

# Texas State Board of Public Accountancy

## January 13, 2022

The Texas State Board of Public Accountancy met by video conference and in-person from 10:00 a.m. until 11:31 a.m. on January 13, 2022. A notice of this meeting containing all items on the agenda and in accordance with *Section 551.127* of the *Texas Government Code* and the Governor's suspension of certain provisions of *Section 551.127* of the *Government Code* was filed with the Office of the Secretary of State at 11:41 a.m. on December 21, 2021. (TRD #2021-007536) (ATTACHMENT 1)

### Board Members Present

Manuel Cavazos IV, Esq., CPA  
*Presiding Officer*  
Olivia Espinoza-Riley, CPA  
Renee D. Foshee, Esq., CPA  
Lisa A. Friel, CPA  
*Assistant Presiding Officer*  
Himesh M. Gandhi, Esq.  
Ray R. Garcia, CPA  
Jamie D. Grant  
*Executive Committee*  
*Member-at-Large*  
Jill A. Holup  
James D. Ingram IV, CPA  
*Secretary*  
Kevin J. Koch, CPA  
*Treasurer*  
Debra D. Seefeld, CPA  
*Executive Committee*  
*Member-at-Large*  
Debra S. Sharp  
*Executive Committee*  
*Member-at-Large*

### Members Absent

Susan I. Adams, CPA  
excused  
Jeannette P. Smith, CPA  
excused  
Sheila M. Vallés-Pankratz  
excused

### Others Present

Kenneth Besserman, Esq.  
Julie Davis, Esq.  
Yolanda Ordonez  
Jodi Ann Ray  
Jarred Shaffer

### Staff Present

Paulette Beiter, Esq.  
Roel Cantu  
Ismael Castillo  
Ann Hallam, PMP  
Alan Hermanson, CPA  
J. Randel Hill, Esq.  
Donna Hiller  
Kyle McGaw  
John Moore, Esq.  
Brian O'Neal  
Thomas Payne  
Julie Prien  
Marisa Rios  
William Treacy  
Daniel Weaver

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

Mr. Ingram moved to excuse the absence of Ms. Adams, Ms. Smith, and Ms. Vallés-Pankratz from the Board Meeting. Mr. Koch seconded the motion and it passed unanimously.

At this time, Mr. Cavazos introduced Mr. Himesh M. Gandhi, Esq. as a newly-appointed Board Member.

- II. Ms. Holup moved to approve the November 11, 2021 Board meeting minutes as presented. Ms. Sharp 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 January 12, 2022 (video conference and in-person) committee meeting.

### Members Present

Manuel Cavazos IV, Esq., CPA  
Jamie D. Grant  
James D. Ingram IV, CPA  
Kevin J. Koch, CPA  
Debra D. Seefeld, CPA

### Members Absent

Lisa A. Friel, CPA  
excused  
Debra S. Sharp

### Others Present

Kenneth Besserman, Esq.  
Jarred Shaffer

### Staff Present

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

- A. Ms. Espinoza-Riley, moved to approve the Board's financial statements as presented. Mr. Grant seconded the motion and it passed unanimously.
- B. Mr. Gandhi moved to approve the Board's Affirmative Action Report CY 2021 as presented. Mr. Koch seconded the motion and it passed unanimously.

- C. Mr. Treacy and Mr. Hermanson reported on the Board's Historically Underutilized Businesses (HUB) Expenditure Summary and 20 years of Self-Directed, Semi-Independent (SDSI) status.
- D. Mr. Cavazos and Mr. Treacy reported on NASBA/AICPA matters:
  - 1. NASBA dates of interest:
    - a. 40<sup>th</sup> Annual Conference for Executive Directors and Board Staff - April 25-27, 2022 – Clearwater Beach, FL
    - b. 27<sup>th</sup> Annual Conference for Board of Accountancy Legal Counsel - April 25 – 27, 2022 – Clearwater Beach, FL
    - c. Western Regional Meeting - June 7-9, 2022 – Colorado Springs, CO
    - d. 115<sup>th</sup> NASBA Annual Meeting - October 30 – November 2, 2022 – San Diego, CA (tentative)
  - 2. NASBA committee appointments
- E. Mr. Koch moved to approve the request of a firm to continue operating under *Section 513.16 (Death or Incapacitation of Firm Owner)*. Ms. Espinoza-Riley seconded the motion and it passed unanimously.
- F. Mr. Cavazos reported on general correspondence coming to the Board's attention.
- V. Mr. Grant, Licensing Committee Chair, reported on the department's activities regarding the fingerprinting progress and the December 2021 Swearing-in Ceremony.
- VI. Ms. Sharp, Constructive Enforcement Committee Chair, reported on the Board's Unlicensed Practice of Public Accountancy Program.
- VII. Mr. Ingram, Behavioral Enforcement Committee Chair, reported on the following virtual committee meetings:

**June 30, 2021**

**Members Present**

Susan I. Adams, CPA  
Charles B. Allison, CPA  
Patricia C. Culver, CPA  
Patrick Durio, CPA  
Jill A. Holup

James D. Ingram IV, CPA  
Phillip D. Johnson, CPA  
Kevin J. Koch, CPA  
Debra Sharp  
Jeannette P. Smith, CPA

**Staff Present**

Paulette Beiter, Esq.  
J. Randel Hill, Esq

- Mr. Garcia moved to dismiss **Investigation No. 21-05-01L<sup>1</sup>** based upon voluntary compliance with the *Act* and the *Rules*. Ms. Espinoza-Riley seconded the motion and it passed.

**October 20, 2021**

**Members Present**

Susan I. Adams, CPA  
Charles B. Allison, CPA  
Patricia C. Culver, CPA  
Patrick Durio, CPA  
Jill A. Holup

James D. Ingram IV, CPA  
Phillip D. Johnson, CPA  
Kevin J. Koch, CPA  
Debra Sharp  
Jeannette P. Smith, CPA

**Staff Present**

Paulette Beiter, Esq.  
J. Randel Hill, Esq

- Ms. Friel moved to dismiss the following based upon voluntary compliance with the *Act* and the *Rules*. Mr. Garcia seconded the motion and it passed.

- 1. **Investigation No. 21-08-04L<sup>1</sup>**
- 2. **Investigation Nos. 21-09-39L<sup>1</sup> and 21-09-40L<sup>1</sup>**

**December 9, 2021**

**Members Present**

Susan I. Adams, CPA  
Charles B. Allison, CPA  
Patrick Durio, CPA  
Jill A. Holup  
James D. Ingram IV, CPA  
Phillip D. Johnson, CPA  
Kevin J. Koch, CPA  
Debra Sharp

**Members Absent**

Patricia C. Culver, CPA  
Jeannette P. Smith, CPA

**Staff Present**

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

- A. Mr. Garcia moved to dismiss the following based upon insufficient evidence with the *Act* and the *Rules*. Ms. Espinoza-Riley seconded the motion and it passed.

1. **Investigation Nos. 21-08-12L<sup>1</sup>, 21-08-13L<sup>1</sup>, and 21-09-01P<sup>1</sup>**
2. **Investigation Nos. 21-08-14L<sup>1</sup> and 21-08-15L<sup>1</sup>**
3. **Investigation Nos. 21-09-41L<sup>1</sup> and 21-09-42L<sup>1</sup>**
4. **Investigation Nos. 21-10-01L<sup>1</sup> and 21-10-02L<sup>1</sup>**
5. **Investigation Nos. 21-10-03L<sup>1</sup> and 21-10-04L<sup>1</sup>**
6. **Investigation Nos. 21-09-43L<sup>1</sup> and 21-09-44L<sup>1</sup>**

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

- VIII. The Board took the following actions on agreed consent orders (ACOs) and administrative disciplinary actions:

A. **Agreed Consent Order:**

**Behavioral Enforcement Committee**

Ms. Friel moved to approve the following ACO as presented. Mr. Garcia seconded the motion and it passed. The BEC Board members did not participate in the vote.

- |                             |                                       |                         |                       |
|-----------------------------|---------------------------------------|-------------------------|-----------------------|
| • <b>Investigation No.:</b> | <b>21-04-05L</b>                      | <b>Hometown:</b>        | <b>Gladewater, TX</b> |
| <b>Respondent:</b>          | <b>Amber Elizabeth Johns (Rogers)</b> | <b>Certificate No.:</b> | <b>106728</b>         |
| <b>Rule Violations:</b>     | <b>501.90(2), 501.90(10)</b>          |                         |                       |
| <b>Act Violations:</b>      | <b>901.502(6), 901.502(11)</b>        |                         |                       |

Respondent entered into an ACO with the Board whereby Respondent's certificate was revoked. Respondent made undocumented and unauthorized payment transactions from her employer's account to her own personal accounts.<sup>1</sup>

**Technical Standards Review Committee**

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

- |                               |   |                          |                              |
|-------------------------------|---|--------------------------|------------------------------|
| 1. <b>Investigation Nos.:</b> | <b>21-08-10L &amp; 21-08-16L</b>                            | <b>Hometown:</b>         | <b>N. Richland Hills, TX</b> |
| <b>Respondents:</b>           | <b>Sabrina Colleen Hill and<br/>Sabrina Hill, CPA, PLLC</b> | <b>Certificate No.:</b>  | <b>107230</b>                |
|                               |   | <b>Firm License No.:</b> | <b>R02029</b>                |
| <b>Rule Violation:</b>        | <b>527.4</b>  |                          |                              |
| <b>Act Violations:</b>        | <b>901.159, 901.502(6), 901.502(11)</b>                     |                          |                              |

Respondents entered into an ACO with the Board whereby Respondents were reprimanded, assessed an administrative penalty of \$3,000 and administrative costs of \$456.99, and placed on limited scope prohibiting them from performing audits, compilations and reviews at least until the Respondent firm undergoes a peer review. Respondent firm issued audit reports for several entities while the Respondent firm was not enrolled in the AICPA Peer Review Program.<sup>2</sup>

- |                              |                                     |                          |                    |
|------------------------------|-------------------------------------|--------------------------|--------------------|
| 2. <b>Investigation No.:</b> | <b>19-10-12L</b>                    | <b>Hometown:</b>         | <b>Houston, TX</b> |
| <b>Respondent:</b>           | <b>Snell, Levin &amp; Co., RLLC</b> | <b>Firm License No.:</b> | <b>P04882</b>      |
| <b>Rule Violation:</b>       | <b>527.4</b>                        |                          |                    |
| <b>Act Violation:</b>        | <b>901.159, 901.502(6)</b>          |                          |                    |

Respondent firm entered into an ACO with the Board whereby Respondent firm was reprimanded, assessed an administrative penalty of \$6,500 and administrative costs of \$580.73. In addition, Respondent firm was placed on limited scope prohibiting it from performing audits, compilations and reviews and agreed to disenroll from the AICPA Peer Review Program. 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. Koch moved to approve the following Disciplinary Actions as presented. Mr. Ingram 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 2)

**Investigation Numbers**

21-08-10001 – 21-08-10068

21-09-10001 – 21-09-10060

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 3)

**Investigation Numbers**

21-08-10069 – 21-08-10292

21-09-10061 – 21-09-10273

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 4)

**Investigation Numbers**

21-08-10293 – 21-08-10321

21-09-10274 – 21-09-10314

**C. Proposed Default Judgment Board Order:**

Mr. Gandhi moved to approve the following Proposed Default Judgment Board Order as presented.  
Ms. Holup seconded the motion and it passed unanimously.

- |   |  |                         |                 |
|---|--|-------------------------|-----------------|
| • | <b>Investigation No.:</b> 20-10-01L                              | <b>Hometown:</b>        | <b>Katy, TX</b> |
|   | <b>SOAH Docket No.:</b> 457-21-2597                              | <b>Certificate No.:</b> | <b>046074</b>   |
|   | <b>Respondent:</b> Mark J. Trappio                               |                         |                 |
|   | <b>Rule Violations:</b> 501.90(4), 501.90(5), 501.90(13), 501.91 |                         |                 |
|   | <b>Act Violations:</b> 901.502(6), 901.502(11)                   |                         |                 |

On February 24, 2021, the BEC found that Mark J. Trappio received deferred adjudication for assault in July 1997, was convicted of possession of marijuana in April 2003, was convicted of driving while intoxicated (DWI) in February 2005, was convicted of DWI 2nd in July 2010, received deferred adjudication for assault causing bodily injury to a family member in September 2011, and was convicted of DWI 3rd in September of 2016, a felony. None of the criminal actions were reported to the Board as required by Board rule. Respondent then provided altered documents to the Board. The BEC offered Respondent an ACO ordering his certificate be revoked, and requiring Respondent to pay the Board's direct administrative costs incurred in the investigation and prosecution of this matter. Respondent did not accept this offer. Pleadings were filed with the State Office of Administrative Hearings and after notice of hearing, Respondent failed to appear. The State Office of Administrative Hearings Administrative Law Judge (ALJ) granted staff's Motion for Default, remanding the matter to the Board and staff recommending that the Board find that: 1) Respondent violated Board Rules 501.90(4), 501.90(5), 501.90(13), and 501.91 as well as Sections 901.502(6) and 901.502(11) of the *Public Accountancy Act*; 2) Respondent's individual certificate be revoked; and, 3) Respondent be assessed \$425.60 in administrative costs.

- IX. Mr. Koch moved to adopt the following Board Rules as presented. Ms. Espinoza-Riley seconded the motion and it passed unanimously.

1. Section 511.51 (Educational Definitions) (ATTACHMENT 5)
2. Section 511.57 (Qualified Accounting Courses) (ATTACHMENT 6)
3. Section 511.58 (Definitions of Related Business Subjects and Ethics Courses) (ATTACHMENT 7)
4. Section 511.60 (Qualified Accounting Courses Prior to January 1, 2024) (ATTACHMENT 8)
5. Section 511.72 (Uniform Examination) (ATTACHMENT 9)
6. Section 511.80 (Granting of Credit) (ATTACHMENT 10)

- X. Mr. Cavazos announced the formation of an Ad Hoc Nominating Committee to propose a new slate of officers for the Executive Committee in accordance with Section 901.055(6) of the *Public Accountancy Act*. The following members will present its recommendations to the full Board at the March 17, 2022 meeting.

Debra D. Seefeld, CPA, *Chair*  
Lisa A. Friel, CPA  
Jamie D. Grant

- XI. Mr. Cavazos reviewed the meeting schedule for the year.

- XII. Mr. Cavazos adjourned the meeting at 11:31 a.m.

**ATTEST:**

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Manuel Cavazos IV, Esq., CPA, Presiding Officer

\_\_\_\_\_  
James D. Ingram IV, CPA, Secretary

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

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