



TEXAS STATE BOARD REPORT

Vol. 124 | August 2015

NEWS & UPDATES

INCREASED DEMAND FOR CPAs EXPECTED

An Interview with AICPA President and CEO Barry Melancon



Barry Melancon, CPA, CGMA

The Texas State Board of Public Accountancy (TSBPA) interviewed the American Institute of Certified Public Accountants (AICPA) President and Chief Executive Officer Barry C. Melancon, CPA, CGMA to learn about the increased future demand for industry CPAs. The AICPA is a national professional association of CPAs with more than 410,000 members worldwide. As head of the largest member body of CPAs in the world, Melancon is called upon to represent the AICPA with state, national, and international organizations and is sought after by key opinion leaders for his expertise.

TSBPA: Do you predict a continued high demand for qualified and talented industry CPAs in the future?

MELANCON: Without question. CPAs' unique talents and experiences are critical to clients and businesses of all shapes and sizes. Business continues to grow more complex, meaning CPAs are needed now more than ever. In fact, according to a recent study conducted by the AICPA and Robert Half International, demand for industry expertise (if not the CPA credential itself) is at an all-time high. In addition to technical skills, employers cite "soft skills" such as analytical thinking, management, business partnering, and communications as imperative for the success of their finance teams. The Chartered Global Management Accountant (CGMA) designation was created based on employer feedback and need for mastery of these fundamental competencies to help close the skills gap in the marketplace.

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CALENDAR

Swearing-In Ceremony
Saturday, Dec. 5, 2015
10:00 a.m.
Palmer Events Center
Austin, TX

The Texas State Board of Public Accountancy publishes the *Board Report* four times a year for its licensees.

CONTINUING PROFESSIONAL EDUCATION (CPE) SPONSORS
SUCCESSFULLY COMPLETING REVIEW (as of July 22, 2015)

Sponsor #	Sponsor Name	Date of Next Review	Status
009686	Association of Government Accountants - El Paso	03/01/2017 - 02/28/2018	A
008282	Atchley & Associates, LLP	03/01/2017 - 02/28/2018	A
000548	Bixler & Co., LLP	02/01/2017 - 01/31/2018	A
009882	BKM Sowen Horan, LLP	02/01/2017 - 01/31/2018	A
001759	Bret Walker	08/01/2016 - 07/31/2017	A
010053	Bumgardner, Morrison & Company LLP	02/01/2017 - 01/31/2018	A
008677	Capital Analytics II LLC	03/01/2017 - 02/28/2018	A
009876	Cash America	01/01/2017 - 12/31/2017	E
010073	Chane Reagan Financial Svcs	05/01/2017 - 04/30/2018	E
010069	Chevron Phillips Chemical Company LLC	04/01/2017 - 03/31/2018	A
004046	Crady, Jewett, & McCulley LLP	06/01/2017 - 05/31/2018	A
008054	Dallas / Ft Worth Chapter of Turnaround Management Association	01/01/2017 - 12/31/2017	A
000441	Dallas CPA Society	01/01/2017 - 12/31/2017	A
009884	Denbury Resources, Inc.	02/01/2017 - 01/31/2018	A
006388	Durbin and Company, LLP	02/01/2017 - 01/31/2018	A
009578	E.A.G. Services, Inc.	03/01/2017 - 02/28/2018	A
009597	Enterprise Products	05/01/2017 - 04/30/2018	E
007313	Filipino American Accountants of Texas	06/01/2017 - 05/31/2018	A
010065	Financial Management Professionals	04/01/2017 - 03/31/2018	A
001572	Fox, Byrd & Company, PC	05/01/2017 - 04/30/2018	A
000839	Frost Bank	06/01/2017 - 05/31/2018	A
009575	Gibson Ruddock Patterson LLC	03/01/2017 - 02/28/2018	A
010040	GPS Wealth Management	09/01/2016 - 08/31/2017	A
003371	Holt Development Services, Inc.	03/01/2017 - 02/28/2018	A
008888	Houston Jewish Community Foundation	03/01/2017 - 02/28/2018	A
002818	Howard, LLP	04/01/2017 - 03/31/2018	A
008932	Information Systems Audit & Controls Association	05/01/2017 - 04/30/2018	A
008911	ISSA Texas Gulf Coast	04/01/2017 - 03/31/2018	A
009793	Jensen Harmon & Co., PC	01/01/2017 - 12/31/2017	A
009133	Jones Walker LLP	04/01/2017 - 03/31/2018	A
008236	July Business Services	12/01/2016 - 11/30/2017	A
005940	Lennox International, Inc.	01/01/2017 - 12/31/2017	A
000606	Melton & Melton, LLP	02/01/2017 - 01/31/2018	A
010062	MiddletonRaines+Zapata, LLP	03/01/2017 - 02/28/2018	A
009591	National Petroleum Energy Credit Association	04/01/2017 - 03/31/2018	A
010059	Novartis Services, Inc.	03/01/2017 - 02/28/2018	A
000388	Panhandle Chapter of the TSCPA	01/01/2017 - 12/31/2017	A
003477	Pioneer Natural Resources	05/01/2017 - 04/30/2018	A
008878	Plan Benefit Services, Inc.	03/01/2017 - 02/28/2018	A
000623	Practice Management Group	02/01/2017 - 01/31/2018	A
009818	Precision Drilling Oilfield Services Corporation	02/01/2017 - 01/31/2018	E
008449	Quanta Services, Inc.	02/01/2017 - 01/31/2018	A
008011	Ralph Rieger, CPA	01/01/2017 - 12/31/2017	A
009822	Robertson, Grieg & Thoele	04/01/2017 - 03/31/2018	A
005005	Salmon Sims Thomas & Associates, PLLC	01/01/2017 - 12/31/2017	A
008865	Sirius Solutions, L.L.L.P.	02/01/2017 - 01/31/2018	A
008915	South Texas Chapter, ISSA	04/01/2017 - 03/31/2018	A
002065	Strasburger & Price, LLP	02/01/2017 - 01/31/2018	A
008257	Strickler & Prieto, LLP	01/01/2017 - 12/31/2017	A
010046	The CPE Discount Store	12/01/2016 - 11/30/2017	A
009887	The Strategic CFO	02/01/2017 - 01/31/2018	A
008117	The Wiewel Law Firm	05/01/2017 - 04/30/2018	E
010064	Thomas, Thomas & Thomas P.C.	04/01/2017 - 03/31/2018	A
001508	USAA	05/01/2017 - 04/30/2018	A

Registration Status: A = Currently active E = Currently expired

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PUBLIC ACCOUNTANCY

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TSBPA: What drives the current demand for industry CPAs?

MELANCON: Businesses today face rapid economic, technological, and social changes. As organizations struggle to manage volatility and uncertainty, they need the financial acumen, knowledge, and experience in operations, management, strategy, and leadership that CPAs and CPA CGMAs provide. They are dependent on these finance professionals to analyze and interpret both financial and non-financial intelligence to make better business decisions for their companies.

TSBPA: Can you describe the future demand for industry CPAs?

MELANCON: There is an increasing demand for management accountants who can combine financial acumen and technical expertise with strategic insight to better guide business decisions. Employers are seeking entry-level employees with these competencies, which are traditionally associated with more experienced financial professionals. Specifically, employers are looking for a certain kind of skill set that is embodied by CPAs and CPA CGMAs: analytical thinking, business acumen, leadership, and communications.

TSBPA: What is causing this predicted talent shortage?

MELANCON: Third party research has reaffirmed that perceptions of the CPA brand are at an all-time high among Exam candidates, as well as business decision makers. Overwhelmingly, these decision makers favor CPAs over other credentials and degrees, including MBAs. The research has also told us that environment is the number one factor in determining whether accounting majors and accounting professionals will pursue the CPA credential.

On campuses, a pro-CPA culture is a driver. According to research, the main factors for accounting majors to pursue the CPA credential are recruitment on campuses, a specialized major, and a strong CPA culture at their college or university. Workplace culture and incentives are also particularly important.

Preparation for the CPA Exam is time consuming and a financial commitment. Obstacles are also rooted in the difficulty of the Exam. Incentives offset these obstacles. This generation seeks a stronger work-life balance. The research suggests employer incentives make a difference in millennials' decision to take the CPA Exam. Companies need to look at creating a more accommodating culture including covering the

cost of preparatory courses and providing time off to study for the CPA Exam.

TSBPA: When is this increased demand for CPAs expected to take place?

MELANCON: Now is a great time to be a CPA. As more baby boomers retire, there is going to be an even greater demand for CPAs. The challenge is that there may not be enough talent to refill the pipeline. As the baby boomer generation ages, the average age of a CPA in the United States is expected to rise. It's likely they won't be replaced fast enough by younger professionals. In response, employers are starting to invest in technology solutions that will replace basic accounting functions, as well as outsourcing certain back-office, transactional accounting functions.

TSBPA: What can be done to meet the needs of the predicted future demand?

MELANCON: The AICPA has several initiatives in place to help fill the CPA pipeline and meet the increased demand for CPAs. This work includes educating younger students on the attractiveness of the CPA profession as a career choice. We know that students who take an accounting course in high school are more likely to major in accounting in college, so the AICPA is working with the College Board to develop an Advanced Placement accounting course in high schools. We also launched [BankOnIt](#), an online accounting game that introduces students to accounting concepts while assessing their knowledge. The AICPA's student website, [Start Here, Go Places](#), includes 60 new or revamped resources to assist high school accounting teachers as they guide students in their career choices.

At the college level, universities need to create a pro-CPA environment that supports students in their path to the profession. That means more recruiters on campus who promote the CPA profession so that students understand their career options; curricula that include accounting specializations, which the AICPA is piloting; and a pro-CPA culture such as accounting clubs and professors that promote the CPA profession. The AICPA led the Accounting Doctoral Scholars initiative, designed to transform CPAs with practical experience into doctoral-level professors at universities and colleges, with the understanding of the tremendous role that academics play as influencers. Our national accounting competition gives students a real-life example of the work of a CPA and we are joining with the state societies to provide more opportunities for CPAs to meet with students on campus.

Employers also play an important role in ensuring CPA candidates have the incentive and resources to sit for the Exam. Companies that require their new hires to have the CPA credential to be hired or promoted, pay for the Exam and review courses, and that allow their staff time off to study for the Exam, are major contributors to encouraging candidates.

TSBPA: What are some other ways high schools and colleges can promote the profession?

MELANCON: One of the most effective ways to educate students on the opportunities available within the CPA profession is to provide them with real-life exposure to CPAs. Inviting CPAs into the classroom to share their journey can go a long way to inspire a student to learn more about accounting as a career. Here are a few ways to help schools make the connection:

- **Tell them to contact their local state CPA society.** State CPA societies know the CPAs who have a passion for recruiting students into the profession. Students can use the [state and territory requirements](#) feature on the AICPA's college website, [ThisWayToCPA.com](#), to find contact information for their local state society representatives.
- **Encourage them to reach out to alumni.** Staying in touch with program graduates who have gone on to become CPAs is a very effective way to bring the profession into the classroom. Students can invite alumni to come back to share their success story and tips for navigating the career journey.
- **Suggest they attend a virtual field trip.** [StartHereGoPlaces.com](#), the AICPA's website for high school students and educators, provides an online educational excursion for students to see the wonderful world of accounting via [Virtual Field Trips](#). Students and teachers can join a live webcast where they gain direct access to a real-life CPA for a Q&A session. The trips are also archived on the site for convenient viewing.

Additionally, our research shows educational environments that promote a CPA culture help influence students to sit for the CPA Exam. Promoting recruitment on campus, having a curriculum that promotes the CPA license, and supporting on-campus accounting clubs such as [Beta Alpha Psi](#) are all ways to help students on their path to becoming a CPA.

TSBPA: What can employers do to attract and retain talented CPAs?

MELANCON: In a survey of nearly 450 staff-level CPAs in business and industry conducted by the AICPA and Robert Half International, the top two considerations for candidates when evaluating a job offer are opportunities for career advancement and work-life balance. Career-path and professional development discussions were found to be very important, both for people interested in moving on to the next level and those who prefer to remain in the same type of role. The survey also found that individuals value certifications and membership in professional organizations.

Employers also need to place a focus on the onboarding process. In the AICPA / Robert Half International survey, 64% of respondents rated their respective onboarding process a 3 out of 5 or lower. Employers need to think of an employee's first day as a continuation of the interview and keep the lines of communication open as the new hire adjusts to the organization, people, and systems. Companies should also have a structured approach to developing competencies within their organization. The [CGMA Competency Framework](#) is one tool that helps businesses define the role and skills people need to advance so they have a sense of their career path and what they need to do to maximize their opportunities. Once such a framework is embedded in a finance organization, it improves talent acquisition, development, and retention.

TSBPA: What can CPAs do to promote their profession?

MELANCON: I encourage all CPAs to promote the profession and there are many opportunities to do so. Membership on a national level with the AICPA and on a local level with a state society helps connect CPAs so they can share knowledge and insight that will build influence and advocacy for the profession. CPAs' promotion of the profession to employers is also invaluable. CPAs can offer to host a 'Lunch and Learn' at their company and share insights from an event that they have attended. They can also leverage some of the many resources at their disposal.

Also, by giving lectures to undergraduates and serving as mentors, CPAs can help promote the profession to the next generation of CPAs. The AICPA also has a number of toolkits with resources to help our members educate businesses, clients, and communities about their services—and the profession. The toolkits provide consistent messaging that positions the CPA as the trusted business adviser.

Additionally, the AICPA has promoted the CPA profession during tax season and, most recently, through its #CPAPOWERED campaign to small-business owners and consumers. The national campaign showcases the different ways a CPA can assist small businesses. Social media delivery of the campaign has enabled members to like, share, and comment, furthering the reach of the campaign through their social networks. And finally, the AICPA's [360 Degrees of Financial Literacy](#) site has brought attention to the great work that CPAs are doing to educate consumers on financial matters.

Licensing and Exam Fee Changes

The Board approved fee changes in response to the passage of House Bill 7 (HB 7) by the 84th Texas Legislature. Currently, the Board is mandated to collect \$200 from each license it issues. The \$200 fee is deposited into the state's General Revenue Fund for general government operations, as determined by the Legislature. Effective September 1, 2015, HB 7 will eliminate the annual \$200 fee for accountants and other licensed professionals in Texas. (Renewal fee charges accrued prior to September 1, 2015 will continue to include the \$200 professional fee.) HB 7 was the largest single fee repeal of the 84th Legislative Session. It will save over 600,000 Texas professionals \$125 million annually, including a savings of \$13 million for Texas CPAs! Licensing fees for most practicing CPAs will be \$191 less than they have been in the past fiscal year due to the passage of HB 7.

The Board will also be impacted by HB 7 and expects a revenue reduction from late payment fees, which are based on the total license fee. The Board also expects revenue reductions as a result of the projected number of retiring licensees. The annual growth rate for retiring licensees has averaged 12.74 percent for the past five years. CPA Exam expenditures are another budget driver for the Board, due to expenditures exceeding revenue.

As a result of the Board's projected revenue, expenditures, and fund balances, modest fee increases are necessary to maintain the same level of operations for Texas licensees. Effective September 1, 2015, the individual license fee will increase from \$57** to \$66**; the firm license fee will increase from \$50 to \$60; and the firm organization fee for firms with 2 to 5 CPA owners, CPA employees, and non-CPA owners

will now be \$10 per individual count. Effective October 1, 2015, the retired/disabled fee will increase from \$10 to \$15, and the Exam application of intent fee will increase from \$50 to \$60.

The Board is self-sustaining. All direct and indirect costs must be paid from what it collects in license renewal fees, firm registrations, exam fees, sponsor registrations, and other collections.

Fee Changes			
Type	Current	Future	Eff. Date
Professional	\$200*	\$0*	9/1/15
Individual license	\$57**	\$66**	9/1/15
Retired/disabled	\$10	\$15	10/1/15
Firm license	\$50	\$60	9/1/15
Firm organization, 2 to 5	\$0†	\$10†	9/1/15
Exam application of intent	\$50	\$60	10/1/15

*Renewal fee charges accrued prior to September 1, 2015 will continue to include the \$200 professional fee

**Includes the \$10 to be deposited into the fifth-year accounting students' scholarship trust account

†Per individual count for firms with 2 to 5 CPA owners, CPA employees, and non-CPA owners

The Board Report is Going Digital



In response to the growing number of electronic subscribers, beginning in 2016, the digital edition of the *Texas State Board Report* will be sent to all licensees by default and the print version will only be mailed to those who specifically request it. The digital format will allow more rapid delivery of future newsletters. Subscribers will be immediately notified via email when the *Board Report* is posted online.

If you would still like to receive the print version in the mail, simply send an email to boardreport@tsbpa.state.tx.us with the subject line: "I want to receive the print version." You must also include your full name and license ID.

Swearing-In Ceremony, May 30, 2015 – Austin, TX



Above left: Members of the Austin Chapter of the Texas Society of Certified Public Accountants, who generously volunteered their time at the event.

Back row, left to right: David Crumbaugh, Marianne Einav, Olivia Espinoza-Riley, Vicky Foisy, Nancy Foss, Michele Heyman, and Kayo Kawamoto.

Front row, left to right: Jan Keeling, Despina Lambros, Jessica Lopez, Kate Rhoden, Tony Ross, and Frank Stover.

Below: Board members who welcomed the new CPAs to the profession were, **left to right:** William Lawrence, John R. Broaddus, James C. Flagg, J. Coalter Baker, Thomas G. Prothro, Jonathan B. Cluck, Robert M. McAdams, and Donna J. Hugly.



Above right: Outstanding Candidates who attended the ceremony were recognized for their high achievement on the Uniform CPA Exam.

Back row, left to right: Bailey Blough, Michael Kovacich, Beth Adams, and Lucy Sayles.

Front row, left to right: Taylor Lange, Tello Alejandro Cabrera Madrid, and Stephanie Herrington.

Michael Kovacich was a recipient of the AICPA's Elijah Watt Sells Award, which honors exemplary performance on the exam.



Fifty-Year Licensees from the May Ceremony



Fifty-year honorees who attended the May 30 ceremony. **Back row, left to right:** M. Glen Brewer, Richard Neal Brochstein, Dr. Wendell E. Edwards, Dan Loyd Funderberg, Richard Green, William H. Hardin, Joe Thomas Harren, Robert Harris, and Dorothy L. C. Hart. **Front row, left to right:** Richard Martin Kaufman, Patrick H. Larkin, Robert John Murphy, Pete Palasota, Jerry W. Pinkerton, David G. Walters, Nathan Emmett White Jr., and Herman Tolbert Wilson Jr.

FIFTY-YEAR LICENSEES

Donald R. Abston
 Patrick Hobbs Allison
 Braxton Daniel Anders
 William Pierce Arthur Jr.
 Charles Edward Blakey
 George Marvin Blankenbeckler
 Thomas Frederick Brasher
 M. Glen Brewer
 Richard Neal Brochstein
 Gary M. Cadenhead
 Thresa I. Clanton
 Earl Gene Covington Jr.
 Thomas Burt Crawford
 Jerry P. Cummings
 Thomas Lee Cunningham III
 Jerry Wayne Dickenson
 Peter A. Dysert
 Charles Michael Eckert
 Wendell E. Edwards
 Robert Louis Erwin
 Ruben M. Escobedo
 Gary Lyhn Estes
 Joe Hal Ferguson
 Joseph Marcel Fleckinger Jr.
 Dan Loyd Funderberg
 James G. Gerace
 Judith Chapman Goldman

James N. Grandorf
 Donald Edward Graves
 Arthur George Green
 Charles W. Green
 Richard Green
 James Thomas Griffin
 Robert Harrell Hankins
 William H. Hardin
 Joe Thomas Harren
 Robert Harris
 Dorothy L. C. Hart
 Sanoa Falmlen Hensley
 Gary S. Hoffman
 Donald Eugene Hopkins
 Vernal Leon Huffines
 Lynwood Charles Jostes
 Richard Martin Kaufman
 John E. Keil
 Robert Kellen
 Patrick H. Larkin
 Richard W. Lilliott III
 H. Clifford Long III
 James Don Loudermilk
 W. C. Marshall
 John Hardy McCaskill
 Howard W. McElroy
 Dale E. Miller

Alice Featherston Monroe
 Don Benjamin Morris
 Willard Don Muncy
 W. Barton Munro
 Robert John Murphy
 Joe Edd New
 Pete Palasota
 Jerry W. Pinkerton
 Jack W. Redding
 Paul W. Reddy
 Cheryl Olufs Richardson
 Don Clifford Rutledge
 Charles Ray Schoch
 Joe E. Sharp
 William G. Shenkir
 Harold Leo Shipman Jr.
 Kenneth Earle Shollenbarger
 David Edward St. Clair
 Ronald Glen Steinhart
 Albert J. Testa
 David G. Walters
 Nathan Emmett White Jr.
 James L. Williams
 Byman Odell Wilson
 Darrell David Wilson
 Herman Tolbert Wilson Jr.
 Thomas Barbee Word

ENFORCEMENT ACTIONS

Ratified at the May 21, 2015 Board Meeting

A. AGREED CONSENT ORDERS

BEHAVIORAL ENFORCEMENT COMMITTEE

- 1. Investigation Nos.:** 14-10-19L, 14-10-20L, 14-12-11L, 14-12-12L, 14-12-19L, 14-12-20L, 15-01-11L, 15-01-12L, 15-01-13L, 15-01-14L
Respondents: Carol Lea Mahler and Carol L. Mahler CPA, PC
Hometowns: Borger, TX & Liberal, KS
Certificate No.: 064255
Firm License No.: C05868
Rule Violation: 501.90(6)
Act Violations: 901.502(6), 901.502(11)

Respondents entered into an agreed consent order (ACO) with the Board, whereby Respondent and Respondent Firm were suspended for a period of no less than six months but not to exceed five years. The suspension will continue until Respondents have submitted a request for reinstatement and the Board has approved such reinstatement.

Respondent's certificate and permit to practice certified public accountancy in Kansas was suspended for a period of no less than six months by Board Order of the Kansas Board of Accountancy on April 25, 2014. Multiple complaints from previous employees and clients were filed against Respondent on various dates between October 30, 2014, and April 4, 2015 suggesting that employees and clients were treated poorly.

- 2. Investigation No.:** 08-03-05L
Respondent: Daniel A. Peterson
Hometown: Addison, TX
Certificate No.: 033428
Firm License No.: R01137
Rule Violation: 527.4
Act Violation: 901.502(12)

Respondent entered into an ACO with the Board whereby the Respondent and Respondent Firm were placed on limited scope status which prevents Respondent Firm from performing audits, accounting, review services, compilations, preparation engagements or other engagements recognized by the Board. Respondent may apply to have the limited scope status modified but an application will not be considered less than 18 months from the date of the ACO ratification. Any modification to the limited scope status must contain provision for pre-issuance review.

Respondent performed audit services through his firm which failed to complete its peer review in violation of Respondent's ACO and Board *Rules*.

TECHNICAL STANDARDS REVIEW COMMITTEE

- 1. Investigation No.:** 13-12-01L
Respondent: Randall Alan Stone
Hometown: Austin, TX
Certificate No.: 047916
Rule Violation: 501.90(7)
Act Violation: 901.502(9)

Respondent entered into an ACO with the Board whereby the Respondent was suspended for a period of three years.

Respondent was also ordered to pay an administrative penalty of \$25,000.

The Board disciplinary action was based upon a sanction by the Public Company Accounting Oversight Board in regard to a PricewaterhouseCoopers, LLP audit of ArthroCare Corporation.

- 2. Investigation Nos.:** 10-05-02L, 12-12-04L, 11-06-18L
Respondents: BDO Seidman, LLP, BDO USA, LLP & Carlos Ancira
Hometowns: Dallas, TX & Austin, TX
Certificate No.: 017745
Firm License Nos.: P04666 & P05552
Rule Violations: 501.60, 501.61, 501.74(b)
Act Violations: 901.502(6), 901.502(11)

Respondents have entered into an ACO with the Board whereby BDO USA, LLP accepted a reprimand and Carlos Ancira, CPA accepted a three year suspension of his license. In addition, the firm agreed to contribute \$2.65M to the state's general revenue fund and will pay the Board \$250,000 in administrative costs.

Respondents failed to obtain reasonable assurance that the financial statements were free of material misstatements in its audits of Stanford Group Company (SGC). Respondents were responsible for the issuance of the audit reports asserting that the financial statements were presented in conformity with generally accepted accounting principles when such financial

statements in fact contained material departures. Respondents failed to exercise due professional care in the performance of professional services during the audits of SGC.

B. AGREED CEASE AND DESIST ORDERS

1. Investigation No.: 15-02-36N

Respondent: Pinaki & Associates, LLC
Hometown: Newark, DE
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an agreed cease and desist order (ACDO) with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas until or unless Respondent complies with the registration and licensing provisions of the *Act*, and until or unless Respondent has obtained a license to practice accountancy in Texas.

Respondent signed the U.S. Securities and Exchange Commission's (SEC) 10-K filing Report of Independent Registered Public Accounting Firm for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent is not licensed in Texas.

2. Investigation No.: 15-02-37N

Respondent: MartinelliMick PLLC
Hometown: Spokane, WA
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an ACDO with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas until or unless Respondent complies

with the registration and licensing provisions of the *Act*, and until or unless Respondent has obtained a license to practice accountancy in Texas.

Respondent signed the SEC 10-K filing Report of Independent Registered Public Accounting Firm for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent was not licensed in Texas during the relevant time.

3. Investigation No.: 15-02-38N

Respondent: Dov Weinstein & Co. C.P.A.
Hometown: Jerusalem, Israel
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an ACDO with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas until or unless Respondent complies with the registration and licensing provisions of the *Act*, and until or unless Respondent has obtained a license to practice accountancy in Texas.

Respondent signed the SEC 10-K filing Report of Independent Registered Public Accounting Firm for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent is not licensed in Texas.

4. Investigation No.: 15-02-44N

Respondent: Saturna Group Chartered Accountants LLP
Hometown: Vancouver, BC, Canada
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an ACDO with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas until or unless Respondent complies with the registration and licensing provisions of the *Act*, and until or unless Respondent has obtained a license to practice accountancy in Texas.

Respondent signed the SEC 10-K filing Report of Independent Registered Public Accounting Firm for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent is not licensed in Texas.

5. Investigation No.: 15-03-07N

Respondent: Patricia Dean-Ruiz d/b/a Tanner & Dean-Ruiz
Hometown: San Antonio, TX
Act Violation: 901.456

Respondent entered into an ACDO with the Board whereby Respondent will cease and desist from providing attest services and using reserved terms until or unless Respondent complies with the registration and licensing provisions of the *Act*, and until or unless Respondent has obtained a license to practice public accountancy.

Respondent performed an attest service, a compilation. Respondent is not licensed in Texas.

ENFORCEMENT ACTIONS

Ratified at the July 23, 2015 Board Meeting

A. AGREED CONSENT ORDERS

BEHAVIORAL ENFORCEMENT COMMITTEE

- 1. Investigation Nos.: 14-12-01L & 14-12-02L**
Respondents: Adam Charles Childers & Adam Childers, CPA
Hometown: Dallas, TX
Certificate No.: 093268
Firm License No.: R00810
Rule Violation: 501.80
Act Violations: 901.502(6), 901.401

Respondents entered into an ACO with the Board whereby Respondent and Respondent Firm were reprimanded. In addition, Respondent must pay an administrative penalty of \$500 within 30 days of the date of the Board Order.

Respondent practiced public accountancy and held himself out as a CPA when he did not have a license because of failure to pay student loans.

- 2. Investigation Nos.: 15-01-05L & 15-01-06L**
Respondents: William Lloyd West & William L. West, CPA
Hometown: San Antonio, TX
Certificate No.: 028135
Firm License No.: T09709
Rule Violation: 501.90(5)
Act Violations: 901.502(6), 901.502(11)

Respondents entered into an ACO with the Board whereby

Respondents' certificate and firm license were revoked for a period of two years from the effective date of the Board Order. However, the revocation was stayed and Respondents were placed on probation for two years and must pay \$75.04 in administrative costs within 30 days of the date of the Board Order.

Respondent was convicted of Misdemeanor DWI 2nd and sentenced to two years of community supervision, subject to additional conditions.

TECHNICAL STANDARDS REVIEW COMMITTEE

- 1. Investigation Nos.: 15-03-09L & 15-04-01L**
Respondents: Carl E. Burris & Carl E. Burris (Firm)
Hometown: Henderson, TX
Certificate No.: 021362
Firm License No.: S01406
Rule Violations: 501.93, 527.4, 527.5
Act Violations: 901.502(6), 901.502(12)

Respondents entered into an ACO with the Board whereby Respondents were placed on scope limitation status. Respondents shall not perform any attest service from the effective date of the Board Order until an application for removal of the limitation is found acceptable to the Technical Standards Review (TSR) Committee and ratified by the Board. Respondents must also pay an administrative penalty of \$4,000 under an installment plan.

Respondent Burris failed to respond to Board communications

dated July 22, 2014, March 6, 2015, April 7, 2015, April 9, 2015, and April 10, 2015. Respondent firm has received two successive deficient peer reviews and failed to complete a peer review scheduled for December 31, 2014.

- 2. Investigation No.: 15-01-26L**
Respondents: James Robert Daffron (Firm)
Hometown: Rockwall, TX
Firm License No.: S01648
Rule Violation: 527.5
Act Violation: 901.502(12)

Respondent entered into an ACO with the Board whereby Respondent agreed to complete an accelerated peer review and report the results to the Board by March 31, 2017. Should the Respondent firm receive a rating of "pass" on a timely completed peer review, the Board will take no further action related to the successive deficient peer reviews and Respondent will be permitted to continue providing attest services. Should the Respondent firm not receive a rating of "pass" or fail to timely complete the accelerated peer review, the Board may take further action in consideration of the firm's peer review record.

Respondent received three successive deficient peer review ratings although the firm subsequently received a rating of "pass."

3. Investigation No.: 15-01-22L
Respondent: James L. Falgout (Firm)
Hometown: Richardson, TX
Firm License No.: C04025
Rule Violation: 527.5
Act Violation: 901.502(12)

Respondent entered into an ACO with the Board whereby the successor firm of Falgout & Associates, P.C., license number C07785, agreed to an accelerated peer review to be completed and the results reported to the Board by April 30, 2016. Should the successor firm receive a rating of “pass” on a timely completed peer review, the Board will take no further action related to the successive deficient peer reviews and successor firm will be permitted to continue providing attest services. Should the successor firm not receive a rating of “pass” or fail to timely complete the accelerated peer review, the Board may take further action in consideration of the firm’s peer review record.

Respondent received two successive deficient peer review ratings although the successor firm subsequently received a rating of “pass.”

4. Investigation No.: 15-01-23L
Respondent: James H. Hampton, CPA, P.C.
Hometown: Winnsboro, TX
Firm License No.: C05773
Rule Violation: 527.5
Act Violation: 901.502(12)

Respondent entered into an ACO with the Board whereby Respondent was placed on scope limitation status. Respondent shall not perform any attest service from the effective

date of the Board Order until an application for removal of the limitation is found acceptable to the TSR Committee and ratified by the Board.

Respondent has received two successive deficient peer reviews.

5. Investigation No.: 15-01-25L
Respondent: Johnston & Hayden, LLC
Hometown: Baton Rouge, LA
Firm License No.: P04994
Rule Violation: 527.5
Act Violation: 901.502(12)

Respondent entered into an ACO with the Board whereby Respondent was placed on scope limitation status. Respondent shall not perform any attest service for a period of three years from the effective date of the Board Order or until given permission by the Board to resume this practice. After three years, the Respondent may perform attest services but only following a pre-issuance review by a third party reviewer approved by the Chair of the TSR Committee. Respondent may complete attest engagements for which field work has already begun, during the period of the scope limitation, only if prior to issuance of any report, the engagement is reviewed and approved by a third party reviewer acceptable to the Chair of the TSR Committee and the engagement is completed within 30 days of the ratification of the ACO.

Upon completion of the three year limitation, should Respondent firm receive a rating of “pass” on a completed peer review, Respondent may im-

mediately petition the Board for removal of the scope limitation. While the petition based on a passing peer review is pending, Respondent may complete attest engagements if prior to issuance of any report, the engagement is reviewed and approved by a third party reviewer acceptable to the Chair of the TSR Committee.

Respondent has received five successive deficient peer reviews.

6. Investigation No.: 15-03-12L
Respondent: MacFarlane & Associates, P.C.
Hometown: Kingwood, TX
Firm License No.: C05692
Rule Violation: 527.5
Act Violation: 901.502(12)

Respondent entered into an ACO with the Board whereby Respondent was placed on scope limitation status. Between the effective date of the Board Order and the date the Board ratifies an agreement to remove the scope limitation imposed by the ACO, Respondent may not issue attest reports until they have been reviewed and accepted for release to an audit client by a pre-approved, pre-issuance reviewer. Respondent must provide semi-annual reports to the Enforcement Division. Respondent may first apply for removal of the scope limitation imposed by this ACO six months from the effective date of the Board Order.

Respondent has received three successive deficient peer reviews.

7. Investigation Nos.: 15-03-10L & 15-05-03L

Respondents: David Oray Tate & David O. Tate (Firm)
Hometown: Mangum, OK
Certificate No.: 038511
Firm License No.: S08771
Rule Violations: 501.93, 527.5
Act Violations: 901.502(6), 901.502(12)

Respondents entered into an ACO whereby Respondents were reprimanded. In addition, Respondents were placed on scope limitation status. Respondents shall not perform attest services for a period of three years from the effective date of the Board Order, or until given permission by the Board to resume this practice. Respondents must provide semi-annual reports to the Enforcement Division. Respondents must also pay an administrative penalty of \$1,000 within 30 days of the effective date of the Board order.

Respondents failed to respond to a Board communication dated January 28, 2014. Respondent firm has received three successive deficient peer reviews.

8. Investigation No.: 15-01-24L

Respondent: Judy Webster, P.C.
Hometown: Saint Jo, TX
Firm License No.: C06164
Rule Violation: 527.5
Act Violation: 901.502(12)

Respondent entered into an ACO with the Board whereby Respondent agreed to complete an accelerated peer review by February 28, 2017. Should Respondent receive

a rating of “pass” on a timely completed peer review, the Board will take no further action related to the successive deficient peer reviews and Respondent will be permitted to continue providing attest services. Should Respondent not receive a rating of “pass” or fail to timely complete the accelerated peer review, the Board may take further action in consideration of the firm’s peer review record. Respondent received two successive deficient peer review ratings.

B. AGREED CEASE AND DESIST ORDERS

1. Investigation No.: 15-03-16N

Respondent: Fernando J. Elizondo
Hometown: McAllen, TX
Act Violations: 901.453, 901.456

Respondent entered into an ACDO with the Board whereby Respondent will cease and desist from providing attest services and using reserved terms until or unless Respondent complies with the registration and licensing provisions of the *Act*, and until or unless Respondent has obtained a license to public accountancy.

Respondent used the title “accountant” and provided attest services, specifically a compilation, although Respondent does not hold licenses in Texas.

2. Investigation No.: 15-02-35N

Respondent: Li and Company, PC
Hometown: Skillman, NJ
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an ACDO with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas until or unless Respondent complies with the registration and licensing provisions of the *Act*, and until or unless Respondent has obtained a license to practice accountancy in Texas.

Respondent signed the U.S. Securities and Exchange Commission’s (SEC) 10-K filing Report of Independent Registered Public Accounting Firm for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent was not licensed in Texas.

UNAUTHORIZED PRACTICE OF PUBLIC ACCOUNTANCY

Help Us Identify Unlicensed Individuals and Firms Offering Accounting Services

Over the last three years, the Board’s Unauthorized Practice of Public Accountancy Program has identified more than **1,700** unlicensed individuals and firms claiming to be CPAs or offering accounting or attest services to the public. Although this program has been very successful, we know that there continues to be false or misleading advertising. There are approximately 70,000 licensed CPAs in Texas who can help protect the public from individuals and firms misrepresenting their qualifications.

If you suspect signage, business cards, letterheads, or other marketing materials that are false or misleading, you may report it by calling **512-305-7866** or email enforcement@tsbpa.state.tx.us.

3. Investigation No.: 15-04-02N

Respondent: Gary Bonneau Williams

Hometown: Weatherford, TX

Act Violation: 901.451

Respondent entered into an ACDO with the Board whereby Respondent will cease and desist from providing attest services and using reserved terms until or unless Respondent complies with the registration and licensing provisions of the *Act*, and until or unless Respondent has obtained a license to practice public accountancy. Respondent used the designation "CPA," although Respondent does not hold licenses in Texas.

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. 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 non-compliance with the Board's CPE requirements. The respondents were found to be in violation of *Section 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	Board Date
Robert Franklin Cramer, Grand Prairie, TX	5/21/2015
Maria De Los Angeles Delgado, Arlington, TX	5/21/2015
Mary Alice Dibble, Frisco, TX	5/21/2015
Pamela Kay Eaves, Lake Jackson, TX	5/21/2015
Jeffrey Scott Eubanks, San Francisco, CA	5/21/2015
Jamie L. Howlett, Marshall, TX	5/21/2015
Dennis M. McCartney, Harahan, LA	5/21/2015
Sheila Sherice Price, Austin, TX	5/21/2015
Hector Manuel Ruiz, II, Frisco, TX	5/21/2015

Respondent / Location	Board Date
Charles William Wetzel, Midland, TX	5/21/2015
Mark Eugene Anderson, Atlanta, GA	7/23/2015
Roy William Duff, Sugar Land, TX	7/23/2015
William Arthur Graves, The Woodlands, TX	7/23/2015
Amy Lynn Hastings, Houston, TX	7/23/2015
Jeffrey Wayne Henry, Weatherford, TX	7/23/2015
Trae O'Neil High, Brooklyn, NY	7/23/2015
Stephen Michael Hill, New York, NY	7/23/2015
Chiu Yi Lam, Lakewood Village, TX	7/23/2015
Ronald Joe Maberry, Abilene, TX	7/23/2015
John Elrees Porche, III, Corpus Christi, TX	7/23/2015
John James Robinson, Houston, TX	7/23/2015
Thurman Craig Sneed, Euless, TX	7/23/2015
C. Leslie Vail, Dallas, TX	7/23/2015
James Roy Vance, Jr., Fort Worth, TX	7/23/2015
William Kyle Zander, Pleasanton, CA	7/23/2015

Interested in Becoming a Peer Reviewer?



The Texas Society of CPAs is always looking for qualified peer reviewers with experience in accounting and auditing engagements.

To learn more about becoming a qualified peer reviewer, visit the Peer Review section of tscpa.org (under the "Resource Center" tab) or contact Jerry Cross, CPA, Director of Peer Review (jcross@tscpa.net or 972-687-8617).

Three-Year Delinquent Actions

The respondents listed below violated 901.502(4) 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 of the required license fees and penalties and by otherwise coming into compliance with the Act.

Respondent / Location	Board Date
Guy Allen Baber, IV, Houston, TX	5/21/2015
Sharon Roche' Butler, Denton, TX	5/21/2015
Cristina Anne Cannon, New York, NY	5/21/2015
Urmi Virendra Cholera, Chicago, IL	5/21/2015
Kenneth Edwin Conway, Garland, TX	5/21/2015
Scott Charles Cragin, Friendswood, TX	5/21/2015
Mark Scott Croft, Lake Worth, FL	5/21/2015
Kelley Leanne Davis Dalton, Austin, TX	5/21/2015
Nira Pravin Desai, New York, NY	5/21/2015
Cindy Lynn Adams Durden, Port Neches, TX	5/21/2015
Tiruneh Tefera Ejigu, Washington, DC	5/21/2015
Hector Estrada, Houston, TX	5/21/2015
Dana Lynn Goldberg, Carrollton, TX	5/21/2015
Richard Dean Haar, Fair Oaks Ranch, TX	5/21/2015
Jeff Lee Harwell, Montgomery, TX	5/21/2015
William Reed Herlin, Bella Vista, AR	5/21/2015
Jimmy Cyril Kollaja, Houston, TX	5/21/2015
Holly Ruth Kons, Tumon, Guam	5/21/2015
Douglas W. Logan, Calabasas, CA	5/21/2015
Michael Bruce McGee, Austin, TX	5/21/2015
David Russell Mead, Jr., San Antonio, TX	5/21/2015
Emily Quan, Dripping Springs, TX	5/21/2015
Robert Hamilton Schroeder, IV, Chalmette, LA	5/21/2015
Promod Kumar Seth, Sugar Land, TX	5/21/2015
Laura Catherine Shipley, Frisco, TX	5/21/2015
John Ray Sloan, Dallas, TX	5/21/2015
Karen Stacey Snow, Houston, TX	5/21/2015
Millie Ann Stewart, River Oaks, TX	5/21/2015
Nicole B. Stuart, Arlington Heights, IL	5/21/2015
Chad Bartley Underwood, Fort Worth, TX	5/21/2015
Linda M. Usher, Waxahachie, TX	5/21/2015
Sharon S. Warminski, Galveston, TX	5/21/2015
Robert H. Watkins, Garland, TX	5/21/2015
Whitt Wesley Wilkes, Arlington, TX	5/21/2015
Kellee Denson Abbott, Fort Worth, TX	7/23/2015
Robert Alphonso Ambrosio, Carrollton, TX	7/23/2015
Glynn Elliott Avant, Dallas, TX	7/23/2015
Thomas Karl Berger, Houston, TX	7/23/2015
David Bickerstaff, Mabank, TX	7/23/2015
Judy Dianne Norton Moye Bisbee, Corpus Christi, TX	7/23/2015
Janet Kaye Rishel Boulden, Porter, TX	7/23/2015
James Lamar Bryan, Frisco, TX	7/23/2015
Laura Elizabeth Calcaterra, Houston, TX	7/23/2015
Marybeth Ketchum Cottrell, Montgomery, TX	7/23/2015

Respondent / Location	Board Date
David Lawrence Crain, York, SC	7/23/2015
Larry Dean Crane, Grand Prairie, TX	7/23/2015
Mary Christine D'Amico, Kerrville, TX	7/23/2015
Gina Lough Dannelly, McKinney, TX	7/23/2015
Diane Margaret Duschatko, Centennial, CO	7/23/2015
Jahn James Fennessy, Katy, TX	7/23/2015
Charles Joseph Foerster, Montgomery, TX	7/23/2015
Patti Lou Fonner, Lubbock, TX	7/23/2015
Gaylon Teshumbra Franklin, Desoto, TX	7/23/2015
Jerre Hoyt Frazier, Houston, TX	7/23/2015
Chao Yi Fu, Austin, TX	7/23/2015
John David Geer, Amarillo, TX	7/23/2015
Matthew Todd Glazner, Encinitas, CA	7/23/2015
Gregory Scott Goodale, Houston, TX	7/23/2015
James H. Grady, Fort Lauderdale, FL	7/23/2015
Cathy Denise Hardnett, Houston, TX	7/23/2015
Alan Wayne Heath, Baltimore, MD	7/23/2015
Phillip Michael Hood, Houston, TX	7/23/2015
Jeffrey Ward Howard, New Orleans, LA	7/23/2015
Richard Lee Johnson, Bulverde, TX	7/23/2015
Donna King Jones, Houston, TX	7/23/2015
Harry Kabler, Dallas, TX	7/23/2015
Paul Albert Kamarauskas, Fort Lauderdale, FL	7/23/2015
John Stephen May, Odessa, TX	7/23/2015
Jana McCloskey, Denver, CO	7/23/2015
Robert Lee Montgomery, Littleton, CO	7/23/2015
Cheol Hyun Nam, Sunland, CA	7/23/2015
Sue Ella Riddick, Tulia, TX	7/23/2015
Arief Setyadi, Stow, OH	7/23/2015
Daniel Lee Shook, Houston, TX	7/23/2015
Deborah Struck Stanton, Dallas, TX	7/23/2015
Deborah Blanche Terrell, The Colony, TX	7/23/2015
Ernest Conrad Threadgill, III, Wylie, TX	7/23/2015
Warren Douglas Tripp, Louisville, KY	7/23/2015
Qiuyue Wang, Milpitas, CA	7/23/2015

Failure to Complete Renewal Actions

The respondents listed below failed to complete their license renewal notices in accordance with *Section 515.3* of the Board's *Rules*. Following a public hearing, an Administrative Law Judge (ALJ) of the State Office of Administrative Hearings recommended that the certificate of each respondent not in compliance be revoked without prejudice until such time as the respondents comply with the requirements of the *Rules* and the *Act*. The ALJ found that the respondents violated *Section 901.502(12)* (regarding violations of Board *Rules*) of the *Act*. The respondents, although properly notified, failed to appear in person or by authorized representative. No Board committee considered this matter.

Respondent / Location	Board Date
Kenton Mason Cuff, San Antonio, TX	5/21/2015
Sandra L. Miller, Wylie, TX	7/23/2015

Texas State Board of Public Accountancy
333 Guadalupe, Twr 3, Ste 900
Austin, Texas 78701-3900

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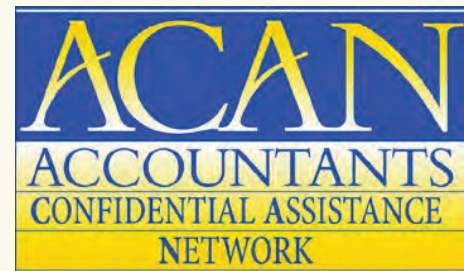
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Attention: CPAs, Exam Candidates, and Accounting Students

If you are dealing with alcohol or drug dependency problems or mental health issues, you can get help from the Accountants Confidential Assistance Network. ACAN volunteers are CPAs who have had first-hand experience with these same issues and who understand what you are dealing with. Don't hesitate to get the help you need. All communications are confidential.

For help, call
1-866-766-2226

Administered by the TSCPA and Funded in Part by the Board



Additional Volunteers Needed

ACAN needs volunteers across the state. If you are a CPA in recovery and interested in volunteering, please call 1-866-766-2226.

Legal Notice:

The identity and communications and the 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*.