

TEXAS STATE BOARD REPORT

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY, AUSTIN, TEXAS

High-Quality CPE a Worthwhile Goal; NASBA Reviews Its CPE Standards

The practice of public accountancy is a learned profession that requires specialized education and experience. Texas Public Accountancy Act, Sec. 901.005(a)

Viewed as a benefit rather than a burden, continuing professional education (CPE) offers an opportunity to keep oneself up to date in a particular area of practice or to expand one's knowledge and skill into another area. CPE is required of all professionals in order to maintain professional competence and public trust. CPE clearly enhances the professional resume, yet how many approach CPE with an open mind and an eagerness to learn?

Just as you wouldn't engage a surgeon whose most recent update on surgical techniques came in 1995 or a lawyer whose last interface with changes in the law was 10 years ago, so it is that CPAs need a steady diet of continuing professional education to maintain an appropriate level of competence to serve the public. The *Public Accountancy Act* charges the Texas State Board of Public Accountancy with the responsibility of protecting the public by qualifying and certifying accountants and for requiring CPE to ensure continued professional competence:

(a) A license holder ... shall participate in a program of continuing professional education designed to maintain professional competency. The program must comply with rules adopted by the board.

(b) The board may recognize a continuing professional education course only if the course directly contributes to the license holder's professional competence.

(c) The board by rule shall provide for the reporting of continuing professional education by a license holder to coincide with the person's license renewal date.

Texas Public Accountancy Act, Sec. 901.411.

CPE Standards Under Review

It is to fulfill its legislative mandate that the Texas State Board of Public Accountancy holds its licensees to certain standards. When the Board licenses a CPA, it is saying to the public, "We've checked this person out thoroughly and found him or her to be knowledgeable, competent, and ethical." When the Board requires peer review and CPE, or asks a CPA to comply on an enforcement issue, it is to maintain the validity of that initial evaluation. This mandate also provided the impetus for establishing the Sponsor Review Program through which CPE courses are reviewed by CPA reviewers and Board staff so that CPE offered to Texas licensees is held to a high standard.

In the interest of serving both the public and the professional, a 13-member national Task Force is taking a close look at the standards for accounting CPE promulgated a dozen years ago by the National Association of State Boards of Accountancy (NASBA) and adopted by most state jurisdictions, including Texas. The committee appointees include CPAs, educators, CPE sponsors, and accounting regulators from across NASBA's 55 jurisdictions. **Steven Mahaffey**, the Texas Board's liaison on CPE-related matters, is a member of the Task Force.

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- 2 CPE Providers
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CPE Sponsors Successfully Completing Review

(since February 2011 *Board Report*)

Sponsor #	Sponsor Name	Date of Next Review	Status
003385	Amarillo Area Estate Planning Council	04/01/2013 - 03/31/2014	A
001525	American Airlines, Inc.	05/01/2013 - 04/30/2014	A
000446	Aramco Services Company	01/01/2013 - 12/31/2013	A
000467	Baker Communications, Inc.	01/01/2013 - 12/31/2013	A
002938	Bell Helicopter Textron, Inc.	06/01/2013 - 05/31/2014	A
000366	Borden Duffel, PC	12/01/2012 - 11/30/2013	A
009486	Bridgepoint Consulting, LLC	05/01/2013 - 04/30/2014	A
009136	Cameron International Corporation	04/01/2013 - 03/31/2014	A
007579	Capital Of Texas Enrolled Agents, Inc.	03/01/2013 - 02/28/2014	A
008301	Corporation Auditing - Chevron Services Company	04/01/2013 - 03/31/2014	A
005146	Commercial Metals Company	05/01/2013 - 04/30/2014	A
008233	ConfidentVision	12/01/2012 - 11/30/2013	A
007872	Consolidated Graphics, Inc.	04/01/2013 - 03/31/2014	A
004579	CPE	06/01/2013 - 05/31/2014	A
009776	Dr. Pepper Snapple Group	11/01/2012 - 10/31/2013	E
009791	El Paso Area Chapter of the Institute of Internal Auditors	01/01/2013 - 12/31/2013	A
001513	Energy Future Holdings Corp.	05/01/2013 - 04/30/2014	A
004404	Entergy Services, Inc.	03/01/2013 - 02/28/2014	A
005555	Ericsson, Inc.	04/01/2013 - 03/31/2014	A
003408	Exxon Mobil Corporation	04/01/2013 - 03/31/2014	A
009471	First Southwest Asset Management	03/01/2013 - 02/28/2014	A
000549	Fitts, Roberts & Co., PC	02/01/2013 - 01/31/2014	A
009502	For Women's Sake	07/01/2013 - 06/30/2014	A
003236	George, Morgan & Sneed, PC	12/01/2012 - 11/30/2013	A
009800	Greater Houston Partnership	02/01/2013 - 01/31/2014	A
000256	Hart, Silva and Company	12/01/2012 - 11/30/2013	A
008652	Heartspring Methodist Foundation	02/01/2013 - 01/31/2014	A
000713	HFMA - Texas Gulf Coast Chapter	04/01/2013 - 03/31/2014	A
000837	Houston Society of Chinese American CPAs	06/01/2013 - 05/31/2014	A
003909	Huselton, Morgan & Maulsby, PC	01/01/2013 - 12/31/2013	A
000715	Institute Internal Auditors - FW Chapter	04/01/2013 - 03/31/2014	E
000545	Institute of Management Accountants	02/01/2013 - 01/31/2014	E
002819	J.C. Penney Co., Inc.	04/01/2013 - 03/31/2014	A
000401	Judd, Thomas, Smith & Company, PC	01/01/2013 - 12/31/2013	A
007252	Ken Hughes & Associates, PC, CPA	03/01/2013 - 02/28/2014	A
001249	Lincoln Property Company	12/01/2012 - 11/30/2013	A
008897	Lone Star College System	03/01/2013 - 02/28/2014	A
007537	Massey Itschner & Co., PC	01/01/2013 - 12/31/2013	A
005166	Maxwell Locke & Ritter, LLP	05/01/2013 - 04/30/2014	A
009816	McCombs School of Business	03/01/2013 - 02/28/2014	A
002269	Menke & Associates, Inc.	07/01/2013 - 06/30/2014	A
000768	Midland College	05/01/2013 - 04/30/2014	A
002662	Milbern Ray and Company	02/01/2013 - 01/31/2014	A
009391	Montgomery Coscia Greilich LLP	04/01/2013 - 03/31/2014	E
004959	Myatt, Blume & Fidaleo LTD, LLP	01/01/2013 - 12/31/2013	A
006054	National Oilwell Varco	04/01/2013 - 03/31/2014	A
000692	Navigant Consulting, Inc.	03/01/2013 - 02/28/2014	A
009403	Parmet, Chapman & Madsen, PC	06/01/2013 - 05/31/2014	A
009798	Plains Exploration & Production Co-PXP	02/01/2013 - 01/31/2014	E
000431	Saville Dodgen & Company	01/01/2013 - 12/31/2013	A
000599	Seitz & Demarco, PC	02/01/2013 - 01/31/2014	A
000582	Shell Oil Company	02/01/2013 - 01/31/2014	E
006826	SWS Group, Inc.	02/01/2013 - 01/31/2014	A
009474	Texas Association of School Boards Risk Mgt Fund	03/01/2013 - 02/28/2014	A
009389	Tax Alliance Conference	04/01/2013 - 03/31/2014	A
000466	Tax Executives Institute - Houston Chapter	01/01/2013 - 12/31/2013	A
008430	Terrell & Terrell, CPAs, LLP	01/01/2013 - 12/31/2013	A
000622	Texas Association of School Business Officials	02/01/2013 - 01/31/2014	A
009398	Texas Bank and Trust	05/01/2013 - 04/30/2014	A
000640	Texas Credit Union League	03/01/2013 - 02/28/2014	A
000260	Texas Society CPAs/CPE Foundation	12/01/2012 - 11/30/2013	A
007840	The Dallas Foundation	01/01/2013 - 12/31/2013	A
009792	The Growth Coach	01/01/2013 - 12/31/2013	A
009273	Third Wednesday Practice Management Group	01/01/2013 - 12/31/2013	A
008836	TPG Capital, LP	12/01/2012 - 11/30/2013	A
000269	Tx Society of CPAs - East Texas Chapter	12/01/2012 - 11/30/2013	A
000385	Tx Society of CPAs - El Paso Chapter	01/01/2013 - 12/31/2013	A
008904	UHY LLP	04/01/2013 - 03/31/2014	A
007552	US Oncology, Inc.	02/01/2013 - 01/31/2014	A
005054	Waters, Vollmering & Associates, LLP	03/01/2013 - 02/28/2014	A
000580	Wathen, Deshong & Juncker, LLP	02/01/2013 - 01/31/2014	E
000359	Weinstein Spira & Company, PC	12/01/2012 - 11/30/2013	A

Registration Status: A = Currently active E = Currently expired

Check www.tsbpa.state.tx.us for qualified CPE providers before enrolling in a CPE course.

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High-Quality CPE / continued from page 1

“Licensees are entitled to high quality CPE,” says **Bill Treacy**, executive director of the Texas Board. “The NASBA standards have served us well, but, in a fast-changing profession like accountancy, periodic review is appropriate and beneficial.” The goal of the Task Force is to consider whether current standards meet the needs and quality standards of today’s licensees and regulators and to suggest changes that will enhance the value of CPE for both licensees and the public. Both NASBA and the Texas Board are committed to working more proactively with CPE sponsors to maintain high standards for CPE, says Treacy.

Early in its review, the Task Force determined that, for example, one attribute needed in today’s marketplace is a broader background in business in general, not just in accounting. Knowledge or at least familiarity with the international business environment is also needed. CPE can be the vehicle for increasing one’s knowledge in these areas.

A working draft generated by the Task Force suggests that CPAs conduct self-assessments to determine any gap between current and needed knowledge and skills and choose appropriate CPE to close that gap. Licensing jurisdictions have vowed to work more closely with CPE sponsors to provide courses that fit the need.

More change will come via the work of the Pathways Commission, appointed by the American Accounting Association (AAA) and the American Institute of CPAs (AICPA). The Commission is charged with developing a new structure for accounting higher education that will address the business needs of the future. These changes will take some time to implement, but CPE may be the means by which needs can be met in the interim.

One goal of the Task Force is to motivate sponsors to provide CPE content of value through a variety of delivery methods, so that licensees can choose the means by which they fulfill their CPE requirements. In the end, the Task Force hopes to develop a “green” document that is broad enough to grow and change as the profession continues to grow and change.

Continuing Professional Education can be beneficial for all CPAs, regardless of the nature of their practice or employment

situation. Staying up to date increases your competence and value to your employer or client. It sharpens your skills and keeps you at the top of your game. Widening your areas of expertise makes you more employable and able to ride out economic downturns. Consider this: If you weren’t required to take CPE, you might not do it, so assess your needs, choose courses wisely, and approach CPE as the benefit it truly is.

Texas Board Addresses Concerns About Proposed Changes to UAA Model Rules

At its March 24 meeting in Austin, the Texas Board drafted a response to proposed changes to the Uniform Accountancy Act (UAA) Model Rules regarding firm names. The changes were proposed by the AICPA/NASBA Uniform Accountancy Act Committee and released in an exposure draft in December.

The proposed changes add definitions of “Network” and “Network Firm” to UAA Rules and redefine what constitutes a misleading firm name. In its response, the Board argues that allowing a CPA firm to register with only the name of the affiliated Network Firm could be confusing to the public (the Texas *Public Accountancy Act* requires that a firm name include the name of at least one individual if it is a sole proprietorship or the name of a shareholder or partner when the firm is a corporation or partnership).

The Board commented further on the proposed rule that would permit the use of the name of a non-CPA in the firm name so long as the term *CPAs* is not used in the name. The Board argues that this distinction will be lost on the public and that when the public does business with an individual named in a licensed CPA firm that advertises as a CPA firm, a member of the public would likely assume that the named individual providing the service is a CPA, which thus misleads the public. Concerns on these and other issues have also been expressed by state boards in other jurisdictions.

The joint committee has extended the deadline for comments on the exposure draft to **June 1**. The exposure draft can be found on the Board’s homepage, www.tsbpa.state.tx.us.

Board Offers Option of Electronic Board Report

Instead of receiving a printed *Texas State Board Report* four times a year, you can now receive an electronic message with a link to the latest issue. Many licensees have already replied to an email sent by the Board in March and indicated they no longer wish to receive the paper copy. You can still make the switch to an electronic version by replying to the next email that you receive from the Board with this subject line: “I want to receive the Texas State Board Report electronically.” The Board will continue to print and mail the *Board Report* to CPAs who want one, but offers this option as a cost-saving measure. The *Board Report* is also posted at www.tsbpa.state.tx.us.

Candidates Test in Record Numbers During 4th Quarter Testing Window

Candidates turned out in record numbers for the Oct.-Nov. 2010 testing window for the CPA exam, just ahead of the launch of the revised and revamped CBT-e on January 1 (Texas numbers can be seen below). Fewer candidates tested in Jan.-Feb. 2011 than tested during the same window of 2010.

The new exam is the product of several years of study and testing by the National Association of State Boards of Accountancy, the American Institute of CPAs, and Prometric and reflects significant changes in content, structure, and functionality. In the new exam, Business Environment and Concepts (BEC) is the only section that includes written

communication tasks. Although overall testing time remains 14 hours, a half-hour was taken from Auditing and Attestation (AUD) and added to BEC. The most significant change may be that short task-based simulations have replaced the long simulations in the AUD, Financial Accounting and Reporting (FAR), and Regulation (REG) sections. Questions on the International Financial Reporting Standards are included for the first time and will continue to be integrated into the exam.

You can read more about the new exam at www.cpa-exam.org or by downloading the *Candidate Chronicle*, volumes 21 and 22, from the Board's website, www.tsbpa.state.tx.us.

Testing Window	AUD		BEC		FAR		REG	
	No. Testing	% Passed	No. Testing	% Passed	No. Testing	% Passed	No. Testing	% Passed
Jan. - Feb. 2011	684	44.0	711	57.4	742	56.2	721	45.4
Oct. - Nov. 2010	1357	46.6	1906	43.1	1620	44.0	1079	49.5
Jan. - Feb. 2010	720	47.4	987	56.3	904	62.2	760	53.6

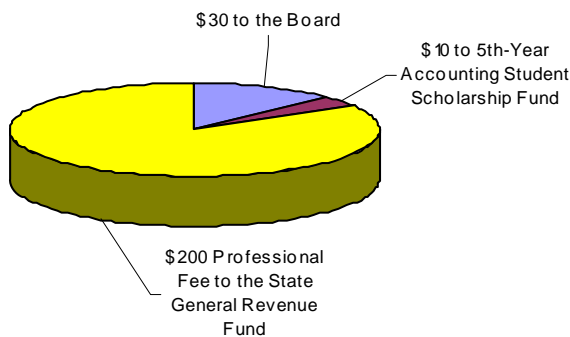
Requirement for Research and Communication Courses Becomes Effective July 1

Any exam candidate whose Application of Intent is not approved by **July 1, 2011**, will have to have completed two semester hours in accounting research and two semester hours in communication to qualify to take the CPA exam. These requirements, adopted in 2009, address an increasing demand by prospective employers for entry-level accountants equipped with the research and communication skills that enable them to serve as business advisors and consultants to their clients and employers.

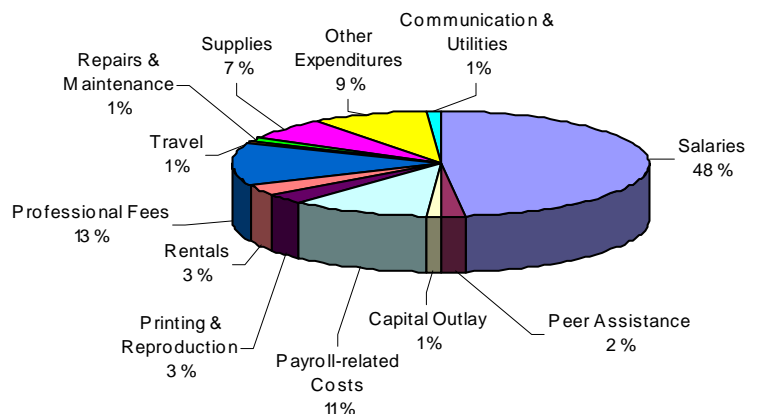
Board *Rule 511.57* requires 30 hours of upper-level accounting to include two hours in accounting research and analysis as a stand-alone course or as part of another accounting course. Board *Rule 511.58* requires 24 hours of upper-level related business courses to include two semester hours in accounting or business communication as a stand-alone course or as part of another business course. Implementation of these changes was delayed to give colleges and universities adequate time to incorporate the changes into their curricula.

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Blue Ribbon Committee Suggests Setting New Standards for Private Companies

A blue-ribbon committee charged with determining how U.S. accounting standards might best meet the needs of entities issuing private company financial statements has concluded that fundamental changes must be made to the system of standard setting. The committee, in its report to the Financial Accounting Foundation (FAF), advocated creation of a new board apart from the Financial Accounting Standards Board (FASB). The proposed board would be overseen by the FAF and would "focus on making carefully considered exceptions and modifications to U.S. GAAP for private companies that better respond to the needs of the private company sector." The FAF is FASB's parent organization.

In response to these recommendations, and as the next step in the process, the FAF has formed a working group to review the "adequacy and effectiveness" of FASB's standard-setting efforts in regard to private company and nonprofit sectors. Over the next 6-8 months, the working group, which includes FAF trustees and staff, will conduct roundtable meetings, surveys, and other meetings with advisory and constituent groups in an effort to determine the best method of addressing specific needs of the private sector without creating differential standards with other sectors of the economy.

Texas Board Takes Action Against Unauthorized Practice by Foreign Firms

The Texas Board has notified eight foreign accountancy firms providing attest services for publicly traded U.S. companies with principal offices in Texas that they are in violation of the Texas *Public Accountancy Act*. The firms had no license to practice in Texas, which is required of anyone performing attest services for entities based in Texas.

The infraction in each case involved signing *Reports of Independent Registered Public Accounting Firms* on Texas-based companies' SEC 10-K filings. The Board contacted each of the firms requesting that they execute Agreed Cease and Desist Orders agreeing to refrain from the continued unlicensed practice of public accountancy. The firms in question are headquartered in Hong Kong, Moscow, and Vancouver, BC, and Calgary, AB, in Canada.

At its March 24 meeting, the Board ratified Agreed Cease and Desist Orders with six of the foreign firms; others are pending. The Texas Board has notified both the SEC and the Public Company Accounting Oversight Board of its actions. The action taken in Texas was reported in the *NASBA State Board Report* so that regulatory authorities in other jurisdictions might be aware of the possibility of such activities in their areas.

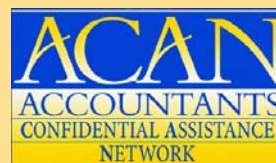


Ken L. Bishop, far right, will succeed **David A. Costello**, CPA, near right, as President and CEO of NASBA, following

Costello's retirement on January 1, 2012. **William Treacy**, executive director of the Texas Board, was a member of the Selection Advisory Committee that considered candidates for the position and recommended Bishop to the NASBA Board. Costello has earned praise in his 17 years at NASBA for such significant achievements as overseeing the transition from a paper-based CPA exam to a computerized exam, promoting mobility for licensees, and establishing the Center for the Public Trust. In addition, he has greatly increased the visibility and influence of the organization. Bishop is currently NASBA's Executive Vice President and Chief Operating Officer, responsible for business and testing operations. He previously served as NASBA's Senior Vice President and President of the Professional Credential Services (PCS). Bishop is the former Executive Director of the Missouri State Board of Accountancy and has over a decade of experience in accountancy regulation. In his earlier career in law enforcement, he was Assistant Director of the Missouri Department of Public Safety. Bishop holds bachelor's and master's degrees from the University of Missouri and is a graduate of Harvard University's Kennedy School of Government Executive Program.

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ACTIONS TAKEN BY THE BOARD

March 24, 2011

A. AGREED CONSENT ORDERS

BEHAVIORAL ENFORCEMENT COMMITTEE

1. Investigation No.: 10-02-04L
Respondent: Robert Alan Loeser
Hometown: Sugar Land, Texas
Certificate No.: 044166
Firm License No.: C07324
Rule Violation: 501.90(7)
Act Violations: 901.502(6), 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby Respondent involuntarily surrendered both his individual certificate and firm license in lieu of further disciplinary proceedings and was ordered to pay \$615.24 in administrative costs within 30 days of the date the Board ratified the order.

On February 24, 2010, the Internal Revenue Service (IRS) signed an Agreed Consent Decree with Respondent wherein Respondent was suspended from practicing before the IRS, a federal regulatory body, for the 12-month period beginning October 8, 2008, and ending on October 8, 2009. The IRS sanction was based on Respondent's providing false or misleading information to the IRS in connection with the preparation of his client's tax returns prior to 2003.

2. Investigation No.: 10-12-08L
Respondent: Roberto G. Torres
Hometown: El Paso, Texas
Certificate No.: 017800
Firm License No.: C05510
Rule Violations: 501.81 and 527.4
Act Violations: 901.502(6), 901.502(12)

Respondent entered into an Agreed Consent Order with the Board whereby Respondent was placed on probated revocation for two years. In addition, Respondent and his firm were placed on limited scope, whereby he and his firm are prohibited from performing or issuing any attest service as defined by Section 901.002(a)(1) of the Act and Board Rule 501.63 unless and until Respondent submits proof that the firm is enrolled in a peer review program and that a peer review of the attest work issued by the firm since February 1, 2008, has been performed. Respondent agrees that this prohibition is effective as of February 25, 2011. The Respondent was also ordered to pay \$2,000 in administrative penalties and \$153.34 in administrative costs within 30 days of the date the Board ratified the order.

Respondent issued one review report on March 30, 2010, and a review report on July 21, 2010. Respondent represented to the Board that his firm performs non-government audits

and compilations. Respondent's firm performed this work without a firm license issued by the Board. Respondent's firm has not had a peer review performed since 2005.

3. Investigation No.: 10-10-05L
Respondent: Jeffrey B. Parrack
Hometown: Fort Worth, Texas
Certificate No.: 050385
Firm License No.: T03237
Rule Violations: 501.74, 501.90, 501.90(7), 501.91
Act Violations: 901.502(2)(B), 901.502(6), 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby Respondent's certificate and firm license were revoked. In addition, Respondent was ordered to pay \$264.32 in administrative costs within 30 days of the date the Board ratified the order.

Respondent failed to pay his federal income tax assessed for 2000, 2001, 2002, 2003, 2007, and 2008. In addition, Respondent failed to file accurate Internal Revenue Service (IRS) Forms 1040 for 2004 through 2007, and failed to pay the correct amount of income tax due. The IRS disbarred Respondent for a minimum term of five years. While disbarred, Respondent will be ineligible to practice before the IRS. Respondent failed to notify the Board of his disbarment within 30 days of the event.

4. Investigation No.: 11-01-02L
Respondent: Christine Spencer
Hometown: Katy, Texas
Certificate No.: 030013
Rule Violation: 501.81
Act Violation: 901.502(6)

Respondent entered into an Agreed Consent Order with the Board whereby Respondent was reprimanded and ordered to pay \$127.12 in administrative costs within 30 days of the date the Board ratified the order.

Respondent offered services as "Christine P. Spencer, CPA" without a firm license.

TECHNICAL STANDARDS REVIEW I COMMITTEE

1. Investigation Nos.: 10-06-04L and 10-06-05L
Respondents: Anthony O. Adeagbo Tegbe and Anthony O. Adeagbo Tegbe (Firm)
Hometown: Pflugerville, Texas
Certificate No.: 037666
Firm License No.: T03191

Rule Violation: 501.60
Act Violations: 901.502(6), 901.502(12)

Respondent entered into an Agreed Consent Order with the Board whereby Respondent Tegbe's certificate was revoked. However, the revocation was stayed, and Respondent was placed on probation until March 24, 2014. Respondent was also ordered to pay a total of \$11,722.84 in administrative costs at a rate of \$250 per month with payments beginning within 30 days of the date the Board ratified the order. In addition, all attest reports issued by the firm are subject to preissuance review, all staff must complete 16 hours of CPE in auditing, and a peer review must be completed within 90 days.

Respondent Tegbe was the resident manager of Respondent firm when Respondent firm issued eight audits that were not in compliance with generally accepted auditing standards.

2. Investigation No.: 10-03-09L
Respondent: Stephen M. Tilson
Hometown: Spicewood, Texas
Certificate No.: 055024
Rule Violations: 501.81, 527.4
Act Violation: 901.502(6)

Respondent entered into an Agreed Consent Order with the Board whereby he was reprimanded for providing an attest service through an unlicensed CPA firm.

Respondent issued an audit under letterhead for a firm that was not licensed and was not enrolled in the Board's mandatory peer review program.

TECHNICAL STANDARDS REVIEW II COMMITTEE

1. Investigation Nos.: 08-01-07L and 08-01-08L
Respondents: Juan E. Rivera and Juan Eduardo Rivera (Firm)
Hometown: Port Isabel, Texas
Certificate No.: 023815
Firm License No.: S03394
Rule Violations: 501.60, 501.62, 501.74, 527.4
Act Violation: 901.502(6)

Respondents entered into an Agreed Consent Order (ACO) with the Board whereby Respondent Rivera was reprimanded and all attest services issued by Respondent firm or any successor firm would be subject to pre-issuance review for two years following the effective date of this ACO. Respondents must submit the resume of a proposed preissuance reviewer to the Board for preapproval by the chair of the Technical Standards Review Committee and must pay an administrative penalty of \$3,000 and \$700 in administrative costs to the Board within 30 days of the effective date of the ACO. Respondent

Rivera was also required to submit semiannual reports regarding the preissuance reviews of all attest reports issued in the previous six-month period.

Respondent firm did not report the results of a peer review scheduled for August 31, 1998, to the Board, nor have Respondents reported any peer reviews since that time, although Respondents resumed performing attest work requiring peer review in 2005 without notifying the Board. Based upon a complaint and the results of a review by the Housing and Urban Development Agency, the Board found that Respondents failed to comply with Generally Accepted Accounting Principles, Generally Accepted Auditing Standards, and Generally Accepted Governmental Auditing Standards with regard to four audits of public housing agencies.

2. Investigation Nos.: 07-04-12L and 07-04-13L
Respondents: Edward L. Turner and Turner, Stone & Co., LLP
Hometown: Dallas, Texas
Certificate No.: 018002
Firm License No.: P04607
Rule Violation: 501.90(7)
Act Violations: 901.502(6), 901.502(9)

Respondents entered into an Agreed Consent Order with the Board whereby Respondent Turner was reprimanded and suspended for a period of two years. However, the suspension was stayed and Respondent Turner was placed on probation for two years. Respondents must also pay an administrative penalty of \$10,000 and \$126 in administrative costs to the Board within 30 days of the effective date of the ACO.

The Public Company Accounting Oversight Board (PCAOB) sanctioned Respondents for failure to comply with PCAOB rules and Generally Accepted Auditing Standards (GAAS) while performing an audit of 21st Century Technologies for the fiscal year ending 2003. The PCAOB Order censured the Respondent firm and barred Respondent Turner from being an associated person of a registered public accounting firm. Respondent Turner's practice was thus restricted before the Securities and Exchange Commission (SEC), a federal agency.

B. AGREED CEASE AND DESIST ORDERS

1. Investigation No.: 10-02-28N
Respondent: Richard Craig Hillier
Hometown: Florence, Colorado
Act Violations: 901.451, 901.456

Respondent entered into an Agreed Cease and Desist Order 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 public accountancy.

ENFORCEMENT ACTIONS

Respondent performed an attest service and used the "Certified Public Accountant" designation although Respondent does not hold a license in Texas.

- 2. Investigation No.:** 11-01-08N
Respondents: Sheryl Meshell-Theis d/b/a Set the Mark
Hometown: Humble, Texas
Act Violations: 901.451, 901.453

Respondent entered into an Agreed Cease and Desist Order 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 public accountancy.

Respondent used the terms "accountant" and "accounting" to assert an expertise in accounting and used the "CPA" designation although Respondent does not hold a license in Texas.

- 3. Investigation No.:** 11-01-11N
Respondents: Leslie L. Black and LLB Bookkeeping, LLC
Hometown: Round Rock, Texas
Act Violations: 901.453, 901.456

Respondents entered into an Agreed Cease and Desist Order 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 public accountancy.

Respondents used the term "accounting" to assert an expertise in accounting and offered to perform attest services although Respondents do not hold a license in Texas.

- 4. Investigation No.:** 11-01-12N
Respondent: Lu Ann Danley
Hometown: Allen, Texas
Act Violations: 901.451, 901.453

Respondent entered into an Agreed Cease and Desist Order 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 public accountancy.

Respondent used the term "accounting" to assert an expertise in accounting and used the "CPA" designation although Respondent does not hold a license in Texas.

- 5. Investigation No.:** 11-02-01N
Respondent: Julianne Autry

- Hometown:** Austin, Texas
Act Violation: 901.453

Respondent entered into an Agreed Cease and Desist Order 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 public accountancy.

Respondent continued to use the terms "accountant" and "accounting" to assert an expertise in accounting although Respondent does not hold a license in Texas.

C. FOREIGN ACCOUNTANCY FIRMS - AGREED CEASE AND DESIST ORDERS

- 1. Investigation No.:** 10-12-16N
Respondent: KPMG LLP
Hometown: Calgary, AB, Canada
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an Agreed Cease and Desist Order with the Board whereby Respondent will cease and desist from providing attest services for Niska Gas Storage Company in the state of Texas 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 public accountancy in Texas.

Respondent signed the SEC 10-K filing *Report of Independent Registered Public Accounting Firm* for Niska Gas Storage Company, which lists their principal place of business as Texas in their SEC 10-K filings. Respondent is not licensed in Texas. Under the Texas Public Accountancy Act, signing a *Report of Independent Registered Public Accounting Firm* for a publicly traded U.S. company's 10-K filing is considered an attest service (see Act Sec. 901.002(a)(1)). Under the Act, foreign audit firms may not provide attest services in Texas without first obtaining a firm license from the Board and complying with all other relevant requirements of the Act and Board Rules (see Act Sec. 901.351, 901.451(b), and 901.462).

- 2. Investigation No.:** 10-12-17N
Respondent: Dale Matheson Carr-Hilton Labonte LLP
Hometown: Vancouver, BC, Canada
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an Agreed Cease and Desist Order with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas 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 public accountancy in Texas.

Respondent signed the SEC 10-K filing *Report of Independent Registered Public Accounting Firm* for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent is not licensed in Texas. Under the Texas Public Accountancy Act, signing a *Report of Independent Registered Public Accounting Firm* for a publicly traded U.S. company's 10-K filing is considered an attest service (see Act Sec. 901.002(a)(1)). Under the Act, foreign audit firms may not provide attest services in Texas without first obtaining a firm license from the Board and complying with all other relevant requirements of the Act and Board Rules (see Act Sec. 901.351, 901.451(b), and 901.462).

- 3. Investigation No.: 10-12-18N**
Respondent: BDO Dunwoody LLP
Hometown: Vancouver, BC, Canada
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an Agreed Cease and Desist Order with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas 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 public accountancy in Texas.

Respondent signed the SEC 10-K filing *Report of Independent Registered Public Accounting Firm* for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent is not licensed in Texas. Under the Texas Public Accountancy Act, signing a *Report of Independent Registered Public Accounting Firm* for a publicly traded U.S. company's 10-K filing is considered an attest service (see Act Sec. 901.002(a)(1)). Under the Act, foreign audit firms may not provide attest services in Texas without first obtaining a firm license from the Board and complying with all other relevant requirements of the Act and Board Rules (see Act Sec. 901.351, 901.451(b), and 901.462).

- 4. Investigation No.: 10-12-19N**
Respondent: Manning Elliot LLP
Hometown: Vancouver, BC, Canada
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an Agreed Cease and Desist Order with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas 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 public accountancy in Texas.

Respondent signed the SEC 10-K filing *Report of Independent Registered Public Accounting Firm* for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent is not licensed in Texas. Under the Texas Public Accountancy Act, signing a *Report of Independent Registered Public Accounting Firm* for

a publicly traded U.S. company's 10-K filing is considered an attest service (see Act Sec. 901.002(a)(1)). Under the Act, foreign audit firms may not provide attest services in Texas without first obtaining a firm license from the Board and complying with all other relevant requirements of the Act and Board Rules (see Act Sec. 901.351, 901.451(b), and 901.462).

- 5. Investigation No.: 10-12-21N**
Respondent: Albert Wong & Co.
Hometown: Hong Kong, SAR
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an Agreed Cease and Desist Order with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas 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 public accountancy in Texas.

Respondent signed the SEC 10-K filing *Report of Independent Registered Public Accounting Firm* for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent is not licensed in Texas. Under the Texas Public Accountancy Act, signing a *Report of Independent Registered Public Accounting Firm* for a publicly traded U.S. company's 10-K filing is considered an attest service (see Act Sec. 901.002(a)(1)). Under the Act, foreign audit firms may not provide attest services in Texas without first obtaining a firm license from the Board and complying with all other relevant requirements of the Act and Board Rules (see Act Sec. 901.351, 901.451(b), and 901.462).

- 6. Investigation No.: 10-12-23N**
Respondent: Morgan & Company
Hometown: Vancouver, BC, Canada
Act Violations: 901.351, 901.451, 901.462

Respondent entered into an Agreed Cease and Desist Order with the Board whereby Respondent will cease and desist from providing attest services in the state of Texas 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 public accountancy in Texas.

Respondent signed the SEC 10-K filing *Report of Independent Registered Public Accounting Firm* for one or more companies that list their principal place of business as Texas in their SEC 10-K filings. Respondent is not licensed in Texas. Under the Texas Public Accountancy Act, signing a *Report of Independent Registered Public Accounting Firm* for a publicly traded U.S. company's 10-K filing is considered an attest service (see Act Sec. 901.002(a)(1)). Under the Act, foreign audit firms may not provide attest services in Texas without first obtaining a firm license from the Board and complying with all other relevant requirements of the Act and Board Rules (see Act Sec. 901.351, 901.451(b), and 901.462).

ENFORCEMENT ACTIONS

CPE ACTIONS

The certificate of each respondent listed below was not in compliance with the Board's CPE requirements as of the date of the Board meeting. Each respondent was suspended for the earlier of a period of three years, or until the respondent complies with the licensing requirements of the *Act*. Additionally, a \$100 penalty was imposed for each year the respondent continues to be in non-compliance with the Board's CPE requirements. The respondents were found to be in violation of *Section 523.111* (mandatory CPE reporting) and *501.94* (mandatory CPE) of the Board's *Rules*, as well as *Section 901.411* (CPE) of the *Act*.

Respondent / Location	Board Date	Respondent / Location	Board Date
Michael Amaro, Argyle, TX	03/24/2011	Deborah Lynn Rutan Huff, Houston, TX	03/24/2011
Patrick Linton Arsers, Dallas, TX	03/24/2011	Archie Lee Jones, Baton Rouge, LA	03/24/2011
William J. Birch, Sugar Land, TX	03/24/2011	Mildred Lynn Kantenberger, Houston, TX	03/24/2011
James Glenn Blaylock, Mansfield, TX	03/24/2011	Raphael William Lavergne, Cypress, TX	03/24/2011
Roland Boysen, Brackettville, TX	03/24/2011	Ramon Leal, Jr., Rockwall, TX	03/24/2011
Charles Dan Davidson, Midland, TX	03/24/2011	James Cameron Lockley, Austin, TX	03/24/2011
Robert Clinton Douglass, Grapevine, TX	03/24/2011	Michael Lynn Ragsdale, McKinney, TX	03/24/2011
Melissa Suzanne Ebeling, Double Oak, TX	03/24/2011	Juliana Sartor, Katy, TX	03/24/2011
Emily Kaye Essl, Dallas, TX	03/24/2011	Ryan Wayne Scoville, Frisco, TX	03/24/2011
James Mark Fox, Dallas, TX	03/24/2011	Gary Lynn Shafer, Little Elm, TX	03/24/2011
Annette Ellis Gregory, Houston, TX	03/24/2011	Brian E. Tullos, Sachse, TX	03/24/2011
Robert David Hardy, Spring, TX	03/24/2011	Peter Witts, Dracut, MA	03/24/2011
Bradley Edmond Herbert, Kingwood, TX	03/24/2011		

THREE-YEAR DELINQUENT ACTIONS

The respondents listed below violated *Sections 901.502(4)* and *901.502(11)* of the *Act* when they failed to pay license fees for three consecutive license periods. The certificate of each respondent was revoked without prejudice as the respondent was not in compliance as of the Board meeting date. Each respondent may regain his or her certificate by paying all the required license fees and penalties and by otherwise coming into compliance with the *Act*.

Respondent / Location	Board Date	Respondent / Location	Board Date
Michael Reese Buchanan, Dallas, TX	03/24/2011	Mary Kathleen Jordan, APO, AE	03/24/2011
Ronald Jay Carpenter, Dallas, TX	03/24/2011	Patrick Hiychang Lee, Houston, TX	03/24/2011
Mark Lee Cawyer, Missouri City, TX	03/24/2011	Dolores Martinez, Las Vegas, NV	03/24/2011
Robin Kian Cheiffetz, Bellaire, TX	03/24/2011	Richard Lester Noble, New Orleans, LA	03/24/2011
Patrick H. Clay, Tulsa, OK	03/24/2011	Roscoe Sterling Paddack, Jr., Fairview, TX	03/24/2011
Garry Bush Csendes, Azle, TX	03/24/2011	Margi Patel, Pearland, TX	03/24/2011
Jeffrey F. Daly, Los Angeles, CA	03/24/2011	Ker-Jiun Pei, Shanghai, China	03/24/2011
Mack Wayne Dennis, Flower Mound, TX	03/24/2011	Dexter Mark Peltzer, Abingdon, VA	03/24/2011
Stephen Bradley Ellen, Dallas, TX	03/24/2011	Oscar Preusser, Memphis, TN	03/24/2011
Darrell Tod Flood, Houston, TX	03/24/2011	Marita Salimbagat Schefft, Houston, TX	03/24/2011
Wendy Sue Foist, Grandbury, TX	03/24/2011	Dwight Lee Shewmaker, El Paso, TX	03/24/2011
Danette Miller Gallagher, Roxton, TX	03/24/2011	Norman Seamon Strange, Dallas, TX	03/24/2011
Akash Gupta, Sugar Land, TX	03/24/2011	Phillip Randall Sutton, Cypress, TX	03/24/2011
Ronald Eugene Hanson, Houston, TX	03/24/2011	Staci Lackey Todd, Missouri City, TX	03/24/2011
Thomas Lee Harrison, Dallas, TX	03/24/2011	Thomas Joseph Tripp, Plano, TX	03/24/2011
Harry Howard Hudson, Houston, TX	03/24/2011	Kathy Elaine Williams, Bryan, TX	03/24/2011
Kelly Ann Hunsicker, Douglassville, PA	03/24/2011		

FAILURE TO COMPLETE LICENSE RENEWAL

The respondents listed below were found to be in violation of *Section 501.80* (practice of public accountancy) and *501.93* (responses) of the Board's *Rules*, and were also found to be in violation of *Sections 901.502(6)* (violation of a rule of professional conduct) and *901.502(11)* (conduct indicating a lack of fitness to serve the public as a professional accountant) of the *Act*. The certificate of each respondent who was not in compliance at the time of the Board meeting was revoked without prejudice until such time as the respondent complies with the licensing requirements of the *Act*.

Respondent / Location	Board Date
Debbie Sue Shepherd, Denton, TX	03/24/2011
Diana Morales Taylor, Kingwood, TX	03/24/2011



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CPAs who have a family member who will receive his or her certificate at the June 18 swearing-in ceremony may want to present the certificate to that individual.

To make arrangements, please call Jean Keith, Director of Licensing, 512-305-7827, or email jkeith@tsbpa.state.tx.us

**HELP US IDENTIFY
THE UNAUTHORIZED PRACTICE
OF PUBLIC ACCOUNTANCY**

To protect the public from the practice of public accountancy by non-licensees, the *Public Accountancy Act* prohibits the use of the terms "Accounting," "Accountant," "Certified Public Accountant," and "CPA" by individuals or firms not licensed by the Board.

If you suspect that the *Act* has been violated by unlicensed persons or entities, please contact the Board:

Email: enforcement@tsbpa.state.tx.us

Mail: TSBPA
Attention: UPPA
333 Guadalupe, Twr 3, Ste 900
Austin, Texas 78701

Phone: 512-305-7872

Please include as much information as possible.

Moving??



Be sure to let us know.

Board rules require licensees to inform the Board within 30 days of a change of address.

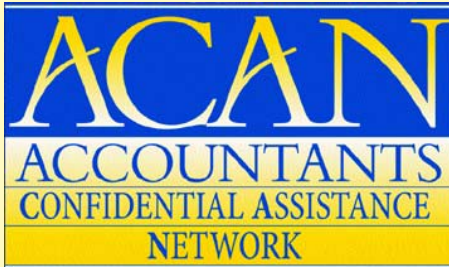
Use any of these methods:

- Online under "Online Services" at www.tsbpa.state.tx.us
- Email: licensing@tsbpa.state.tx.us
- Phone: 512-305-7853
- Mail: TSBPA
333 Guadalupe, Twr 3, Ste 900
Austin, TX 78701

Texas State Board of Public Accountancy
333 Guadalupe, Tower 3, Suite 900
Austin, Texas 78701-3900

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Assistance for CPAs, exam candidates, and accounting students with alcohol or drug dependency problems or mental health issues.

1-866-766-2226

VOLUNTEERS NEEDED

ACAN needs volunteers across the state. If you are a CPA in recovery and interested in volunteering, please call 1-866-766-2226.

LEGAL NOTICE: The identity and communications and fact of membership of anyone attending this group are confidential and protected under penalty of law under *Chapter 467* of the *Texas Health and Safety Code*.

Administered by the TSCPA and Funded in Part by the Board