

# Texas State Board of Public Accountancy

## September 17, 2015

The Texas State Board of Public Accountancy met from 10:00 a.m. until 11:09 a.m. on September 17, 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 12:14 p.m. on September 3, 2015. (TRD #2015-006034) (ATTACHMENT 1)

### Board Members Present

J. Coalter Baker, CPA  
*Assistant Presiding Officer*  
John R. Broaddus, CPA  
Jonathan B. Cluck, Esq.  
Rocky L. Duckworth, CPA  
*Member-at-Large*  
Donna J. Hugly, CPA  
Jon R. Keeney  
*Member-at-Large*  
William Lawrence  
Robert M. McAdams, CPA  
Steve D. Peña, CPA  
Phillip W. Worley

### Board Members Absent

Everett R. Ferguson, CPA  
*Treasurer*  
excused  
James C. Flagg, PhD, CPA  
excused  
Susan Fletcher  
excused  
Maribess L. Miller, CPA  
*Secretary*  
excused  
Thomas G. Prothro, CPA  
*Presiding Officer*  
excused

### Others Present

Frank McElroy, Esq.  
Sean McVey, CPA  
Bob Owen, CPA  
Mark Vane, Esq.

### Staff Present

Paulette Beiter, Esq.  
Sandra Bradshaw  
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. Baker, Assistant Presiding Officer, called the meeting to order at 10:00 a.m. Mr. Treacy called roll and declared a quorum.

Mr. Keeney moved to excuse the absences of Mr. Ferguson, Dr. Flagg, Ms. Fletcher, Ms. Miller and Mr. Prothro from the September 17, 2015 Board meeting. Mr. Worley seconded the motion and it passed unanimously.

At this time, Mr. Baker presented service awards to the following:

1. Paulette Beiter – 5 years of service
2. Sandra Bradshaw – 30 years of service
3. William Treacy – 25 years of service

- II. Mr. Cluck moved to approve the July 23, 2015 Board meeting minutes as presented. Ms. Hugly seconded the motion and it passed unanimously.
- III. Mr. Baker, Executive Committee Member, reported on the September 16, 2015 committee meeting.

### Members Present

J. Coalter Baker, CPA  
Rocky L. Duckworth, CPA  
Jon R. Keeney

### Members Absent

Everett R. Ferguson, CPA  
Maribess L. Miller, CPA  
Thomas G. Prothro, CPA

### Others Present

Donna J. Hugly, CPA  
William Lawrence

### Staff Present

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

- A. Mr. Duckworth moved to approve the Board's financial statements as presented. Mr. Peña seconded the motion and it passed unanimously.
- B. Mr. Peña moved to approve the fee schedule for the FY 2016 budget and to ratify the FY 2016 Fifth-Year Accounting Students Scholarship Program allocation. Mr. Keeney seconded the motion, and it passed unanimously.
- C. Mr. Keeney moved that the Board continue the internal audit program. Mr. McAdams seconded the motion, and it passed unanimously.
- D. Mr. Baker asked members to select dates for Committee and Board meeting for CY 2016.
- E. The following was presented:
  1. Mr. Baker reported on the following NASBA dates of interest:
    - 108<sup>th</sup> Annual Meeting October 25-28, 2015
  2. Mr. Keeney moved to name Mr. Baker as the Board's voting delegate at NASBA's 108<sup>th</sup> Annual Meeting. Mr. Cluck seconded the motion, and it passed unanimously.
- F. Ms. Hugly moved to approve the following professional service contracts as presented. Mr. McAdams seconded the motion, and it passed unanimously.

**FY 2016:**

**Behavioral Enforcement Committee consultants:**

*On an as-needed basis – budget of \$25,000*

Allen, Pinnix & Nichols, PA	9/1/15 – 8/31/16	\$5,000
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**Technical Standards Review Committee consultants:**

1. Benjamin Gomez, CPA	9/1/15 – 8/31/16	\$10,000
2. William Patrick Cantrell, CPA	9/1/15 – 8/31/16	\$25,000
3. Harper & Pearson	9/1/15 – 8/31/16	\$145,000
4. Davis Kinard & Co. P.C.	9/1/15 – 8/31/16	\$30,000
5. Strasburger & Price, LLP	9/1/15 – 8/31/16	\$25,000
6. Cook Brooks Johnson	9/1/15 – 8/31/16	\$15,000

**Peer Review Committee consultants:**

1. John Mason Andres, CPA	9/1/15 – 8/31/16	\$22,694
2. John Michael Waters, CPA	9/1/15 – 8/31/16	\$18,581
3. Rebecca J. Teague, CPA	9/1/15 – 8/31/16	\$16,094

<b>Office of the Attorney General:</b>	9/1/15 – 8/31/16	\$37,500
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**State Office of Administrative Hearings:**

9/1/15 – 8/31/16	\$25,742
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<b>Internal Audit</b>	9/1/15 – 8/31/16	\$25,000
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<b>Peer Assistance (ACAN)</b>	9/1/15 – 8/31/16	\$107,500
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**Independent consultant contract (SOAH litigation):**

• Mary Alice Boehm-McKaughan	9/1/15 – 8/31/16	\$76,500
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**Sponsor Review Program consultants:**

**Master Reviewers:**

Ron Huntsman	9/1/15 – 8/31/16	\$150.00/hour
Mitch Sutherlin	9/1/15 – 8/31/16	\$150.00/hour

**Reviewers:**

Kathy Abshire	9/1/15 – 8/31/16	\$125.00/hour
Richard Baland	9/1/15 – 8/31/16	\$125.00/hour
Michael Burnett	9/1/15 – 8/31/16	\$125.00/hour
Manuel Cavazos	9/1/15 – 8/31/16	\$125.00/hour
David Crumbaugh	9/1/15 – 8/31/16	\$125.00/hour
Helen Cruz-Diaz	9/1/15 – 8/31/16	\$125.00/hour
Pamela Evans	9/1/15 – 8/31/16	\$125.00/hour
Jennifer Fadal	9/1/15 – 8/31/16	\$125.00/hour
John Jones	9/1/15 – 8/31/16	\$125.00/hour
Connie Kelly	9/1/15 – 8/31/16	\$125.00/hour
Tim Madrigal	9/1/15 – 8/31/16	\$125.00/hour
Michael McMennamy	9/1/15 – 8/31/16	\$125.00/hour
Ray Newman	9/1/15 – 8/31/16	\$125.00/hour
Timothy Prebe	9/1/15 – 8/31/16	\$125.00/hour
Darlene Pulliam	9/1/15 – 8/31/16	\$125.00/hour
Janet Ann Smith	9/1/15 – 8/31/16	\$125.00/hour
Mark Turner	9/1/15 – 8/31/16	\$125.00/hour
Neal Van Zante	9/1/15 – 8/31/16	\$125.00/hour
Alva Winston	9/1/15 – 8/31/16	\$125.00/hour
Steve Wright	9/1/15 – 8/31/16	\$125.00/hour

**FY 2015:**

Office of the Attorney General 9/1/14 – 8/31/15 \$100,000  
(To reflect actual contract amount. Projected expenditures for FY 2015 are estimated to be \$36,500)

- G. Mr. Baker reported on thank you notes from the public.
- H. Mr. Baker reported that Committee discussed if action should be taken by the Board on an exposure draft on the Statement on Standards for Continuing Professional Education (CPE) Programs (Standards). He noted that the committee will respond to the exposure draft prior to January, 2016.
- I. No action was taken on the appointment of Board's Nominating Committee.
- IV. Mr. Baker, Rules Committee Chair, reported on the Rules Committee meeting held September 16, 2015.

**Members Present**

J. Coalter Baker, CPA  
Rocky L. Duckworth, CPA  
William Lawrence  
Steve D. Peña, CPA

**Member Absent**

Maribess L. Miller, CPA

**Others Present**

Cliff Cavett, CPA  
Kevin Harris, CPA  
Donna Hugly, CPA  
Jon R. Keeney  
Tim LaFrey, Esq., CPA  
Frank McElroy, Esq.  
Gary McIntosh, CPA  
Bob Owen, CPA  
Bret Robertson, CPA  
Jack Savage, CPA

**Staff Present**

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

- A. Mr. Baker reported that no action was taken and that staff will research the law on professional corporations (PC) to determine if a CPA firm's ownership is limited to a PC.

B. Mr. Peña moved to authorize the executive director to publish the proposed revisions to Board *Rule 527.4 (Enrollment & Participation)* in the *Texas Register* for public comment. Ms. Hugly seconded the motion and it passed unanimously. **(ATTACHMENT 2)**

C. The next committee meeting was scheduled for November 18, 2015.

V. Ms. Hugly, Behavioral Enforcement Committee member, reported on the August 12, 2015 committee meeting.

**Members Present**

J. Coalter Baker, CPA  
John R. Broadus, 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. Keeney 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. 15-03-23L<sup>1</sup> and 15-03-24L<sup>1</sup>**
2. **Investigation Nos. 15-05-01L<sup>1</sup> and 15-05-02L<sup>1</sup>**
3. **Investigation Nos. 15-04-08L<sup>1</sup> and 15-04-09L<sup>1</sup>**
4. **Investigation Nos. 15-03-07L<sup>1</sup> and 15-03-08L<sup>1</sup>**

B. Mr. Keeney moved to dismiss **Investigation Nos. 15-04-02L<sup>1</sup> and 15-04-03L<sup>1</sup>** due to voluntary compliance. Ms. Fletcher seconded the motion and it passed.

C. Mr. Keeney moved to approve a request for the reinstatement of Wayne D. Chambers, a former licensee whose certificate was revoked by the Board as the result of **Investigation No. 11-01-08L<sup>1</sup>**. Mr. Worley seconded the motion and it passed.

D. Other – The committee considered 18 other investigations, which require no Board action at this time.

E. The next committee meeting was scheduled for October 20, 2015.

VI. Ms. Moher, Staff Attorney, reported on the status of the Enforcement Division's probation monitoring docket.

VII. 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.

VIII. The Board took the following actions on Agreed Consent Orders, Proposals for Decisions, Agreed Cease and Desist Orders:

**A. Agreed Consent Orders**

**Behavioral Enforcement Committee**

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

- |    |                           |                                      |                         |                        |
|----|---------------------------|--------------------------------------|-------------------------|------------------------|
| 1. | <b>Investigation No.:</b> | <b>15-03-17L</b>                     | <b>Hometown:</b>        | <b>Wills Point, TX</b> |
|    | <b>Respondent:</b>        | <b>Teresa Ann Byrd</b>               | <b>Certificate No.:</b> | <b>058120</b>          |
|    | <b>Rule Violations:</b>   | <b>501.74(b), 501.76, 501.90(12)</b> |                         |                        |
|    | <b>Act Violation:</b>     | <b>901.502(6)</b>                    |                         |                        |

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Respondent entered into an ACO with the Board whereby Respondent was reprimanded. In addition, Respondent must pay an administrative penalty of \$500 and \$75.04 in administrative costs within 30 days of the date of the Board Order. Respondent failed to respond to a client's inquiry, failed to return a client's original records and failed to complete an engagement despite accepting a retainer fee.<sup>1</sup>

2. **Investigation No.:** 14-12-08L **Hometown:** Katy, TX  
**Respondent:** Alison Ann Eddy-Wilkins **Certificate No.:** 085578  
**Rule Violations:** 501.90(12), 501.93  
**Act Violations:** 901.502(6), 901.502(11)  


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Respondent entered into an ACO with the Board whereby Respondent was reprimanded. In addition, Respondent must pay an administrative penalty of \$5,000 and \$2,500 in administrative costs within 30 days of the date of the Board Order. Respondent failed to complete an engagement and failed to respond to Board communications.<sup>1</sup>
3. **Investigation Nos.:** 14-08-05L & 14-08-06L **Hometown:** Rockwall, TX  
**Respondents:** Linda Fischer Ramsay & Linda F. Ramsay, CPA (Firm) **Certificate No.:** 089151  
**Rule Violation:** 527.4 **Firm License No.:** R00456  
**Act Violation:** 901.502(12)  


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Respondents entered into an ACO with the Board whereby Respondent and Respondent Firm were reprimanded. In addition, Respondent must pay \$211.84 in administrative costs within 30 days of the date of the Board Order. Respondent performed audits when Respondent Firm was not enrolled in Peer Review and failed to enroll in Peer Review within the required time period.<sup>1</sup>
4. **Investigation No.:** 14-06-04L **Hometown:** Dallas, TX  
**Respondent:** Jack William Savage **Certificate No.:** 023465  
**Rule Violation:** 501.74(b)  
**Act Violation:** 901.502(6)  


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Respondent entered into an ACO with the Board whereby Respondent was reprimanded. In addition, Respondent shall complete and submit proof of completion of eight hours of continuing professional education (CPE) in the area of franchise tax in addition to Respondent's annual CPE requirement. Finally, Respondent must pay \$1,558.31 in administrative costs within 30 days of the date of the Board Order. Respondent relied upon client-provided information to prepare a franchise tax report without obtaining additional support.<sup>2</sup>
5. **Investigation Nos.:** 14-09-03L & 14-09-04L **Hometown:** Richardson, TX  
**Respondents:** Sudhir P. Shah & Sudhir P. Shah (Firm) **Certificate No.:** 024407  
**Rule Violations:** 501.90(7), 501.81 **Firm License No.:** S01698  
**Act Violations:** 901.502(6), 901.502(12)  


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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 and \$107.20 in administrative costs within 30 days of the date of the Board Order. Respondent was placed under consent suspension from practice before the IRS on August 20, 2007 and did not notify the Board of his suspension.<sup>1</sup>
6. **Investigation Nos.:** 14-11-03L & 14-11-04L **Hometown:** Plano, TX  
**Respondents:** Elizabeth Ann Spinelli & Elizabeth Ann Spinelli (Firm) **Certificate No.:** 052273  
**Rule Violations:** 501.74, 501.90(2) **Firm License No.:** S07724  
**Act Violation:** 901.502(6)  


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Respondents entered into an ACO with the Board whereby Respondent and Respondent Firm were reprimanded. In addition, Respondent must pay an administrative penalty of \$2,500 and \$225.14 in administrative costs within 30 days of the date of the Board Order. Respondents knowingly used back-dated documentation to claim FNS credits in preparing clients' tax returns and failed to use due professional care in the performance of professional services.<sup>2</sup>
7. **Investigation Nos.:** 15-03-19L & 15-03-20L **Hometown:** Houston, TX  
**Respondents:** James Joseph Towey & James J. Towey, P.C. (Firm) **Certificate No.:** 060493  
**Rule Violation:** 501.74(d) **Firm License No.:** C04781  
**Act Violation:** 901.502(6)  


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Respondents entered into an ACO with the Board whereby Respondent and Respondent Firm were reprimanded. In addition, Respondent must pay an administrative penalty of \$1,000 and \$139.37 in administrative costs within 30 days of the date of the Board Order. Respondent and Respondent Firm, after attempting to collect fees pertaining to litigation support, filed a 1099-C Tax Form with the IRS advising that the client had realized income due to the discharge of indebtedness.<sup>1</sup>

- |    |   |  |   |  |
|----|---|--|---|--|
| 8. | <b>Investigation Nos.:</b><br><b>Respondents:</b><br><br><b>Rule Violations:</b><br><b>Act Violation:</b> | <b>15-02-10L &amp; 15-02-11L</b><br><b>Christopher John Wade &amp; Christopher J. Wade, CPA (Firm)</b><br><b>501.90(12), 501.74</b><br><b>901.502(6)</b> | <b>Hometown:</b><br><b>Certificate No.:</b><br><b>Firm License No.:</b> | <b>Arlington, TX</b><br><b>054730</b><br><b>T09551</b> |
|----|---|--|---|--|

Respondents entered into an ACO with the Board whereby Respondent and Respondent Firm were reprimanded. In addition, Respondent must pay an administrative penalty of \$750 and \$75.04 in administrative costs within 30 days of the date of the Board Order. Respondent and Respondent Firm failed to respond to a client's inquiry within a reasonable time without good cause and failed to exercise due professional care in the performance of professional services.<sup>2</sup>

- |    |   |   |   |                                      |
|----|---|---|---|--------------------------------------|
| 9. | <b>Investigation No.:</b><br><b>Respondent:</b><br><b>Rule Violation:</b><br><b>Act Violations:</b> | <b>15-05-08L</b><br><b>Stuart Bruce Zidell</b><br><b>501.90(4)</b><br><b>901.502(6), 901.502(10), 901.502(11)</b> | <b>Hometown:</b><br><b>Certificate No.:</b> | <b>Pasadena, TX</b><br><b>016258</b> |
|----|---|---|---|--------------------------------------|

Respondent entered into an ACO with the Board whereby Respondent's certificate was revoked in lieu of further disciplinary action. Respondent pled guilty to bankruptcy fraud, a felony.

#### **TECHNICAL STANDARDS REVIEW COMMITTEE (TSR)**

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

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|----|--|---|---|---|
| 1. | <b>Investigation Nos.:</b><br><b>Respondents:</b><br><br><b>Rule Violations:</b><br><b>Act Violations:</b> | <b>15-03-11L &amp; 15-05-04L</b><br><b>Frank Abram Ward &amp; Frank A. Ward, P.C. (Firm)</b><br><b>527.4, 527.5</b><br><b>901.502(6), 901.502(12)</b> | <b>Hometown:</b><br><b>Certificate No.:</b><br><b>Firm License No.:</b> | <b>Austin, TX</b><br><b>021825</b><br><b>C06423</b> |
|----|--|---|---|---|

Respondents entered into an ACO with the Board whereby Respondents are subject to a scope limitation. 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. During the term of scope limitation, Respondents are required to submit Limitation on Scope Affidavits every six months. Respondent Firm has received two successive deficient peer reviews and is no longer providing any attest work.<sup>3</sup>

- |    |  |  |  |                                       |
|----|--|--|--|---------------------------------------|
| 2. | <b>Investigation No.:</b><br><b>Respondent:</b><br><b>Rule Violations:</b><br><b>Act Violations:</b> | <b>15-01-27L</b><br><b>Gregory R. Seibert (Firm)</b><br><b>501.93, 527.5</b><br><b>901.502(6), 901.502(12)</b> | <b>Hometown:</b><br><b>Firm License No.:</b> | <b>Kerrville, TX</b><br><b>T03619</b> |
|----|--|--|--|---------------------------------------|

Respondent entered into an ACO with the Board whereby Respondent agreed to obtain an accelerated peer review to be completed and the results reported to the Board by June 30, 2017. Should Respondent receive a rating of "pass" on a timely completed peer review, the Board will take no further disciplinary action related to the successive deficient peer reviews. Should Respondent not receive a rating of "pass" or fail to timely complete the accelerated peer review, the Board may take further disciplinary action in consideration of the firm's peer review record. Respondent received two successive deficient peer review ratings but subsequently received a pass rating.<sup>3</sup>

#### **B. Mass Hearings**

Mr. Keeney moved to approve the following Proposals for Decision as presented. Ms. Hugly 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 3)

Docket	Investigation Numbers	Scheduled Hearing
457-15-2667	15-04-10001 – 15-04-10030	May 26, 2015
457-15-3218	15-05-10001 – 15-05-10037	June 30, 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 4)**

Docket	Investigation Numbers	Scheduled Hearing
457-15-2668	15-04-10031 – 15-02-10193	May 26, 2015
457-15-3219	15-05-10038 – 15-05-10167	June 30, 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 5)**

Docket	Investigation Numbers	Scheduled Hearing
457-15-2669	15-04-10194 – 15-04-10203	May 26, 2015
457-15-3220	15-05-10168 – 15-05-10175	June 30, 2015

### C. Cease and Desist Orders

Ms. Hugly moved to approve the following Cease and Desist Orders (CDOs) as presented. Mr. Broaddus seconded the motion and it passed unanimously.

1. Investigation No.:	15-03-19N	Hometown:	Carrollton, TX
Respondent:	Robert Lamson		
Act Violation:	901.451		

Staff initiated an investigation of this matter based on evidence that Respondent was using terms reserved by the *Act* for individuals and entities holding licenses issued by the Board. Staff determined that Respondent has not held individual or firm licenses issued by the Board during all relevant times. Respondent used the designation "CPA." This action constitutes a violation of *Act Section 901.451*. Respondent offered services to the public that involve the use of accounting, attest or auditing skills. Offering these services while representing to the public that he is licensed by the Board is the practice of public accountancy under *Section 901.003* of the *Act*. Respondent repeatedly failed to respond to the Board's attempts to gain Respondent's compliance. It was therefore necessary for the Board to immediately issue a CDO against Respondent.

2. Investigation No.: 15-02-12N Hometown: Gladewater, TX  
Respondent: Deena L. Berry dba Deena's CPA Services  
Act Violation: 901.451

Staff initiated an investigation of this matter based on evidence that Respondent was using terms reserved by the Act for individuals and entities holding licenses issued by the Board. Staff determined that Respondent has not held individual or firm licenses issued by the Board during all relevant times. Respondent used the designation "CPA." This action constitutes a violation of *Act Section 901.451*. Respondent offered services to the public that involve the use of accounting, attest or auditing skills. Offering these services while representing to the public that she is licensed by the Board is the practice of public accountancy under *Section 901.003 of the Act*. Respondent repeatedly failed to respond to the Board's attempts to gain Respondent's compliance. It was therefore necessary for the Board to immediately issue a CDO against Respondent.

#### D. Agreed Cease and Desist Orders

Mr. Broaddus moved to approve the following Agreed Cease and Desist Orders (ACDOs) as presented. Ms. Hugly seconded the motion and it passed unanimously.

1. **Investigation No.:** 15-06-10N **Hometown:** Cypress, TX  
**Respondents:** Linda V. Ezernack, Shaun L. Ezernack,  
and LS Financial Services Inc.  
**Act Violations:** 901.451, 901.453, 901.456

Respondents entered into an ACDO with the Board whereby Respondents will cease and desist from providing attest services and using reserved terms until or unless Respondents comply with the registration and licensing provisions of the *Act*, and until or unless Respondents have obtained a license to practice accountancy in Texas. Respondents used the titles "certified public accountants" and "accountant" and offered to provide attest services, specifically audits, reviews and compilations, although Respondents do not hold licenses in Texas. This action constitutes a violation of *Act Sections 901.451, 901.453 and 901.456*.

2. **Investigation No.:** 15-07-08N **Hometown:** Pearland, TX  
**Respondent:** Joyce Arnold  
**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 practice accountancy in Texas. Respondent used the title "accountant," offered "accounting services" and provided an attest service, specifically a review, although Respondent does not hold licenses in Texas. This action constitutes a violation of *Act Sections 901.453 and 901.456*.

- IX. Mr. Keeney moved to adopt the following Rules as presented. Mr. Broadus seconded the motion and it passed unanimously.

1. *Section 512.6 (Reciprocal Fee) (ATTACHMENT 6)*
2. *Section 515.5 (Reinstatement of a Certificate or License in the Absence of a Violation of the Board's Rules of Professional Conduct) (ATTACHMENT 7)*
3. *Section 515.11 (Exemption from Payment of the Professional Fee for Other than State of Texas Government Employees) REPEAL*
4. *Section 515.12 (Exemption from Payment of the Professional Fee for State of Texas Employees) REPEAL*
5. *Section 521.1 (Individual License Fees) (ATTACHMENT 8)*
6. *Section 521.7 (Fee for Transfer of Credits) (ATTACHMENT 9)*
7. *Section 521.8 (Retired or Disabled Status) (ATTACHMENT 10)*
8. *Section 521.9 (Certification Fee) (ATTACHMENT 11)*
9. *Section 521.12 (Filing Fee) (ATTACHMENT 12)*
10. *Section 521.14 (Eligibility Fee) (ATTACHMENT 13)*

- X. Mr. Baker reviewed the schedule of future Board meetings.

- XI. Mr. Baker adjourned the meeting at 11:09 a.m.

**ATTEST:**

\_\_\_\_\_  
J. Coalter Baker, CPA, Presiding Officer

\_\_\_\_\_  
Steve D. Peña, CPA, Secretary

<sup>1</sup> Mr. Baker, Mr. Broadus, Mr. Cluck and Ms. Hugly recused themselves from participating in this matter.

<sup>2</sup> Mr. Baker, Mr. Broadus and Ms. Hugly recused themselves from participating in this matter.

<sup>3</sup> Mr. Duckworth, Mr. Keeney, and Mr. Peña recused themselves from participating in this matter.