

TEXAS STATE BOARD REPORT

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY, AUSTIN, TEXAS

Texas Exam Candidates Top National Averages

Have you ever wondered how CPA candidates educated in Texas fare on the Uniform CPA exam compared to candidates educated elsewhere? The answer, based on a recent NASBA compilation of exam results for 2006, is this: quite well, thank you. In fact, Texas ranked second nationally (only Utah ranked higher) with 54.3% (see chart at bottom) for first-time candidates passing all sections, and Texas candidates, by an overwhelming percentage, are educated in Texas. In 2006, 4,138 Texas candidates tested on at least one section of the exam.

NASBA statistics also show that

- The University of Texas-Austin ranked 1st nationally and Texas A&M ranked 2nd in highest passing rates for first-time candidates without advanced degrees who were taking and passing one to three sections of the exam. UT Austin's 125 candidates had a 76.8% passing rate, and Texas A&M's 75 candidates had a 73.33% passing rate.
- Several Texas universities had high passing rates for their candidates with advanced degrees:

Baylor University	4th
University of Texas-Austin	6th (tie)
University of Texas-Dallas	6th (tie)
University of Texas-Arlington	11th
Texas A&M University	15th

Overall Passing Percentages by Section (2006)			
FAR	AUD	REG	BEC
Texas 49.3	49.1	48.2	47.2
National 44.6	44.2	42.4	43.8

- Texas A&M University ranked 7th and the University of Texas-Austin ranked 10th in first-time candidates without advanced degrees passing all sections.
- Texas A&M University ranked 3rd and the University of Texas-Austin ranked 6th in first-time candidates with advanced degrees passing all sections.

For two of the four sections of the exam, Texas candidates ranked 5th nationally for first-time candidates: FAR, 57.9%; and AUD, 58.5%. National percentages on those sections were 47.8% and 46.2%, respectively.

Rank	Jurisdiction	# of Candidates Taking All 4 Parts	Passing %
1	Utah	50	58.0
2	Texas	696	54.3
3	South Dakota	13	53.9
4	Iowa	187	51.9
5	Wyoming	8	50.0
6	North Dakota	29	48.3
7	Nebraska	51	47.1
8	Maryland	115	46.1
9	Massachusetts	263	45.6
10	Georgia	464	45.3

Baker Resigns Position As Presiding Officer

J. Coalter Baker, CPA, has resigned as presiding officer of the Texas State Board of Public Accountancy, citing a need to focus on other priorities. Baker, a member of the Board for the past five years, said he was also resigning from other similar positions. Baker, the owner of the Austin firm of J. Coalter Baker, CPA/PFS, has been active in AICPA and NASBA and served on various nonprofit boards.

ALSO IN THIS ISSUE

- 2 CPE Sponsor Review
- 3 Enforcement Actions
- 11 Swearing-in Ceremony

CPE Sponsors Successfully Completing Review
(since November 2007 *Board Report*)

SPONSOR #	SPONSOR NAME	DATE OF NEXT REVIEW	STATUS
005448	Acme Brick Company	12/01/2009 - 11/30/2010	A
003905	Affiliated Computer Services, Inc.	01/01/2010 - 12/31/2010	A
000353	Alexander, Lankford & Hiers, Inc.	12/01/2009 - 11/30/2010	A
001177	American Health Lawyers Association	11/01/2009 - 10/31/2010	E
000366	Borden Duffel, PC	12/01/2009 - 11/30/2010	A
000060	Carneiro Chumney & Co., LC	11/01/2009 - 10/31/2010	A
006675	Crescent Real Estate Equities	11/01/2009 - 10/31/2010	A
003283	Dallas - Ft Worth International Airport	01/01/2010 - 12/31/2010	A
000455	DFW State Tax Association	01/01/2010 - 12/31/2010	A
000075	Edgar, Kiker & Cross, PC	11/01/2009 - 10/31/2010	A
000218	Electronic Data Systems Corp	11/01/2009 - 10/31/2010	A
007254	EOG Resources, Inc.	03/01/2009 - 02/28/2010	A
002535	Financial Software Innovations, Inc.	10/01/2009 - 09/30/2010	A
003236	George, Morgan & Sneed, PC	12/01/2009 - 11/30/2010	A
007675	Gulfmark Offshore, Inc.	07/01/2009 - 06/30/2010	A
006318	Houston Business & Estate Planning Council	11/01/2009 - 10/31/2010	A
003909	Huselton, Morgan & Maulsby, PC	01/01/2010 - 12/31/2010	A
007835	JPI Partners, LLC	12/01/2009 - 11/30/2010	A
009454	Live Nation	11/01/2009 - 10/31/2010	E
004457	Lyondell Chemical Company	06/01/2009 - 05/31/2010	A
007937	Mannatech, Inc.	08/01/2009 - 07/31/2010	A
000416	Mosher, Seifert and Company	01/01/2010 - 12/31/2010	A
001051	Oliver, Rainey & Wojtek, LLP	10/01/2009 - 09/30/2010	A
000325	Patillo, Brown and Hill, LLP	12/01/2009 - 11/30/2010	A
007375	Patterson & Associates	07/01/2009 - 06/30/2010	A
007504	Petroleum Development Corp.	11/01/2009 - 10/31/2010	A
006355	Powell, Ebert & Smolik PC	12/01/2009 - 11/30/2010	E
008449	Quanta Services, Inc	02/01/2009 - 01/31/2010	A
008588	Renegade Swish, LLC	11/01/2009 - 10/31/2010	A
000431	Saville Dodgen & Company	01/01/2010 - 12/31/2010	A
001201	Snow, Garrett & Company	11/01/2009 - 10/31/2010	A
009447	South Texas Money Management, Ltd.	11/01/2009 - 10/31/2010	E
000205	SMU - Cox School of Business	11/01/2009 - 10/31/2010	E
000557	Sproles Woodard, LLP	02/01/2010 - 01/31/2011	A
008246	Susman Godfrey LLP	12/01/2009 - 11/30/2010	E
000260	Texas Society CPAs/CPE Foundation Inc	12/01/2009 - 11/30/2010	A
009019	The ACU Foundation	09/01/2009 - 08/31/2010	A
007840	The Dallas Foundation	01/01/2010 - 12/31/2010	A
004756	The Ruiz Financial Grp-Money Concepts FP	09/01/2009 - 08/31/2010	A
008836	TPG Capital, LP	12/01/2009 - 11/30/2010	A
007462	Turnage & Company, PC	10/01/2009 - 09/30/2010	A
009449	TUT Services, Inc.	11/01/2009 - 10/31/2010	A
000269	Tx Society of CPAs - East Texas Chapter	12/01/2009 - 11/30/2010	A
008207	Verizon Communications	10/01/2009 - 09/30/2010	A
000359	Weinstein Spira & Company, PC	12/01/2009 - 11/30/2010	A

STATUS

A = Registration is currently active
E = Registration is currently expired

**TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY**

333 Guadalupe
Tower 3, Suite 900
Austin, Texas 78701-3900

Board Members

DAVID D. DUREE, CPA
ASSISTANT PRESIDING OFFICER

DOROTHY M. FOWLER, CPA
TREASURER

JOSEPH W. RICHARDSON, CPA
SECRETARY

GREGORY L. BAILES, CPA
EXECUTIVE COMMITTEE
MEMBER AT LARGE

JAMES C. FLAGG, PhD, CPA
EXECUTIVE COMMITTEE
MEMBER AT LARGE

A. CARLOS BARRERA, CPA
JOHN W. (JAY) DUNBAR, CPA
DAVID L. KING, CPA
EVELYN M. MARTINEZ
ORVILLE W. MILLS JR., CPA
JAMES W. POLLARD
CATHERINE RODEWALD
JOHN W. STEINBERG
JOHN A. WALTON

Executive Director
WILLIAM TREACY

EDITOR
BARBARA C. STOOKSBERRY

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

Publications
(512) 305-7804
FAX (512) 305-7875
publicinfo@tsbpa.state.tx.us

Qualifications
(512) 305-7851
FAX (512) 305-7875
exam@tsbpa.state.tx.us

AGREED CONSENT ORDERS - ACTION TAKEN BY THE BOARD
JULY 19, 2007

BEC

- 1. Respondent: Brian Saxon Baber**
Hometown: Tyler
Investigation No.: 07-03-01L
Certificate No.: 080619
Rules Violations: 501.81 and 527.4
Act Violations: 901.502(6) and 901.502(12)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent was reprimanded and ordered to pay an administrative penalty of \$1,000 and administrative costs of \$492.30 within 30 days of the date the Board ratified the order.

The respondent practiced public accountancy in an unregistered entity from February 6, 2002, until March 8, 2007. In addition, the respondent failed to participate in the Board's peer review program.

- 2. Respondent: Laurence C. Casey**
Hometown: Amarillo
Investigation No.: 06-01-03L
License No.: 033344
Rules Violations: 501.90(11), 501.80(a), 501.93, 523.112, and 501.94
Act Violations: 901.502(2), 901.502(6), and 901.502(11)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent's certificate was revoked in lieu of further disciplinary proceedings. Additionally, the respondent was ordered to pay administrative costs of \$3,162.46 within 30 days of the date the Board ratified the order.

During the year 2005, the respondent failed to respond to a client's repeated inquiries concerning the status of a tax engagement and practiced public accountancy with a held, expired individual license. During the year 2006, the respondent failed to timely submit written responses to written communications from Board staff sent on January 11, March 9, and July 17, 2006. Additionally, from May 2004 through April 2007, the respondent failed to report to the Board that he had completed a minimum of 120 hours of continuing professional education.

- 3. Respondent: Andrew Frederick Huffmeyer**
Hometown: Rockport
Investigation No.: 07-01-13L
Certificate No.: 032311
Rules Violations: 501.90(2), 501.90(4), 501.90(9), and 501.93
Act Violations: 901.502(6), 901.502(10), and 901.502(11)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent's certificate was revoked in lieu of further disciplinary proceedings. In addition, the respondent

was ordered to pay administrative costs of \$749.47 within 30 days of the date the Board ratified the order.

The respondent pleaded guilty to misapplication of fiduciary property, a first degree felony offense. As a result, the respondent was sentenced to five years imprisonment and assessed \$436 in court costs. In addition, the respondent practiced public accountancy with a suspended license from February 2002 through February 2005. The respondent also failed to submit a written response to Board communications dated January 23 and February 28, 2007.

- 4. Respondents: Terra Lavern Robinson & Terra L. Robinson (Firm)**
Hometown: DeSoto
License Nos.: 063542 & T06424
Investigation Nos.: 05-05-07L & 05-10-02L
Rules Violations: 501.76(a) and 501.93(d)
Act Violation: 901.502(6)

The respondents entered into an Agreed Consent Order with the Board whereby the respondent Robinson was reprimanded. Additionally, the respondent Robinson and the respondent firm were ordered to pay a total administrative penalty of \$1,000, as well as administrative costs of \$1,579.88 within 30 days of the date the Board ratified the order.

During the year 2005, the respondent Robinson failed to timely provide records upon request of a former client. Additionally, during 2005, the respondent Robinson and the respondent firm completed a change in mailing address and failed to notify the Board, in writing, of that change in mailing address, or of the effective date of that change, within thirty (30) days before or after the effective date of the change in mailing address.

TSR II

- 1. Respondent: Faske, Lay & Co., LLP**
Hometown: Austin
Investigation No.: 05-11-05L
License No.: P04331
Rules Violations: 501.60, 501.61, and 501.62
Act Violation: 901.502(6)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent was reprimanded and ordered to pay an administrative penalty of \$3,000 and administrative costs of \$1,519.49 within 90 days of the date the Board ratified the order. In addition, the respondent's licensed employees must take eight hours of CPE in SAS 99 within 90 days of the date the Board ratified the order.

The respondent issued an unqualified audit of the financial statements of its client for the year ending December 31, 2000, after the respondent's partner in charge of the audit learned that the client's chief executive officer had confessed to fraud in his capacity as an officer of a related company, and the respondent's partner failed to employ sufficient professional skepticism and failed to perform sufficient going concern procedures.

A partner of the respondent drafted (but did not issue) a compilation of the financial statements of their client, but the respondent's partner in charge of the compilations did not sufficiently take into account that the client's chief executive officer had confessed to fraud.

- 2. Respondent: Joseph G. Jistel**
Hometown: Austin
Investigation No.: 06-08-30L
License No.: 021315
Rules Violations: 501.60 and 501.61
Act Violation: 901.502(6)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent was reprimanded.

The respondent failed to employ sufficient professional skepticism and failed to perform sufficient going concern procedures while performing an audit of the financial statements of his client for the year ending December 31, 2000, after learning that the client's chief executive officer had confessed to fraud in his capacity as an officer of a related company.

- 3. Respondent: Larry W. Lay**
Hometown: Austin
Investigation No.: 06-08-31L
License No.: 011741
Rules Violations: 501.61 and 501.62
Act Violation: 901.502(6)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent was reprimanded.

The respondent drafted (but did not issue) a compilation of the financial statements of his client, but did not sufficiently take into account that the client's chief executive officer had confessed to fraud.

- 4. Respondent: David Todd Leboe**
Hometown: Houston
Investigation No.: 06-08-14L
License No.: 067205
Rules Violations: 501.53(b), 501.73(a), 501.90(2), 501.90(8), and 501.90(7)
Act Violations: 901.502(2)(A), 901.502(6), 901.502(9), and 901.502(11)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent's certificate was revoked. In

addition, the respondent was ordered to pay an administrative penalty of \$1,000 as well as administrative costs of \$455.50 within 90 days of the date the Board ratified the order.

The respondent was an accountant for his client from December 1997 until March 2001. In this role, the respondent participated in a scheme in which his client bifurcated construction materials from a construction contract in order to recognize a separate gain from the sale of those materials. His client subsequently recorded this bifurcation as a true sale in its financial statements. The Securities and Exchange Commission (SEC) suspended the respondent from practicing or appearing before the SEC as an accountant for at least five years. In addition, the respondent is enjoined from future violations of Securities and Exchange Act of 1934 and rules promulgated thereunder.

OTHER

- **Respondent: James Elbart Webb**
Hometown: Texarkana
Investigation No.: 07-01-14L
License No.: 015581
Rules Violations: 501.90(5), 501.91(a)(1)(A),(C) and (D), and 501.93(a) and (c)
Act Violations: 901.502(6) and 901.502(11)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent's certificate was revoked in lieu of further disciplinary proceedings. Additionally, the respondent must pay administrative costs of \$678.04 within 90 days of the date the Board ratified the order.

On/about January 26, 2006, the respondent was convicted of the felony offense of false, fictitious or fraudulent claims to the Internal Revenue Service in Criminal Case #3:05-00094, heard in the U.S. District Court for the Middle District of Tennessee, and the respondent was committed to the custody of the U.S. Bureau of Prisons to be imprisoned for a term of fifty-one (51) months. Further, pursuant to the terms of the judgment issued in Case #3:05-00094, upon release from imprisonment, the respondent shall be on supervised release for a term of three (3) years, and is barred during that period from engaging in any occupation that would require him to provide accounting, bookkeeping, consulting, or other financial services or advice. The respondent also failed to report the issuance of the judgment to the Board within 30 days of the event, and the respondent failed to timely submit a written response to a written communication from Board staff.

B. AGREED CEASE AND DESIST ORDERS

- 1. Respondent: Charles E. Dentler**
Hometown: Victoria
Investigation No.: 07-03-33N
Act Violation: 901.451

The respondent entered into an Agreed Cease and Desist Order with the Board whereby the respondent will cease and desist from providing attest services until or unless the respondent complies with the registration and licensing provisions of the Act, and until or unless the respondent has obtained a license to practice public accountancy or certified public accountancy.

The respondent used the CPA designation although the respondent does not hold a license in Texas.

- 2. Respondent: Fern Consulting, Inc.**
Hometown: Houston
Investigation No.: 07-04-22N
Act Violation: 901.451

The respondent entered into an Agreed Cease and Desist Order with the Board whereby the respondent will cease and desist from providing attest services until or unless the respondent complies with the registration and licensing provisions of the Act, and until or unless the respondent has obtained a license to practice public accountancy or certified public accountancy.

The respondent performed an attest service although the respondent does not hold a license in Texas.

- 3. Respondent: Michael E. Kovarsky**
Hometown: Dallas
Investigation No.: 07-04-18N
Act Violation: 901.451

The respondent entered into an Agreed Cease and Desist Order with the Board whereby the respondent will cease and desist from providing attest services until or unless the respondent complies with the registration and licensing provisions of the Act, and until or unless the respondent has obtained a license to practice public accountancy or certified public accountancy.

The respondent used the CPA designation although the respondent does not hold a license in Texas.

C. VIOLATION OF AN AGREED CEASE AND DESIST ORDER

- **Respondent: James R. Griffin**
Hometown: Brady
Investigation No.: 07-01-09N
Rules Violation: 518.3
Act Violations: 901.451(b) and 901.601(b)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent will pay an administrative penalty of \$5,000 within 90 days of the date the Board ratified the order. Additionally, the respondent will cease and desist from engaging in the unauthorized practice of public accountancy.

The respondent does not hold a certificate or an individual license to engage in the lawful practice of public accountancy in

the State of Texas, but he is subject to a Cease and Desist Order issued on January 12, 2005, in Board complaint number 04-10-04N barring the respondent from engaging in the unauthorized practice of public accountancy. However, in April of 2006, the respondent violated the Cease and Desist Order by issuing a compilation report.

REQUEST FOR PROPOSALS

**The Board has issued a
Request for Proposals
for qualified individuals and entities
to provide consulting services
on audit and other attest services.**

**To read the full
Request for Proposals, please go
to the Board's website:
www.tsbpa.state.tx.us
and click on
Request for Proposals.**

**Deadline for receipt of proposals is
March 17, 2008.**

AGREED CONSENT ORDERS - ACTION TAKEN BY THE BOARD
NOVEMBER 15, 2007

BEC**1. Respondent: Theresa Kay Heard Bell****Hometown: McKinney****Investigation No.: 07-05-26L****Certificate No.: 061236****Rules Violations: 501.74, 501.80, 501.81, and 527.4****Act Violations: 901.502(6) and 901.502(12)**

The respondent entered into an Agreed Consent Order with the Board whereby the respondent was reprimanded and the respondent's license was suspended for a period of two (2) years from the effective date of the Board order. However, the suspension was stayed and the respondent was placed on probation for two (2) years under the following terms and conditions: The respondent must submit proof of completion of peer review within 90 days of the date the Board ratified the order, pay an administrative penalty of \$1,000 and \$881.44 in administrative costs within 30 days of the date the Board ratified the order, comply fully with all of the terms and conditions of probation imposed by the Board, and comply with all state and federal laws pertaining to the practice of public accountancy.

The respondent failed to prepare a client's W-2s, 1099s, Form 940, Form 941, and Texas Use and Sales Tax Report. The respondent practiced public accountancy with a delinquent, expired individual license from May 28, 2004, to May 29, 2007, and practiced public accountancy with a delinquent, expired firm license from January 1, 2007, to August 9, 2007. In addition, the respondent failed to participate in the Board's peer review program.

2. Respondent: Michael P. Bruce**Hometown: Dallas****Investigation No.: 07-06-02L****Certificate No.: 019118****Rules Violation: 501.74****Act Violation: 901.502(6)**

The respondent entered into an Agreed Consent Order with the Board whereby the respondent was reprimanded. In addition, the respondent must complete and submit proof of completion of 16 hours of Continuing Professional Education in the area of taxation by January 31, 2008, and pay \$779.17 in administrative costs within 30 days of the date the Board ratified the order.

The respondent underestimated a client's 2005 tax assessment, incorrectly prepared a client's 2004 personal tax return, and incorrectly prepared a client's 2004 business tax return.

3. Respondent: Dwight E. Denman**Hometown: Dallas****Investigation No.: 07-04-10L****Certificate No.: 049957****Rules Violations: 501.81, 501.90(7), and 501.93****Act Violations: 901.502(6) and 901.502(11)**

The respondent entered into an Agreed Consent Order (ACO) with the Board whereby the respondent's certificate would be revoked for a period of five (5) years from the effective date of the Board order. However, this revocation is stayed, and the respondent is placed on probation for five (5) years under the following conditions: The respondent must pay an administrative penalty of \$3,000 and \$1,229.09 in administrative costs within 90 days of the date the Board ratified the order, attend a minimum of one Alcoholics Anonymous (AA) meeting per week for one year from the effective date of the order, have the respondent's AA sponsor submit a monthly report to the Board concerning the respondent's attendance at AA meetings, make a quarterly report to the Board concerning his compliance with the ACO, and comply with all state and federal laws pertaining to the practice of public accountancy.

The respondent received a five-year partially probated suspension from the State Bar of Texas effective February 1, 2007. In addition, the respondent failed to respond to Board correspondence dated April 23 and May 4, 2007, and failed to inform the Board of an address change within 30 days of the event.

TSRI**1. Respondent: Aron R. Carr****Hometown: The Colony****Investigation No.: 07-01-12L****Certificate No.: 078771****Rules Violations: 501.90(7)****Act Violations: 901.502 (6) and 901.502 (9)**

The respondent entered into an Agreed Consent Order (ACO) with the Board whereby the respondent's certificate was revoked for a period of three years from the effective date of the Board order. However, this revocation is stayed, and the respondent is placed on probation for three (3) years or until allowed to practice before the SEC under the following conditions: The respondent must pay \$807.52 in administrative costs within 30 days of the date the Board ratified the order; the respondent will make an annual report to the Board regarding the nature of his practice. The respondent will comply fully with all of the terms and conditions of probation imposed by the Board and shall cooperate fully with Board representatives monitoring and investigating the respondent's compliance with probationary terms and conditions; and the respondent shall comply with all state and federal laws pertaining to the practice of public accountancy.

The Securities and Exchange Commission (SEC) instituted an administrative proceeding, file number 3-12251, against the respondent, the result of which was an SEC order that prohibits

respondent from appearing or practicing before the SEC as an accountant. In anticipation of the institution of the SEC proceedings, respondent submitted an Offer of Settlement, which the SEC accepted. Without admitting or denying the findings of the SEC, except as to the SEC's jurisdiction over him and the subject of the proceedings, respondent consented to the entry of the Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions. A Board complaint was filed against respondent on January 23, 2007, and respondent was provided with the opportunity to respond to the complaint and to show compliance with the law.

- 2. Respondent: Robert B. Early**
Hometown: Abilene
Certificate No.: 025395
Investigation No.: 07-05-04L
Rules Violation: 501.90
Act Violations: 901.502(6), 901.502(11) and 901.502(12)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent would be reprimanded and must pay an administrative penalty of \$5,000 and \$443.58 in administrative costs within 30 days of the date the Board ratified the order.

The respondent was the chief financial officer of his employer during the period that his employer violated Sections 13(a), 13(b)(2)(A), and 13(B)(2)(B) of the Securities Exchange Act of 1934 and Rules 12b-20, 13a-1, 13a-11, 13a-13, and 13b2-1 thereunder. The respondent was the subject of Securities and Exchange Commission (SEC) Order 3-12521 that found him responsible for certain aspects of his employer's financial misstatements. A complaint was filed against the respondent on May 4, 2007, and the respondent was provided with the opportunity to respond to the complaint and to show compliance with the law.

- 3. Respondents: Tina Williams and Nommensen & Williams, P.C.**
Hometown: Houston
Investigation Nos.: 04-02-15L and 04-02-16L
Certificate Nos.: 029135 and C05260
Rules Violations: 501.60, 501.61 and 501.74
Act Violations: 901.502(6) and 901.502(12)

The respondent entered into an Agreed Consent Order with the Board whereby the respondent would be reprimanded and her individual and firm license would be placed on limited scope status. The respondent must pay \$3,515.39 in administrative costs within 30 days of the date the Board ratifies the order. The scope of the respondents' practice is hereby limited. The respondents are prohibited from performing audits required by the Board to be performed in accordance with the standards for auditing adopted by the American Institute of Certified Public Accountants or another national accounting organization recognized by the

Board. During the term of scope limitation imposed on the respondent's certificate, the respondent will receive Limitation on Scope Affidavits (Affidavit) from the Board in six-month intervals. Each affidavit must be completed, executed and returned to the Board within 30 days of the date of the letter accompanying the affidavit.

The respondent inadequately performed audits of the financial statements of her client for the fiscal years ending December 31, 1999, and December 31, 2000. The respondent firm issued audit reports for the years at issue. A complaint was filed against the respondent on March 4, 2004, and the respondents were provided with the opportunity to respond to the complaint and show compliance with the law.

- 4. Respondent: Kenneth L. White**
Hometown: Geneva, FL
Investigation No.: 07-05-03L
Certificate No.: 013723
Rules Violation: 501.90
Act Violation: 901.502(6), 901.502(11) and 901.502(12)

The respondent entered into an Agreed Consent Order with the Board whereby respondent would be reprimanded and must pay an administrative penalty of \$5,000 and \$443.58 in administrative costs within 30 days of the date the Board ratified the order.

The respondent was the chief executive officer of his company during the period that his employer violated Sections 13(a), 13(b)(2)(A), and 13(B)(2)(B) of the Securities Exchange Act of 1934 and Rules 12b-20, 13a-1, 13a-11, 13a-13, and 13b2-1 thereunder. The respondent was the subject of a Securities and Exchange Commission (SEC) Order 3-12521 that found him responsible for certain aspects of his employer's financial misstatements. The respondent was ordered to disgorge \$31,180 and pay \$5,374 in prejudgment interest based on his sale of his company stock. A complaint was filed against the respondent on May 4, 2007, and the respondent was provided with the opportunity to respond to the complaint and to show compliance with the law.

B. AGREED CEASE AND DESIST ORDERS

- 1. Respondent: Gary Bridges**
Hometown: San Antonio
Investigation No.: 07-10-03N
Act Violations: 901.351, 901.451(a), 901.453(a)(1) and 901.456(a)

The respondent entered into an Agreed Cease and Desist Order with the Board whereby the respondent will cease and desist from providing attest services and using reserved terms until or unless the respondent complies with the registration and licensing provisions of the Act, and until or unless the respondent has obtained a license to practice public accountancy or certified public accountancy.

Respondent used the CPA designation although respondent does not hold a license in Texas.

2. Respondent: William Gassiott

Hometown: Houston

Investigation No.: 07-08-04N

Act Violations: 901.351, 901.451(a), 901.45(a)(1), 901.456(a) and 901.456(d)

The respondent entered into an Agreed Cease and Desist Order with the Board whereby the respondent will cease and desist from providing attest services and using reserved terms until or unless the respondent complies with the registration and licensing provisions of the Act, and until or unless the respondent has obtained a license to practice public accountancy or certified public accountancy.

The respondent used the CPA designation although the respondent does not hold a license in Texas.

3. Respondent: Michael Haynes

Hometown: Austin

Investigation No.: 07-10-02N

Act Violations: 901.351, 901.451(a), 901.453(a)(1), 901.456(a) and 901.456(d)

The respondent entered into an Agreed Cease and Desist Order with the Board whereby the respondent will cease and desist from providing attest services and using reserved terms until or unless the respondent complies with the registration and licensing provisions of the Act, and until or unless the respondent has obtained a license to practice public accountancy or certified public accountancy.

The respondent used the CPA designation although respondent does not hold a license in Texas.

4. Respondent: Saul Pineda

Hometown: El Paso

Investigation No.: 07-07-03N

Act Violation: 901.351, 901.451(a), 901.453(a)(1), 901.456(a) and 901.456(d)

The respondent entered into an Agreed Cease and Desist Order with the Board whereby the respondent will cease and desist from providing attest services and using reserved terms until or unless the respondent complies with the registration and licensing provisions of the Act, and until or unless the respondent has obtained a license to practice public accountancy or certified public accountancy.

The respondent used the CPA designation and performed an attest service although the respondent does not hold a license in Texas.

5. Respondent: TeachQuickBooks

Hometown: Dickinson

Investigation No.: 07-09-04N

Act Violations: 901.351, 901.451(a), and 901.453(a)(1)

The respondent entered into an Agreed Cease and Desist Order with the Board whereby the respondent will cease and desist from providing attest services and using reserved terms until or unless the respondent complied with the registration and licensing provisions of the Act, and until or unless the respondent had obtained a license to practice public accountancy or certified public accountancy.

The respondent performed an attest service although the respondent does not hold a license in Texas.

C. PROPOSAL FOR DECISION

▪ **Respondent: Derrell W. Childs**

Hometown: Garland

Certificate No.: 005493

Investigation Nos.: 06-10-13L and 07-02-01L

In Investigation No. 06-10-13L, on October 17, 2006, Board staff sent notice to the respondent that the respondent was in violation of the Act by practicing public accountancy with delinquent and expired individual and firm licenses. In Investigation No. 07-02-01L, on February 2, 2007, Board staff sent notice to the respondent that the respondent was in violation of the Act by failing to prepare and file complainant's 2005 individual federal income tax return and failing to respond to complainant's inquiries concerning the status of the tax engagement. The respondent did not submit to the Board a timely response to the allegations. On June 1, 2007, Board staff filed a Petition for Notice of Hearing and Complaint against the respondent at the State Office of Administrative Hearings (SOAH).

Although records indicate that the respondent received the petition, he did not appear and was not represented at the public hearing held on June 27, 2007. An Administrative Law Judge at SOAH recommended that the Board revoke the respondent's certificate to practice public accountancy, and assess the respondent an administrative penalty of \$6,000 and direct administrative costs of \$1,224.87.

The Board has issued a Request for Proposals for qualified individuals and entities to provide consulting services on audit and other attest services.

To read the full Request for Proposals, please go to the Board's website:

www.tsbpa.state.tx.us

Deadline for receipt of proposals is **March 17, 2008**.

ENFORCEMENT ACTIONS

CPE ACTIONS

The certificate of each respondent listed below was not in compliance with the Board's CPE requirements as of the date of the Board meeting cited. Each respondent was suspended for the earlier of a period of three years, or until the respondent complies with the licensing requirements of the Act. Additionally a \$100 penalty was imposed for each year the respondent continues to be in noncompliance with the Board's CPE requirements. The respondents were found to be in violation of Sections 523.111 (mandatory CPE reporting) and 501.94 of the Board's Rules, as well as Section 901.411 (CPE) of the Act.

Respondent, Location / Country	Board Date	Respondent, Location / Country	Board Date
David Curtis Agnew, Lumberton, TX	11/15/2007	Stephen Elmer Lutz, Plano, TX	11/15/2007
Frank Gus Vincent Beaulieu, San Antonio, TX	11/15/2007	Mohammad Mashiatulla, Katy, TX	11/15/2007
Tara Berchenko, Houston, TX	11/15/2007	Charles Wilburn Matthews, III, Houston, TX	11/15/2007
Scott Andrew Blackston, Richardson, TX	11/15/2007	Frederick Victor Miles, II, Irvine, CA	11/15/2007
Mark J. Bright, Kingwood, TX	11/15/2007	Cliff Thomas Milford, Dallas, TX	11/15/2007
Mark C. Candela, Sugar Land, TX	11/15/2007	Leon Smith Niles, Troy, MI	11/15/2007
Miguel Carrillo, Dallas, TX	11/15/2007	Leticia Nunez, Anthony, NM	11/15/2007
Douglas Patrick Cunningham, Austin, TX	11/15/2007	Sally Melanie Pasquale, Carrollton, TX	11/15/2007
Karen Reid Dearing, Houston, TX	11/15/2007	Robert Dale Peltier, Houston, TX	11/15/2007
Lou Ann Deupree, Spring, TX	11/15/2007	Diana Beth Slusser, Sugar Land, TX	11/15/2007
Astonida Holmes Draper, Cedar Hill, TX	11/15/2007	Kelly Burke Sollows, North Richland Hills, TX	11/15/2007
John Joe Faifer III, San Antonio, TX	11/15/2007	Wade Allen Sparks, Houston, TX	11/15/2007
Cynthia Ann Gruber, Houston, TX	11/15/2007	Stephen Ken Spradlin, Fairfield, TX	11/15/2007
Constance Paulette Howard Hargis, Dallas, TX	11/15/2007	Mark Daniel Sprague, Houston, TX	11/15/2007
Alphonso Jackson, Sunnyvale, TX	11/15/2007	Elizabeth Colleen Taylor, San Antonio, TX	11/15/2007
Mary Roselind Johnston, Houston, TX	11/15/2007	Arthur Jerome Vestal, Grapevine, TX	11/15/2007
Donna Bate Kinney, Austin, TX	11/15/2007	Gerald Leroy Vinez, Richardson, TX	11/15/2007
Elizabeth Zubiate Kreager, Austin, TX	11/15/2007	William Michael Westerman, Kennard, TX	11/15/2007
Gina Elise Muehr Lamme, Houston, TX	11/15/2007	Anna Irene Wildenstein, San Antonio, TX	11/15/2007
Marshall Kennedy Loftin, Crosby, TX	11/15/2007	Michael Bradley Young, London, United Kingdom	11/15/2007

THREE-YEAR DELINQUENT ACTIONS

The respondents listed below violated Sections 901.502(4) and 901.502(11) of the Act when they failed to pay license fees for three consecutive license periods. The certificate of each respondent was revoked without prejudice as the respondent was not in compliance as of the Board meeting date. 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.

Respondent, Location / Country	Board Date	Respondent, Location / Country	Board Date
Eric Robert Base, Dallas, TX	11/15/2007	Jeffrey Trace Fairey, Dallas, TX	11/15/2007
Richard Berrones, Humble, TX	11/15/2007	Steven Mark Fradkin, Houston, TX	11/15/2007
Kelley Lynn Bowles, Dallas, TX	11/15/2007	Staci Lynn Gager, Flower Mound, TX	11/15/2007
Joseph Hamilton Browne, Sugar Land, TX	11/15/2007	Teddy Wayne Gill, McAllen, TX	11/15/2007
James Francis Burton, Atlanta, GA	11/15/2007	Leon Augustus Estes Harris, Missouri City, TX	11/15/2007
Charles Davidson Bybee, Denver, CO	11/15/2007	Debra Jo Harville Holley, Mesquite, TX	11/15/2007
Cathy Lynn Bybel, Madison, NJ	11/15/2007	Sonja Faye Yates Hubbard, Texarkana, TX	11/15/2007
Catherine Lynn Carroll, Cypress, TX	11/15/2007	Carolyn Joyce Hurst, Houston, TX	11/15/2007
Daniel Bernard Conroy, Corpus Christi, TX	11/15/2007	Alton Rex Jasper, Lubbock, TX	11/15/2007
Stanley Monroe Crapo, Garland, TX	11/15/2007	John Richard Keida, West Vancouver, Canada	11/15/2007
Margaret Elizabeth Crews, Fairfax, VA	11/15/2007	Richard Joseph Langone, Mansfield, TX	11/15/2007
Jose Antonio Deraney, Norcross, GA	11/15/2007	Amy Melker Lockyer, Albuquerque, NM	11/15/2007
Jeremiah Donahue, South Dennis, MA	11/15/2007	Stanley Phillip Louder, San Angelo, TX	11/15/2007
Mark Alan Edson, Atlanta, GA	11/15/2007	Linda Adriana Lozano, San Antonio, TX	11/15/2007

ENFORCEMENT ACTIONS

Respondent, Location / Country	Board Date	Respondent, Location / Country	Board Date
Rachael MacLean, St Johns Wood, United Kingdom	11/15/2007	Guy Wilton Rucker, Dallas, TX	11/15/2007
John Michael McInnis, North Liberty, IA	11/15/2007	Billy David Rudd, Weatherford, TX	11/15/2007
Melisa McMillian, Lake Charles, LA	11/15/2007	Gregory E. Scheig, Dallas, TX	11/15/2007
Gabriel F. Mercado, San Antonio, TX	11/15/2007	Aline Lowman Schoch, New Braunfels, TX	11/15/2007
Michael Christopher Miller, Dallas, TX	11/15/2007	Darla Doty Scott, Aubrey, TX	11/15/2007
Billy Joseph Moreau, III, Dhahran, Saudi Arabia	11/15/2007	Edward Earl Seale, Bryan, TX	11/15/2007
Kirsten Joy Ortiz, Bryan, TX	11/15/2007	Joseph Rolland Simon, Houston, TX	11/15/2007
Ricardo G. Pangilinan, Jr., Dallas, TX	11/15/2007	Errol Kent Spillers, Katy, TX	11/15/2007
Hua Peng, San Jose, CA	11/15/2007	Douglas Edward Taylor, Redondo Beach, CA	11/15/2007
Priscilla Chloe Perry, Dallas, TX	11/15/2007	Peter Thiessen, Frisco, TX	11/15/2007
David Howard Pittman, Houston, TX	11/15/2007	Charles Vo, Houston, TX	11/15/2007
Sueann Porter, Fort Worth, TX	11/15/2007	Annette Marie Gunot Volk, San Antonio, TX	11/15/2007
Antoine F. Poythress, Hattiesburg, MS	11/15/2007	Harold Emmett Walker, San Antonio, TX	11/15/2007
Sarah Agnes Pruett, Corpus Christi, TX	11/15/2007	Michael Guinn Wallace, Carrollton, TX	11/15/2007
Brian Pruniski, Dallas, TX	11/15/2007	Randall Clark Washington, Plano, TX	11/15/2007
Nancy Kay Brown Richard, Louisville, KY	11/15/2007	David Aaron Widerman, Santa Ana, CA	11/15/2007
James Gilbert Rosier, Jr., Arlington, TX	11/15/2007	Roy William Wiegmann, Bedford, TX	11/15/2007
Samuel Knowles Ross, Valrico, FL	11/15/2007		

FAILURE TO COMPLETE LICENSE RENEWAL

The respondents listed below were found to be in violation of Sections 501.80 (practice of public accountancy) and 501.93 (responses) of the Board's Rules, and were also found to be in violation of Sections 901.502(6) (violation of a rule of professional conduct) and 901.502(11) (conduct indicating a lack of fitness to serve the public as a professional accountant) of the Act. The certificate of any respondent who was not in compliance at the Board meeting was revoked without prejudice until such time as the respondent complies with the licensing requirements of the Act.

Respondent, Location / Country	Board Date
Lisa Lea Postelwait, Cedar Park, TX	11/15/2007
William Edward Stusnick, Chatham, NJ	11/15/2007
Frank Sparkes Ware, Houston, TX	11/15/2007

Moving??

Be sure to let us know.

Board rules require licensees to inform the Board within 30 days of a change of address.

Use any of these methods:

- **Online under "Check your status" at www.tsbpa.state.tx.us**
- **Email: licensing@tsbpa.state.tx.us**
- **Call 512-305-7853**
- **Write TSBPA
333 Guadalupe, Twr 3, Ste 900
Austin, TX 78701**



Swearing-in Ceremony

Austin, December 8, 2007

The Board awarded certificates to 858 candidates in December — 476 women and 382 men. One hundred sixty-eight candidates took their oaths and received their certificates in person during the swearing-in ceremony at Palmer Events Center in Austin on December 8. With family and friends, those in attendance numbered 814.



Board members taking part in the swearing-in ceremony included, L-R, Orville W. Mills Jr., CPA; Greg Bailes, CPA; Coalter Baker, CPA, presiding officer; James C. Flagg, PhD, CPA; and A. Carlos Barrera, CPA.



Top Ten candidates who attended were, L-R, Brian McMenamy, Zeina Dahu, Kayla Willms, Dhruven Panchal, and Trey Tschirhart.

Several members of the Austin chapter of the Texas Society of CPAs assisted during the ceremony, including, L-R, Jan Keeling, Diana Sullivan, Jesse Dominguez, Michele Heyman, Bette Williams, Tony Ross, Nancy Foss, Jay Scheumack, Carol Boyd, David Crumbaugh, and Donna Wesling.



