



TEXAS STATE BOARD REPORT

Vol. 119 | May 2014

NEWS & UPDATES

Legislative Highlights of the *Public Accountancy Act*



The first Board, 1915. Left to right: Milton Morris, CPA, Austin; Edward J. Archinard, CPA, Fort Worth; Harry V. Robertson, CPA, Amarillo; E. F. Hunter, CPA, San Antonio; and W. P. Peter, CPA, Dallas.

Next year the *Public Accountancy Act* (the *Act*) will commemorate its centennial. The *Act* was originally created in 1915 by the Texas Legislature to form the Texas State Board of Public Accountancy (the Board). The *Act* mandates the Board to protect the public and ensure competence in the practice of public accountancy by administering examinations, issuing certificates, and by licensing certified public accountants. The policy section of the *Act* states that the public relies on the strength of the financial system in this state and on the competence, integrity, and expertise of certified public accountants. The *Act* also restricts the use of the terms “accountant” and “auditor” (and any derivations of those terms) solely to the Board’s licensees. On page three you’ll find an overview of significant legislative events related to the *Act*.

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CALENDAR

Swearing-In Ceremony
Saturday, June 14, 2014
10:00 a.m.
Palmer Events Center
Austin, TX

The Texas State Board of Public Accountancy publishes the *Board Report* four times a year for its licensees.

**CPE SPONSORS SUCCESSFULLY
COMPLETING REVIEW (as of April 25, 2014)**

Sponsor #	Sponsor Name	Date of Next Review	Status
000243	Adrian Hernandez & Associates, PC	12/01/2015 - 11/30/2016	A
009375	Alliantgroup, LP	12/01/2015 - 11/30/2016	A
000446	Aramco Services Company	01/01/2016 - 12/31/2016	A
000467	Baker Communications, Inc.	01/01/2016 - 12/31/2016	A
002598	Baker Hughes Incorporated	12/01/2015 - 11/30/2016	A
008458	BEPCO, LP	02/01/2016 - 01/31/2017	A
000366	Borden Duffel, PC	12/01/2015 - 11/30/2016	A
007579	Capital Of Texas Enrolled Agents, Inc.	03/01/2016 - 02/28/2017	A
008233	ConfidentVision	12/01/2015 - 11/30/2016	A
005018	Davidson, Freedle, Espenhover & Overby	01/01/2016 - 12/31/2016	A
008461	Duke Energy	03/01/2015 - 02/29/2016	E
009785	ECOM Atlantic, Inc.	11/01/2015 - 10/31/2016	A
009791	El Paso Area Chapter of Institute of Internal Auditors	01/01/2016 - 12/31/2016	A
007057	Enertia Software	10/01/2015 - 09/30/2016	A
004404	Energy Services, Inc.	03/01/2016 - 02/28/2017	A
000549	Fitts, Roberts & Co., PC	02/01/2016 - 01/31/2017	A
003236	George Morgan & Sneed, PC	12/01/2015 - 11/30/2016	A
008652	Heartspring Methodist Foundation	02/01/2016 - 01/31/2017	A
009783	Hercules Offshore, Inc.	11/01/2015 - 10/31/2016	A
000401	Judd, Thomas, Smith & Company, PC	01/01/2016 - 12/31/2016	A
009967	LAT Seminars - Legal, Accounting & Tax	01/01/2016 - 12/31/2016	A
001249	Lincoln Property Company	12/01/2015 - 11/30/2016	A
007537	Massey Itschner & Co., PC	01/01/2016 - 12/31/2016	A
009862	Merx Advisors	11/01/2015 - 10/31/2016	A
002662	Milbern Ray and Company	02/01/2016 - 01/31/2017	A
000416	Mosher Seifert & Co., CPAs	01/01/2016 - 12/31/2016	A
004959	Myatt, Blume & Fidaleo LTD., LLP	01/01/2016 - 12/31/2016	A
009787	NuStar Energy	12/01/2015 - 11/30/2016	A
000222	Pannell Kerr Forster of Texas, PC	11/01/2015 - 10/31/2016	A
000325	Pattillo, Brown and Hill, LLP	12/01/2015 - 11/30/2016	A
006355	Powell, Ebert, & Smolik, PC	12/01/2015 - 11/30/2016	A
009974	Richard C. Shanks, P.C.	02/01/2016 - 01/31/2017	A
000431	Saville Dodgen & Company	01/01/2016 - 12/31/2016	A
009106	South Texas Chapter of the HFMA	03/01/2016 - 02/28/2017	A
009447	South Texas Money Management, LTD	11/01/2015 - 10/31/2016	A
005453	Southwest Airlines Co.	12/01/2015 - 11/30/2016	A
006826	SWS Group, Inc.	02/01/2016 - 01/31/2017	A
009964	Targa Resources Partners LP	12/01/2015 - 11/30/2016	A
009958	Tax Executive Institute - Oklahoma City Chapter	12/01/2015 - 11/30/2016	A
008430	Terrell & Terrell, CPAS, LLP	01/01/2016 - 12/31/2016	A
009474	Texas Association of School Boards Risk Management Services	03/01/2016 - 02/28/2017	A
000260	Texas Society CPAs/CPE Foundation, Inc.	12/01/2015 - 11/30/2016	A
009971	Texas Wesleyan University	01/01/2016 - 12/31/2016	A
007840	The Dallas Foundation	01/01/2016 - 12/31/2016	A
009273	Third Wednesday Practice Management Group	01/01/2016 - 12/31/2016	A
008836	TPG Global, LLC	12/01/2015 - 11/30/2016	A
000269	Tx Society of CPAs - East Texas Chapter	12/01/2015 - 11/30/2016	A
008086	United Supermarkets, L.L.C.	03/01/2016 - 02/28/2017	E
007107	University of Houston - Dept of Accounting & Taxation	11/01/2015 - 10/31/2016	E
008412	VirtualCFO, Inc.	01/01/2016 - 12/31/2016	A
000359	Weinstein Spira & Company, PC	12/01/2015 - 11/30/2016	A
009784	White + Samaniego + Campbell, LLP	11/01/2015 - 10/31/2016	A

Registration Status: A = Currently active E = Currently expired

• Check the Board website at www.tsbpa.state.tx.us for qualified CPE providers before enrolling in a CPE course.

**TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY**

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1915

The Texas Legislature enacted the *Public Accountancy Act of 1915*, creating the Texas State Board of Public Accountancy. The purpose of the Board was to provide for “. . . the [CPA] examination and issuance of a certificate . . . indicative of the holder’s fitness to serve the public as a competent and properly qualified accountant in public practice, and to prevent those who have no such certificate from using such titles or initials.”

1945

The Texas Legislature enacted the *Public Accountancy Act of 1945*. Under this *Act*, the Board was given the statutory authority to promulgate rules of professional conduct, sometimes referred to as the code of professional ethics. The practice of public accountancy was limited to individuals holding licenses issued by the Board. Anyone holding out as a public accountant or certified public accountant, who was not registered by the Board, was subject to misdemeanor charges and a \$500 fine. “Public Accountants” were authorized, on a one-time basis, to register with the Board.

1951

The Texas Legislature amended the *Public Accountancy Act of 1945*. During the 1950s the Board stepped up its enforcement of the *Act* and the Rules of Professional Conduct, largely as a result of the failure of several Texas chartered insurance companies. With the statutory authority to do so, the Board began policing the profession for poorly prepared audits and financial statements referred by the State Securities Board, the Texas Education Agency, the Texas Insurance Commission, and others.

1961

The Legislature made additional amendments to the *Public Accountancy Act of 1945* to strengthen the definition of the “practice of public accountancy.” The amendments delineated exactly those activities that were limited to a licensee of the Board, thus giving the Board leverage in prosecuting individuals for unauthorized practice.

1979

The Legislature enacted the *Public Accountancy Act of 1979* as a result of the Board’s first review by the Sunset Advisory Commission. The new *Act* gave the Board expanded enforcement authority. A major focus toward consumer protection favored the rapid resolution of complaints.

1981

The Legislature amended the *Public Accountancy Act of 1979*. The amended *Act* gave the Board strengthened authority to maintain the security and integrity of the examination process.

1989

The Legislature made further amendments to the *Public Accountancy Act of 1979*, giving the Board expanded sanctions to include censure (which was subsequently removed from the *Act*), probation, and limitation on the scope of practice. The amended *Act* also gave the Board the authority to deny an exam application, prohibit an individual from taking the examination for up to five years, or void a candidate’s grades. The amendment also increased the educational requirement for CPAs to 150 college credit hours, effective September 1, 1997. The *Act* directed the Board to establish a quality review program by January 1, 1992.

1991

The Board successfully completed its second Sunset review, resulting in the *Public Accountancy Act of 1991*. The *Act* authorized the Board to assess an administrative penalty of up to \$1,000 per violation against persons who violate the provisions of the *Act*, a rule, or an order issued by the Board. The new *Act* also gave the Board the flexibility to administer the changes expected in 1994 to the Uniform CPA Examination format. The *Act* extended the continuing professional education requirement to all licensees, not just those in public practice. The Board began collecting fees for a fifth-year scholarship fund for qualifying students to help defray the costs associated with the *Act*’s 150-hour education requirement.

1999

The 76th Legislature approved a pilot program in which three state licensing boards, including the Texas State Board of Public Accountancy, were to become self-directed, semi-independent (SDSI) agencies. Senate Bill 1438 (*Self-Directed Semi-Independent Project Act*) became effective September 1, 1999, and, if not renewed, would end August 31, 2003. The Texas Legislative Council recommended that the *Public Accountancy Act* be codified and moved to Chapter 901 of the Texas Occupations Code (West, 2001). Although no substantive changes were made, language, punctuation, and reorganization modifications made it necessary to rewrite the entire *Act*.

2001

The 77th Legislature approved amendments to the *Public Accountancy Act*, which became effective September 1, 2001. The amendments allowed for the following:

- Offering the CPA Examination via computer and contracting with a vendor for the delivery of the computer-based exam
- Non-CPA ownership of firms
- Changing the term “quality review” to “peer review”
- Providing that only firms that perform the attest service or represent that they are a CPA firm must register with the Board
- Providing for reciprocity of individuals with substantially equivalent qualifications
- Issuing temporary permits only to firms

2003

The *Public Accountancy Act* was amended effective September 1, 2003 and incorporated the following changes:

- The Board underwent Sunset Review and the agency was renewed until 2015.
- The *Act* was revised to accommodate computer-based testing in preparation for an April 5, 2004 implementation of a computer-based exam.
- Board committees were divided into two types: policy-making committees and

working committees. Non-Board members were prohibited from serving on policy-making committees.

- The following changes were made to the Board’s enforcement powers:
 - Sharing criminal background information on licensees and exam candidates with other licensing and law enforcement agencies became easier.
 - Restitution was added to the Board’s list of sanctions in disciplinary cases.
 - The Board’s subpoena power was expanded.
 - The Board was authorized to order emergency suspensions without notice and hearings in cases of immediate threat to the public welfare.
 - The maximum penalty in disciplinary cases was raised to \$100,000.
 - The permanent injunction remedy was removed and replaced with a cease and desist order.
- Senate Bill 1382 was enacted to extend the Self-Directed Semi-Independent pilot program for six years.

2007

Legislation effective September 1, 2007 created a “practice privilege” for CPAs and CPA firms licensed in a substantially equivalent state to temporarily practice in Texas without licensure and without providing notice or paying a fee prior to practicing in Texas unless preparing financial statements or attestations.

2009

With passage of House Bill 2440 during the 2009 legislative session, responsibility for administering the fifth-year accounting students scholarship fund was transferred from the Texas Higher Education Coordinating Board (THECB) to the Texas State Board of Public Accountancy. The Board worked closely with THECB to put rules and procedures in place and tripled the amount of funds available for at least the next two school years, to provide larger grants to a larger number of students. Funds are derived from a \$10 (legislatively mandated) fee added to each Texas CPA’s annual license renewal.

2013

House Bill 1685

House Bill 1685 extended the self-directed, semi-independent (SDSI) status of the Board and other state agencies that were part of the original *SDSI Agency Project Act* (Chapter 325, Government Code), which expired on September 1, 2013. The original legislation gave SDSI agencies authority to collect revenues and set budgets outside the appropriations process. House Bill 1685 moved the *SDSI Act* from Vernon's Civil Statutes and designated it, along with conforming and nonsubstantive amendments, as Chapter 472 of the Government Code. The SDSI agencies (including the Board) are no longer considered project agencies, and other provisions of this legislation outline requirements of these agencies in matters such as travel expenditures, Sunset Review (which will be conducted under the agency's enabling legislation), financial reporting, audits, performance data gathering and reporting, and fees and the deposition of funds.

Senate Bill 228

Senate Bill 228 amended the *Act* to remove the Board's Enforcement Committees from the *Open Meetings Act* to protect the confidentiality of the Board's investigations. It was also amended to expand the categories of information not considered confidential communications between CPAs and clients. This included information required to be disclosed by a court order **signed by a judge** in the following circumstances:

- Under a subpoena issued under specified federal laws;
- Under a summons or subpoena issued under the *Securities Act*;
- In accordance with requirements of the Public Company Accounting Oversight Board or its successor; or
- In the course of a practice review by another CPA or CPA firm for a potential acquisition or merger of one firm with another if both have entered into a nondisclosure agreement with regard to client information shared between the firms.

(Please note the above Legislative Highlights of the *Public Accountancy Act* do not reflect the enactment of the Board's rules and administrative innovations that have occurred over the years.)

Online Annual License Renewal for Firms

The Board is currently in the process of adding the annual firm license renewal to the "Online Services" section of the Board's website. This will allow firms to conveniently and quickly renew their licenses and update their profile information online via www.tsbpa.state.tx.us. Firms will be able to notify the Board of an address change or update the list of firm owners at any time. Firms will also have the flexibility to pay licensing fees online using a credit card. The Board anticipates that all parts of the online annual license renewal process for firms will become available later this summer.

Continuing Professional Education

Online CPE Registration

The Board would like to extend a friendly reminder to its licensees that CPE hours can be entered online throughout the year as they are earned, rather than having to enter them at license renewal time. This enables licensees to see at a glance how many more hours they need to fulfill the CPE requirement.

CPE Exemptions

Requests for exemptions from CPE are available and considered on a case-by-case basis. If you think you might qualify for an exemption, see Board *Rule 523.113* for the exemptions available. If you wish to apply on the basis of having "no association with accounting," please review the definition of "no association" in *Rule 523.113(B)*. Requests should be made using the Continuing Professional Education Exemption Form (Form L0001), which can be downloaded from the Board's [website](http://www.tsbpa.state.tx.us).

UNAUTHORIZED PRACTICE OF PUBLIC ACCOUNTANCY

Help Us Identify Unlicensed Individuals and Firms Offering Accounting Services

Over the last three years, the Board's Unauthorized Practice of Public Accountancy Program has identified over **1,700** unlicensed individuals and firms claiming to be CPAs or offering accounting or attest services to the public. Although this program has been very successful, we know that there continues to be false or misleading advertising. There are approximately 70,000 licensed CPAs in Texas who can help protect the public from individuals and firms misrepresenting their qualifications.

If you suspect signage, business cards, letterheads, or other marketing materials that are false or misleading, you may report it by calling **512-305-7866** or email enforcement@tsbpa.state.tx.us.

WE'D LIKE YOUR FEEDBACK

You may have noticed the *Board Report* has a new look. We'd love to hear what you think! Send us your feedback and any suggestions you may have for news articles and updates you'd like to see in future issues to: publicinfo@tsbpa.state.tx.us

ARE YOU MOVING?

Whether you move next door or across the country, Board rules require you to notify us within 30 days!



Here's how:

- **Online** under "Online Services" at www.tsbpa.state.tx.us
- **Email:** licensing@tsbpa.state.tx.us
- **Phone:** 512-305-7853
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ENFORCEMENT ACTIONS

Taken at the March 27, 2014 Board Meeting

A. AGREED CONSENT ORDERS BEHAVIORAL ENFORCEMENT COMMITTEE

- 1. Investigation No.: 13-08-05L**
Respondent: Donald Dean
Hometown: The Woodlands,
Texas
Certificate No.: 061347
Rule Violation: 501.90(4)
Act Violation: 901.502(6),
901.502(10), 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby Respondent's certificate was revoked for a period of two (2) years from the effective date of the order. However, the revocation was stayed, and Respondent was placed on probation for two (2) years under the following conditions: 1) Respondent must pay \$184.01 in administrative costs within 30 days of the date of the Board Order; and, 2) Respondent shall comply with all state and federal laws pertaining to the practice of public accountancy.

Respondent pleaded guilty and was subject to two (2) years deferred adjudication for selling unregistered securities, a felony.

- 2. Investigation Nos.: 13-05-41L and 13-05-42L**
Respondents: Charles R. Massie and Charles Robert Massie (Firm)
Hometown: Plainview,
Texas
Certificate No.: 037330

Rule Violations: 501.90(17), 501.93
Firm License No.: T02458
Act Violations: 901.502(6), 901.502(11)

Respondents entered into an Agreed Consent Order with the Board whereby Respondents were reprimanded and placed on Limited Scope Status until permission for removal is approved by the Board. In addition, Respondents must pay an administrative penalty of \$4,000 and \$102.85 in administrative costs within 30 days of the date of the Board Order. Respondents failed to report the results of a peer review as required by a Board Order and failed to respond to Board communications.

- 3. Investigation No.: 13-05-19L**
Respondent: James D. Paine
Hometown: Dallas, Texas
Certificate No.: 048899
Rule Violation: 501.90(4)
Act Violations: 901.502(6), 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby Respondent's certificate was revoked for a period of two (2) years from the date of the Board Order. However, the revocation was stayed, and Respondent was placed on probation for two (2) years under the following conditions: 1) Respondent must pay \$141.39 in administrative costs within 30 days of the date of the Board Order; and, 2) Respondent shall continue participation in a treatment program and

counseling with a counselor approved by the Executive Director until the counselor reports in writing to the Board that treatment is no longer necessary. Respondent's counselor shall submit quarterly reports to the Board detailing Respondent's progress and confirming Respondent's continued participation in the treatment program.

Respondent pleaded guilty to possession of a controlled substance, a felony, and received two (2) years deferred adjudication.

- 4. Investigation No.: 13-03-12L**
Respondent: Andrew S. Robinson
Hometown: Spring, Texas
Certificate No.: 084533
Rule Violations: 501.62, 501.90(2)
Act Violations: 901.502(2), 901.502(11)

Respondent entered into an Agreed Consent Order with the Board whereby Respondent's certificate was revoked, in lieu of further disciplinary action. In addition, Respondent agreed that he will not apply for reinstatement to become a Certified Public Accountant. In return, the Board agreed not to assess \$100,000 in administrative penalties or administrative costs.

Respondent prepared tax returns with the intent to commit fraud. Respondent violated the Statements on Standards for Tax Services when he prepared false tax returns.

TECHNICAL STANDARDS REVIEW COMMITTEE

1. Investigation Nos.: 11-08-24L and 11-08-25L

Respondents: Ronnie Rex Oldfield and Ronnie Rex Oldfield (Firm)

Hometown: Terrell, Texas

Certificate No.: 047644

Rule Violations: 501.60, 501.93, 527.4

Firm License No.: T08954

Act Violations: 901.502(6), 901.502(11), 901.502(12)

Respondents entered into an Agreed Consent Order with the Board whereby Respondent Oldfield was suspended for a period of 24 months from the effective date of the Board Order and assessed an administrative penalty of \$15,000 and administrative costs of \$10,000 payable according to a payment schedule in the order. Upon completion of the suspension, Respondents will be subject to a scope limitation until a petition for removal of the limitation is found acceptable to the Technical Standards Review Committee. All attest work performed by Respondents are subject to pre-issuance review.

When the firm license was expired, Respondent firm issued an audit of the Lawrence Water Supply Corporation for the fiscal years that ended December 31, 2008 and 2007 that did not comply with generally accepted auditing standards. Respondent firm was also not in compliance with the Board's rules regarding participation in the mandatory peer review program. Respondents

failed to respond in a timely manner to Board communications dated August 23, 2011, September 27, 2011, November 1, 2011, and December 15, 2011.

2. Investigation Nos.:

11-05-09L, 11-05-10L, and 11-05-11L

Respondents: Brown, Graham & Co., P.C., Kevin Kinder, and Jessica Chen

Hometown: Amarillo, Texas

Certificate Nos.: 048685

(Kinder), 082563 (Chen)

Firm License No.: C00081

Rule Violation: 501.60

Act Violation: 901.502(6)

Respondents entered into an Agreed Consent Order with the Board whereby Respondents were reprimanded. The Respondent firm must also pay an administrative penalty of \$25,000 and administrative costs of \$40,621.60 to the Board within 30 days of the date of the Board Order.

The Respondents failed to meet the auditing standards for work paper documentation in the audits of the American Housing Foundation and its affiliated entities for fiscal year 2007.

3. Investigation No.:

13-08-10L

Respondent: Hart Silva & Company

Hometown: McAllen, Texas

Firm License No.: P04223

Rule Violation: 527.5

Act Violation: 901.502(12)

Respondent entered into an Agreed Consent Order (ACO) with the Board whereby the Respondent was reprimanded,

assessed administrative costs of \$217.41, and subject to a scope limitation. The resident manager of Respondent Firm must assure that, between the date of ratification of this ACO by the Board and the date the Board ratifies an agreement to remove the scope limitation imposed by the ACO, no reports pertaining to attest services, as defined at *Section 901.002(a) (1)* of the Act, are to be issued by Respondent firm until they have been reviewed and accepted for release to a client by a pre-approved pre-issuance reviewer.

Respondent had three successive deficient peer reviews.

B. AGREED CEASE AND DESIST ORDERS

1. Investigation No.:

13-12-66N

Respondent: William A. Clark

Hometown: Corpus Christi, Texas

Act Violations: 901.453, 901.460

Respondent entered into an Agreed Cease and Desist Order with the Board whereby Respondent will cease and desist from providing attest services.

Respondent performed an attest service in Texas although Respondent does not hold a firm license issued by the Board.

2. Investigation No.:

13-12-47N

Respondent:

Laura Victores Wyman

Hometown: Katy, Texas

Act Violations: 901.452, 901.460

Respondent entered into an Agreed Cease and Desist Order with the Board whereby Respondent will cease and desist from providing attest services.

Respondent performed an attest service in Texas although Respondent does not hold a firm license issued by the Board.

C. CEASE AND DESIST ORDERS

1. Investigation No.: 13-07-40N

**Respondent: Edward Erwin d/b/a
Advisory & Strategic Business
Services, Inc.**

Hometown: Houston, Texas

Act Violations: 901.451, 901.453

Staff initiated an investigation of this matter based on evidence that Respondent was using terms reserved by the *Act* for individuals and entities holding licenses issued by the Board. Staff determined that Respondent has not held individual or firm licenses issued by the Board during all relevant times.

During the relevant times, Respondent used the titles “certified public accountants” and “accountants” and offered to provide “accounting” services without licensure. This action constitutes violations of *Sections 901.451 and 901.453* of the *Act*. Respondent offered services to the public that involve the use of accounting, attest, or auditing skills, including tax services. Offering these services while representing to potential clients that Respondent is licensed by the Board is the practice of public accountancy under *Section 901.003* of the *Act*.

Respondent repeatedly failed to respond to the Board’s attempts to gain Respondent’s compliance. It was therefore necessary for the Board to immediately issue a Cease and Desist Order against Respondent.

2. Investigation No.: 13-05-25N

**Respondent: Cyrus Khoshoo d/b/a
PCS Tax Service a/k/a PCS Tax & Loans**

Hometown: Dallas, Texas

Act Violations: 901.453, 901.456

Staff initiated an investigation of this matter based on evidence that Respondent was using terms and offering services reserved by

the *Act* for individuals and entities holding licenses issued by the Board. Staff determined that Respondent has not held individual or firm licenses issued by the Board during all relevant times.

During the relevant times, Respondent offered to provide “accounting” services and attest services, specifically audits, reviews, and compilations. This action constitutes violations of *Sections 901.453 and 901.456* of the *Act*. Respondent offered services to the public that involve the use of accounting, attest or auditing skills, including tax services. Offering these services while representing to potential clients that Respondent is licensed by the Board is the practice of public accountancy under *Section 901.003* of the *Act*. Respondent repeatedly failed to respond to the Board’s attempts to gain Respondent’s compliance. It was therefore necessary for the Board to immediately issue a Cease and Desist Order against Respondent.

D. PROPOSED DEFAULT JUDGMENT BOARD ORDER

**Investigation Nos.: 13-07-10L and
13-07-11L**

SOAH Docket No.: 457-14-0150

**Respondents: Scott Wayne Hatfield & Firm,
S.W. Hatfield (Firm)**

Hometown: Dallas, Texas

Certificate No.: 038884

License No.: T02004

Rule Violation: 501.90(7)

**Act Violations: 901.502(6), 901.502(11),
901.502(12)**

On July 22, 2013, the Board offered Scott Wayne Hatfield & S.W. Hatfield (Firm) the opportunity to involuntarily surrender his certificate in lieu of further disciplinary action, requiring Respondents to pay the Board \$226.62 in administrative costs based on the Securities and Exchange Commission’s upholding of the findings of violations and the sanction imposed by the Public Company Accounting Oversight Board for engaging in improper professional conduct in the audit of the financial statements of two public companies. Respondents rejected the Board’s offer and requested a hearing

before the State Office of Administrative Hearings (SOAH).

The Board filed a Notice of Hearing and Complaint with SOAH and when Respondents failed to appear at the scheduled hearing, the Administrative Law Judge granted the Board's Motion for Default Judgment pursuant to Board *Rule 519.42(d)*, resulting in the Board revoking Respondents' individual certificate and firm license and assessing \$10,000 in administrative penalties and \$652.20 in administrative costs.

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* of the Board's Rules, as well as *Section 901.411* (CPE) of the *Act*.

Respondent / Location / Country	Board Date
James P. Barsness, Dallas, TX	3/27/2014
Marla Deann Smith Bishop, Prosper, TX	3/27/2014
Patrick Nolan Clark, Chicago, IL	3/27/2014
Brian Jason Coe, Houston, TX	3/27/2014
Matthew Gregory Daniel, Forney, TX	3/27/2014
John Mark Dodson, Houston, TX	3/27/2014
Eric Scott Eager, Dallas, TX	3/27/2014
William Grant Evans, Coppell, TX	3/27/2014
William Edmond Goss, Plano, TX	3/27/2014
Arun Jayaram, New York, NY	3/27/2014
Elisa Anne Kuntz, Dallas, TX	3/27/2014
Fabio La Mola, Sugar Land, TX	3/27/2014
William Robin Lee, Mason, TX	3/27/2014

Receive the *Texas State Board Report* Electronically



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Respondent / Location / Country	Board Date
Marshall Kennedy Loftin, Crosby, TX	3/27/2014
Brian Gene Olson, Prosper, TX	3/27/2014
Suketu Ravi Patel, Sugar Land, TX	3/27/2014
Randy Lee Pavelka, Frisco, TX	3/27/2014
Joanna Yin Pei, Houston, TX	3/27/2014
Guinn Martin Phillips, Southlake, TX	3/27/2014
Voltaire T. Pineda, Allen, TX	3/27/2014
Elisabeth Leigh Quick, Norwalk, CT	3/27/2014
Phillise Renee Sampson, Garland, TX	3/27/2014
Kelli Diane Shomaker, Brenham, TX	3/27/2014
Lena Kay Tindel, Austin, TX	3/27/2014
Martha Elaine Voigt, Dallas, TX	3/27/2014

Three-Year Delinquent Actions

The respondents listed below violated *901.502(4)* 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 of the required license fees and late fees and by otherwise coming into compliance with the *Act*.

Respondent / Location / Country	Board Date
Samuel Anthony Albaral, JR., Houston, TX	3/27/2014
Robert Joseph Austin, SR., Mont Belvieu, TX	3/27/2014
Kevin Charles Barton, Cleveland, TX	3/27/2014
Agnes Lucille Bennett, College Station, TX	3/27/2014
Don Alvin Chappell, San Antonio, TX	3/27/2014
Harmodio Diaz-Granados, Edinburg, TX	3/27/2014
Adam Alexander Edrington, Astoria, NY	3/27/2014
Lisa Armour Ellis, Leander, TX	3/27/2014
Joseph Bernard Friedman, JR., San Antonio, TX	3/27/2014
Jeffrey Parker Howle, Whitesboro, TX	3/27/2014
Lori Ellen Kahn, Plano, TX	3/27/2014
Douglas Lee Kennedy, Tracy, CA	3/27/2014
Sean Sunghwan Kim, Richardson, TX	3/27/2014
Diana Lea Chaparro Malouly, Beverly Hills, CA	3/27/2014
Mark Harrison Mauldin, Ridgefield, CT	3/27/2014
Trisha Lee McCallister, Plano, TX	3/27/2014
Leslie Dawn McKinnon, Keller, TX	3/27/2014
Barry Michael Meuse, JR., Dallas, TX	3/27/2014
William David Moist, Southlake, TX	3/27/2014
Glenn Erwin Mueller, Waynesville, NC	3/27/2014
Buford Gay Norton, Texarkana, TX	3/27/2014

Respondent / Location / Country	Board Date
Jack Oakes, Amarillo, TX	3/27/2014
Albert C. Picazo, Spring, TX	3/27/2014
Amy Lea Plander, Angleton, TX	3/27/2014
Richard Loring Popp, Cincinnati, OH	3/27/2014
Patrick Desmond Quinn, JR., Cypress, TX	3/27/2014
Ilo Dale Rauscher, Fort Stockton, TX	3/27/2014
Becky Reagan, Mineral Wells, TX	3/27/2014
Cheryl Beth Riley, Spring, TX	3/27/2014
Joe Allen Roberson, Vernon, TX	3/27/2014
Kenneith V. Rose, II, Temecula, CA	3/27/2014
Frank Jerome Slovacek, Corinth, TX	3/27/2014
Milton West Soward, JR., Colleyville, TX	3/27/2014
Weldon Josh Stewart, Round Rock, TX	3/27/2014
Sandra Gail Valiquette, Fort Worth, TX	3/27/2014
Kimberly Marie Van Hess, Littleton, CO	3/27/2014
Gary Lee Watson, Sterling, VA	3/27/2014
William L. White, III, New Cumberland, WY	3/27/2014
Larry Roy Williams, Carrollton, TX	3/27/2014
Robert Lee Worshek, Fairfield, CT	3/27/2014
Chung-Li Judy Yuan, Houston, TX	3/27/2014

Failure to Renew Actions

The respondents failed to complete their license renewal notices in accordance with *Section 515.3* of the Board's *Rules*. Following a public hearing, an Administrative Law Judge (ALJ) of the State Office of Administrative Hearings recommended that 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*. The ALJ found that the respondents violated *Section 901.502(12)* (regarding violations of Board *Rules*) of the *Act*. The respondents, although properly notified, failed to appear in person or by authorized representative. No Board Committee considered this matter.

Respondent / Location / Country	Board Date
Charles Jay Cober, Rockwall, TX	3/27/2014
Michael Sam Grossman, Coppell, TX	3/27/2014
Julieann Wooldridge, Los Angeles, CA	3/27/2014

Texas State Board of Public Accountancy

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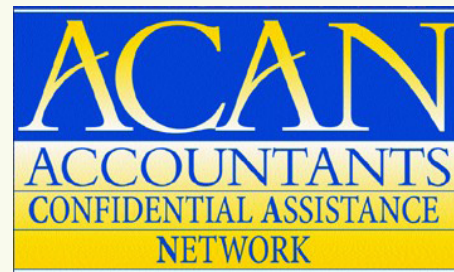
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Attention: CPAs, Exam Candidates, and Accounting Students

If you are dealing with alcohol or drug dependency problems or mental health issues, you can get help from the Accountants Confidential Assistance Network. ACAN volunteers are CPAs who have had first-hand experience with these same issues and who understand what you are dealing with. Don't hesitate to get the help you need. All communications are confidential.

**For help, call
1-866-766-2226**

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Additional 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 the 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*.