

Texas State Board of Public Accountancy

July 23, 2015

The Texas State Board of Public Accountancy met from 10:00 a.m. until 11:28 a.m. on July 23, 2015, at 333 Guadalupe, Tower 3, Suite 900, Austin, Texas 78701-3900. A notice of this meeting containing all items on the agenda was filed with the Office of the Secretary of State at 11:40 a.m. on July 9, 2015. (TRD #2015-004605)
(ATTACHMENT 1)

Board Members Present

J. Coalter Baker, CPA
Assistant Presiding Officer
John R. Broaddus, CPA
Rocky L. Duckworth, CPA
Member-at-Large
Everett R. Ferguson, CPA
Treasurer
James C. Flagg, PhD, CPA
Susan Fletcher
Donna J. Hugly, CPA
William Lawrence
Robert M. McAdams, CPA
Steve D. Peña, CPA
Thomas G. Prothro, CPA
Presiding Officer
Phillip W. Worley

Board Members Absent

Jonathan B. Cluck, Esq.,
excused
Maribess L. Miller, CPA,
Secretary
excused
Jon R. Keeney,
Member-at-Large
excused

Others Present

Frank McElroy, Esq.
Bob Owen, CPA
Gavin Villarreal

Staff Present

Paulette Beiter, Esq.
Roel Cantu
Ismael Castillo
Karen Davis
Alan Hermanson, CPA
J. Randel Hill, Esq.
Donna Hiller
Joseph Jaffe
Marissa Mahoney
Virginia Moher, Esq., CPA
Julie Prien
Marisa Rios
April Serrano
William Treacy
Daniel Weaver

- I. Mr. Prothro, Presiding Officer, called the meeting to order at 10:00 a.m. Mr. Treacy called roll and declared a quorum.

Mr. Peña moved to excuse the absence of Mr. Cluck, Mr. Keeney, and Ms. Miller from the July 23, 2015 Board meeting. Ms. Hugly seconded the motion and it passed unanimously.

- II. Mr. Baker moved to approve the May 21, 2015 Board meeting minutes as presented. Ms. Hugly seconded the motion and it passed unanimously.

- III. Mr. Prothro, Executive Committee Chair, reported on the July 22, 2015 committee meeting.

Members Present

J. Coalter Baker, CPA
Rocky L. Duckworth, CPA
Everett R. Ferguson, CPA
Thomas G. Prothro, CPA

Members Absent

Jon R. Keeney
Maribess L. Miller, CPA

Others Present

William Lawrence

Staff Present

Karen Davis
Alan Hermanson, CPA
J. Randel Hill, Esq.
Donna Hiller
William Treacy
Daniel Weaver

- A. Mr. Ferguson moved to approve the Board's financial statements as presented. Mr. Worley seconded the motion and it passed unanimously.

- B. Mr. Ferguson moved to approve the Board's operating budget for FY 2016 as presented, including the policy decisions as included on the attachment entitled *Operating Budget Projections 2016 – 2020* and *FY 16 Budget Drivers*. Mr. Broaddus seconded the motion and it passed unanimously. **(ATTACHMENT 2)**

- C. Mr. Prothro reported that the Board will not contract with the firm contacted by Monday Rufus. Staff was instructed to contact vendors that are currently on the Department of Information Resources (DIR) state contract to review the two areas that DIR indicated that they do not test (internal testing and social engineering). Direct contact with the vendors by the staff will ensure all questions, whether technical or legal, are addressed.
- D. Mr. Treacy reported on the action taken by the 84th Legislature.
- E. The following was presented:
 - 1. Mr. Prothro reported on the following NASBA date of interest:
 - 108th Annual Meeting October 25-28, 2015
 - 2. Mr. Baker and Mr. Duckworth reported on NASBA's Western Regional Meeting held June 17-19, 2015. Mr. Baker also announced that he was elected for a second term as NASBA's Southwest Regional Director.
- F. Mr. Prothro reported on thank you notes from the public for:
 - 1. April Serrano and Tina Smith
 - 2. The Board's Fifth-Year Accounting Student Scholarship Program
- IV. Mr. Baker, Rules Committee Chair, reported on the Rules Committee meeting held July 22, 2015.

Members Present

J. Coalter Baker, CPA
Rocky L. Duckworth, CPA
William Lawrence
Steve D. Peña, CPA
Thomas G. Prothro, CPA
ex officio

Member Absent

Maribess L. Miller, CPA

Others Present

Tim LaFrey, Esq., CPA
Bob Owen, CPA

Staff Present

Karen Davis
Alan Hermanson, CPA
J. Randel Hill, Esq.
Donna Hiller
Marisa Rios
William Treacy
Daniel Weaver

- A. Mr. Baker moved to authorize the executive director to publish the proposed amendments to Board Rule 512.6 (*Reciprocal Fee*) in the *Texas Register* for public comment. Mr. Peña seconded the motion and it passed unanimously. **(ATTACHMENT 3)**
- B. Mr. Baker moved to authorize the executive director to publish the proposed amendments to Board Rule 515.5 (*Reinstatement of a Certificate or License in the Absence of a Violation of the Board's Rules of Professional Conduct*) in the *Texas Register* for public comment. Mr. Broadus seconded the motion and it passed unanimously. **(ATTACHMENT 4)**
- C. Mr. Baker moved to authorize the executive director to publish the proposed **repeal** of Board Rule 515.11 (*Exemption from Payment of the Professional Fee for Other than State of Texas Employees*) in the *Texas Register* for public comment. Mr. Broadus seconded the motion and it passed unanimously.
- D. Mr. Baker moved to authorize the executive director to publish the proposed **repeal** of Board Rule 515.12 (*Exemption from Payment of the Professional Fee for State of Texas Employees*) in the *Texas Register* for public comment. Mr. Broadus seconded the motion and it passed unanimously.
- E. Mr. Baker moved to authorize the executive director to publish the proposed amendments to Board Rule 521.1 (*Individual License Fees*) in the *Texas Register* for public comment. Mr. Broadus seconded the motion and it passed unanimously. **(ATTACHMENT 5)**
- F. Mr. Baker moved to authorize the executive director to publish the proposed amendments to Board Rule 521.7 (*Fee for Transfer of Credits*) in the *Texas Register* for public comment. Mr. Broadus seconded the motion and it passed unanimously. **(ATTACHMENT 6)**

- G. Mr. Baker moved to authorize the executive director to publish the proposed amendments to Board *Rule 521.8 (Retired or Disabled Status)* in the *Texas Register* for public comment. Mr. McAdams seconded the motion and it passed unanimously. **(ATTACHMENT 7)**
- H. Mr. Baker moved to authorize the executive director to publish the proposed amendments to Board *Rule 521.9 (Certification Fee)* in the *Texas Register* for public comment. Mr. Broadbuss seconded the motion and it passed unanimously. **(ATTACHMENT 8)**
- I. Mr. Baker moved to authorize the executive director to publish the proposed amendments to Board *Rule 521.12 (Filing Fee)* in the *Texas Register* for public comment. Mr. McAdams seconded the motion and it passed unanimously. **(ATTACHMENT 9)**
- J. Mr. Baker moved to authorize the executive director to publish the proposed amendments to Board *Rule 521.14 (Eligibility Fee)* in the *Texas Register* for public comment. Mr. Broadbuss seconded the motion and it passed unanimously. **(ATTACHMENT 10)**
- K. The next committee meeting was scheduled for September 16, 2015.
- V. Dr. Flagg, Qualifications Committee Chair, reported on the May 28, 2015 committee meeting.

Members Present

James C. Flagg, PhD, CPA
J. Kamas, CPA
Robert M. McAdams, CPA
Roselyn Morris, PhD, CPA
Thomas G. Prothro, CPA
ex officio

Members Absent

Jonathan B. Cluck, Esq.
Melanie G. Thompson, CPA

Others Present

J. Coalter Baker, CPA

Staff Present

Paulette Beiter, Esq.
J. Randel Hill, Esq.
Donna Hiller
William Treacy

Dr. Flagg moved to approve the following items. Mr. Peña seconded the motion and it passed unanimously.

- A. The committee considered a request for *ACC 380K.22 – Accounting/Auditing Research Design and Evaluation* taught at the University of Texas at Austin to meet the Board's requirement for two semester hours of accounting/tax research and analysis. The committee determined that the course covers academic research that is better suited for PhD students and not the professional research that CPAs conduct in the workplace. The course may be used to meet the 30 semester hours of accounting. It was also suggested that additional information may be needed to clarify the type of research requirement described in Board *Rule 511.57(f) – Qualified Accounting Courses*.
- B. The committee considered a request for *ACC 378, FIN 372, ACC 380K – Financial Services for Wealth Management* taught at the University of Texas at Austin as a course that may be used to meet the Board's requirement for 30 semester hours of accounting. After some discussion, the committee determined that the course may be used to meet this requirement for the CPA Exam.
- C. The committee considered a request for *ACCT 7810 – Corporate Governance and Accounting Ethics* taught at Auburn University in the traditional face-to-face and online formats to meet the Board's requirements as an acceptable ethics course. While the committee did not approve both delivery formats, it offered an alternative. The committee approved the course in the traditional face-to-face format and asks the university to provide the names of its students who will be applying to Texas to take the CPA Exam. The university may request consideration of the course in the online format at a future time.
- D. The committee considered a request for *ACCT 645 – Forensic & Investigative Accounting* taught at Saint Louis University to meet the Board's requirements for an acceptable ethics course. After some discussion, the committee determined that the course does not meet the requirements because the ethics topics are integrated into the forensic accounting topics. The Board requires a discrete ethics course.

- E. The committee considered a request for *ACCT 5319 – Special Problems* taught at Texas A&M University – San Antonio to meet the Board's requirement for two semester hours of accounting/tax research and analysis. The committee approved this course with the understanding that the transcript reflects, *ACCT 5319 – Special Problems – Seminar in Accounting and Tax Research*.
- F. The following items were discussed and no action was required:
Proposed changes to the CPA Exam
NASBA Candidate Care Report for 15Q1
Correspondence provided to Western Governors University
CPA Exam Absentee Report
- VI. Mr. Weaver, Director of Licensing/CPE/ Peer Review, presented the following for Board approval for the CPE Committee.
 - A. Mr. Broaddus moved to tentatively approve a course and renewal contract submitted by David Scott, CPA, pending completion of required modifications. Ms. Fletcher seconded the motion and it passed unanimously.
 - B. Mr. Broaddus moved to tentatively approve a course and renewal contract submitted by Karen Russom CPA, pending completion of required modifications. Ms. Fletcher seconded the motion and it passed unanimously.
 - C. Mr. Broaddus moved to tentatively approve a course and renewal contract submitted by Catherine Weber, JD and Donald Key, CPA, pending completion of required modifications. Ms. Fletcher seconded the motion and it passed unanimously.
- VII. Mr. Baker, Behavioral Enforcement Committee Member, reported on the June 30, 2015 Committee meeting.

Members Present

J. Coalter Baker, CPA
John R. Broaddus, CPA
Jonathan B. Cluck, Esq.
Donald W. Harcum, CPA
Donna J. Hugly, CPA
James D. Ingram, IV, CPA
Ben Peña, CFE, CPA

Member Absent

Maribess L. Miller, CPA

Staff Present

Paulette P. Beiter, Esq.
J. Randel Hill, Esq.

- A. Mr. Peña moved to dismiss the following investigations based on insufficient evidence of a violation of the *Rules* or *Act*. Mr. Worley seconded the motion and it passed.
 - 1. **Investigation Nos. 14-11-07L¹ and 14-11-08L¹**
 - 2. **Investigation No. 15-01-07L¹**
 - 3. **Investigation No. 15-03-03L¹**
 - 4. **Investigation Nos. 15-03-07L¹ and 15-03-08L¹**
- B. Mr. Worley moved to dismiss **Investigation Nos. 15-03-31L¹ and 15-03-32L¹** due to voluntary compliance. Ms. Fletcher seconded the motion and it passed.
- C. Other – The committee considered 11 other investigations, which require no Board action at this time.
- D. The next committee meeting was scheduled for August 12, 2015.
- VIII. Mr. Ferguson, Technical Standards Review Committee Member, reported on the June 24, 2015 committee meeting.

Members Present

Rocky L. Duckworth, CPA
Everett R. Ferguson, CPA
Jon R. Keeney, CPA
David L. King, CPA
Michael McConnell, CPA
Steve D. Peña, CPA
W. David Rook, CPA

Others Present

Joseph W. Richardson,
CPA

Staff Present

J. Randel Hill, Esq.
Virginia Moher, Esq., CPA

- A. Mr. Broaddus moved to dismiss the following investigations due to voluntary compliance. Mr. Baker seconded the motion and it passed.
 1. **Investigation No. 15-02-07L²**
 2. **Investigation Nos. 15-03-13L² and 15-03-14L²**
 3. **Investigation Nos. 14-06-01L² and 14-06-02L²**
 - B. Ms. Fletcher moved to remove **Investigation Nos. 12-07-03L² and 12-07-04L²** from limited scope. Dr. Flagg seconded the motion and it passed.
 - C. Other – The committee considered five other investigations, which require no Board action at this time.
 - D. The next committee meeting has not been scheduled.
- IX. Ms. Moher, Staff Attorney, reported on the status of the Enforcement Division's probation monitoring docket.
- X. Mr. Hill, General Counsel, reported on the status of investigations into alleged violations of *Subchapter J* of the *Public Accountancy Act*, regarding the unauthorized practice of public accountancy.
- XI. The Board took the following actions on Agreed Consent Orders, Proposals for Decisions, and Agreed Cease and Desist Orders:

A. Agreed Consent Orders

Behavioral Enforcement Committee

Mr. Peña moved to approve the following Agreed Consent Orders (ACOs) as presented. Mr. McAdams seconded the motion and it passed.

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| 1. | Investigation Nos.: 14-12-01L & 14-12-02L
Respondents: Adam Charles Childers
& Adam Childers, CPA
Rule Violation: 501.80
Act Violations: 901.502(6), 901.401 | Hometown: Dallas, TX
Certificate No.: 093268
Firm License No.: R00810 |
| <hr/> <p>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.¹</p> | | |
| 2. | Investigation Nos.: 15-01-05L & 15-01-06L
Respondents: William Lloyd West
& William L. West, CPA
Rule Violation: 501.90(5)
Act Violations: 901.502(6), 901.502(11) | Hometown: San Antonio, TX
Certificate No.: 028135
Firm License No.: T09709 |
| <hr/> <p>Respondents entered into an ACO with the Board whereby Respondent's 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.¹</p> | | |

TECHNICAL STANDARDS REVIEW COMMITTEE (TSR)

Mr. Broaddus moved to approve the following Agreed Consent Orders (ACOs) as presented. Ms. Fletcher seconded the motion and it passed.

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

2. **Investigation No.:** 15-01-26L **Hometown:** Rockwall, TX
Respondent: James Robert Daffron (Firm) **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."²

3. **Investigation No.:** 15-01-22L **Hometown:** Richardson, TX
Respondent: James L. Falgout (Firm) **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."²

4. **Investigation No.:** 15-01-23L **Hometown:** Winnsboro, TX
Respondent: James H. Hampton, CPA, P.C. **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.²

5. **Investigation No.:** 15-01-25L **Hometown:** Baton Rouge, LA
Respondent: Johnston & Hayden, LLC **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 immediately 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.²

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| 6. | Investigation No.:
Respondent:
Rule Violation:
Act Violation: | 15-03-12L
MacFarlane & Associates, P.C.
527.5
901.502(12) | Hometown:
Firm License No.: | Kingwood, TX
C05692 |
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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.²

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| 7. | Investigation Nos.:
Respondents:

Rule Violations:
Act Violations: | 15-03-10L & 15-05-03L
David Oray Tate
& David O. Tate (Firm)
501.93, 527.5
901.502(6), 901.502(12) | Hometown:
Certificate No.:
Firm License No.: | Mangum, OK
038511
S08771 |
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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.²

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| 8. | Investigation No.:
Respondent:
Rule Violation:
Act Violation: | 15-01-24L
Judy Webster, P.C.
527.5
901.502(12) | Hometown:
Firm License No.: | Saint Jo, TX
C06164 |
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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.²

B. Mass Hearings

Ms. Fletcher moved to approve the following Proposals for Decision as presented. Dr. Flagg seconded the motion and it passed unanimously.

1. **Respondents:** **In the Matter of Disciplinary Action Against Certain Licensees for Nonpayment of Professional Fees for Three Consecutive License Periods**

The respondents failed to pay their licensing fees for three consecutive license periods. Following the 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. Each respondent may regain his or her certificate by paying all license fees and penalties and by otherwise coming into compliance with the *Act*. (ATTACHMENT 11)

Docket	Investigation Numbers	Scheduled Hearing
457-15-1834	15-02-10001 – 15-02-10039	March 24, 2015
457-15-2234	15-03-10001 – 15-03-10036	April 28, 2015

2. **Respondents:** **In the Matter of Disciplinary Action Against Certain License Holders for CPE Delinquencies**

The respondents failed to comply with CPE reporting requirements found in *Chapter 523* of the *Rules* and *Section 901.411* of the *Act*. Following the scheduled public hearing, an Administrative Law Judge (ALJ) of the State Office of Administrative Hearings recommended that the license of each respondent not in compliance be suspended for a period of three years, or until he or she complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, the ALJ recommended a \$100 penalty be imposed for each year a respondent is not in compliance with the Board's CPE requirements. (ATTACHMENT 12)

Docket
457-15-1835
457-15-2235

Investigation Numbers
15-02-10040 – 15-02-10186
15-03-10037 – 15-03-10164

Scheduled Hearing
March 24, 2015
April 28, 2015

3. **Respondents: In the Matter of Disciplinary Action Against Certain Certificate Holders for Failure to Complete License Notice**

The respondents 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 respondent complies with the requirements of the *Rules* and the *Act*. **(ATTACHMENT 13)**

Docket
457-15-1836
457-15-2236

Investigation Numbers
15-02-10187 – 15-02-10201
15-03-10165 – 15-03-10174

Scheduled Hearing
March 24, 2015
April 28, 2015

C. Agreed Cease and Desist Orders

Ms. Fletcher moved to approve the following Agreed Cease and Desist Orders (ACDOs) as presented. Dr. Flagg seconded the motion and it passed unanimously.

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| 1. | Investigation No.: 15-03-16N | Hometown: McAllen, TX |
| | Respondent: Fernando J. Elizondo | |
| | 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.

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| 2. | Investigation No.: 15-02-35N | Hometown: Skillman, NJ |
| | Respondent: Li and Company, PC | |
| | 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.

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| 3. | Investigation No.: 15-04-02N | Hometown: Weatherford, TX |
| | Respondent: Gary Bonneau Williams | |
| | 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.

- XII. Mr. Baker moved to adopt *Section 521.13 (Firm License Fees)* of the Board's *Rules* as presented. Ms. Fletcher seconded the motion and it passed unanimously. **(ATTACHMENT 14)**
- XIII. Mr. Prothro reviewed the schedule of future Board meetings.
- XIV. Mr. Baker reported that once appointments are made an announcement would be made about the Nominating Committee for a new slate of officers.
- XV. Mr. Prothro adjourned the meeting at 11:28 a.m.

ATTEST:

J. Coalter Baker, CPA, Assistant Presiding Officer

¹ Mr. Baker, Mr. Broaddus, and Ms. Hugly recused themselves from participating in this matter.

² Mr. Duckworth, Mr. Ferguson, and Mr. Peña recused themselves from participating in this matter.