

# Texas State Board of Public Accountancy

## March 11, 2021

The Texas State Board of Public Accountancy met virtually from 10:07 a.m. until 11:57 a.m. on March 11, 2021 at 505 E. Huntland Dr., Ste. 380, Austin, Texas 78752. A notice of this meeting containing all items on the agenda was filed with the Office of the Secretary of State at 11:53 a.m. on March 1, 2021. (TRD #2021-001333).  
(ATTACHMENT 1)

### Board Members Present

Kelly V. Aimone, Esq.  
Manuel Cavazos IV, Esq., CPA  
*Presiding Officer*  
Lisa A. Friel, CPA  
*Executive Committee*  
*Member-at-Large*  
Jamie D. Grant  
Jill A. Holup  
James D. Ingram IV, CPA  
Ross T. Johnson, CPA  
*Executive Committee*  
*Member-at-Large*  
Kevin J. Koch, CPA  
Timothy L. LaFrey, Esq., CPA  
*Secretary*  
Roselyn E. Morris, Ph.D., CPA  
*Assistant Presiding Officer*  
Benjamin Peña, CPA  
*Treasurer*  
Debra D. Seefeld, CPA  
Debra S. Sharp  
Jeannette P. Smith, CPA  
Kimberly E. Wilkerson, Esq.  
*Executive Committee*  
*Member-at-Large*

### Others Present

Kenneth Besserman, Esq.  
Colleen Conrad, CPA  
Julie Davis  
Michael Decker  
Felicia Farrar, CPA  
Renee Foshee, Esq., CPA  
Jeff Price  
Jodi Ann Ray

### Staff Present

Paulette Beiter, Esq.  
Roel Cantu  
Ismael Castillo  
Ann Hallam, PMP  
Alan Hermanson, CPA  
J. Randel Hill, Esq.  
Donna Hiller  
Marissa Mahoney  
John Moore, Esq.  
Julie Prien  
Marisa Rios  
William Treacy  
Daniel Weaver

- I. Mr. Cavazos, Presiding Officer, called the meeting to order at 10:07 a.m. Mr. Treacy called roll and declared a quorum.
- II. Mr. Ingram moved to approve the January 14, 2021 Board meeting minutes as amended. Mr. Koch seconded the motion and it passed unanimously.
- III. After a call for public comments, there were no comments from the public.
- IV. Mr. Cavazos, Executive Committee Chair, reported on the March 10, 2021 virtual committee meeting.

### Members Present

Manuel Cavazos IV, Esq.,  
CPA  
Lisa A. Friel, CPA  
Ross T. Johnson, CPA  
Timothy L. LaFrey, Esq., CPA  
Roselyn E. Morris, Ph.D., CPA  
Benjamin Peña, CPA  
Kimberly E. Wilkerson, Esq.

### Others Present

Kenneth Besserman, Esq.  
D. Reed  
Chris Smith

### Staff Present

Roel Cantu  
Ann Hallam, PMP  
Alan Hermanson, CPA  
J. Randel Hill, Esq.  
Donna Hiller  
Marisa Rios  
William Treacy  
Daniel Weaver

- A. Dr. Morris moved to approve the Board's financial statements as presented. Mr. Koch seconded the motion and it passed unanimously.
- B. Mr. Peña reported that the committee discussed the Board's Budget Plan for FY 2022 and additional information will be presented at the May 2021 Board meeting and at the July 2021 Board meeting for final approval.

- C. Mr. Cavazos, Presiding Officer, and Mr. Peña discussed the internal audit function of the agency. Mr. Peña indicated that the Board formed an Ad Hoc Audit Committee in (January 2018) which was comprised of Mr. Peña, Ms. Friel, and Mr. McAdams (former Board Treasurer). This ad hoc committee determined that the internal audit of the agency would be held in abeyance due to the ongoing Sunset Review, State Audit, and Post Payment Audit. Mr. Cavazos recommended that it was now appropriate to restart the internal audit process and appointed the ad hoc committee members as follows:

Manuel "Manny" Cavazos IV, Esq., CPA, Presiding Officer  
Ben Peña, CPA, Treasurer  
Lisa Friel, CPA, Member-at-large  
Ross Johnson, CPA, Member-at-large  
Kevin Koch, CPA, Incoming Treasurer

- D. Mr. Treacy reported on NASBA/AICPA matters:

- NASBA dates of interest:
  1. 39<sup>th</sup> Annual Conference for Executive Directors and Board Staff  
April 12-14, 2021 – Clearwater Beach, FL - Virtual
  2. 26<sup>th</sup> Annual Conference for Board of Accountancy Legal Counsel  
April 13-14, 2021 – Clearwater Beach, FL - Virtual
  3. Western Regional Meeting  
June 22-23, 2021 – Colorado Springs, CO - Virtual
  4. 114<sup>th</sup> NASBA Annual Meeting  
October 31 – November 3, 2021 – San Diego, CA
  5. Colleen K. Conrad, CPA and Michael A. Decker gave a presentation to the Board regarding NASBA's *Proposed Pilot of Remote Proctoring of CPA Examination: Update and FAQs for Boards of Accountancy* (White Paper). Dr. Morris moved to accept the scores from remote testing candidate participants. Ms. Friel seconded the motion and it passed unanimously.

- E. Mr. Cavazos reported on general correspondence coming to the Board's attention.

- V. Mr. LaFrey, Rules Committee Chair, reported on the March 10, 2021 virtual Rules committee meeting.

**Members Present**

Manuel Cavazos IV, Esq., CPA  
Jill A. Holup  
Ross T. Johnson, CPA  
Timothy L. LaFrey, Esq., CPA  
Roselyn E. Morris, Ph.D., CPA  
Benjamin Peña, CPA

**Members Absent**

Lisa A. Friel, CPA  
Kimberly E. Wilkerson, Esq.

**Others Present**

Kenneth Besserman, Esq.  
Renee Foshee, CPA  
Gary McIntosh, CPA

**Staff Present**

Paulette Beiter, Esq.  
Ann Hallam, PMP  
Alan Hermanson, CPA  
J. Randel Hill, Esq.  
Donna Hiller  
Marisa Rios  
William Treacy  
Daniel Weaver

- A. Mr. LaFrey moved to re-adopt *Chapter 511 (Eligibility)* rules that are not proposed to be revised pursuant to *Section 2001.039 of the Texas Government Code* and to authorize the executive director to publish the proposed amendments in the *Texas Register* for public comment. Dr. Morris seconded the motion and it passed unanimously. **(ATTACHMENT 2)**
- B. Mr. LaFrey moved to authorize the executive director to publish the proposed amendment to *Rule 515.4 (License Expiration)* in the *Texas Register* for public comment. Dr. Morris seconded the motion and it passed unanimously. **(ATTACHMENT 3)**
- C. Mr. LaFrey informed the Board that the next committee meeting will be held May 12, 2021 at 1:30 p.m.

- VI. Mr. Weaver, Director of Licensing, reported on the status of the fingerprinting process and on the Unauthorized Practice of Public Accountancy.

- VII. Mr. Peña, Behavioral Enforcement Committee Chair, reported on the following virtual committee meeting:

**February 24, 2021**

**Members Present**

Charles B. Allison, CPA  
Patrick Durio, CPA  
James D. Ingram IV, CPA  
Karen Jones, CPA  
Kevin Koch, CPA  
Jeannette P. Smith, CPA

John Pearce, Esq., CPA  
Benjamin Peña, CPA  
Debra Sharp

**Staff Present**

Paulette Beiter, Esq.  
J. Randel Hill, Esq.  
John Moore, Esq.

- A. Dr. Morris moved to dismiss the following investigations based upon insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Friel seconded the motion and it passed. The BEC Board members did not participate in the vote.

1. Investigation Nos. 20-11-01L<sup>1</sup>, 20-11-02L<sup>1</sup> and 20-11-03L<sup>1</sup>
2. Investigation No. 20-12-03L<sup>1</sup>
3. Investigation Nos. 20-09-39L<sup>1</sup> and 20-09-40L<sup>1</sup>
4. Investigation No. 21-01-01L<sup>1</sup>
5. Investigation No. 20-10-09L<sup>1</sup>

- B. Other – The committee considered three other matters during this meeting; however, these matters did not require Board action at this time.

- VIII. Mr. Johnson, Technical Standards Review Committee Chair, reported on the following virtual committee meeting:

**January 14, 2021**

**Members Present**

Kelly V. Aimone, Esq.  
Lisa A. Friel, CPA  
Jamie Grant  
Jeffrey L. Johanns, CPA  
Ross Johnson, CPA  
Robert M. McAdams, CPA  
Debra Seefeld, CPA  
Dilliana Stewart, CPA

**Member Absent**

Juliet Williams, CPA

**Staff Present**

J. Randel Hill, Esq.  
John Moore, Esq.

- A. Mr. Peña moved to dismiss the following investigations based upon insufficient evidence of a violation of the *Act* or the *Rules*. Mr. Koch seconded the motion and it passed. The TSR Board members did not participate in the vote.

1. Investigation Nos. 20-01-12L<sup>2</sup>, 20-01-13L<sup>2</sup>, and 20-01-14L<sup>2</sup>
2. Investigation No. 20-11-07L<sup>2</sup>
3. Investigation No. 20-11-08L<sup>2</sup>

- B. Request for Reinstatement:

- Dr. Morris moved to reinstate Investigation No. 10-07-28L<sup>2</sup> as presented. Mr. Koch seconded the motion and it passed. The TSR Board members did not participate in the vote.

- C. Request to lift Limited Scope status:

- Mr. Koch moved to deny Investigation No. 20-02-03A<sup>2</sup> request to be removed from limited scope. Mr. Peña seconded the motion and it passed. The TSR Board members did not participate in the vote.

- D. Other – The committee considered nine other matters during its meeting; however, these matters did not require Board action at this time.

- IX. Mr. Hill, General Counsel, reported on the status of the Enforcement Division's probation and limited scope monitoring program.
- X. The Board took the following actions on agreed consent orders (ACOs) and administrative disciplinary actions:

**A. Agreed Consent Orders:**

**Behavioral Enforcement Committee**

Dr. Morris moved to approve the following ACOs as presented. Mr. Johnson seconded the motion and it passed. The BEC Board members did not participate in the vote.

1. **Investigation No.:** 20-08-03L **Hometown:** Georgetown, TX  
**Respondent:** John Andrew Dean **Certificate No.:** 103797  
**Rule Violations:** 501.90(5), 501.93  
**Act Violations:** 901.502(6), 901.502(11)  


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Respondent entered into an ACO with the Board whereby Respondent's certificate was revoked and he agreed to pay \$482.30 in administrative costs. Respondent was convicted of possession of a controlled substance, evading arrest, assault causing bodily injury to a family member and resisting arrest. In addition, Respondent failed to respond to Board communications.<sup>3</sup>
2. **Investigation Nos.:** 20-08-11L & 20-08-12L **Hometown:** Pass Christian, MS  
**Respondents:** Chris Colin Frederickson **Certificate No.:** 025215  
& Chris Colin Frederickson-Firm **Firm License No.:** S01840  
**Rule Violations:** 501.74(b), 501.76, 501.80, 501.81, 501.90(12)  
**Act Violations:** 901.502(6), 901.502(11)  


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Respondents entered into an ACO with the Board whereby the Board accepted Respondent's involuntary surrender of his certificate in lieu of further disciplinary proceedings. Respondents failed to complete an engagement, failed to respond to clients' requests for information, failed to return client records upon request and practiced while both the individual and firm license were delinquent/expired.<sup>3</sup>
3. **Investigation No.:** 20-10-05L **Hometown:** Jacksonville, FL  
**Respondent:** Duncan Kyle Furrh **Certificate No.:** 089168  
**Rule Violation:** 501.90(5)  
**Act Violations:** 901.502(6), 901.502(11)  


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Respondent entered into an ACO with the Board whereby Respondent's certificate was revoked, however, the revocation was stayed and Respondent was placed on probation for five years under certain conditions. Respondent was convicted of Driving While Intoxicated.<sup>3</sup>
4. **Investigation Nos.:** 20-09-41L & 20-09-42L **Hometown:** Stephenville, TX  
**Respondents:** Sueann Porter & Sueann **Certificate No.:** 070270  
Porter, CPA PLLC **Firm License No.:** C09267  
**Rule Violations:** 501.81, 527.4  
**Act Violation:** 901.502(6)  


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Respondent entered into an ACO with the Board whereby Respondents were reprimanded and Respondent Firm's license placed on limited scope status until Respondent Firm receives a rating of pass on its peer review. In addition, Respondent Firm is ordered to pay a \$1,000 administrative penalty and \$620.97 in administrative costs within 60 days of the Board Order. Respondent practiced through Respondent Firm and offered attest services while Respondent Firm's license was delinquent/expired. Respondent Firm was dropped from the American Institute of Certified Public Accountants Peer Review Program and failed to complete peer review.<sup>3</sup>

**Technical Standards Review Committee**

Mr. Ingram moved to approve the following ACOs as presented. Mr. Peña seconded the motion and it passed. The TSR Board members did not participate in the vote.

1. **Investigation Nos.:** 19-09-13L & 19-09-14L  
**Respondents:** Timothy R. Porter & Pressler, Thompson and Company, LLC  
**Rule Violation:** 501.60  
**Act Violation:** 901.502(6)  
**Hometown:** Kerrville, TX  
**Certificate No.:** 024258  
**Firm License No.:** C08934

Respondents entered into an ACO with the Board whereby Respondents were reprimanded, assessed an administrative penalty of \$10,000 and administrative costs of \$32,640. Further, Respondents' certificate and firm license were placed on limited scope whereby Respondents are prohibited from performing audits for for-profit entities without a pre-issuance reviewer approved by the Chair of the TSR Committee. Respondent Firm issued audit reports for a for-profit company that failed to meet professional standards.<sup>2</sup>

2. **Investigation No.:** 20-09-20L  
**Respondent:** Claire Frances Austin  
**Rule Violations:** 501.73, 523.114  
**Act Violation:** 901.502(6)  
**Hometown:** Dallas, TX  
**Certificate No.:** 108920

Respondent entered into an ACO with the Board whereby Respondent was reprimanded and assessed an administrative penalty of \$1,000 to be paid in installments. Respondent received, sent or requested exam answers to internally administered continuing professional education exams.<sup>2</sup>

3. **Investigation No.:** 20-11-06L  
**Respondent:** Zachary T. Ratcliffe  
**Rule Violations:** 501.73, 523.114  
**Act Violation:** 901.502(6)  
**Hometown:** Denver, CO  
**Certificate No.:** 111286

Respondent entered into an ACO with the Board whereby Respondent was reprimanded and assessed an administrative penalty of \$1,000 to be paid in installments. Respondent received, sent or requested exam answers to internally administered continuing professional education exams.<sup>2</sup>

4. **Investigation Nos.:** 19-11-01L & 19-11-02L  
**Respondents:** Erskine Delacy Payne & Erskine Payne CPA, PLLC  
**Rule Violations:** 501.60, 501.62, 527.4  
**Act Violations:** 901.159, 901.502(6), 901.502(11)  
**Hometown:** Houston, TX  
**Certificate No.:** 063810  
**Firm License No.:** C07610

Respondents entered into an ACO with the Board whereby Respondents were reprimanded, assessed an administrative penalty of \$15,000 and administrative costs of \$641.49. Respondents are prohibited from performing audits, compilations and reviews for non-profit and governmental entities. Respondent Firm issued audit reports for several entities while the Respondent Firm was not enrolled in the AICPA Peer Review Program.<sup>2</sup>

#### B. Administrative Disciplinary Actions:

Mr. Peña moved to approve the following Disciplinary Actions as presented. Ms. Smith 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. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the certificate of each Respondent still not in compliance be revoked without prejudice. Each Respondent may regain his or her certificate by paying all license fees and late fees and by otherwise coming into compliance with the Act. Respondents violated *Act Section 901.502(4) (failure to pay license fees for three consecutive years)*. (ATTACHMENT 4)

#### **Investigation Numbers**

20-10-10001 – 20-10-10046

20-11-10001 – 20-11-10046

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 Act Section 901.411 (Continuing Professional Education)*. The Respondents, although having been notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the license of each Respondent still 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, staff recommends a \$100 penalty be imposed for each year a Respondent is not in compliance with the Board's CPE requirements. Respondents violated Board *Rules 501.94 (Mandatory CPE)* and *523.111 (Required CPE Reporting)*, and *Act Section 901.411*. (ATTACHMENT 5)

**Investigation Numbers**

20-10-10084 – 20-10-10217  
20-11-10087 – 20-11-10250

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 Board *Rule 515.3 (License Renewals for Individuals and Firm Offices)*. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends 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*. Respondents violated *Act Section 901.502(12) (Violations of Board Rules)*. (ATTACHMENT 6)

**Investigation Numbers**

20-10-10218 – 20-10-10228  
20-11-10251 – 20-11-10281

C. **Proposal for Decisions:**

Ms. Smith moved to approve the following Disciplinary Actions as presented. Mr. Grant seconded the motion and it passed unanimously.

- |                               |  |                          |                 |
|-------------------------------|--|--------------------------|-----------------|
| 1. <b>Investigation Nos.:</b> | <b>20-06-13L, 20-06-14L,<br/>20-06-15L, 20-06-16L,<br/>20-08-05L, 20-08-06L,<br/>20-08-07L &amp; 20-08-08L</b> | <b>Hometown:</b>         | <b>Katy, TX</b> |
|                               |  | <b>Certificate No.:</b>  | <b>096748</b>   |
|                               |  | <b>Firm License No.:</b> | <b>C10021</b>   |

**Respondents:** Edward Lee Batinga & Batinga CPA PLLC (Firm)

**Rule Violations:** 501.74(b), 501.76, 501.90(12), 501.93

**Act Violations:** 901.502(6), 901.502(11)

Respondents failed to respond to an offer of an ACO by the BEC revoking the Respondents' certificate and licenses for: failing to file business and personal income tax returns and a business Franchise Tax Report for two clients; failing to file for an extension to file an income tax return; incorrectly preparing income tax returns and failing to respond to clients' inquiries; and for failing to respond to written communications from the Board. During the course of four investigations, the Respondents failed to respond to several communications from the Board or did not respond to communications from the Board on a timely basis. The Board revoked the Respondents' certificate and licenses, assessed an administrative penalty of \$10,000, and administrative costs of \$2,260.82.<sup>4</sup>

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|-------------------------------|--|--------------------------|---------------------|
| 2. <b>Investigation Nos.:</b> | <b>20-01-05L, 20-01-06L,<br/>20-02-11L &amp; 20-02-12L</b> | <b>Hometown:</b>         | <b>Granbury, TX</b> |
|                               |  | <b>Certificate No.:</b>  | <b>048488</b>       |
|                               |  | <b>Firm License No.:</b> | <b>C04460</b>       |

**Respondents:** Douglas Alan Fleming & Barker & Fleming PC (Firm)

**Rule Violations:** 501.74(b), 501.76, 501.90(12)

**Act Violations:** 901.502(6), 901.502(11)

Respondents failed to respond to an offer of an ACO by the BEC revoking the Respondents' certificate and licenses for: failing to file federal income tax return for a client for the years 2015 through 2018; failing to timely file a tax form with the Internal Revenue Service; failing to respond to clients' inquiries; and failing to return client records. During the course of two investigations, the Respondents failed to respond to several communications from the Board or did not respond to communications from the Board on a timely basis. The Board revoked the Respondents' certificate and licenses, assessed an administrative penalty of \$10,000, and administrative costs of \$1,477.95.<sup>1</sup>

3. Investigation Nos.:	20-03-08L, 20-03-09L, 20-05-07L, & 20-05-08L	Hometown:	El Paso, TX
Respondents:	Brenda Roxanne Samaniego & Roxie Samaniego, CPA, P.C. (Firm)	Certificate No.:	085274
Rule Violations:	501.74(b), 501.90(2), 501.90(10), 501.90(12), 501.93	Firm License No.:	C10325
Act Violations:	901.502(6), 901.502(11)		

Respondents failed to respond to an offer of an ACO by the BEC revoking the Respondents' certificate and licenses for: failing to return an overpayment for an engagement to prepare audited financial statements and tax returns for non-profit corporations; failing to return an overpayment for a second audit engagement; and failing to respond to clients' inquiries. During the course of two investigations, the Respondents failed to respond to several communications from the Board or did not respond to communications from the Board on a timely basis. The Board revoked the Respondents' certificate and licenses, assessed an administrative penalty of \$20,000, and administrative costs of \$1,531.82.<sup>1</sup>

XI. Mr. Koch moved to adopt the following Board *Rules* as presented. Mr. Peña seconded the motion and it passed unanimously.

1. *Rule 512.4 (Application for Certification by Reciprocity) (ATTACHMENT 7)*
2. *Rule 515.1 (Registration of Foreign Practitioners with Substantially Equivalent Qualifications) (ATTACHMENT 8)*
3. *Rule 515.3 (License Renewals for Individuals and Firm Offices) (ATTACHMENT 9)*
4. *Rule 517.1 (Practice by Certain Out of State Firms) (ATTACHMENT 10)*
5. *Rule 517.2 (Practice by Certain Out of State Individuals) (ATTACHMENT 11)*
6. *Rule 527.7 (Peer Review Oversight Board) (ATTACHMENT 12)*

XII. Mr. Cavazos reviewed the meeting schedule for the year.

XIII. Mr. Cavazos adjourned the meeting at 11:57 a.m.

**ATTEST:**

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Manuel Cavazos IV, Esq., CPA, Presiding Officer

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James D. Ingram IV, CPA, Secretary

<sup>1</sup>Mr. Ingram, Mr. Koch, Mr. Peña, Ms. Sharp, and Ms. Smith recused themselves from participating in this matter.

<sup>2</sup>Ms. Aimone, Ms. Friel, Mr. Grant, Mr. Johnson and Ms. Seefeld recused themselves from participating in this matter.

<sup>3</sup>Mr. Ingram, Mr. Koch, Mr. Peña, and Ms. Smith recused themselves from participating in this matter.

<sup>4</sup>Mr. Ingram, Mr. Koch, Mr. Peña, and Ms. Sharp recused themselves from participating in this matter.