

**MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY  
MINUTES  
December 14, 2007**

The Mississippi State Board of Public Accountancy met at the Board office at 5 Old River Place, Suite 104, Jackson, Mississippi, on December 14, 2007, beginning at 8:30 a.m. The following record of that meeting was maintained.

Board Members Present

Jim E. Burkes, Chair  
Willie B. Sims, Jr., Vice Chair  
Diane S. Day, Secretary  
David Clarke  
Rick Elam  
Angela L. Pannell  
Jean T. Shepherd

Board Staff Present

Susan M. Harris, Executive Director  
Ransom C. Jones, Investigator

Legal Counsel Present

Onetta Whitley, Deputy Attorney General  
Bridgette Wiggins, Special Assistant Attorney General

Others Present

Darrell Galey, Peer Review Oversight  
Cecil Harper, Peer Review Oversight  
Quinton Booker, CPA  
Robin G. Burwell, Brooks Court Reporting

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**I. General**

1. The Board opened the meeting with an invocation.
2. The Board unanimously approved the minutes from the November 15 and 16, 2007, meetings.

## I. General (Continued)

3. The Board members signed the CPA certificates of licensure from the November 16, 2007, meeting.
4. The Board members present set the start time at 10:00 a.m. for the next meeting - December 19, 2007.
5. The Board members set the start time for the next meeting and reviewed the tentative meeting dates and activities for 2008.

January 25	8:30 a.m. Meeting	June 26-29	MSCPA Annual
February 22	Meeting	July 25	Meeting
March 21	Meeting	August 22	Meeting
April 25	Meeting	September 26	Meeting
April 26	Ceremony	October 26-29	NASBA Annual
May 30	Meeting	November 14	Meeting
June 11-13	NASBA E. Regional	November 15	Ceremony
June 18-20	NASBA W. Regional	December 12	Meeting
6. The Board noted information related to the NASBA 26<sup>th</sup> Executive Directors and State Board Staff Conference (March 2-5) and NASBA 13<sup>th</sup> Legal Counsel Conference (March 2-4). Board members present unanimously approved the attendance of the Executive Director, Investigator, Licensing Administrator and Attorney to attend the conferences.

## II. National Regulatory Concerns

1. The Board members reviewed quarterly communications from David Costello National Association of State Boards of Accountancy (NASBA) CEO including:
  - Highlights of October 26, 2007, Directors Meeting,
  - July 2007 Minutes - Directors Meeting,
  - Executive Summary - Focus Questions Responses,
  - Focus Questions Summary Report, and
  - Uniform Accountancy Act Model Rules, July 2007.
2. The Board members present reviewed and responded to the NASBA focus questions as forwarded from Michael Skinner, Chair - Committee Relations with Member Boards. Executive Director Susan Harris submit the response by the January 7, 2008, deadline.

## II. National Regulatory Concerns (continued)

3. The Board reviewed and discussed the November 2007 *NASBA State Board Report*.
4. The Board members present reviewed but took no action concerning the AICPA Exposure Draft - Proposal of Professional Ethics Division - *Interpretation on Failure to follow requirements of governmental bodies, commissions, or other regulatory agencies on indemnification and limitation of liability agreements with a client*.
5. The Board members present reviewed and discussed Public Company Accounting Oversight Board Releases as follows:
  - PCAOB Issues Staff Audit Practice Alert on Fair Value,
  - PCAOB Issues Disciplinary Orders Against Deloitte & Touche LLP and a Former Audit Partner,
  - PCAOB Issues for Comment Proposed Guidance Regarding the Implementation of PCAOB Rule 4012, and
  - PCAOB to Consider Proposal to Enhance International Cooperation in Inspections.
6. The Board discussed the November 13, 2007, NASBA letter to the Securities Exchange Commission regarding concept release on allowing U.S. issuers to prepare financial statements in accordance with International Financial Reporting Standards.

## III. Administration

1. The Board members present reviewed and discussed the SAAS Summary Trial Balances as of November 30, 2007, for Treasury Funds 3845 and 3850, and the Treasury Fund 3845 SAAS Appropriation/Actual Expenditures for the five months ended November 30, 2007.
2. The Board heard a report from Executive Director Susan Harris concerning the Senate and House budget hearings for the fiscal year 2009 recommendation.

1. The Board unanimously accepted the listing of candidate applications for the computerized examination (6 initial, 23 reexam) received since the November 16 meeting.
2. The Board unanimously acted upon the applications for CPA licenses, reciprocals, reinstatements, and CPA firm permits as presented herein:

**Applications for Original CPA License**

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
11867	Robert R. Cummings, Jr.	5884	12/14/07	Yes
11769	Katie Delores Gilmore	5885	12/14/07	Yes

**Applications for Reciprocal CPA Licenses**

File				
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Date</u>	<u>Approved</u>
12171	Jeffery L. Blankenship	R3333	12/14/07	Yes
12186	Diana Elizabeth Hardin	R3334	12/14/07	Yes
12110	Ginger Cryer Ivan	R3335	12/14/07	Yes
12130	Brian David Lanks	R3336	12/14/07	Yes
12167	Jennifer W. Lee	R3337	12/14/07	Yes
12208	Scott Taylor Marshall	R3338	12/14/07	Yes
12175	Sonny A. MacArthur	R3339	12/14/07	Yes
12207	Ben Michael Mingle	R3340	12/14/07	Yes

**Applications for Reinstatement of CPA Licenses**

File			
<u>Number</u>	<u>Name</u>	<u>Number</u>	<u>Approved</u>
10308	Teresa M. Donart	5314	Yes
08471	Sopin Tunhikorn	4799	Yes

#### IV. CPA Examination, Licensing and Firms (Continued)

- The Board members present approved requests from CPAs for amendments to the 2007 CPE compliance requirements.

<u>Name</u>	<u>Number</u>	<u>Board Action</u>
Russell Scott Cole	R2557	Extension to 12/31/07 - 1.5 ethics w/rules
Sid Davis	2039	Extension to 12/31/07 - 1.5 ethics w/rules
Steven W. Hand	4109	Extension to 12/31/07 - 1 ethics rules
Robert C. Holman	1774	Extension to 12/31/07 - 16 CPE hours
Michael T. Liebel	R3226	Extension to 12/31/07 - 3 ethics w/rules
Floyd M. Melton, Jr.	1204	Extension to 12/31/07 - 6 CPE hours
James A. Stroud	1694	Extension to 12/31/07 - 4.5 ethics w/rules
Ralph Q. Summerford	R1718	Extension to 12/31/07 - 1.5 ethics w/rules
Edgar A. Thrower	2019	Extension to 12/31/07 - 4.5 ethics w/rules
Ashley Nicole Wicks	5858	Extension to 12/31/07 - 3 ethics w/rules
Raymon Mark Wintrone	4229	Waiver - medical.

- The Board members present reviewed a listing of voluntary cancellations made by CPAs with CPE deficits and requested during the 2007 CPE reporting period:

<u>Name</u>	<u>Number</u>
Roderick V. Draper	1340
George A. Hieronymus, Jr.	R1769
David Brent Wyper	R3257

- The Board unanimously approved requests from CPAs for waivers of the 2007 CPE compliance requirements based on affidavits of current retirement and intention to apply for CPA (retired) for 2008, as follows:

<u>Name</u>	<u>Number</u>
Daniel Wilmer Cranford	1155
Philip J. Kolman, III	1316

- The Board members reviewed but took no action concerning the AICPA Board of Examiners' invitation to comment - *Improving the Uniform CPA Examination*.
- The Board reviewed the Uniform Accountancy Act Model Education Rules Exposure Draft, responses requested by January 31, 2008. Board member Rick Elam will draft a response for Board's review.
- Dr. Quinton Booker, Jackson State University, meet with the Board and discussed the current statutory requirement for the 150-hour education requirement.

## V. Continuing Professional Education

1. The Board members present unanimously authorized the following actions on CPE sponsor programs submitted for approval.

	<u>Sponsor/Program Title</u>	<u>Subject Dates</u>	<u>Subject</u>	<u>Hours</u>	<u>Approved</u>
A.	May & Company 1. Analytical Procedures	11/1/07	A&A	4	Yes
B.	Mississippi Institutions of Higher Learning 1. Cash Flow Statements for Institutions of Higher Learning	12/18/07	A&A	7.5	Yes
C.	MSCPA 1. Mississippi Tax Institute	11/8&9/07	Tax	15	Yes
			Ethics - Rules	1	
	2. AICPA's Federal Tax Update	11/19/07	Tax	8	Yes
	3. Business Valuation and Litigation Services Conference	11/27/07	Other	8	Yes
D.	MSCPA - Central Chapter 1. 2007 Mississippi Law Update	7/19/07	Other	1	Yes
E.	Mississippi State Tax Commission 1. CF - 102 Forensic Tools and Techniques	10/22-26/07	Other	40	No (1)
F.	Morton Law Firm/Ronald Morton 1. Topics for Trusts, Estates and Elder Law - Boot Camp for Advisors	10/11&12/07 10/24&25/07 11/14&15/07	Tax	16	Yes
G.	Silas Simmons, LLP 1. Annual Tax Update Seminar	12/21/07	Tax	8	Yes
H.	Watkins Ward and Stafford PLLC 1. AICPA's Federal Tax Update	1/21/08	Tax	8	Yes

(1) Deferred for additional program information.

## VI. Regulatory Matters

1. The Board heard a report from Investigator Ransom Jones and approved the regulatory activities that have occurred from November 16 to December 14, 2007:

<u>Activity</u>	<u>Number</u>
Cases Opened	168
Cases Closed	13
Cases referred to Members	166
Total Cases Open	321

2. The Investigator reviewed the open case log by general description and reported on the investigative activities.
3. The Board welcomed members from the Peer Review Board Oversight Committee - Darrell Galey, Chair, and Cecil Harper. Lee Murphy was unable to attend. The Board received a written copy and heard a report from the committee for the year ended June 30, 2007. The committee reported that the peer review program is operating appropriately with no significant problems.

## VII. Trial Board

1. The Board members present unanimously voted to convene as the Trial Board for the purpose of considering matters related to disciplinary cases.
2. The Board did convene as Trial Board for the purpose of holding a formal administrative hearing related to Complaint 2007.36, alleged noncompliance with a Board order. Jim E. Burkes, Trial Board President, was the presiding officer. Bridgette Wiggins, Special Assistant AG, represented the Board, and Onetta Whitley, Deputy AG, was the presenting attorney. Robin Burwell, Brooks Court Reporting, recorded the discussions.

Legal and proper notice were delivered, and the respondent was in attendance. The Board heard evidence from witnesses Ransom C. Jones, CPA Investigator, and respondent Jeffrey R. Dortch, CPA license 5481, concerning failure to obtain and provide a peer review report to the Board by September 30, 2007, in accordance with the order dated August 10, 2007.

## VII Trial Board (Continued)

### 2. (Continued)

Following discussion and the administrative Trial Board hearing related to Jeffrey R. Dortch and upon motion by Angela Pannell with second from Willie Sims, the Board unanimously voted to close the meeting for the limited purpose of considering whether or not they had a proper subject matter to go into Executive Session. Diane Day was recused.

In the closed meeting the Board upon motion by Angela Pannell with second from Willie Sims voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of a Trial Board order that could be appealed. Accordingly, the Board reopened the closed meeting and upon motion by Angela Pannell with second from Willie Sims unanimously voted to go into Executive Session for the purpose set forth above. Having announced this stated purpose the Board then entered into Executive Session for this specific purpose.

Upon motion by Angela Pannell with second from Willie Sims the Board unanimously determined that the respondent Jeffrey R. Dortch had indeed violated Rule 6.17.15. by not complying with the Board order. The Board unanimously determined that Mr. Dortch's CPA license 5481 is hereby revoked with the revocation stayed until December 31, 2007, until which time the license will remain suspended. The Board unanimously determined that Mr. Dortch must obtain the outstanding peer review and provide a copy of such to the Board by December 31, 2007. The Board unanimously determined to assess the respondent all investigative, legal, and hearing costs of this matter in the amount of eight hundred sixty-six dollars (\$866.00). In addition the Board imposed a civil penalty (fine) in the amount of five hundred dollars (\$500.00). If Mr. Dortch obtains the peer review, provides a copy to the Board by December 31, 2007, and pays the costs and civil penalty within thirty days from the date of the Trial Board order, the revocation will be voided and the suspension shall be lifted. If he fails to obtain the outstanding peer review and provide a copy to the Board office by December 31, 2007, and/or fails to pay the costs and civil penalty within thirty days from the date of the order, the revocation shall stand.

Votes were - For: Jim Burkes, Willie Sims, David Clarke, Rick Elam, Angela Pannell, Jean Shepherd; Against: None; Absent: None; and Recused: Diane Day.

3. The Board continued as Trial Board for the purpose of hearing complaint 2007.38-18, concerning Kimberly Geddie Jones, CPA license 4610. Within the Trial Board the Board heard evidence from witness Ransom C. Jones, CPA Investigator and respondent Kimberly Geddie Jones. The respondent allegedly failed to comply with the Chapter 4 CPE requirements for the compliance period ended June 30, 2007, through not obtaining the required CPE hours. Ms. Jones has a CPE deficit of 8 hours. In addition, Ms. Jones has two other prior and related disciplinary actions including consent orders for 2000 CPE deficit and 2003 late reporting.

Following discussion and the administrative Trial Board hearing related to Kimberly Geddie Jones and upon motion by Willie Sims with second from Angela Pannell, the Board unanimously voted to close the meeting for the limited purpose of considering whether or not they had a proper subject matter to go into Executive Session. David Clarke was recused.

In the closed meeting the Board upon motion by Willie Sims with second from Angela Pannell voted that they did indeed have a proper subject matter before it to entitle it to go into Executive Session, namely discussion of a Trial Board order that could be appealed. Accordingly, the Board reopened the closed meeting and upon motion by Angela Pannell with second from Willie Sims unanimously voted to go into Executive Session for the purpose set forth above. Having announced this stated purpose the Board then entered into Executive Session for this specific purpose.

Upon motion by Willie Sims with second from Angela Pannell the Board unanimously determined that the respondent Kimberly Geddie Jones had indeed violated Chapter 4 of the Board Rules and Regulations as charged. The Board unanimously determined that Ms. Jones must make-up the eight (8) hours deficit along with a 50% penalty of four (4) CPE credit hours, total twelve (12) hours. The CPE credit hours should be completed by December 31, 2007. The Board unanimously determined to assess the respondent all investigative, legal, and hearing costs of this matter totaling two hundred and fifty dollars (\$250.00). In addition the Board imposed a civil penalty (fine) in the amount of five hundred dollars (\$500.00). All of the aforementioned amounts, totaling seven hundred and fifty dollars (\$750.00) are to be paid by check or money order within thirty days of the Trial Board order. Votes were - For: Jim Burkes, Willie Sims, Diane Day, Rick Elam, Angela Pannell, Jean Shepherd; Against: None; Absent: None; and Recused: David Clarke.

**MSBPA Minutes**

**December 14, 2007**

**VII Trial Board (Continued)**

4. The Board continued as Trial Board for the purpose of reviewing and discussing individuals who have not complied with the 2007 CPE requirements, have open investigative cases/complaints, and who have requested voluntary cancellation of their licenses. Upon motion by Willie Sims with second from Jean Shepherd, the Trial Board unanimously approved the "Orders of Remand to the File" for execution by the Board President Jim E. Burkes. Votes were - For: Jim Burkes, Willie Sims, Diane Day, Rick Elam, Angela Pannell, Jean Shepherd; Against: None; Absent: None; and Recused: David Clarke.

These Trial Board remand orders will be placed in individual files noting the noncompliance and remanded for future action if the individuals apply to the Board for reinstatement. Copies of the orders will be sent to the individuals:

<u>Complaint No.</u>	<u>Name</u>	<u>License No.</u>
2007.37- 12	Lowell Broom	1768
2007.37- 22	James Carter	2335
2007.37- 71	John Moore, Jr.	1075
2007.37-116	David White	1580
2007.38- 11	David Donnelly	3194
2007.38- 16	Suzanne Hight	3473
2007.38- 40	Kenneth Redford	3976

5. The Board continued as Trial Board for the purpose of reviewing for approval consent orders issued by the David Clarke investigative committee related to CPE noncompliance. Upon motion by Angela Pannell with second from Willie Sims, the Trial Board approved the consent orders listed at Exhibit 1 as issued by the investigative committee and previously agreed to by the respondent. The Board unanimously determined that no explanation submitted justified reimbursement of fines or assessed costs submitted with the orders. Votes were - For: Jim Burkes, Willie Sims, Diane Day, Rick Elam, Angela Pannell; Against: None; Absent: None; Abstained: Jean Shepherd, and Recused: David Clarke.
6. The Board continued as Trial Board for the purpose of reviewing for release from consent orders the respondents listed at Exhibit 2 because of their complete satisfaction of the ordered requirements as issued by the David Clarke investigative committee related to CPE. Upon motion by Willie Sims with second from Jean Shepherd, the Trial Board approved release of the aforementioned licenses from the consent orders. Votes were - For: Jim Burkes, Willie Sims, Diane Day, Rick Elam, Angela Pannell, Jean Shepherd; Against: None; Absent: None; and Recused: David Clarke.

7. Upon conclusion of Trial Board business, the Board adjourned as Trial Board.

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**APPROVED:**

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Chair

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Board Member

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Vice Chair

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Board Member

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Secretary

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Board Member

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Board Member