

# TEXAS STATE BOARD REPORT

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY, AUSTIN, TEXAS

## Security Measures, Other Enhancements Added to Online Procedures for Ease of Use and Efficiency

As the Board continues to add online features to its website to reduce paperwork and make Board procedures more efficient, additional security measures have been put into place to safeguard your confidential information. A password is now required to log in to Online Services.

### Password Needed

The Board has assigned an initial password, and exam candidates, individual licensees, or firms will be sent the assigned password by email after they provide identifying information. To begin, go to the Board's website, [www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us), and select Online Services, then select "Don't Know Password?" and follow a few easy steps to receive your initial password by email.

If you don't recognize which identifiers are being requested, use the "Help" pop-up screens to see a visual representation of the document indicating the location of the required identifiers. After you have received your password, you can complete the log in. Once you have logged in, you will have the option of changing the password to one you can more readily remember.

### More Options for Individual Licensees

Licensees who have reported continuing professional education (CPE) as part of their annual online license renewal can now view the courses reported through Online Services by selecting "Review CPE Courses Previously Reported."

One important enhancement nearing completion is the ability for individual CPAs to record CPE hours throughout the year rather than just at license renewal time. Once this enhancement is in place, CPAs can report CPE courses upon completion, and, by the next business day, their records will have been adjusted to reflect how many hours are still needed to satisfy the requirement before the next license renewal date. Licensees can currently view their requirement by selecting "Review CPE Requirement."

Licensees who have submitted their annual license renewals, whether online or by mail, can review their license status by selecting "Review Your License Status" from the Individual License Menu. If the license has not been issued, the online record will indicate what requirements were missing from the submitted renewal application. The Board also mails a letter listing incomplete requirements and a form on which the licensee can provide the missing information. Soon, licensees will be able to provide the missing information and complete the process electronically rather than completing a paper document and mailing it.

### Changes for Exam Candidates

The near future will also bring improvements for exam candidates, as the Board moves toward paperless processing for routine communication with candidates. They can now view the "Diagnostic Performance Report" online as soon as the Board has received and validated the scores. Warning letters that presently alert candidates of upcoming deadlines will soon be sent by email rather than by U.S. mail.

### Fillable Forms

Also in the offing is the ability to fill out Board forms electronically, then print and mail them. This change is expected to be made over the next few weeks.

#### ALSO IN THIS ISSUE

2 CPE Sponsors

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Revisited

Please see page 3 for visual representations of the relevant CPE screens.

**CPE Sponsors Successfully Completing Review  
(since August 2008 Board Report)**

SPONSOR #	SPONSOR NAME	DATE OF NEXT REVIEW	STATUS
009520	AEC 1031 Exchange, LLC	08/01/2010 - 07/31/2011	E
009494	A-Soft Professionals	06/01/2010 - 05/31/2011	E
006563	American Bankruptcy Institute	07/01/2010 - 06/30/2011	A
005732	American National - Internal Audit	09/01/2010 - 08/31/2011	A
004563	Assoc. of Certified Fraud Examiners	06/01/2010 - 05/31/2011	A
007933	Austin Bank Texas, N.A.	07/01/2010 - 06/30/2011	E
009407	Austin Community College	06/01/2010 - 05/31/2011	A
009415	Aztec Systems, Inc.	07/01/2010 - 06/30/2011	E
003523	BKR Cornwell Jackson and Co., PC	06/01/2010 - 05/31/2011	A
008704	BondResource Partners, LP	05/01/2010 - 04/30/2011	A
009486	Bridgepoint Consulting, LLC	05/01/2010 - 04/30/2011	A
003592	Boucher, Morgan & Young, PC	07/01/2010 - 06/30/2011	A
008724	Calpine Corporation	06/01/2010 - 05/31/2011	A
009487	Capstone Associated Services, LTD	05/01/2010 - 04/30/2011	A
004660	Cawthron Wommack & Coker, P.C.	07/01/2010 - 06/30/2011	A
000854	Centex Corporation	06/01/2010 - 05/31/2011	A
009420	Central Texas Chapter of CFMA	08/01/2010 - 07/31/2011	A
006103	Coleman Horton & Company, LLP	06/01/2010 - 05/31/2011	A
004235	Communication Counsel of America, Inc.	10/01/2010 - 09/30/2011	A
005306	Communities Foundation of Texas	09/01/2010 - 08/31/2011	E
009434	Countrywide Financial Corp.	09/01/2010 - 08/31/2011	A
005294	Cox Smith Matthews Incorporated	08/01/2010 - 07/31/2011	A
002985	DRDA, PC	07/01/2010 - 06/30/2011	A
008941	Exterran, Inc.	06/01/2010 - 05/31/2011	A
003037	Farm Credit Bank of Texas	08/01/2010 - 07/31/2011	A
008745	Flowsolve Corporation	07/01/2010 - 06/30/2011	A
003455	FMC Technologies, Inc.	05/01/2010 - 04/30/2011	E
009502	For Women's Sake	07/01/2010 - 06/30/2011	A
005246	Freese and Nichols, Inc.	07/01/2010 - 06/30/2011	E
007369	Goldin, Peiser & Peiser	07/01/2010 - 06/30/2011	A
004662	Govt Treasurer's Organization of Texas	07/01/2010 - 06/30/2011	A
008341	Grizzaffi Darby, LLC	07/01/2010 - 06/30/2011	A
008718	Hermes Sargent Bates, LLP	06/01/2010 - 05/31/2011	A
002510	Hidalgo, Banfill, Zlotnik & Kermali, PC	10/01/2010 - 09/30/2011	A
009381	Holly Corporation	03/01/2010 - 02/28/2011	E
005499	Houston Bar Association-Sec of Taxation	04/01/2010 - 03/31/2011	E
002975	Hunt Petroleum Corporation	07/01/2010 - 06/30/2011	E
009496	Institute For Excellence in Corporate Governance UT-Dallas	06/01/2010 - 05/31/2011	A
001028	International Assoc. of Drilling Contrac	09/01/2008 - 08/31/2011	A
009007	J. Clayton Baum, CPA	09/01/2010 - 08/31/2011	E
004151	Jaynes, Reitmeier, Boyd & Therrell, PC	08/01/2010 - 07/31/2011	A
003192	Kiesling Associates, LLP	10/01/2010 - 09/30/2011	A
009515	Lam Vinson & Co., LLP	08/01/2010 - 07/31/2011	E
001049	Lott, Vernon & Company, PC	10/01/2010 - 09/30/2011	A
001759	Malcolm E. Walker, Jr.	08/01/2010 - 07/31/2011	A
002396	Moore, Camp, Phillips & Patterson, LLP	09/01/2010 - 08/31/2011	A
003647	Morris Holmquest Tidwell & Company	08/01/2010 - 07/31/2011	A
002258	North Lake College	07/01/2010 - 06/30/2011	A
009403	Parment, Chapman & Madsen, PC	06/01/2010 - 05/31/2011	A
002987	Radio Shack Corp.	07/01/2010 - 06/30/2011	A
009508	RubinBrown LLP	07/01/2010 - 06/30/2011	A
008983	Sage Advisory Services, LTD. Co.	08/01/2010 - 07/31/2011	E
006120	Schuler & Schuler	07/01/2010 - 06/30/2011	A
003553	Sysco Corporation	07/01/2010 - 06/30/2011	A
009492	TFC Shared Services, Inc.	06/01/2010 - 05/31/2011	A
007006	Texas Assn of Community Health Centers	08/01/2010 - 07/31/2011	A
005298	Texas Association of Counties	09/01/2010 - 08/31/2011	A
009398	Texas Bank and Trust	05/01/2010 - 04/30/2011	A
009325	Texas State University-San Marcos	06/01/2010 - 05/31/2011	A
002349	Texas Statewide Telephone Coop., Inc.	08/01/2010 - 07/31/2011	A
009489	The Boeing Company	05/01/2010 - 04/30/2011	E
009511	The Institute For Innovation & Entrepreneurship At UT-Dallas	08/01/2010 - 07/31/2011	E
006908	The Progressive Group, Inc.	07/01/2010 - 06/30/2011	A
004045	Trailblazer Health Enterprises LLC	06/01/2010 - 05/31/2011	A
009410	Turner, Stone & Company, LLP	06/01/2010 - 05/31/2011	A
007313	TX Society of Philippine American CPA's	06/01/2010 - 05/31/2011	A
004612	University of Texas at Austin Office of Accounting	06/01/2010 - 05/31/2011	A
009018	USAA Real Estate Company	09/01/2010 - 08/31/2011	A
006575	Weingarten Realty Investors	08/01/2010 - 07/31/2011	A
008968	Wood Group Management Services, Inc.	07/01/2010 - 06/30/2011	A

**Registration Status: A = Currently active. E = Currently expired.**

**TEXAS STATE BOARD  
OF PUBLIC ACCOUNTANCY**

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Austin, Texas 78701-3900**

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Figure 1. Example of online screen showing previously reported CPE data.

### Review CPE Courses Previously Reported

The following courses have been reported for the License Periods shown. Use "Review your CPE Requirement" to view CPE totals and requirements for your next unissued license.

License Period	Type	Date Taken	Hours	Method	Sponsor	CPE Course
SEP 01, 2007 - AUG 31, 2008	Tech	08/23/2007	20.00	A	TX Society of CPA's CPE Foundation, Inc.	2007 Advanced Estate Planning Conference
	Tech	07/26/2007	8.00	A	TX Society of CPA's CPE Foundation, Inc.	TX Franchise (Margin) Tax
	Tech	08/15/2007	8.00	A	Audits of 401(k) Plans	Audits of 401(k) Plans
	Tech	11/14/2006	6.00	A	CHAMBERLAIN HRDLICKA WHITE WILLIAMS &	2006 Annual Tax & Business Planning Seminar
	<b>TOTAL</b>			<b>42.00</b>		
SEP 01, 2008 - AUG 31, 2009	Tech	08/05/2008	8.00	A	Texas Society of CPA's	Federal Estate And Gift Tax Returns - Forms 709 And 709
	Tech	08/12/2008	8.00	A	Texas Society of CPA's	Choice of Entity: Tax Pros & Cons: S Corporations, C Corporat
	Tech	08/21/2008	20.00	A	Texas Society of CPA's	Advanced Estate Planning
	Tech	11/06/2007	6.00	A	Chamberlain, Hrdlicka, White, Williams &	2007 Annual Tax and Business Planning Seminar
	Ethics	02/26/2008	4.00	A	Texas Society CPAs/CPE Fdn Inc	Ethical Business Decisions by TX CPAs
	<b>TOTAL</b>			<b>46.00</b>		

Method: A=Participant B=Instructor C=Author D=Correspondence

CPE hours entered during the completion of the online Annual License renewal will not be shown in this table until the renewal has been submitted. Use the online renewal to review CPE hours entered as part of the renewal.

#### CPE Requirement

Your CPE requirement has been calculated for your next unissued license period. If you are retired, disabled, or qualify for an exemption in this period, you will not need to report any hours to receive your license.

**Basic Requirements: Based on the hours that you have reported, plan on meeting your requirements for the next unissued license period as follows:**

Report 37.00 CPE hours, of which, 0.00 must be Board approved ethics hours. Your CPE Requirement is based on your previous license status. If your status changes your CPE requirement may change.

CPE hours entered during the completion of the online Annual License renewal will not be shown in this table until the renewal has been submitted. Use the online renewal to review CPE hours entered as part of the renewal.

**Reported Hours:**

License Period	Tech	Non-tech	Ethics	Total	Exemption
MAY 01, 2006 - APR 30, 2007	40.00	0.00	0.00	40.00	None
MAY 01, 2007 - APR 30, 2008	39.00	0.00	4.00	43.00	None
MAY 01, 2008 - APR 30, 2009	0.00	0.00	0.00	0.00	None

Figure 3. Licensees can go online at any time to review the status of their license on the Board website, [www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us).

#### Current License Status

Use the following information to determine if your license is up-to-date. Note your license expiration date.

**Your license fees have been paid and your license is being processed.**

<b>Most recently issued license:</b>	MAY 01, 2007 - APR 30, 2008
<b>License Status:</b>	<b>Expired</b>
<b>This license card was printed:</b>	07/09/2007
<b>License expiration date:</b>	04/30/2008
<b>Most recent renewal was printed for:</b>	MAY 01, 2008 - APR 30, 2009
<b>The renewal was printed on:</b>	03/12/2008
<b>Fees were received on:</b>	04/30/2008
<b>Fees received for this renewal:</b>	255.00
<b>License being held for:</b>	- Report 37.00 CPE hours, of which, - 0.00 must be Board approved ethics hours. Sign the license notice. Complete the Individual Affidavit Reporting Area. Complete the Employment Reporting Area.

Figure 2. This online function allows licensees to view the number of CPE hours that must still be satisfied before the next license renewal date.

**ACTIONS TAKEN BY THE BOARD**  
**JULY 24, 2008**

**A. AGREED CONSENT ORDERS**

**Behavioral Enforcement**

1. **Respondent:** Scott David Eller  
**Hometown:** Mansfield  
**Investigation No.:** 08-05-11L  
**Certificate No.:** 061385

On July 14, 2005, the Board revoked respondent's certificate. On July 24, 2008, the respondent entered into an Agreed Consent Order (ACO) with the Board whereby the respondent would be granted reinstatement of his certificate through probated revocation. The Board ordered that the respondent's revocation be stayed and the respondent placed on probation for two years under the following conditions: The respondent must complete and submit proof of completion of four hours of live continuing professional education in the area of ethics within 30 days of this order; the respondent must join the Texas Society of Certified Public Accountants within 30 days of this order, and the respondent must submit a quarterly report to the Board regarding the nature of his practice and his continued compliance with the ACO.

2. **Respondent:** Duncan Kyle Furrh  
**Hometown:** Dallas  
**Investigation No.:** 08-02-01L  
**Certificate No.:** 089168  
**Rule Violations:** 501.90 and 501.90(5)  
**Act Violation:** 901.502(11)

The Board ordered that the respondent's license be revoked; however, this revocation was stayed and the respondent was placed on probation for a period of two years. In addition, the respondent must pay \$715.85 in administrative costs within 30 days of this order; submit a quarterly report to the Board, which shall include his continued compliance with the terms of the order, the nature of his practice, the completion of his continuing professional education, and any criminal arrests; and participate in the Accountant's Confidential Assistance Network (ACAN) and Alcoholics Anonymous (AA) and have quarterly reports submitted by his ACAN mentor and AA sponsor to confirm the respondent's participation.

3. **Respondent:** Vincent Dale Harris  
**Hometown:** Creve Coeur, MO  
**Investigation No.:** 08-01-02L  
**Certificate No.:** 076013  
**Rules Violations:** 501.74, 501.76, 501.80, 501.90(11), 501.93  
**Act Violations:** 901.502(6) and 901.502(11)

The Board ordered that the respondent's certificate and firm license be revoked in lieu of further disciplinary proceedings.

4. **Respondent:** Kelly Kathleen Marsh  
**Hometown:** White Oak  
**Investigation No.:** 07-12-03L  
**Certificate No.:** 066727  
**Rules Violations:** 501.80, 501.81, 501.93, and 527.4  
**Act Violations:** 901.502(6) and 901.502(12)

The Board ordered that the respondent be reprimanded. In addition, the respondent must pay an administrative penalty of \$500 and \$438.16 in administrative costs within 30 days of this order.

5. **Respondent:** David Michael McDaniel  
**Hometown:** Lexington, KY  
**Investigation No.:** 07-11-10L  
**Certificate No.:** 042633  
**Rules Violation:** 501.90(4)  
**Act Violations:** 901.502(6), 901.502(10), and 901.502(11)

The Board ordered that the respondent's certificate be revoked in lieu of further disciplinary proceedings. In addition, the respondent must pay \$452.44 in administrative costs within 30 days of this order.

6. **Respondent:** Frank Edward Puryear, Jr.  
**Hometown:** Houston  
**Investigation No.:** 07-08-05L  
**Certificate No.:** 040922  
**Rules Violations:** 501.74, 501.80, 501.81, 501.90(11), and 501.90(12)  
**Act Violation:** 901.502(6)

The Board ordered that the respondent be reprimanded. In addition, the respondent must pay an administrative penalty of \$3,500 and \$1,105.32 in administrative costs within 30 days of this order. The respondent must also pay \$1,099.75 in restitution and submit proof of payment to the Board within 30 days of this order.

7. **Respondent:** Sharon Louise Taulman  
**Hometown:** Irving  
**Investigation No.:** 08-04-14L  
**Certificate No.:** 024525  
**Rules Violation:** 501.90(9)  
**Act Violations:** 901.502(6) and 901.502(11)

The Board ordered that the respondent's certificate be revoked in lieu of further disciplinary proceedings. In addition, the respondent must pay \$276.23 in administrative costs within 30 days of this order.

8. **Respondent:** Michael Louis Verucchi  
**Hometown:** Dallas  
**Investigation No.:** 06-04-01L  
**Certificate No.:** 036605  
**Rules Violations:** 501.80 and 527.4  
**Act Violations:** 901.502(6) and 901.502(12)

The Board ordered that the respondent be reprimanded. In addition, the respondent shall complete and submit proof of completion of 8 hours of live continuing professional education (CPE) in the area of compilations and reviews. This requirement is in addition to the respondent's annual CPE requirement and must have been completed by August 29, 2008. The respondent shall enroll in a peer review program within 30 days of the date the Board ratifies the order, submit proof of completion of peer review by December 31, 2008, and pay an administrative penalty of

## ENFORCEMENT ACTIONS

\$2,000 and \$885.24 in administrative costs within 30 days of the date the Board ratifies the order. Finally, the respondent shall comply with all state and federal laws pertaining to the practice of public accountancy.

9. **Respondent:** Raymond Byron Whitaker  
**Hometown:** Carrollton  
**Investigation No.:** 08-04-05L  
**Certificate No.:** 080455  
**Rules Violations:** 501.60, 501.74, 501.81, 501.90, 501.93, and 527.4  
**Act Violations:** 901.502(6), 901.502(11), and 901.502(12)

The Board ordered that the respondent's certificate be revoked in lieu of further disciplinary proceedings. In addition, the respondent must pay an administrative penalty of \$10,000 and \$449.37 in administrative costs within 30 days of this order.

10. **Respondent:** Michael John Wofford  
**Hometown:** San Antonio  
**Investigation No.:** 07-09-04L  
**Certificate No.:** 054782  
**Rules Violations:** 501.74, 501.90(2), and 501.90(9)  
**Act Violations:** 901.502(6) and 901.502(11)

The Board ordered that the respondent's license be revoked; however, this revocation was stayed and the respondent was placed on probation for a period of five years. In addition, the respondent must pay an administrative penalty of \$3,000 and \$943.85 in administrative costs within 30 days of this order; submit a quarterly report to the Board, which includes his continued compliance with the terms of the order, the nature of his practice, and the completion of his continuing professional education (CPE); and complete and submit proof of completion of 4 hours of live CPE in the area of ethics and 8 hours of live CPE in internal controls within 90 days of this order.

### Technical Standards Review I

1. **Respondent:** Jeffrey L. Cheshier  
**Hometown:** Dallas  
**Investigation No.:** 06-08-22L  
**Certificate No.:** 032049  
**Rules Violation:** 501.22  
**Act Violation:** Section 21 (c)(4) of the Public Accountancy Act of 1991, as amended effective September 1, 1993, currently known as 901.502(6)

The Board ordered that the respondent be reprimanded.

2. **Respondent:** Kulathumkal A. Abraham  
**Hometown:** Plano  
**Investigation No.:** 03-11-10L  
**Certificate No.:** 061175

The Board ordered that the respondent's certificate be reinstated; however, the respondent was placed on probated revocation for a period of 2 years. The respondent's certificate would be reinstated subject to the following conditions: Prior to the reinstatement becoming effective, the respondent must complete 120 hours of continuing professional education acceptable by the Board's licensing division for attainment of a license. The respondent's license will be subject to a scope limitation wherein the respondent is prohibited from performing attest services for a minimum of 2 years, which will begin when the respondent meets all the requirements to obtain a license. At the end of the 2-year probationary period, respondent may apply to the Board to have his limited scope requirement removed or modified upon the completion of 120 hours of continuing professional education in the attest service.

### B. AGREED CEASE AND DESIST ORDERS

1. **Respondent:** William E. Davis, Jr.  
**Hometown:** Houston  
**Investigation No.:** 06-12-03N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

2. **Respondent:** CHAPPS-Lin Punnakanta  
**Hometown:** Euless  
**Investigation No.:** 07-05-15N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

3. **Respondent:** Richard Dana Steigerwald  
**Hometown:** Houston  
**Investigation No.:** 07-12-04N  
**Act Violation:** 901.451

**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 "Online Services" at [www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us)
- Email: [licensing@tsbpa.state.tx.us](mailto:licensing@tsbpa.state.tx.us)
- Call 512-305-7853
- Write TSBPA

333 Guadalupe, Twr 3, Ste 900  
Austin, TX 78701

## ENFORCEMENT ACTIONS

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

4. **Respondent:** Lokken Accounting & Tax Service, LLC  
**Hometown:** Johnson City  
**Investigation No.:** 08-03-34N  
**Act Violations:** 901.451 and 901.453

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

5. **Respondent:** M & J Accounting Services  
**Hometown:** Leander  
**Investigation No.:** 08-03-60N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

6. **Respondent:** Books by Rita  
**Hometown:** Humble  
**Investigation No.:** 08-04-34N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

7. **Respondent:** Holland Avenue Tax Service  
**Hometown:** Jacinto City  
**Investigation No.:** 08-04-41N  
**Act Violations:** 901.451 and 901.453

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

8. **Respondent:** Insync Consultants, LLC  
**Hometown:** Lewisville  
**Investigation No.:** 08-04-87N  
**Act Violations:** 901.451 and 901.453

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

9. **Respondent:** Fleming Tax Service  
**Hometown:** Humble  
**Investigation No.:** 08-05-05N  
**Act Violations:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

10. **Respondent:** Absolute Accounting Service  
**Hometown:** Huntington

- Investigation No.:** 08-05-38N  
**Act Violations:** 901.451 and 901.453

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

11. **Respondent:** APS Bookkeeping & Tax Service  
**Hometown:** Hitchcock  
**Investigation No.:** 08-05-49N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

### C. PROPOSALS FOR DECISION

1. **Respondent:** Shelly Wade  
**Hometown:** Houston  
**Investigation No.:** 06-11-10N  
**Act Violation:** 901.451

The Texas State Board of Public Accountancy (the "Board") sought discipline against the respondent for violating provisions of the Texas Public Accountancy Act. Staff recommended that a Cease and Desist Order be issued to prohibit the respondent from practicing public accountancy without a license.

The respondent used the CPA designation despite the fact that the respondent had never been licensed by the Board. Despite being sent proper notice, the respondent did not appear nor was the respondent represented at the hearing. Based on the respondent's failure to appear, staff's allegations were accepted as true. The Administrative Law Judge (ALJ) found that the alleged violations were established and recommended that a Cease and Desist Order be issued against the respondent. The respondent violated Act Section 901.451 regarding the use of the title or acronym for "certified public accountant" without having a license.

### D. VIOLATION OF CEASE AND DESIST ORDER

1. **Respondent:** McAfee & Company  
**Hometown:** Ft. Worth  
**Investigation No.:** 08-02-05N  
**Act Violations:** 901.451, 901.456, and 901.601

The respondent entered into an agreement with the Board whereby the respondent would be reprimanded and must pay \$3,000 in administrative costs by October 30, 2008.

The respondent violated an agreed cease and desist order by issuing a review report in June 2006. The respondent violated Section 901.451 regarding the use of the title or acronym for certified public accountant, 901.456 regarding the provision of attest services, and 901.601 regarding a violation of a Cease and Desist Order of the Public Accountancy Act.

### CORRECTION

In the August issue of the *Board Report*, p. 7, we misidentified two of our outstanding candidates, Matt Kerr and Scott Hortenstine, by swapping their names in the cutline. We apologize for the error.

**ACTIONS TAKEN BY THE BOARD**  
**SEPTEMBER 25, 2008**

**A. AGREED CONSENT ORDERS**

**Behavioral Enforcement**

1. **Respondent:** Jeffery John Garcia  
**Hometown:** Houston  
**Investigation No.:** 08-05-08L  
**Certificate No.:** 045500  
**Rules Violations:** 501.81, 501.82, and 527.4  
**Act Violations:** 901.502(6) and 901.502(12)

The Board ordered that the respondent be reprimanded. In addition, the respondent must pay an administrative penalty of \$3,000 and \$360.77 in administrative costs within 30 days of the ratified order. In addition, the respondent must register a firm with the Board within 30 days of the ratified order and must complete and submit proof of completion of 4 hours of live CPE in the area of ethics within 90 days of the ratified order.

The respondent used improper advertising by offering to perform accounting and auditing services through the unregistered entity, Bullet Financial. Respondent also practiced public accountancy in an unregistered entity from 1996 to 2008 and failed to participate in the Board's peer review program.

2. **Respondent:** Albert Lynn Lowry  
**Hometown:** Grapevine  
**Investigation No.:** 08-03-06L  
**Certificate No.:** 050250  
**Rules Violation:** 501.81  
**Act Violation:** 901.502(6)

The Board ordered that the respondent be reprimanded. In addition, the respondent must pay an administrative penalty of \$1,000 and \$466.56 in administrative costs within 30 days of the ratified order.

The respondent practiced public accountancy in an unregistered firm for approximately 4 years.

3. **Respondent:** David Wayne McClanahan  
**Hometown:** Idabel, OK  
**Investigation No.:** 08-04-15L  
**Certificate No.:** 013863  
**Rules Violation:** 501.74  
**Act Violation:** 901.502(6)

The Board ordered that the respondent be reprimanded. In addition, the respondent must pay an administrative penalty of \$1,000 and \$740.12 in administrative costs within 30 days of the ratified order.

The respondent failed to complete a client's corporate tax returns and failed to timely file a client's 940s and 941s.

4. **Respondent:** Matthew Moo  
**Hometown:** Dallas Park  
**Investigation No.:** 08-04-25L  
**Certificate No.:** 040866  
**Rules Violation:** 527.4  
**Act Violation:** 901.502(12)

The Board ordered that the respondent be reprimanded. In addition, the respondent must pay an administrative penalty of \$1,000 and \$614.53 in administrative costs within 30 days of the ratified order.

The respondent failed to participate in the Board's peer review program.

5. **Respondent:** Robert Pauley  
**Hometown:** Arlington  
**Investigation No.:** 08-03-11L  
**Certificate No.:** 079895  
**Rules Violations:** 501.80 and 501.93  
**Act Violations:** 901.502(6) and 901.502(11)

The Board ordered that the respondent be reprimanded whereby respondent's certificate would be revoked in lieu of further disciplinary proceedings.

The respondent practiced public accountancy while his license was suspended by offering "on-site financial statements," tax planning and preparation, payroll services, SBA loan consulting, business consulting, payable and receivable processing, and Quick Books consulting. The respondent also used the CPA designation on his business card while his license was suspended. In addition, the respondent did not respond to Board communications dated May 1, 2007, May 23, 2007, June 20, 2007, and March 6, 2008.

**B. AGREED CEASE AND DESIST ORDERS**

1. **Respondent:** Jim Kadlec  
**Hometown:** Round Rock  
**Investigation No.:** 07-03-32N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

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

2. **Respondent:** Burl J. Myers  
**Hometown:** Ozona  
**Investigation No.:** 07-06-02N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

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

3. **Respondent:** Alamo Accounting Services  
**Hometown:** San Antonio  
**Investigation No.:** 08-05-25N  
**Act Violation:** 901.453

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

## ENFORCEMENT ACTIONS

Respondent asserted an expertise in accounting by offering accounting services although respondent does not hold a license in Texas.

4. **Respondent:** Austin Accounting Services  
**Hometown:** Austin  
**Investigation No.:** 08-05-27N  
**Act Violations:** 901.451 and 901.453

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

Respondent used the terms "Accountant" and "Accounting" although respondent does not hold a license in Texas.

5. **Respondent:** Jackson Hewitt Tax Service  
**Hometown:** Lubbock  
**Investigation No.:** 08-05-29N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

Respondent advertised under the Certified Public Accountants section of the phone book although respondent does not hold a license in Texas.

6. **Respondent:** Howell Tax Service  
**Hometown:** Wichita Falls  
**Investigation No.:** 08-05-42N  
**Act Violations:** 901.451 and 901.453

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

7. **Respondent:** Ben Cantú & Associates  
**Hometown:** Pharr  
**Investigation No.:** 08-06-01N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

Respondent offered to perform attest services although respondent does not hold a license in Texas.

8. **Respondent:** AS Accounting Service  
**Hometown:** Arlington  
**Investigation No.:** 08-07-15N  
**Act Violations:** 901.451 and 901.453

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

9. **Respondent:** To The Penny Accounting  
**Hometown:** Abilene  
**Investigation No.:** 08-07-19N  
**Act Violations:** 901.451 and 901.453

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

Respondent offered to perform attest services and used the terms "Accountant" and "Accounting" although respondent does not hold a license in Texas.

10. **Respondent:** James W. Peet  
**Hometown:** Houston  
**Investigation No.:** 08-07-26N  
**Act Violation:** 401.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

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

11. **Respondent:** Patrick W. Svrcek  
**Hometown:** Houston  
**Investigation No.:** 08-07-44N  
**Act Violation:** 901.451

The Board ordered that the respondent cease and desist from performing the activities listed in the Agreed Cease and Desist Order until or unless the respondent complies with the Texas Public Accountancy Act.

Respondent offered to perform attest services although respondent does not hold a license in Texas.

### C. PROPOSALS FOR DECISION

At its September 25, 2008, meeting, the Board made the following decisions:

1. In **Investigation No. 02-01-12L**, the Board voted to revoke the CPA license of Thomas Bauer for multiple violations of GAAS in his role as engagement partner with Arthur Andersen in its audit of Enron Corp.

2. In **Investigation No. 02-12-01L**, the Board voted to revoke the CPA license of Carl Bass for multiple violations of GAAS in his role as engagement partner with Arthur Andersen in its audit of Enron Corp.

3. In **Investigation No. 05-09-05L**, the Board voted to issue a 3-year probated suspension of the license of Patricia Grutzmacher for multiple violations of GAAS in her role as audit manager with Arthur Andersen in its audit of Enron Corp.

4. In **Investigation No. 02-11-16L**, the Board voted to dismiss the complaint against James Brown, Jr.

5. In **Investigation No. 02-12-03L**, the Board voted to dismiss the complaint against Jennifer Stevenson Jackson.

**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 a period of three years or until the respondent complies with the licensing requirements of the *Public Accountancy Act*, whichever is earlier. Additionally, a \$100 penalty is 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 *Section 501.94* of the Board’s *Rules (mandatory CPE)* and *Section 523.111 (mandatory CPE reporting)*, as well as *Section 901.411 (CPE)* of the *Act*.

<b>Respondent, Location / Country</b>	<b>Board Date</b>	<b>Respondent, Location / Country</b>	<b>Board Date</b>
James Calvin Atkins, III, Houston, TX	07/24/2008	Thomas Prescott Kessey, Houston, TX	07/24/2008
Richard Thomas Baldwin, Dallas, TX	07/24/2008	Whitney Paul Keuer, Menlo Park, CA	09/25/2008
David Bruce Ballard, Waxahachie, TX	09/25/2008	Brady Russell Kilpper, Flower Mound, TX	09/25/2008
Uday Narayanrao Bellary, Palo, Alto, CA	07/24/2008	Michael Dennis Kirkland, Jacksonville, FL	07/24/2008
Katherine Lynne Miller Berend, Dallas, TX	07/24/2008	Stephen Farra Krum, Irving, TX	09/25/2008
William Lester Bergstrom, Southlake, TX	09/25/2008	Newman Davis Lay, Jr., Spring, TX	07/24/2008
Ronal Kirk Brunson, Rowlett, TX	09/25/2008	Charlene Injoo Lee, Greenwood Village, CO	09/25/2008
Lisa Gail Bullock, Houston, TX	09/25/2008	Stephanie A. Malone, Houston, TX	09/25/2008
James Matthew Chvatal, Houston, TX	07/24/2008	Traci Ann Mason, Missouri City, TX	09/25/2008
Mary Katherine Fehmer Clear, Coppell, TX	07/24/2008	Alice Pumphrey Miller, Fort Worth, TX	07/24/2008
Marialourdes Peralta Corpuz, San Marcos, CA	09/25/2008	Ronnie Lee Morgan, De Soto, TX	07/24/2008
Randall Wade Crawford, Waco, TX	09/25/2008	Susan M. Neves, Lubbock, TX	09/25/2008
John Russell Crews, Dallas, TX	09/25/2008	Jill A. O’Connor, Houston, TX	09/25/2008
Matthew Gregory Daniel, Forney, TX	07/24/2008	Barbara Dee Penhall, Kyle, TX	09/25/2008
Richard Daniels, Beaumont, TX	09/25/2008	Sidney M. Petersen, Jr., Arlington, TX	09/25/2008
Brookland Franklin Davis, Jr., Frisco, TX	09/25/2008	Lisa Phillips, Kingwood, TX	07/24/2008
Gregory John Engeldinger, Southlake, TX	09/25/2008	Roger Alan Raymond, Houston, TX	09/25/2008
Christine Ann Eubanks, Houston, TX	09/25/2008	Danny Dale Sarine, Denton, TX	09/25/2008
David Michel Faguer, Shanghai, China	07/24/2008	Douglas Mark Shearer, Bellaire, TX	09/25/2008
Jerry Antoine Faucheux, Houston, TX	07/24/2008	Jenny Ann Sloan, Bullard, TX	09/25/2008
James Dale Ford, Lufkin, TX	09/25/2008	Anthony Wayne Smith, McKinney, TX	09/25/2008
Patricia Mood Fowler, Houston, TX	07/24/2008	Michele Furman Smith, Sugar Land, TX	07/24/2008
Thomas Walter Frazier, New York, NY	07/24/2008	Ryan Kirk Smith, Bountiful, UT	07/24/2008
William Arthur Graves, The Woodlands, TX	07/24/2008	Lawrence Joseph St. Martin, Houston, TX	09/25/2008
James William Gregory, Jr., Waco, TX	09/25/2008	Mark David Stori, Dallas, TX	09/25/2008
Michael Lawrence Harding, II, Houston, TX	09/25/2008	James Thomas Taylor, Dallas, TX	07/24/2008
Jennifer Noel Harris, Bertram, TX	07/24/2008	Jeffrey Martin Williams, Houston, TX	09/25/2008
John Ragland Harrison, San Antonio, TX	07/24/2008	Amy Lynn Wilson, Garland, TX	09/25/2008
Wendy Sue Harroun, Houston, TX	07/24/2008	Melinda Ann Wolf, Buda, TX	07/24/2008
Catherine M. Hernandez, Stafford, TX	07/24/2008	Sam Cinderella Wong, Austin, TX	09/25/2008
Allison Marie Hinkle, Dallas, TX	07/24/2008	Susan Elizabeth Wright, South Padre Island, TX	09/25/2008
Chris Gerard Janda, Houston, TX	09/25/2008	Deanna Thompson Young, Houston, TX	09/25/2008
Larry Dean Jones, Jr., Port Isabel, TX	07/24/2008	Christian Thomas Zimmerman, Hallettsville, TX	09/25/2008

**THREE-YEAR DELINQUENT ACTIONS**

The respondents listed below violated *Sections 901.502(4) and 901.502(11)* of the *Public Accountancy 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*.

<b>Respondent, Location / Country</b>	<b>Board Date</b>	<b>Respondent, Location / Country</b>	<b>Board Date</b>
Roland Robert Arnold, San Antonio, TX	09/25/2008	Charles Edward Hinkle, Temple, TX	07/24/2008
David Eugene Barnes, Jr., Sugar Land, TX	07/24/2008	Robert Everett Hiscox, Los Gatos, CA	09/25/2008
Rita Suzanne Bell, Lookout Mountain, TN	07/24/2008	David Linton Hunt, Bryan, TX	09/25/2008
Adam Michael Bodzioch, Jr., Honolulu, HI	09/25/2008	Jason Ilari, Flower Mound, TX	09/25/2008
Brenda Kay Brunson, New York, NY	09/25/2008	Douglas A. Ivy, Olathe, KS	09/25/2008
Blake Alan Buffington, Arlington, TX	09/25/2008	Stephen Waco Jackson, Houston, TX	07/24/2008
Nancy Agnes Cassidy, College Station, TX	07/24/2008	Gary Lynn Johnson, Duluth, GA	09/25/2008
Terry Gene Christenberry, Kansas City, MO	09/25/2008	John Daniel Kelly, Garden City, KS	09/25/2008
Dixie Leona Clark, Milledgeville, GA	07/24/2008	Christopher W. Kindle, Dallas, TX	09/25/2008
Mathis J. Clark, San Antonio, TX	09/25/2008	Natalie Susanne Kleitches, Plano, TX	07/24/2008
Robert Andrew Clyde, Dallas, TX	07/24/2008	Bert Ira Koenig, Jr., Incline Village, NV	09/25/2008
Stanley Thomas Collins, Lake Jackson, TX	07/24/2008	Luzviminda Langevin, Garland, TX	09/25/2008
Thomas J. Combs, The Woodlands, TX	07/24/2008	William Mark Low, Dallas, TX	09/25/2008
Kenneth R. Connally, Leander, TX	07/24/2008	David Paul Mallouk, Euless, TX	07/24/2008
David Paul Coshman, Orange, TX	09/25/2008	Clayton P. Marcelle, Houston, TX	07/24/2008
Gwendolyn Evonne Craig, Spring, TX	09/25/2008	Terry Eugene Maxfield, San Antonio, TX	07/24/2008
Jennifer Emily Culp, Hewitt, TX	07/24/2008	James William May, Spring, TX	07/24/2008
Susan Elizabeth Landry Day, Plaquemine, LA	09/25/2008	Karen Bernice Mayrand, San Angelo, TX	09/25/2008
Salvatore Vincent DeAngelo, Hampton, NH	07/24/2008	Mary Kay McCarty, Round Rock, TX	09/25/2008
Robert Irving Dell, II, Santa Ynez, CA	07/24/2008	Robert Wayne Melton, Clearwater, FL	09/25/2008
Victoria Ann Dell, Dallas, TX	07/24/2008	Pamela A. Mitchell, Memphis, TN	07/24/2008
Douglas H. Dickey, Mount Enterprise, TX	07/24/2008	Raye Dean Murrell, Farmersville, TX	07/24/2008
Rosanne M. Digiacomio, Grosse Pointe Park, MI	09/25/2008	Alla Perelman Myers, Kingwood, TX	09/25/2008
Daniel James Dolan, San Antonio, TX	07/24/2008	Brent Aaron Nofziger, San Antonio, TX	09/25/2008
Gloria Jean Duhaime, San Antonio, TX	07/24/2008	Susan Litt Nordhauser, San Antonio, TX	07/24/2008
Leah Deanne Edwards, Houston, TX	09/25/2008	Thomas Edward O'Byrne, Evergreen, CO	09/25/2008
David J. Egan, Irving, TX	09/25/2008	Leo Ounanian, Jr., Houston, TX	09/25/2008
Tara Lynn Estopinal, Knoxville, TN	07/24/2008	John William Owens, Pearland, TX	07/24/2008
Gustavo Javier Fernandez, Portland, OR	07/24/2008	Kelley Ann Scott Paige, Sugar Land, TX	07/24/2008
Gene Edward Ford, Dallas, TX	07/24/2008	Patrick Stephen Persons, Littleton, CO	07/24/2008
Randall Duncan Gabriel, Humble, TX	07/24/2008	David Eric Pitcher, Dallas, TX	07/24/2008
Kathryn Leigh Garrett, Dallas, TX	07/24/2008	Helen Dorothy Probandt, Temecula, CA	09/25/2008
Kathleen Nell Gilles, Weatherford, TX	07/24/2008	Charles Samuel Riskey, Jr., Livingston, MT	09/25/2008
Alan Paul Hale, Plano, TX	09/25/2008	Timothy A. Roberts, Dallas, TX	07/24/2008
Richard Edmund Hecksel, II, Houston, TX	07/24/2008	Edna Z. Ruano, Dallas, TX	07/24/2008
Melvin Lee Heslop, Petersburg, VA	07/24/2008	John Richard Sanderson, Addison, TX	07/24/2008
Joe Connell Higgins, Arlington, TX	09/25/2008	Ronald Patrick Sandoval, Albuquerque, NM	09/25/2008

**Three-Year Delinquent Actions / continued**

<b>Respondent, Location / Country</b>	<b>Board Date</b>	<b>Respondent, Location / Country</b>	<b>Board Date</b>
John Gregory Schmidt, Dallas, TX	07/24/2008	George David Turpin, Fort Worth, TX	09/25/2008
Kimberly Marie Schmidt, New Bloomfield, MO	07/24/2008	Priya Maria Vaalentino, Lake Forest, CA	07/24/2008
Teresa Cheatham Schultz, Greer, SC	09/25/2008	Thomas Edward Walter, Dallas, TX	07/24/2008
James William Shade, Newburgh, IN	09/25/2008	Karen Fryer Walz, Pinecrest, FL	09/25/2008
Mary Jean Sheehy, Belmar, NJ	09/25/2008	Richard Harold Wavro, Houston, TX	09/25/2008
John Edward Stephenson, Dallas, TX	07/24/2008	Cristel Layn Wells, Bedford, TX	09/25/2008
Karen Leila Stojanovski, Madrid, Spain	07/24/2008	Melissa Jane Whatley, Bivins, TX	09/25/2008
Donnie Ruth Sullivan, Longview, TX	09/25/2008	James Louis Wilson, Aurora, CO	09/25/2008
William Marvin Summers, Jr., Fort Worth, TX	07/24/2008	Steven Andrew Wise, Montgomery, TX	09/25/2008
Edward Pierre Thompson, Jr., Dallas, TX	09/25/2008		

**FAILURE TO COMPLETE LICENSE RENEWAL**

The respondents listed below were found to be in violation of *Section 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 professional accountant)* of the *Act*. The certificate of each respondent who was not in compliance at the time of the Board meeting was revoked without prejudice until such time as the respondent complies with the licensing requirements of the *Act*.

<b>Respondent, Location / Country</b>	<b>Board Date</b>	<b>Respondent, Location / Country</b>	<b>Board Date</b>
Kenneth Blake, Dallas, TX	07/24/2008	John Dale Casas, Tampa, FL	07/24/2008

## **Various Factors Determine Need to Register as a Firm**

In the August 2008 *Board Report*, we emphasized the need for a CPA to consider the many circumstances under which firm registration is required. Because of the interest the article generated, we supplement and encapsulate that discussion here.

Texas CPAs should recognize that when they identify themselves as CPAs providing “professional accounting services” and “professional accounting work,” or when they are in the “client practice of public accountancy,” as defined by Board *Rule 501.52*, they must be licensed as a CPA in Texas and must provide those services through a registered CPA firm.

Also, the CPA should recognize that if the **firm** the CPA is practicing through uses the CPA designation, the firm must be registered. In addition, Board *Rules* and the *Public Accountancy Act* require that only CPAs practicing through a registered CPA firm may provide the “attest service.”

An individual CPA may perform professional accounting services other than attest services while working for an unlicensed entity

(not a CPA firm) if the firm does not identify the individual as a CPA in its advertising or promotional materials. If the CPA designation is used, Board *Rule 501.81(d)* requires that these materials include the disclaimer: “This is not a CPA firm.” In other words, if you market your credentials as a CPA, you must include the disclaimer so that the public is not misled into thinking that the firm itself is a CPA firm.

The disclaimer is not required for a commercial enterprise not involved in providing “professional accounting services.” For example, a CPA serving as a chief financial officer for an airline may be identified as a CPA with no disclaimer because he or she is not providing professional accounting services to the public.

Unlicensed firms may not use the terms “accounting” or “auditing” in their firm names, nor may they offer to provide “professional accounting services.” The *Public Accountancy Act, Section 901.453(b)*, restricts the use of those terms to CPAs and CPA firms and allows only CPAs licensed in Texas to hold themselves out to the public as possessing accounting or auditing skills.

