

# Texas State Board of Public Accountancy

## July 10, 2025

The Texas State Board of Public Accountancy met by video conference and in-person from 10:03 a.m. until 2:14 p.m. on July 10, 2025. A notice of this meeting containing all items on the agenda was filed in accordance with *Section 551 of the Texas Government Code* with the Office of the Secretary of State at 7:19 a.m. on July 7, 2025. (TRD #2025-003850) (ATTACHMENT 1)

### Board Members Present

Susan I. Adams, CPA  
Christopher "Grant" Coates  
Kimberly D. "Kim" Crawford, CPA  
Olivia Espinoza-Riley, CPA  
*Treasurer*  
Renee D. Foshee, Esq., CPA  
*Secretary*  
Ray R. Garcia, CPA  
*Executive Committee*  
*Member-at-Large*  
Jill A. Holup  
Sherri B. Merket  
Thomas M. Neuhoff, CPA  
Kenneth E. Omoruyi, CPA  
Sheila M. Vallés-Pankratz  
Jeannette P. Smith, CPA  
*Presiding Officer*  
James M. "Jim" Trippon, CPA  
Susan M. Warren, CPA

### Others Present

Charlie Bertero  
Kenneth Besserman, Esq.  
Katie Harris  
Mark Vane  
Veronda Willis, Ph.D., CPA

### Staff Present

Paulette Beiter, Esq.  
Marissa Brooks  
Nicole Duran, CPA  
Rhonda Fellner  
Ann Hallam, PMP  
J. Randel Hill, Esq.  
Donna Hiller  
Chris Jones  
John Moore, Esq.  
Brian O'Neal  
Julie Prien  
Marisa Rios  
William Treacy  
Vivian Zheng

- I. Ms. Smith, Presiding Officer, called the meeting to order at 10:03 a.m. Mr. Treacy called roll and declared a quorum.
- II. Mr. Neuhoff moved to approve the May 15, 2025 Board meeting minutes as presented. Mr. Omoruyi seconded the motion and it passed unanimously.
- III. After a call for public comments, there were no comments from the public.
- IV. Ms. Smith, Presiding Officer, reported on the July 9, 2025 (video conference and in-person) Executive Committee meeting.

### Members Present

Olivia Espinoza-Riley, CPA  
Renee D. Foshee, Esq., CPA  
(In-person)  
Ray R. Garcia, CPA  
Jeannette P. Smith, CPA  
*Presiding Officer*  
(In-person)

### Others Present

Kenneth Besserman, Esq.  
Thomas M. Neuhoff, CPA  
Susan M. Warren, CPA  
(In-Person)  
Veronda Willis, Ph.D., CPA

### Staff Present

Paulette Beiter, Esq.  
Charlie Bertero  
Marissa Brooks  
Ann Hallam, PMP  
J. Randel Hill, Esq.  
Donna Hiller  
Chris Jones  
John Moore, Esq.  
Brian O'Neal  
Marisa Rios  
Lori Shaw  
William Treacy

- A. Ms. Espinoza-Riley, Treasurer, presented the Board's financial statements. Mr. Trippon moved to approve the Board's financial statements as presented. Ms. Merket seconded the motion and it passed unanimously.
- B. Ms. Espinoza-Riley, Treasurer, presented the Board's proposed Budget Plan for FY 2026:
  1. Ms. Foshee moved to approve the Board's budget plan for FY 2026. Mr. Neuhoff seconded the motion and it passed unanimously. The plan includes an individual license increase from \$102 to \$108 for FY 2026, as well as future increases, based on projections. It also included an increase in the

contingency fund from \$3,750,000 to \$5,500,000 for FY 2026, with future decreases, eliminating the fund by FY 29.

2. Ms. Foshee moved to approve the FY 2026 scholarship allocation in the amount of \$1,250,000. Mr. Neuhoff seconded the motion and it passed unanimously.
  3. Ms. Espinoza-Riley presented the results from the June 2025 State Auditor's Office report.
- C. Ms. Espinoza-Riley moved to approve the following professional service contracts, grant agreement, and to allow the executive director the flexibility to adjust sponsor review contract amounts as necessary. Mr. Trippon seconded the motion and it passed unanimously.

**FY 2026:**

**Peer Review Oversight Board:**

• Robert Goldstein, CPA	9/1/25 – 8/31/26	\$25,400
• John Michael Waters, CPA	9/1/25 – 8/31/26	\$17,400
• Tom Akin, CPA	9/1/25 – 8/31/26	\$17,400

*Plus \$2,400 Travel Expenses*

**Behavioral Enforcement Committee consultants:**

• Pat Cantrell, CPA	9/1/25 – 8/31/26	\$10,000
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**Technical Standards Review Committee consultants:**

• Peter DelVecchia, CPA	9/1/25 – 8/31/26	\$25,000
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**Independent consultant contract <sup>1</sup> (SOAH litigation):**

The Dove Firm PLLC	9/1/25 – 8/31/26	\$60,000
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<sup>1</sup> This outside counsel contract must be reviewed and approved by the Office of the Attorney General in accordance with *Section 402.0212* of the *Texas Government Code* and *Section 901.164* of the *Public Accountancy Act*.

**Interagency contracts:**

• Office of the Attorney General	9/1/25 – 8/31/26	\$15,000
• State Office of Administrative Hearings	9/1/25 – 8/31/26	\$13,127.40

**Sponsor Review Program consultants:**

• David Crumbaugh	9/1/25 – 8/31/26	\$5,000
• Connie Kelly	9/1/25 – 8/31/26	\$10,000
• Alva Winston	9/1/24 – 8/31/26	\$10,000

**Grant agreement:**

Texas Society of CPAs	9/1/25 – 8/31/26	\$155,500
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- D. Ms. Warren, Ad Hoc Computer Utilization Committee chair, reported that she met with agency staff and with DIR-contracted vendors to explore modernization options for the legacy COBOL/IBM AS/400-based Regulatory Compliance Management System. With rising costs and dwindling COBOL expertise, the team is launching a discovery phase to document current processes and evaluate alternatives. Resumes for a project manager and technical architect have been requested, interviews are underway, discovery project to begin in early August.

E. Ms. Smith reported on the following NASBA/AICPA matters:

1. NASBA dates of interest
  - a. Western Regional Meeting, June 17 - 19, 2025, New Orleans, LA.
  - b. 118th Annual Meeting, October 26 - 29, 2025, Chicago, IL.
2. NASBA letter regarding NASBA Board of Directors

Ms. Smith reported that Ms. Adams has been appointed as an alternate to a NASBA committee, and added that she herself is currently under consideration for a committee role as well.

F. Ms. Smith asked that the members complete the form regarding committee and Board dates for CY 2026.

G. Ms. Smith reported on general correspondence coming to the Board's attention.

H. Ms. Smith announced that the executive committee was going into Executive Session at 3:51 p.m. to discuss the annual evaluation of the executive director in accordance with *Section 551.074* of the *Open Meetings Act* and *Section 551.072(2)* of the *Open Meetings Act* to consult with the Board attorney. The meeting concluded at 4:19 p.m. No action taken.

V. Ms. Warren, Rules Committee chair, reported on the July 9, 2025 (video conference and in-person) Rules Committee meeting.

**Members Present**

Christopher G. "Grant" Coates  
Renee D. Foshee, Esq., CPA  
Ray R. Garcia, CPA  
Jeannette P. Smith, CPA  
Susan M. Warren, CPA  
*Committee Chair*  
(In-Person)

**Others Present**

Kenneth Besserman, Esq.  
Kimberly Crawford, CPA  
Olivia Espinoza-Riley, CPA  
Thomas M. Neuhoff, CPA  
Veronda Willis, Ph.D., CPA

**Staff Present**

Paulette Beiter, Esq.  
Charlie Bertero  
Marissa Brooks  
Nicole Duran, CPA  
Rhonda Fellner  
Ann Hallam, PMP  
J. Randel Hill, Esq.  
Donna Hiller  
John Moore, Esq.  
Brian O'Neal  
Marisa Rios  
Lori Shaw  
William Treacy

- A. Mr. Neuhoff moved to re-adopt *Chapter 512 (Certification by Reciprocity) 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 proposed amendments to *Rules 512.1, 512.2, and 512.4* in the *Texas Register* for public comment. Ms. Merket seconded the motion and it passed unanimously. **(ATTACHMENT 2)**
- B. Mr. Omoruyi moved to re-adopt *Chapter 513 (Registration) 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 proposed amendments to *Rules 513.11* in the *Texas Register* for public comment. Mr. Neuhoff seconded the motion and it passed unanimously. **(ATTACHMENT 3)**
- C. Ms. Crawford moved to re-adopt *Chapter 515 (Licenses) 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 proposed amendments to *Rule 515.8* in the *Texas Register* for public comment. Ms. Adams seconded the motion and it passed unanimously. **(ATTACHMENT 4)**
- D. Mr. Neuhoff moved to re-adopt *Chapter 517 (Practice by Certain Out of State Firms and Individuals) 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 proposed amendments to *Rules 517.2*

in the *Texas Register* for public comment. Ms. Merket seconded the motion and it passed unanimously. (ATTACHMENT 5)

- E. Mr. Trippon moved to re-adopt *Chapter 523 (Continuing Professional Education) 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 proposed amendments to *Rules 523.112, 523.113 and 523.118* in the *Texas Register* for public comment. Ms. Crawford seconded the motion and it passed unanimously. (ATTACHMENT 6)
- F. Ms. Vallés-Pankratz moved to authorize the executive director to publish proposed amendments to *Rules 511.51, 511.52, 511.53, 511.54, 511.56, 511.57, 511.58, 511.59, 511.60, and 511.164* in the *Texas Register* for public comment. Ms. Crawford seconded the motion and it passed unanimously. (ATTACHMENT 7)
- G. Schedule next meeting.

VI. Ms. Foshee, Qualifications Committee Chair, reported on the July 9, 2025 (video conference and in-person) Qualifications Committee meeting.

**Members Present**

Renee D. Foshee, Esq, CPA  
*Committee Chair*  
Caroline Hartmann, CPA  
Kenneth E. Omoruyi, CPA  
Marshall Pitman, Ph.D., CPA  
Jeannette P. Smith, CPA  
James M. "Jim" Trippon, CPA  
Veronda Willis, Ph.D., CPA  
Kathy Zolton, CPA

**Member Absent**

Sheila Vallés-Pankratz  
*Excused*

**Others Present**

Kenneth Besserman, Esq.  
Thomas Neuhoff, CPA  
Sharon Polansky

**Staff Present**

Paul Arredondo  
Paulette Beiter, Esq.  
Marissa Brooks  
Telisa Harwell  
J. Randel Hill, Esq.  
Donna Hiller  
John Moore, Esq.  
Brian O'Neal  
Marisa Rios  
Lori Shaw  
William Treacy

A. Ms. Foshee reported on the survey of Texas accounting educators related to a new pathway to CPA certification.

B. Ms. Foshee stated that the action on Board *Rules* related to *Chapter 511* were addressed in Agenda Item V-F.

VII. Ms. Espinoza-Riley, Licensing Committee Chair, reported on the April 17, 2025 (video conference and in-person) Joint CPE and Licensing Committee meeting.

**Members Present**

Olivia Espinoza-Riley, CPA  
*CPA and Licensing Chair*  
Renee D. Foshee, Esq., CPA  
Kathy D. Kabell, CPA  
Rene D. Peña, CPA  
Larry G. Stephens, Esq., CPA  
Jeannette P. Smith, CPA  
*Ex Officio*

**Members Absent**

Connie B. Clark, CPA  
Jaime D. Grant  
Sherri B. Merket  
Thomas M. Neuhoff, CPA  
*excused*

**Other Present**

Kenneth Besserman, Esq.

**Staff Present**

Marissa Brooks  
Ann Hallam, PMP  
J. Randel Hill, Esq.  
John Moore, Esq.  
Brian O'Neal  
April Serrano  
William Treacy

Ms. Espinoza-Riley reported that the committees reviewed and approved revisions to *Chapters 512, 513, 515, 517, and 523* and submitted them to the Rules committee for approval.

Ms. Espinoza-Riley also requested approval of a request from Kaplan Financial Education to authorize new team instructors for the approved ethics course "*Ethics Training for Texas CPAs.*" Ms. Foshee moved for approval, Ms. Warren seconded the motion and it passed unanimously.

Ms. Espinoza-Riley reported that committees reviewed administrative CPE complaint data for the past 15 years showing the number of Texas licensees who have a history of multiple CPE complaints. The committees considered administrative fees assessed per interval of non-compliance, which automatically doubles year-over-year. The committees proposed that this matter be recommended to the Rules Committee with a suggestion by staff for a suspension fee increase amount.

VIII. Ms. Smith, Behavioral Enforcement Committee chair, reported on the June 12, 2025 (video conference) Behavioral Enforcement Committee meeting.

<b>Members Present</b>	<b>Members Absent</b>	<b>Staff Present</b>
Susan I. Adams, CPA C. Bennett Allison, CPA Patrick L. Durio, CPA Jill A. Holup Phillip D. Johnson, CPA James M. "Jim" Trippon, CPA	Jeannette P. Smith, CPA, <i>Committee Chair</i> Susan I. Adams, CPA Robert Ogle, CPA	Paulette Beiter, Esq. J. Randel Hill, Esq.

A. Dismissals – Insufficient Evidence

Mr. Garcia moved to dismiss the following investigations based on insufficient evidence. Mr. Neuhoff seconded the motion and it passed. The above listed Board members on the BEC committee did not participate in any discussion or the vote.

- Investigation Nos. 25-04-01L<sup>1</sup>, & 25-04-02L<sup>1</sup>
- Investigation Nos. 25-03-05L<sup>1</sup> & 25-03-06L<sup>1</sup>

B. Other - The committee considered several other matters during its meeting; however, no action was required by the Board.

IX. Mr. Garcia, Technical Standards Review Committee Chair, reported on the May 28, 2025 (video conference) Technical Standards Review Committee meeting.

<b>Members Present</b>	<b>Staff Present</b>
Kimberly "Kim" Crawford, CPA Ray R. Garcia, CPA <i>Committee Chair</i> Jamie Grant Douglas Koval, CPA Dilliana Stewart, CPA Sheila Vallés-Pankratz Susan Warren, CPA Juliet Williams, CPA	John Moore, Esq.

- Other - The committee considered other matters during its meeting; however, no action was required by the Board.

X. The Board took the following actions on agreed consent orders (ACOs), and administrative disciplinary actions.

A. **Agreed Consent Orders:**

Mr. Coates moved to approve the following ACOs as presented. Ms. Foshee seconded the motion and it passed unanimously.

**Behavioral Enforcement Committee**

<b>1. Investigation Nos.:</b>	<b>25-02-01L<sup>1</sup> &amp; 25-02-02L<sup>1</sup></b>	<b>Hometown:</b>	<b>Spring, TX</b>
<b>Respondents:</b>	<b>Melissa Rascon &amp; The Rascon CPA Firm, PLLC</b>	<b>Certificate No.:</b>	<b>078981</b>
		<b>Firm License No.:</b>	<b>C08611</b>

**Rule Violation:** 501.74(b)  
**Act Violation:** 901.502(6)

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Respondents entered into an ACO with the Board whereby Respondents were reprimanded and required to take eight hours of continuing professional education in the area of practice management. In addition, Respondents must pay \$802.83 in administrative costs within 30 days of the effective date of the Board Order.

Respondents took on last minute tax preparation engagements resulting in errors being made on a return. Respondent used offensive, unprofessional language in an email communication with a client.

**2. Investigation No.:** 24-08-03L<sup>1</sup> **Hometown:** Dallas, TX  
**Respondents:** Gregory Allen Nason **Certificate No.:** 100181  
**Rule Violations:** 501.90(2); 501.90(10)  
**Act Violations:** 901.502(6); 901.502; 901.502(6); 901.502(10)

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Respondent entered into an ACO with the Board whereby Respondent's certificate and license was revoked. In addition, Respondent must pay \$802.83 in administrative costs within 30 days of the effective date of the Board Order. If Respondent applies for reinstatement, Respondent would be required to pay an administrative penalty of \$50,000 before any application for reinstatement would be considered.

Respondent used company credit cards for personal charges and then paid the credit card bills with company funds.

#### **B. Administrative Disciplinary Actions:**

Mr. Coates moved to approve the following Administrative Disciplinary Actions as presented. Ms. Merket seconded the motion and it passed unanimously.

##### **1. Respondents: In the Matter of Disciplinary Action Against Certain Licensees for Nonpayment of Licensing and Late 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 8)**

No Board committee considered these actions.

##### Investigation Numbers

1. 25-02-10001 - 25-02-10093
2. 25-03-10001 - 25-03-10104

##### **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 provided with a preliminary report and 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*. No Board committee considered these actions. **(ATTACHMENT 9)**

No Board committee considered these actions.

Investigation Numbers

3. 25-02-10094 - 25-02-10234
4. 25-03-10105 - 25-03-10244

**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)*. No Board committee considered these actions. **(ATTACHMENT 10)**

No Board committee considered these actions.

Investigation Numbers

5. 25-02-10235 - 25-02-10252
6. 25-03-10245 - 25-03-10265

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

1. *Section 505.1 (Board Seal and Headquarters)* **(ATTACHMENT 11)**
2. *Section 505.3 (Presiding Officer of the Board)* **(ATTACHMENT 12)**
3. *Section 507.2 (Staff)* **(ATTACHMENT 13)**
4. *Section 507.3 (Independent Contractors)* **(ATTACHMENT 14)**
5. *Section 509.2 (Emergency Rulemaking)* **(ATTACHMENT 15)**
6. *Section 527.1 (Establishment of Peer Review Program)* **(ATTACHMENT 16)**
7. *Section 527.2 (Definitions)* **(ATTACHMENT 17)**
8. *Section 527.4 (Enrollment and Participation)* **(ATTACHMENT 18)**
9. *Section 527.6 (Reporting to the Board)* **(ATTACHMENT 19)**
10. *Section 527.7 (Peer Review Oversight Board)* **(ATTACHMENT 20)**

XII. Ms. Smith reviewed the meeting schedule for the year.

XIII. Executive Session

At 11:38 a.m., Ms. Smith, announced that the Board was going into Executive Session in order to conduct the annual performance evaluation of the executive director pursuant to *Section 551.074(a)(1)* of the *Open Meetings Act* and *Section 551.071(2)* of the *Open Meetings Act* to consult with the attorney

At 12:13 p.m., Ms. Smith announced in Open Session that the Board was coming out of Executive Session. In open meeting, Mr. Garcia moved to approve a 5 % salary increase effective July 1, 2025 and a one-time salary adjustment of \$35,000 effective August 1, 2025. Mr. Trippon seconded the motion and it passed unanimously.

XIV. Ms. Smith moved to adjourn. Ms. Merket seconded the motion, and the meeting adjourned at 12:14 p.m.

**ATTEST:**

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Jeannette P. Smith, CPA, Presiding Officer

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Renee Foshee, Esq., CPA, Secretary

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

<sup>2</sup>Ms. Crawford, Mr. Garcia, and Ms. Warren recused themselves from participating in this matter.