. You are introduced to Pat.*

You: Nice to meet you, Pat. What do you do?

Pat: I'm an accountant.

You: Small world! I'm a CPA, too!

Pat: No, actually, I'm not a CPA, but I *am* an accountant with Thomas K. Lumbus Expert Accounting and Financial Services. Maybe you've seen our new billboard on IH-35?

You: Then you're not an accountant, Pat.

Pat: Yes I am. I prepare taxes and also help out from time-to-time with a little auditing. See, here's my business card: "Pat Wren, Accountant." I have an accounting degree.

You: Is your firm licensed by the State Board of Public Accountancy?

Pat: Hmmm . . . I don't think so, but my boss took the CPA exam a couple of times.

You: Did he pass?

Pat: No, but he didn't have much time to study. He's a really sharp guy, and I'm sure he'll pass if he ever decides to take it again.

You: So he's not a CPA, either.

Pat: Well, no.

You: Then neither of you is legally able to call yourself an accountant or offer accounting services to the public . . .

Pat: *What?*

You: . . . and your firm also appears to be operating illegally.

Pat: *You're not serious!*

You: Oh, yes. The State Legislature enacted the *Public Accountancy Act* which says that in order to practice public accounting in Texas, you have to be licensed as a CPA. Accounting firms also have to be licensed.

Pat: I'm not believing what I'm hearing!

You: Let me give you an analogy. Do you know any attorneys?

Pat: Of course. My sister-in-law is a lawyer in Dallas.

You: What did she have to do to become an attorney?

Pat: She graduated from law school.

You: And what else?

Pat: Well, she had to pass the bar exam.

You: *Exactly!* And an accountant has to pass the CPA exam. Same thing. There are educational and experience requirements as well. You can't call yourself an attorney or go around practicing law without a license, and you can't perform or offer to perform accounting or auditing services or call yourself an accountant unless you hold a license issued by the Board of Public Accountancy.

Pat: My neighbor is an accountant with a big insurance company, but he's not a CPA, either. If what you're saying is correct, how can he call himself an accountant?

You: That's an internal company title, so it's ok. He is providing accounting services to his *employer*, not to the public.

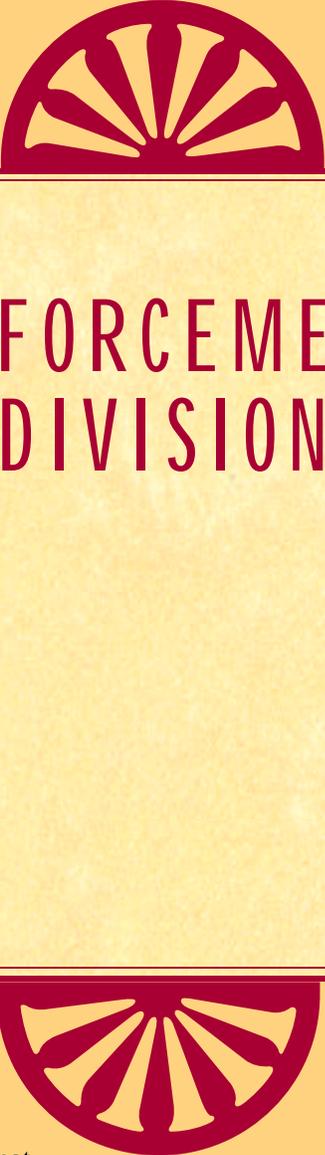
Pat: But isn't the word "accountant" a generic term?

You: Not really. It's a legal term. In Texas, the law is very specific about who can call himself an accountant or offer accounting or auditing services to the public. Only a CPA or CPA firm may do this. When most people see a sign or advertisement using these terms, they believe that a CPA will be providing the work. The law is written to protect the public from being misled.

Pat: Oh, dear! I'll have to talk to Mr. Lumbus about this!

You: Good idea, Pat. He should stop any advertising offering accounting or auditing services, and he should change the name of the firm. And that billboard should probably come down as well. You need to remove "accountant" from your business cards and letterhead. Ask Mr. Lumbus to call the State Board of Public Accountancy's Enforcement Division for further guidance on exactly what he should do to come into compliance with the law.

Pat: I'll do that. Thanks!



ENFORCEMENT DIVISION

[Curtain.]

THANK YOU, PROCTORS

Robert Symington	Self-employed
Connie White	Self-employed
Rita Chase	Texas Education Agency
Paul S. Delaney	Texas Education Agency
Linda Fredlund	Texas Education Agency
Cassie Huggins	Texas Education Agency
Michael Richmond	Texas Education Agency
Frances Watson	Wheeler & Company
Otto Wheeler	Wheeler & Company

Fort Worth

Kathryn Isbell	Bell & Isbell
Gene Anderson	City of Paris
Ray Cook Jr.	Cook McDonald & Co.
Edie McDonald	Cook McDonald & Co.
Ruth Brooks	Daniel J. Mead
Louise Sall	FWD Ballet
Randy Ellis	Hobbs & Associates
Terry Hobbs	Hobbs & Associates
George Lavina	IRS
Russell Cashion	Jones Klenzendorf & Cashion
Jim Klenzendorf	Jones Klenzendorf & Cashion
Teresa Ovesen	Lane Gorman & Trubitt
Bonnie Vaughn	Lange & Associates
Johnna McNeal	Malnory McNeal & Co.
Terry Bax	McGladrey & Pullen
Patricia Havard	Patricia Havard, PC
Robyn Jones	RAJ Consulting
Don King	Retired
Frank Norris	Retired
Walter Baldree	Self-employed
Jim Buxton	Self-employed
Donna Chamberlain	Self-employed
Tom Hatfield	Self-employed
Ray McComb	Self-employed
Steve Miller	Self-employed
Kelli Nichols	Self-employed
Jim Roberts	Self-employed
Dave Sheehan	Self-employed
A.Z. Smith	Self-employed
Ruth Ann Walker	Self-employed
Dave Walsh	Self-employed
David Eason	Sproles Woodard
Red Tatro III	Sproles Woodard
Phil Baker	The Rayzor Company
Stacey Seidlitz	Weaver and Tidwell
Debbie Russell	Whitley Penn

Austin

Paul Koffend	Accountable Aging
Jay Temple	American National Power
Vibha Kejriwal	Austin & Company
Anthony Ross	Austin Energy
Thomas Cherian	Austin Housing Authority
Wesley Tucker	Comstar Communications
Janie Tusa	Deaton Engineering
Susan Shrader	Gindler, Chappell, Morrison & Co.
Jean Lein	Haegelin Construction Co.
Celia Thompkins	Interactive Solutions
Mayuri Kulkami	Montemayor & Associates
Karl Locker	Mortgage Acceptance
Nancy Foss	Resources Connection
Gary Gilliam	Resources Connection
Annick Harris	Scott White Health Plan
Roland Boysen	Self-employed
Wei-Min Djajdi	Self-employed
Robert Farquharson	Self-employed
Elaine Herricks	Self-employed
Kristi Isacksen	Self-employed
Margie Morgan	Self-employed
Kathryn Mueller	Self-employed

Houston

Queenie Tam	American General Life Insurance
Donna McGinnis	AON Consulting
John E. Markey	Briggs & Veselka Co.

Keith N. Kerr	Centerpoint Energy
Gary Yoakum	Chevron Phillips Chemical
Beverly Riggans	City of Houston
Andrew Deluna	Clubcorp of America
Gary Dullum	Comptroller of Public Accounts
David Onyekwena	Dafyik Financial Services
Timothy Hartley	Dow Chemical
Elizabeth M. Dewey	Duke Energy Field Services
Ronald Proctor	General Waste Company
Michael Frogge	Harper & Pearson Co.
Elyse Turla	Houston Chapter TSCPA
Neil J. Depascal	Integrated Electrical Services
Rosemary Burke	IRS
Carol Donnelly	IRS
Melvin Doolan	IRS
Robert E. Estill	IRS
Shiela Ferguson	IRS
Kevin F. McCarthy	IRS
Carol McCray	IRS
Nancy Springer	IRS

Dottie Ward	IRS
Walter Winger	IRS
Lynn Lowery	Maxxam, Inc.
James R. Dupre	Membersource Credit Union
Tracy G. Short	Mohle Adams
David G. Harris	Phillips & Akers
Veronica Suarez	PricewaterhouseCoopers
Pamela Kay Carr	Seaflex, Inc.
Lynn W. Embrey	Self-employed
Barbara E. Parrigin	Self-employed
Felecia C. Fitzgerald	Self-employed
Kraig A. Hall	Self-employed
C. Jay Helm Jr.	Self-employed
Eric J. Hill	Self-employed
Gerald Hollinger	Self-employed
Carol Kelleher	Self-employed
Melanie Norton	Self-employed
Randy D. Pollard	Self-employed
Charles P. Quirk Jr.	Self-employed
Steven M. Smith	Self-employed
Diana T. Tiberia	Self-employed
Jaydean Tullis	Self-employed
Lynn Correa	Silvertech Systems
Gary L. Kuecker	Sloan & Kuecker, PC
Travis Wilson	Stillwater Group
Victoria Chen	Texas First National Bank
Richard Loving	The Estate Architects
Janice T. Morris	University of Houston - Clear Lake



Clay Adrian	Bolinger, Segars, Gibert & Moss
Stephen Book	Bolinger, Segars, Gibert & Moss
Matthew Willis	Bolinger, Segars, Gibert & Moss
Linda Cuellar	City of Lubbock
Dorothy Lewis	City of Lubbock
Jo Paul Archer	Claus & Associates
Elaine Flynt	CTSI
Rick Green	PNB Financial
Jana Gregory	PNB Financial
Jimmie Mason	Retired
Kurt Copeland	Self-employed
Melanie Davis	Self-employed
Martin Green	Self-employed
Norma Kincer	Self-employed
Sandra Newton	Self-employed
Teresa Jack	Texas Tech University
Emily Knopp	Texas Tech University
Ben Trotter	Texas Tech University
Howard Whitfield	Texas Tech University
Sara Gregory	

Disciplinary Actions

RESPONDENT: Arthur Andersen

LICENSE NO.: P04508

INVESTIGATION NO.: 98-03-28L

RESPONDENT: Wilber J. Armatta

CERTIFICATE NO.: 005466

INVESTIGATION NO.: 02-05-12L

DATE OF BOARD ACTION: 5/16/02

DISPOSITION: The respondents entered into agreed consent orders whereby they were each reprimanded for violating *Section 501.60 (Auditing Standards)* of the Board's *Rules*. Respondent Andersen agreed to pay a \$125,000 fine. Respondent Armatta agreed to remain retired from the practice of public accountancy.

The respondents performed an audit that expressed the opinion that the financial statements were fairly stated but included a going concern qualification because of World Cycle's noncompliance with certain loan covenants and net losses and negative cash flows. World Cycle's inventory consisted primarily of bicycles, bicycle parts and bicycle accessories. Prior to the audit, World Cycle had no integrated system of perpetual inventory records and no formal system of internal controls. Andersen and Mr. Armatta determined that sufficient coverage of inventory was provided by the number of test stores. Audit work to support this determination was not documented. The audit work papers contained no documentation of Andersen testing the reasonableness of World Cycle management's representations regarding the parts and accessories inventory. During the process of its physical inventory, World Cycle moved inventory from store to store in a scheme known as "stuffing," which was not known by Andersen and Mr. Armatta, thus resulting in an overstated financial condition of World Cycle.

RESPONDENT: Arthur Andersen

LICENSE NO.: P04508

INVESTIGATION NO.: 98-03-31L

DATE OF BOARD ACTION: 5/16/02

DISPOSITION: The respondent entered into an agreed consent order whereby the respondent was reprimanded for violating *Section 501.60 (Auditing Standards)* of the Board's *Rules* and agreed to pay a \$125,000 fine.

Andersen served as the primary independent auditor of Randalls Food Markets, Inc. during the relevant time period of 1986 through 1995. Andersen also performed audits of certain Randalls employee benefit plans for fiscal years 1986 through 1990. In 1991 Andersen assumed responsibility for the annual appraisal of the Randalls Food Markets, Inc. stock held by or for the benefit of the Randalls employee benefit plans. Prior to this time, the Randalls employee benefit plans were audited by another CPA firm. The Andersen appraisals of the Randalls stock for the employee benefit plans were certified by a principal who was not a CPA. However, Andersen's appraisal group was overseen by CPA partners of the firm, including the managing partner of Andersen's Houston office, and several CPAs were listed on Andersen's work papers as contributing appraisers during the relevant time period. At the time of the completion of the 1993 appraisal and audit, Andersen's audit staff was aware of the negative financial trends which occurred in 1993. Andersen's appraisers had access to the same information as the auditors and were aware of the negative financial information and economic considerations. During the relevant time period, Randalls provided projections that indicated a return to profitability. Andersen's appraisal used Randalls' projections and did not adjust their assumptions for items such as the discount rate to account for the increased risk of Randalls' situation. Andersen knew that the appraisal of Randalls stock in 1993 at \$21.00 was not supported by the financial information and facts available to Andersen.

RESPONDENT: Terrill Walter Bell (Houston)

CERTIFICATE NO.: 026598

INVESTIGATION NO.: 01-07-11L

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The respondent entered into an agreed consent order whereby he was reprimanded and required to complete an additional 8 hours of live CPE in the area of corporate tax, 4 hours of live CPE in the area of ethics, 8 hours of live CPE in the area of compilations and reviews, and 8 hours of

ENFORCEMENT ACTIONS

live CPE in the area of financial statement preparation to include GAAP.

The respondent filed a client's corporate tax return as a C corporation instead of an S corporation as directed and wrote off the accounts receivable without evidence of uncollectability in violation of *Sections 901.502(6) and 901.502(11) of the Act and Section 501.74 (Competence) of the Rules.*

RESPONDENT: John William Brimer (Arlington)

CERTIFICATE NO.: 009355

INVESTIGATION NO.: 02-02-18L

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The respondent entered into an agreed consent order whereby he was reprimanded and required to complete an additional 8 hours of live CPE in the area of franchise tax and 8 hours of live CPE in the area of S and C corporate tax. The respondent incorrectly prepared a client's franchise tax return in violation of *Sections 901.502(6) and 901.502(11) of the Act as well as Section 501.74 (Competence) of the Board's Rules.*

RESPONDENT: Gary N. Cooper (Plano)

CERTIFICATE NO.: 023992

INVESTIGATION NO.: 01-10-08L

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent entered into an agreed consent order whereby he was reprimanded. In addition, he must complete 8 hours of live CPE in the area of corporate tax, 8 hours of live CPE in the area of practice management, and 4 hours of live CPE in the area of ethics within 90 days of the date of the Board's order.

The respondent failed to disclose his lack of independence in compilations for a client, lacked objectivity in his dealings with the client, reclassified a loan in connection with the client as a management fee without sufficient documentation, and failed to impute interest on the same related party loan.

The respondent violated *Sections 901.502(6) and 901.502(11) of the Act as well as Sections 501.62(2) (Other Professional Standards) and 501.73 (Integrity and Objectivity) of the Rules.*

RESPONDENT: Leslie D. Crone (Carrollton)

CERTIFICATE NO.: 029693

INVESTIGATION NO.: 02-04-20L

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent entered into an agreed consent order whereby his certificate was revoked for two years from the date the Board ratifies this order; however, the revocation was stayed. The respondent must complete 4 CPE hours in ethics and 8 CPE hours in financial planning in addition to his annual CPE requirement. In addition, he is prohibited from working in the industry practice of public accounting for any company whose financial statements are filed with the SEC. The respondent may petition the Technical Standards Review Committee to lift this prohibition after the second anniversary of the date the Board enters this order.

The respondent was suspended by the Securities and Exchange Commission ("SEC") from appearing or practicing before the SEC for at least three years, and he did not report this suspension to the Board.

The respondent's conduct violated *Sections 901.502(6), 901.502(9) and 901.502(11) of the Act and Sections 501.90(7) (Discreditable Acts) and 501.91 (Reportable Events) of the Board's Rules.*

RESPONDENT: Blair Lee Dance (Irving)

CERTIFICATE NO.: 049257

INVESTIGATION NO.: 00-04-29L

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent entered into an agreed consent order (original order) requiring him to: (1) complete 40 additional hours of CPE within one year from the date the Board ratified the original order and two accelerated peer reviews; and (2) engage for an indefinite period of time a qualified technical consultant to review all audit engagements before issuance.

The respondent entered into an amendment to the original order requiring him to: (1) engage the qualified technical consultant for at least two years (after that, he may petition to have this requirement terminated, subject to committee's approval); and (2) complete the 40 additional CPE hours by May 16,

2003, the first anniversary of the date the Board ratified the original order. All other requirements under the order are unchanged.

The respondent performed an audit for a client. The respondent: (1) was unfamiliar with related party transactions and failed to detect same in the audits; (2) said deferred income was not recorded when it was recorded; (3) ignored negative evidential matter and failed to exercise the proper degree of professional skepticism needed to achieve reasonable assurance that material errors or irregularities would be detected; (4) failed to detect internal fraud; (5) attempted to provide a service dealing with advertising credits without having the requisite knowledge or experience to meet professional standards; (6) did not obtain sufficient competent evidential matter to support reported values with respect to the advertising credits and certain other transactions; and (7S) failed to conform with GAAP and GAAS with respect to certain transactions.

The respondent's conduct violated *Sections 901.502(2), 901.502.(6) and 901.502(11)* of the *Act* as well as *Sections 501.60 (Auditing Standards), 501.61 (Accounting Principles), 501.62 (Other Professional Standards) and 501.74 (Competence)* of the Board's *Rules*.

RESPONDENT: Barbara L. Daniels (Rockport)

INVESTIGATION NO.: 01-05-09L

CERTIFICATE NO.: 049440

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The respondent entered into an agreed consent order whereby she was reprimanded. In addition, she must complete and submit proof of completion of 8 hours of live CPE in the area of *Form 1040* taxation and four hours of live CPE in the area of ethics within 90 days of the order. The respondent shall also not violate any *Rules* or *Act* provisions, including but not limited to, *Section 513.12*.

The respondent incorrectly prepared a client's personal income tax return and incorrectly prepared another client's unemployment tax returns in violation of *Sections 901.502(6) and 901.502(11)* of the *Act* as well as *Section 501.74 (Competence)* of the *Rules*.

RESPONDENT: Felix Einshon (Dallas)

CERTIFICATE NO.: 001636

INVESTIGATION NO.: 02-02-19L

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The respondent entered into an agreed consent order in which he was reprimanded and his license suspended for one year; however, the suspension was stayed and the respondent was placed on probation for one year, provided he: (1) completes 4 hours of live CPE within the area of ethics in addition to the respondent's annual CPE, within 60 days; (2) completes and submits proof of pre-issuance review compliance; and (3) complies with all of the terms and conditions of his probation. The respondent used misleading facts in advertising by stating his firm was associated with Benny Vaughan, when in fact Mr. Vaughan had sold his practice to the respondent, and misrepresented facts by telling clients that Mr. Vaughan would prepare their tax returns, knowing this to be a false statement. The respondent's conduct violated *Sections 901.502(6) and 901.502(11)* of the *Act* as well as *Sections 501.82 and 501.90(12)* of the *Rules*.

RESPONDENT: Stanley Eisenberg (Houston)

CERTIFICATE NO.: 074953

INVESTIGATION NO.: 02-05-18L

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The respondent entered into an agreed consent order in which he was reprimanded. In addition, he was placed on probated suspension for two years from the date of the Board order.

The respondent was barred by the Securities and Exchange Commission ("SEC") from associating with any transfer agent registered with the SEC and was ordered by the SEC to pay a \$10,000 fine.

The respondent 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 *Rules*.

RESPONDENT: Lloyd W. Harrison (New Mexico)

CERTIFICATE NO.: 074953

INVESTIGATION NO.: 02-04-11L

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The respondent entered into an agreed consent order whereby his certificate was revoked. On February 22, 2002, he was barred by the New Mexico State Board of Public Accountancy from performing government audits of public housing authorities in New Mexico.

The respondent violated *Sections 901.502(6) and 901.502(11) of the Act* as well as *Section 501.90(7) (Discreditable Acts) of the Rules*.

RESPONDENT: David F. Held (Georgia)

CERTIFICATE NO.: 042397

INVESTIGATION NO.: 02-04-17L.

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent entered into an agreed consent order in which his license was suspended until March 18, 2005.

On March 18, 2002 the SEC suspended the respondent from appearing or practicing before the SEC for at least three years, and he did not report this suspension to the Board.

The respondent's conduct violated *Sections 901.502(6), 901.502(9), and 901.502(11) of the Act* as well as *Sections 501.90(7) (Discreditable Acts) and 501.91 (Reportable Events) of the Rules*.

RESPONDENT: Kris D. Hinckley (Carrollton)

INVESTIGATION NO.: 00-04-31L

CERTIFICATE NO.: 066658

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent entered into an agreed consent order (original order) requiring him to: (1) complete 40 additional hours of CPE within one year from the date the Board ratified the original order and two accelerated peer reviews; and (2) for an indefinite period of time, he was required to engage a qualified technical consultant to review all audit engagements before issuance.

The respondent entered into an amendment to the order requiring him to: (1) engage the qualified technical consultant for at least two years (after that, the respondent may petition to have this requirement terminated, subject to committee approval) and; (2) complete the 40 additional CPE hours by May 16, 2003, the first anniversary of the date the Board ratified the original order. All other requirements under the order are unchanged.

The respondent performed an audit for a client. The respondent: (1) was unfamiliar with related party transactions and failed to detect same in the audits; (2) said deferred income was not recorded when it was recorded; (3) ignored negative evidential matter and failed to exercise the proper degree of professional skepticism needed to achieve reasonable assurance that material errors or irregularities would be detected; (4) failed to detect internal fraud; (5) attempted to provide a service dealing with advertising credits without having the requisite knowledge or experience to meet professional standards; (6) did not obtain sufficient competent evidential matter to support reported values with respect to the advertising credits and certain other transactions; and (7) failed to conform with GAAP and GAAS with respect to certain transactions.

The respondent's conduct violated *Sections 901.502(2), 901.502.(6) and 901.502(11) of the Act* as well as *Sections 501.60 (Auditing Standards), 501.61 (Accounting Principles), 501.62 (Other Professional Standards), and 501.74 (Competence) of the Rules*.

RESPONDENT: Joe Michael Kelley (Dallas)

CERTIFICATE NO.: 023504

INVESTIGATION NO.: 02-05-20L

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent entered into an agreed consent order in which his license was suspended for two years from the date the Board ratified the order; however, the suspension was stayed and the respondent was required to complete 8 CPE hours in governmental audit standards in addition to his annual CPE requirement. In addition, he must retain a qualified technical consultant to review all engagements relating to government audits before they are issued for at least two years from the date the Board approved the order. The respondent may petition the Technical Standards Review Committee to lift this requirement after the second anniversary of the date the Board approved this order.

The respondent performed audits for a client in which he failed to: (1) consider the owner's history of taking unauthorized distributions when assessing risk to determine his audit program; (2) design

procedures to obtain reasonable assurance of detecting misstatements that the auditor believes could be material; (3) disclose that the owner took unauthorized distributions despite the auditor's previous findings, or consider qualifying his opinion in light of that fact; (4) analyze significant changes in account balances; (5) produce accurate compliance and internal control reports; and (6) produce audit reports that addressed all of the requirements mandated by the HUD Audit Guide.

In addition, he performed audits for another client in which the respondent's work papers did not include documentation of his understanding of an entity's internal control structure, nor did the work papers include documentation showing he assessed levels of control risk, assessed levels of fraud risk, and made a preliminary judgment about materiality levels. There was also inadequate documentation to indicate that certain audit procedures had been performed. The respondent did not review the work papers to ensure compliance with professional standards, and his procedures did not incorporate a documented monitoring process.

The respondent's conduct 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: Scott T. Kingsbury (Tennessee)

CERTIFICATE NO.: 049293

INVESTIGATION NO.: 01-06-11L

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent's certificate was revoked, he was assessed \$468.75 in administrative costs, and \$2,000.00 in administrative penalties were imposed against him.

The respondent failed to respond to a written Board communication in connection with an ongoing investigation of his conduct and failed to inform the Board of a change in address within thirty days of the change.

The respondent violated *Sections 901.502(6) and 901.502(11) of the Act* as well as *Section 501.93 (Responses) of the Rules*.

RESPONDENT: KPMG, LLP (Dallas)

LICENSE NO.: P04938

INVESTIGATION NO.: 02-03-01L

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The respondent firm entered into an agreed consent order whereby the firm was reprimanded and assessed \$1,000 in fines and \$5,000 in administrative costs. The firm was censured by the SEC for engaging in improper professional conduct because it purported to serve as an independent accounting firm for an audit client at the same time that it had made substantial financial investments in the client.

The respondent's conduct violated *Section 901.502(6) of the Act* and *Section 501.90(7) (Discredit-*

RESPONDENT: Edward S. Hines (Tennessee)

CERTIFICATE NO.: 028205

INVESTIGATION NO.: 01-07-06L

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent's certificate was revoked and he was prohibited from applying for reinstatement for one year from the effective date of the Board order or until his privileges to appear and practice before the SEC are restored, whichever period of time is longer.

The respondent entered into a voluntary consent decree with the SEC wherein the respondent was denied the privilege of appearing or practicing before the SEC for not less than three years and was fined \$40,000.00. In a related order, the SEC found that audits conducted by Arthur Andersen, LLP, of a client's financial statements were not fairly presented under GAAP and that the audits were not conducted in accordance with GAAS. The respondent signed the subject audits as the concurring partner.

RESPONDENT: Cecillia Ruth Rivas (Tennessee)

CERTIFICATE NO.: 063819

INVESTIGATION NO.: 01-07-15L

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The respondent entered into an agreed consent order in which she was reprimanded and her license was suspended for two years; however, the suspension was stayed and the respondent was placed on probation for two years, provided she cures her licensing deficiency within 60 days and complies with all of the terms and conditions of her probation.

The respondent knowingly prepared false payroll tax reports and practiced public accountancy with a delinquent and expired license.

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

RESPONDENT: Robert Joseph Torres (San Antonio)

CERTIFICATE NO.: 060492

INVESTIGATION NO.: 02-07-04L

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent entered into an agreed consent order in which he surrendered his certificate for revocation in lieu of further disciplinary proceedings. He must wait at least one year before applying for reinstatement.

The respondent practiced public accountancy by preparing a financial statement for a state contractor while his license was suspended. He also practiced public accountancy in an unregistered entity.

The respondent's conduct violated *Sections 901.502(6) and 901.502(11) of the Act as well as Sections 501.80 (Practice of Public Accountancy) and Section 501.82 (Advertising) of the Board's Rules.*

RESPONDENT: Robert L. Ward (Dallas)

INVESTIGATION NO.: 01-10-11L

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent entered into an agreed consent order in which he was reprimanded.

The respondent was found negligent in connection with a tax plan offered to a client by a jury in the 153rd District Court of Tarrant County, Texas in 1997. He violated *Sections 901.502(6) and 901.502(11) of the Act as well as Section 501.74 (Competence) of the Board's Rules.*

RESPONDENT: Paul Robert Wasserloos (Galveston)

CERTIFICATE NO.: 052077

INVESTIGATION NOS.: 93-10-74L and 94-05-16L

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent entered into an agreed consent order in which his certificate was revoked; however, this revocation was stayed and he was placed on two years' probation. He must retain a qualified technical consultant, approved by the Behavioral Enforcement Committee chair, to review all audit and review engagements before they are issued for at least two years from the date the Board approved this order. The respondent may petition the committee to lift this requirement after the second anniversary of the date the Board approved this order. Additionally, he must meet with a representative of the TSCPA Concerned CPA network and provide the Board with written reports on his progress in counseling every six months.

The respondent embezzled funds from two of his clients. On December 29, 1994, he was placed on deferred adjudication for ten years, ordered to make restitution of \$28,500 and pay a \$10,000 fine for these felony crimes. In September 1994, the Board revoked his certificate. The respondent has successfully completed all of the terms of the deferred adjudication, and the embezzlement charges have been dismissed. The respondent has petitioned the Board for reinstatement.

The respondent's conduct for which his certificate was originally revoked violated then *Section 501.41 (Discreditable Acts) of the Board's Rules* as well as then *Sections 21(c)(2), 21(c)(4), and 21(c)(11) of the Act.*

CPE Actions

RESPONDENTS: CALIFORNIA: Thomas, Sheri Lynn

MINNESOTA: Kirsch, Kenneth Lee

OHIO: Terrell, Terry Malone

TEXAS: (Arlington) Balkon, William Joseph

(Brazoria) Sparks, Roland Lee

(Dallas) Heimerich, Eugene Henry; Kinney, Mark Edward; Vaught, William Edward
(Fort Worth) Clark, Caren
(Houston) Boylan, John Patrick; Gobroski, Richard Steven; Minas, Angela Arthur; Steakley, Clifford Paul; Tamez, Roland Martin
(Irving) Brasch, Edgar Williams III; Kinney, Mark Edward; Philen, Terrell T. Jr.
(Leander) Parsons, Laura Pattillo
(McKinney) Altizer, Jeffrey
(Pasadena) Carr, William Ronnie
(Spring) Patir, David

INVESTIGATION NOS.: 02-06-10084 through 02-06-10366

DOCKET NO: 457-02-3805

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The certificate of each respondent still not in compliance as of the November 14, 2002 Board meeting was suspended for three years, or until the respondent 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 continuing professional education credits under *Section 901.411* of the *Act*. The respondents are in violation of *Sections 501.94 (Mandatory Continuing Professional Education)* and *523.62 (Mandatory Continuing Professional Education Reporting)* as well as *Section 901.411* of the *Act*.

RESPONDENTS: TEXAS: (Austin) Woodruff, Richard Earle Jr.

(Dallas) O'Sullivan, Jonathan N.

(Firsco) Parry, James

(Houston) Chan, Samuel; Fredrich, Steven Randall; McCool, Lori Gail Bohannon

(Howe) Hinrichs, Jo Ann Riff

(Magnolia) Cater, Lynn Renee

INVESTIGATION NOS.: 02-07-10049 through 02-07-10155

DOCKET NO: 457-02-4092

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The certificate of each respondent still not in compliance as of the November 14, 2002 Board meeting was suspended for three years, or until the respondent 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 credits under *Section 901.411* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act* as well as *Sections 501.94 (Mandatory Continuing Professional Education)* and *523.62 (Mandatory Continuing Professional Education Reporting)* of the *Rules*.

RESPONDENTS: (Dallas) Baxter, Morris Richard; Dittlinger, Glenn Ray; Gaar, Marilee Schiffman; Gill, Jeffrey Thomas; Wolfe, John Matthew

(Houston) Frederich, Steven R.; McWilliams, Lindsay Vachel

(Katy) Henry, Robert Joe

(Spring) Hargrave, Joanna Lee

INVESTIGATION NOS.: 02-08-10001 through 02-08-10150

DOCKET NO: 457-03-0280

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The certificate of each respondent still not in compliance as of the January 23, 2003 Board meeting was suspended for three years, or until the respondent 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 credits under *Section 901.411* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act* as well as *Sections 501.94 (Mandatory Continuing Professional Education)* and *523.62 (Mandatory Continuing Professional Education Reporting)* of the Board's *Rules*.

RESPONDENTS: CALIFORNIA: Sedita, Phillip Thomas

COLORADO: Ebert, Jeannette Devloo
NORTH CAROLINA: Gober, Jerald Robert
SOUTH CAROLINA: Tsunemori, Donald Iven
TEXAS: (Alice) Southerland, William Albert
(Austin) Saad, Walter Keith
(Eules) Kile, Frank Charles
(Fort Worth) Provenza, Joseph Francis Jr.
(Garland) Grounds, Robert Dale
(Houston) Alderson, David Pitman II; Baweja, Prem Sunder; Bednorz, Nick Alan; Leigh, Alpheus Joesph III; Wyatt, John Alfred
(Irving) Mitchell, Donna Gail Hefler
(Jacksonville) Smith, Phillip Randal
INVESTIGATION NOS.: 02-09-10071 through 02-08-10301
DOCKET NO.: 457-03-0878
DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The certificate of each respondent still not in compliance as of the January 23, 2003 Board meeting was suspended for three years, or until the respondent 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 credits under *Section 901.411* of the *Act*. The respondents are in violation of *Section 901.411* of the *Act* as well as *Sections 501.94 (Mandatory Continuing Professional Education)* and *523.62 (Mandatory Continuing Professional Education Reporting)* of the Board's *Rules*.

Peer Review Actions

RESPONDENT: Nathan Reeder, Inc. (Tool)

LICENSE NO.: C00567

INVESTIGATION NO.: 02-07-0009Q

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The respondent's license was suspended for five years but probated if the respondent completes its 1999 peer review and submits required paperwork within 90 days of the issuance of the Board's order.

The respondent's managing partner, Nathan Reeder, failed to submit a copy of the peer review scheduled for May 31, 1999. He did not anticipate the sponsoring organization's needs and, when the firm was rejected by the sponsoring organization, he failed to receive authorization from the Board to enroll in another sponsoring organization's program.

The respondent violated *Section 901.502(11)* of the *Act* as well as *Sections 527.4(1) (Quality Review Program), 527.4(2)(B), and 527.4(9)* of the *Rules*.

Three-Year Delinquent Actions

RESPONDENTS: CALIFORNIA: Morgan, Craig Edward

COLORADO: Von Minden, Milton Charles III; McCarthy, Michael Kenton

ILLINOIS: Butler, Marcus Bernard III

MICHIGAN: Wroten, Richard Woodrow

OHIO: Morrison, Jennifer Bjornstad

OREGON: Anheluk, Leslie Lee

TEXAS: (Abilene) Allen, David Glen

(Arlington) Ward, Mary Lanethia Kee

(Austin) Davenport, Richard Earl; Herrera, Gilbert; Wiggins, Sharon Lee Woolsey

(Coppell) Vlahos, Carmen Lynn

(Corpus Christi) Brower, Hudson Andrew

(Crowley) Bedwell, Jennifer Doris

(Dallas) Collins, Kathryn Ann; Wells, Gregory Paul; Wiegmann, Roy William

(Eastland) Downard, Stephen Greer

(Fort Worth) Carroll, Debra Faye; Conway, Kelly A.; Ethridge, Thomas Neal; Salter, Steven Rolan

(Gainesville) Adams, Robert George

(Houston) Dye, Marjorie Janell Bryans; Easterly, Daniel Lloyd; Phelps, Melissa; Sullins, Fred Leroy
(Katy) Lauw, Donald Phillip; Peterson, John Drennan
(Mesquite) Bradshaw, John Thomas
(Odessa) Karr, Roy Lee Jr.
(Plano) Amosson, Jerry William; Curgus, James Anton; Dietz, Brett Alan
(San Antonio) Clarke, Drew Hinckley; Crider, Robert Payne
(Sugar Land) Heisler, Robert J.
(The Woodlands) McGuiggan, Connie Mae

INVESTIGATION NOS.: 02-06-10001 through 02-06-10064

DOCKET NO: 457-02-3804

DATE OF BOARD ACTION: 11/14/02

DISPOSITION: The certificate of each respondent still not in compliance as of the November 14, 2002 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 failed to pay licensing fees and penalties for three consecutive years in violation of *Section 901.502(4)* of the *Act*.

RESPONDENTS: ARIZONA: Adamson, Bryan

CALIFORNIA: Hayden, James Paul

CONNECTICUT: Jordan, David Walters

FLORIDA: Mendez, Edna

IOWA: Sieker, Blakely William

LOUISIANA: Johnson, Linda Erdman

MICHIGAN: Beller, Christopher Charles

MISSISSIPPI: Kearley, Helen Bowman

NEVADA: Uhlott, Carl Frederick

PENNSYLVANIA: Zelenkofske, Andrew Bruce

TEXAS: (Austin) Frutos, Maureen Delaney

(Brownsville) L'Esperance, Mary Kathleen

(Dallas) Bass, Merrell Hudon; McWilliams, Earl Dewitt; Schuch, Robert Leo; Wallace, Reymond Kent; West, Cheryl Denise

(Frisco) MacGrandle, Timothy David

(Houston) Crocker, Terry Lee; Hardin, Kenneth Morris; Schmalz, Ty Leon; Witt, Mark Noel

(Justin) Hall, Mary Jane Livingston

(Lexington) Goerner, Don

(Plano) Zhao, Ying

(Round Rock) Tapp, Kristine F.

(San Antonio) Gray, Janis Morgan; Saathoff, Howard Douglas

(Spring) Bintz, Thomas Joseph

(Sugar Land) Contreras, Richard Aaron

INVESTIGATION NOS: 02-08-10174 through 02-08-10231

DOCKET NO: 457-03-0279

DATE OF BOARD ACTION: 1/23/03

DISPOSITION: The certificate of each respondent still not in compliance as of the January 23, 2003 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 failed to pay licensing fees and penalties for three consecutive license periods. The respondents are in violation of *Section 901.502* of the *Act*.



BOARD RULE BOOK AVAILABLE

The Board has published its entire body of 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, peer 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.

_____ Firm Name

_____ Last Name _____ First Name _____ Middle

_____ Mailing Address

_____ City _____ State _____ Zip + 4

TEXAS STATE BOARD REPORT

PUBLISHED BY THE
**TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY**
333 GUADALUPE, TOWER 3, SUITE 900
AUSTIN, TEXAS 78701-3900

Board Members

BILLY M. ATKINSON, CPA
PRESIDING OFFICER
APRIL L. EYEINGTON, CPA
ASSISTANT PRESIDING OFFICER
ROBERT C. MANN, CPA, TREASURER
J. COALTER BAKER, CPA
MARCELA E. DONADIO, CPA
KIMBERLY M. DRYDEN
DAVID D. DUREE, CPA
CARLOS MADRID JR.
PAULA MARTINA MENDOZA
ORVILLE W. MILLS JR., CPA
JOSEPH W. RICHARDSON, CPA
JOHN W. STEINBERG
EDWARD L. SUMMERS, PH.D., CPA
MELANIE G. THOMPSON, CPA
JOHN A. WALTON

Executive Director

WILLIAM TREACY

Editor

ERIN EDIGER

Accounting/Administration

(512)305-7800 FAX (512)305-7854
accounting@tsbpa.state.tx.us

CPE

(512)305-7844 FAX (512)305-7875
licensing@tsbpa.state.tx.us

Enforcement

(512)305-7866 FAX (512)305-7854
enforcement@tsbpa.state.tx.us

Executive Director

(512)305-7800 FAX (512)305-7854
executive@tsbpa.state.tx.us

Licensing

(512)305-7853 FAX (512)305-7875
licensing@tsbpa.state.tx.us

Peer Review

(512)305-7853 FAX (512)305-7875
licensing@tsbpa.state.tx.us

Public Information

(512) 305-7802 FAX (512)305-7854
publicinfo@tsbpa.state.tx.us

Qualifications

(512)305-7851 FAX (512)305-7875
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.

DID YOU KNOW?

- ♦
- ♦
- ♦
- ♦

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.