

# Texas State Board of Public Accountancy

## September 22, 2022

The Texas State Board of Public Accountancy met by video conference and in-person from 10:00 a.m. until 12:04 p.m. on September 22, 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 1:32 p.m. on September 9, 2022. (TRD #2022-005475) (ATTACHMENT 1)

### Board Members Present

Susan I. Adams, CPA  
Manuel Cavazos IV, Esq., CPA  
*Presiding Officer (in-person)*  
Olivia Espinoza-Riley, CPA  
Renee D. Foshee, Esq., CPA  
Lisa A. Friel, CPA  
Himesh M. Gandhi, Esq.  
(in-person)  
Ray R. Garcia, CPA  
*Executive Committee*  
*Member-at-Large*  
Jamie D. Grant  
*Executive Committee*  
*Member-at-Large*  
Jill A. Holup  
James D. Ingram IV, CPA  
(in-person)  
Kevin J. Koch, CPA  
*Treasurer (in-person)*  
Debra D. Seefeld, CPA  
*Assistant Presiding Officer*  
(in-person)  
Debra S. Sharp  
*Executive Committee*  
*Member-at-Large*  
(in-person)  
Jeannette P. Smith, CPA  
*Secretary*  
Sheila M. Vallés-Pankratz

### Others Present

Charles Cooley, CPA  
Chini L. Streitwieser  
Mark Vane, Esq.

### Staff Present

Paulette Beiter, Esq.  
Marissa Brooks  
Roel Cantu  
Ismael Castillo  
J. Randel Hill, Esq.  
Donna Hiller  
John Moore, Esq.  
Brian O'Neal  
Julie Prien  
Marisa Rios  
Lorna Schwimmer-Staggs, CPA  
Lori Shaw  
Margaret Sheehan  
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.
- II. Mr. Ingram moved to approve the July 21, 2022 Board meeting minutes as presented. 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, Presiding Officer, reported on the September 21, 2022 (video conference and in-person) Executive Committee meeting.

### Members Present

Manuel Cavazos IV, Esq.,  
CPA (in-person)  
Debra D. Seefeld, CPA  
(in-person)  
Ray Garcia, CPA  
Jamie D. Grant  
Kevin J. Koch, CPA  
(in-person)  
Debra S. Sharp  
(in-person)

### Member Absent

Jeannette P. Smith, CPA

### Others Present

Kenneth Besserman, Esq.  
Charles Cooley, CPA

### Staff Present

Roel Cantu  
J. Randel Hill, Esq.  
Donna Hiller  
Brian O'Neal  
Marisa Rios  
Lorna Schwimmer-Staggs, CPA  
William Treacy  
Daniel Weaver

- A. Mr. Koch, Treasurer, presented the Board's financial statements. Mr. Gandhi moved to approve the Board's financial statements as presented. Ms. Sharp seconded the motion and it passed unanimously.

B. Budget Plan for FY 2023:

Mr. Koch, Treasurer, presented the Board's Fee Schedule for FY 2023.

- Mr. Ingram moved to approve the Board's FY 2023 Fee Schedule as revised. Mr. Grant seconded the motion and it passed unanimously.
- C. Mr. Garcia moved to approve the following FY 2023 professional service contract. Ms. Espinoza-Riley seconded the motion and it passed unanimously.

**FY 2023:**

Alan Hermanson, CPA      9/1/22 – 8/31/23      \$8,500

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

- NASBA dates of interest:
  - 115<sup>th</sup> NASBA Annual Meeting - October 30 – November 2, 2022 – San Diego, CA (tentative)

- E. The following was presented:

1. Mr. Ingram moved to approve the request of Nussbaum Torres & Company, PC to continue operating under *Section 513.16 (Death or Incapacitation of Firm Owner)*. Mr. Koch seconded the motion and it passed unanimously.
2. Mr. Koch moved to approve the request of Bergeron Susman & Company, LC to continue operating under *Section 513.16 (Death or Incapacitation of Firm Owner)*. Mr. Ingram seconded the motion and it passed unanimously.

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

- V. Ms. Foshee, Qualifications Committee Chair, reported on the September 16, 2022 (video conference and in-person) Qualifications Committee meeting.

**Members Present**

Manuel Cavazos IV, Esq.,  
CPA (*ex officio*)  
Renee Foshee, Esq, CPA  
(chair) (in-person)  
Joshua LeBlanc, CPA  
Jeannette P. Smith, CPA  
Veronda Willis, CPA

**Members Absent**

Kevin Koch, CPA  
Roselyn M. Morris, Ph.D.,  
CPA

**Others Present**

Kenneth Besserman, Esq.  
Caroline Hartman  
A. Larsson  
Jodi Ann Ray

**Staff Present**

Paulette Beiter, Esq.  
Gilbert Gutierrez  
J. Randel Hill, Esq.  
Donna Hiller  
Brian O'Neal  
Marisa Rios  
Lori Shaw  
William Treacy  
Daniel Weaver

- A. Ms. Foshee reported that the committee discussed the AICPA Exposure Draft of the CPA Exam Blueprints. The committee authorized the executive director to send a response to NASBA.
- B. Ms. Foshee informed the Board that the committee reviewed statistical report for FY 2022 related to Qualifications activities and Fifth-Year Accounting Student Scholarship awards.
- C. Ms. Foshee reported that the committee discussed hosting a virtual webinar for accounting educators to provide information about the Board's *Rules* that relate to the education requirements. The committee will seek information from the attendees about the preparedness of Texas colleges and universities for the new CPA Exam format that is scheduled to launch January 2024. The proposed date is November 9, 2022 from 9:00 a.m. – 11:00 a.m.

- D. Ms. Foshee reported that the committee's amendments to Board *Rule 511.80 (Grant of Credit)* allowing the executive director discretion to extend the 18-month CPA Exam credits to comply with NASBA's recommendation transition policy; and to extend the discretion to unforeseeable events such as a natural disaster or pandemic that impacts a CPA Exam applicant. These amendments will be forwarded to the Rules Committee for their consideration at their November 29, 2022 meeting.
- E. Ms. Foshee reported that the committee tabled consideration of amendments to *Rule 511.57 (Qualified Accounting Courses)* until after the webinar.
- F. Ms. Foshee reported that the committee tabled consideration of amendments to *Rule 511.58 (Definitions of Related Business Subjects and Ethics Courses)* until after the webinar.
- G. Ms. Foshee reported that the committee tabled consideration of revisions to the Board's *Rules of Professional Conduct Exam*.
- H. Ms. Foshee reported on the Fifth-Year Accounting Students Scholarship program allocations for 2022-2023.
- I. Ms. Foshee reported on information received from NASBA on the performance of candidates on the CPA Exam.
- VI. Ms. Espinoza-Riley, Licensing Committee Chair, reported on the Board's fingerprint progress.
- VII. Ms. Adams, Constructive Enforcement Committee Chair, reported that Board staff briefed the regional TXCPA Leadership in an educational outreach and to seek TXCPA's assistance to identify Constructive Enforcement volunteers during a Zoom call on August 16, 2022. There will be a follow-up call on September 29, 2022 to brief the 2023 incoming leadership. Ms. Adams also reported on the Board's Unauthorized Practice of Public Accountancy Program.
- VIII. Mr. Ingram, Behavioral Enforcement Committee Acting-Chair, reported on the following committee meeting:

**June 15, 2022 - Hybrid**

**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 S. Sharp

**Member Absent**

Jeannette P. Smith, CPA

**Staff Present**

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

**A. Dismissals – Voluntary compliance**

- Ms. Espinoza-Riley moved to dismiss the following investigations based upon voluntary compliance with the *Act* and the *Rules*. Ms. Friel seconded the motion and it passed. The BEC committee members did not participate in the vote.
  - 1. Investigation Nos. 22-03-04L<sup>1</sup> and 22-03-05L<sup>1</sup>
  - 2. Investigation Nos. 22-03-08L<sup>1</sup> and 22-03-09L<sup>1</sup>

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

Ms. Smith, Behavioral Enforcement Committee Chair, reported on the following committee meeting:

**August 17, 2022 - Hybrid**

**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 S. Sharp  
Jeannette P. Smith, CPA

**Staff Present**

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

**A. Dismissals – Insufficient evidence**

- Ms. Friel moved to dismiss the following investigations based upon voluntary compliance of a violation of the *Act* and the *Rules*. Mr. Grant seconded the motion and it passed. The BEC committee members did not participate in the vote.

- Investigation Nos. 22-03-16L<sup>1</sup> and 22-03-17L<sup>1</sup>
- Investigation Nos. 22-05-07L<sup>1</sup> and 22-05-08L<sup>1</sup>
- Investigation Nos. 22-06-03L<sup>1</sup> and 22-06-04L<sup>1</sup>
- Investigation Nos. 22-05-05L<sup>1</sup> and 22-05-06L<sup>1</sup>
- Investigation Nos. 22-06-10L<sup>1</sup> and 22-06-11L<sup>1</sup>
- Investigation Nos. 22-04-09L<sup>1</sup> and 22-04-10L<sup>1</sup>

**B. Dismissals – Voluntary compliance**

- Ms. Foshee moved to dismiss the following investigations based upon insufficient evidence of a violation with the *Act* or the *Rules*. Mr. Garcia seconded the motion and it passed. The BEC committee members did not participated in the vote.

- Investigation Nos. 22-04-03L<sup>1</sup> and 22-04-04L<sup>1</sup>

**C. Other – The committee considered seven other matters during this meeting; however, these matters did not require Board action at this time.**

- IX. Ms. Seefeld, Technical Standards Review Committee Chair, reported on the following virtual committee meeting.

**August 3, 2022**

**Members Present**

Lisa A. Friel, CPA  
Ray R. Garcia, CPA  
Debra D. Seefeld, CPA  
Dilliana Stewart, CPA  
Sheila M. Vallés-Pankratz  
Juliet Williams, CPA

**Members Absent**

Jamie D. Grant  
Roselyn Morris, Ph.D., CPA

**Staff Present**

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

**Others Present**

Peter DeVecchia, CPA

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

- X. 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 ACOs as presented. Mr. Grant seconded the motion and it passed. The BEC Board members did not participate in the vote.

- |    |  |   |   |   |
|----|--|---|---|---|
| 1. | <b>Investigation Nos.:</b><br><b>Respondents:</b><br><br><b>Rule Violations:</b><br><b>Act Violations:</b> | <b>21-10-07L &amp; 21-10-08L</b><br><b>Karey Hensley Rebello &amp;</b><br><b>Hensley CPA Firm PA</b><br><b>501.61, 501.74(b), 501.76</b><br><b>901.502(6)</b> | <b>Hometown:</b><br><b>Certificate No.:</b><br><b>Firm License No.:</b> | <b>Frisco, TX</b><br><b>097063</b><br><b>C07924</b> |
|----|--|---|---|---|

Respondents entered into an ACO with the Board whereby Respondents were reprimanded and ordered to complete the following additional hours of continuing professional education (CPE) during the current reporting period: eight hours in practice management and eight hours in compilations. In addition, Respondents must pay \$10,000 in restitution to the Complainant within 60 days of the date of the Board Order and pay \$1,228.56 in administrative costs within 30 days of the Board Order. Respondents issued inaccurate financial statements due to failure to properly review work papers and failed to provide client records due to misplacement of the records by an employee.<sup>1</sup>

- |    |  |   |   |   |
|----|--|---|---|---|
| 2. | <b>Investigation Nos.:</b><br><b>Respondents:</b><br><br><b>Rule Violation:</b><br><b>Act Violation:</b> | <b>22-02-04L &amp; 22-02-05L</b><br><b>Aurelia Evers Weems &amp;</b><br><b>AE Weems &amp; Associates</b><br><b>CPAs PLLC</b><br><b>501.74(b)</b><br><b>9013502(6)</b> | <b>Hometown:</b><br><b>Certificate No.:</b><br><b>Firm License No.:</b> | <b>Conroe, TX</b><br><b>087946</b><br><b>C07864</b> |
|----|--|---|---|---|

Respondents entered into an ACO with the Board whereby Respondents were reprimanded and must pay a \$1,000 administrative penalty and \$672.50 in administrative costs within 30 days of the Board Order. Respondents failed to complete an income tax return in a timely manner.<sup>1</sup>

#### B. Administrative Disciplinary Actions:

Mr. Koch moved to approve the following Administrative 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

22-04-10001 – 22-04-10071  
22-05-10001 – 22-05-10059

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

22-04-10072 – 22-05-10209  
22-05-10060 – 22-05-10228

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**

22-04-10210 – 22-04-10288

22-05-10229 – 22-05-10244

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

XII. Mr. Cavazos adjourned the meeting at 12:04 p.m.

**ATTEST:**

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Manuel Cavazos IV, Esq., CPA, Presiding Officer

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Jeannette P. Smith, Secretary

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