

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF APRIL 25, 2014 MEETING**

The Accountancy Board met on April 25, 2014 in Room East B on the 31st floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: Robert Fay, CPA (Chair), Michael Comer, CPA (Vice Chair), James Carroll, CPA (Secretary) Margaret Houston, CPA (Past Chair), Adriana Sfalcin (Public Member), James Gero, CPA (Member), James Gottfried, CPA (Member) and Michael Guinigundo, CPA (Member). W. Michael Fritz, (Immediate Past Chair) was absent.

Representing the Board staff was John E. Patterson, Executive Director, Tracey F. Fithen, Assistant Executive Director and Jesse J. Dixon, Enforcement Officer. Board counsel present was Rachel Huston, Esq., representing the office of the Attorney General.

Present in the audience were Joseph Skoda, CPA, representing the National Society of Accountants, Scott D. Wiley, CAE, President and Chief Executive Officer of the Ohio Society of Certified Public Accountants (OSCPA), Laura Hay, Executive Vice President of the OSCPAs and Barbara Benton, Vice President for Governmental Affairs of the OSCPAs, as well as Suzanne Jolicoeur and James Brackens of the American Institute of CPAs (AICPA).

Mr. Fay called the meeting to order at 10:05 a.m., and welcomed the guests in the audience. Mr. Fay opened the meeting with the Pledge of Allegiance.

APPROVAL OF THE FEBRUARY 2014 BOARD MEETING MINUTES

Upon motion by Mr. Comer, seconded by Ms. Sfalcin, the Board voted to approve the minutes. Motion carried 8-0.

INFORMATION REPORTS AND UPDATES

BUDGET AND FINANCIAL REPORT

Ms. Fithen noted, the Board as of April 22, 2014, is within the guidelines of its fiscal year 2014 budget allotments. She noted that the Board completed the 3rd quarter of the fiscal year and was recently notified of the rent increase for the entire year of 57%. The Board is currently able to run on the current budget figures without going before the controlling board.

EDUCATION ASSISTANCE PROGRAM REPORT

Elisabeth Newell noted we are currently through half of our scholarship funds for this fiscal year. The Board is reaching out to other colleges and universities regarding funds available.

INVESTIGATIONS REPORT

Mr. Dixon noted there were 34 disciplinary cases opened since the last Board meeting, 5 cases are closed, and a total of 64 cases have been opened during 2014. There are still a total of 57 open cases. Out of the 861 CPE verifications sent, 831 have complied leaving 30 licensees that have not complied by the deadline.

OLD BUSINESS

STATUS OF PAST HEARINGS

Ms. Huston noted that the appeal of Michael Simic has been scheduled before the 8th district court of appeals for oral argument on May 27, 2014. Mr. Simic's request for a stay of the Board's order of revocation was granted over the objections of the Board's counsel. Mr. Simic will be allowed to practice pending the outcome of the appeal.

NEW BUSINESS

EXECUTIVE COMMITTEE REPORT

Mr. Fay stated the Executive Committee met prior to the Board meeting to discuss travel approval for the upcoming NASBA Eastern Regional Conference in Louisville, Kentucky. Mr. Fay also stressed to the Board that no discussion was to be done by Board Members regarding Board business while in attendance at the conference. The committee approved travel for all board members planning on attending the conference.

EDUCATION ASSISTANCE COMMITTEE REPORT

Mr. Gero stated the Education Assistance Committee met prior to the Board meeting to discuss drafting Board rule changes for the June Board meeting. They also motioned to implement a board policy, using FASFA guidelines, to outline eligibility with regard to minority, age and other requirements in establishing disbursement of funds. Motion carried 8-0.

ROLAND MADISON – REQUEST FOR CPE CREDIT FOR PUBLICATIONS

Mr. Roland Madison requested CPE credit, for the 2013 annual verification of CPE credits, of 6 credits for a publication he wrote and 4.5 credits for second article. However, if the credits are approved, he would still not have the required credits to meet his 120 reporting requirement. The Board deferred their decision until the June meeting to discuss which credits should be approved. Motion carried 8-0.

PRESENTATION BY THE AICPA

Ms. Suzanne Jolicoeur, Senior Manager of State Regulatory Outreach and James Brackens, Vice President of Ethics and Practice Quality of the AICPA, gave a presentation discussing state legislation, regulation for all 55 jurisdictions, peer review, and ethics issues. They discussed the definition of attest work to match all jurisdictions, and are working on expanding new services that would fall under the scope of attest work. Ms. Jolicoeur discussed firm mobility and trying to come up with uniform language. She also discussed the need for the AICPA performing a Practice Analysis as the CPA examination is in need of many updates and changes in the upcoming months. The goal is to launch the new examination by 2017. The largest item discussed was streamlining the Code of Conduct, as well as updating their website for easier mobility and use.

Mr. James Brackens discussed ethics in the profession and the quality of courses given for continuing education. This would also include the testing quality for the CPA examination, attest

services, engagements, and quality control in CPA firms.

REQUESTS FOR WAIVER OF LATE FILING FEES

MICHAEL G. LYONS

Mr. Lyons requested a waiver of the \$350 late fee applicable to the late renewal of his Ohio permit, due by December 31, 2012, as he believed he had an inactive license.

KYLE KAUFMAN

Mr. Kaufman requested a waiver of the \$1,250 late fee applicable to the late renewal of his Ohio permit, due by December 31, 2012, because he believed the Board had not fully explained when he was due to renew to stay in compliance and the deadline for renewal of his permit to practice.

BRENT N. PASTOREK

Mr. Pastorek requested a waiver of the \$100 late fee applicable to his renewal which was due by December 31, 2013. Mr. Pastorek explained this was his first renewal and he was not aware he had to renew.

JACK E. & NANCY P. GRIFFITHS

Mr. and Mrs. Griffiths requested a waiver of the \$50 late fee, for non-renewal of their registrations due by December 31, 2013, for each of their inactive registrations because of a computer error.

THEODORE A. LAUFIK

Mr. Laufik requested a waiver of the \$850 late fee assessed for non-renewal by December 31, 2012.

FORMAL HEARING: GERRY KESEL/KESEL & WEST CPAs

Mr. Fay opened a disciplinary hearing at 11:30 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Kesel with a violation of section 4701.16(A) (9) and (11) of the Ohio Revised Code, concerning failure of a public accounting firm to comply with section 4701.04 of the Ohio Revised Code, regarding firm registration. Mr. Kesel was present.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibits A, 1 through 8. Mr. Kesel then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

REINSTATEMENT HEARING: JAMES W. SCHMIDT

Mr. Fay opened a reinstatement hearing at 11:45 a.m. Present at the hearing was James W. Schmidt, whose CPA certificate was revoked by the Board on June 7, 2011, pursuant to a violation of section 4701.16(A) (6) of the Ohio Revised Code, concerning conviction of any crime, an element of which is dishonesty or fraud, under the laws of any state or of the United States. Representing Mr. Schmidt, was legal counsel, Rasheeda Kahn.

Ms. Huston introduced State's Exhibit(s) A, 1 through 3 and B, 1 through 11. Mr. Schmidt then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

FORMAL HEARING: MICHAEL R. LENIHAN/LENIHAN AND COMPANY INC.

Mr. Fay opened a disciplinary hearing at 12:05 p.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Lenihan with a violation of section 4701.16(A)(9) and (11) of the Ohio Revised Code, concerning failure to comply with the firm registration requirements in section 4701.04 of the Ohio Revised Code. Mr. Lenihan was represented by legal counsel, James Leo, Esq.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibits A, 1 through 11. Mr. Lenihan then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

REINSTATEMENT HEARING: PATRICK J. COX

Mr. Fay opened a reinstatement hearing at 12:18 p.m. Present at the hearing was Patrick J. Cox, whose CPA certificate was revoked by the Board on August 10, 2007, pursuant to a violation of section 4701.16(A) (10) of the Ohio Revised Code, concerning conduct discreditable to the holder of an Ohio registration.

Ms. Huston introduced State's Exhibit(s) A, 1 through 7 and B, 1 through 14. Mr. Cox then spoke to and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

FORMAL HEARING: RONALD M. KOMOROWSKI JR. /R M KOMOROWSKI JR., CPA INC.

Mr. Fay opened a disciplinary hearing at 12:35 p.m., pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Komorowski with a violation of section 4701.16(A)(9) and (11) of the Ohio Revised Code, concerning failure to obtain an Ohio permit and a firm registration; and the failure of a public accounting firm to comply with section 4701.04 of the Ohio Revised Code. Mr. Komorowski was present.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibit(s) A, 1 through 5 and B, 1 and 2. Mr. Komorowski then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

FORMAL HEARING: SCOTT J. CAVELL/CAVELL & ASSOCIATES CPA LLC

Mr. Fay opened a disciplinary hearing at 12:55 p.m., pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Cavell with a violation of section 4701.16(A)(9) and (11) of the Ohio Revised Code, regarding failure to obtain a firm registration; and failure of a public accounting firm to comply with section 4701.04 of the Ohio Revised Code. Mr. Cavell was present.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibit(s) A, 1 through 5 and B, 1 through 8. Mr. Cavell then spoke to and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

FORMAL HEARING: WILLIAM K. YOHO II/ WILLIAM K. YOHO II CPA

Mr. Fay opened a disciplinary hearing at 1:15 p.m., pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Yoho with a violation of section 4701.16(A)(9) and (11) of the Ohio Revised Code, concerning failure to obtain an Ohio permit and a firm registration; and failure of a public accounting firm to comply with section 4701.04 of the Ohio Revised Code. Representing Mr. Yoho, was counsel, James Leo. Mr. Yoho is requesting to surrender his CPA license.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibit(s) A, 1 through 17. Mr. Yoho then spoke to and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

REINSTATEMENT HEARING: JEFFREY C. KOLARIK

Mr. Fay opened a reinstatement hearing at 1:30 p.m. Present at the hearing was Jeffrey C. Kolarik, whose CPA certificate was revoked by the Board on July 12, 2013, pursuant to a violation of section 4701.16(A)(5) of the Ohio Revised Code, pertaining to conviction of a felony under the laws of any state or of the United States. Representing Mr. Kolarik, was counsel, Zachary Swisher.

Ms. Huston introduced State's Exhibit(s) A, 1 through 4, B, 1 through 26 and C, 1 through 17. Mr. Kolarik then spoke to and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

FORMAL HEARING: BONNIE WANDTKE/BONNIE WANDTKE CPA

Mr. Fay opened a disciplinary hearing at 1:50 p.m., pursuant to Chapter 119 of the Revised Code. The Board charged Ms. Wandtke with a violation of section 4701.16(A)(9) and (11) of the Ohio Revised Code, concerning failure to obtain an Ohio permit and a firm registration; and failure of a public accounting firm to comply with section 4701.04 of the Ohio Revised Code. Ms. Wandtke was not present.

Ms. Huston called Mr. Patterson as a witness and introduced State's Exhibit(s) A, 1 through 6.

The Board admitted into evidence all exhibits. Mr. Fay concluded the hearing.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson stated that Board staff is continuing to work on rule changes, but needs the board to decide by the June 13, 2014 meeting to accept Chapter 15 (Continuing Education) rules with final changes. Mr. Patterson also informed the Board we would begin implementing NASBA's CPE transcript program.

Mr. Patterson introduced Beatrice Johnson, of the Board office, and shared an email complementing her on a wonderful job in assisting them. She also received flowers and candy from these individuals. Mr. Patterson indicated to the board how professional Ms. Johnson is at all times in manner and appearance.

Mr. Patterson had Ms. Karen Salyer and Ms. Elisabeth Newell share their comments on attending NASBA University in Nashville, Tennessee.

NASBA REPORT

Mr. Patterson reported the NASBA Executive Directors Conference for accountancy board staff was held in Savannah, Georgia on March 3-5, 2014 and was attended by Tracey Fithen, Jesse Dixon, Rachel Huston, and himself.

The Board discussed the upcoming NASBA Eastern Regional Meeting in Louisville, Kentucky, to be held June 3 - 6, 2014.

EXECUTIVE SESSION

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to break into executive session pursuant to Ohio Revised Code section 121.22(G)(1) to discuss the requests for waiver of late fees and formal hearings. Motion carried 8-0 on a roll call vote. After discussion, the Board returned to general session.

BOARD DECISIONS

LATE FEE WAIVER APPEALS

Upon motion by Mr. Carroll, seconded by Ms. Houston, the Board voted to deny the appeals of the following licensees for waiver of the late filing fee and renewal date change:

- Michael G. Lyons
- Kyle Kaufman
- Brent N. Pastorek
- Jack E. & Nancy P. Griffiths
- Theodore A. Laufik

Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: GERRY KESEL/KESEL & WEST CPAs

Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to revoke the CPA certificate of Gerry Kesel's firm, but stay the revocation subject to the completion of the following requirements by July 31, 2014:

- Payment of a fine of \$2,000.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved Professional Standards and Responsibilities course.
- Verify completion of his CPE credits after the 2014 renewal.

Motion carried 8-0 on a roll call vote.

REINSTATEMENT HEARING: JAMES W. SCHMIDT

Upon motion by Mr. Carroll, seconded by Mr. Gottfried, the Board voted to reinstate the CPA certificate of James W. Schmidt, subject to the completion of the following requirements by July 31, 2014:

- Payment of a fine of \$1,000.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved Professional Standards and Responsibilities course.

Motion carried 7-0 on a roll call vote with Ms. Sfalcin abstaining.

DISCIPLINARY HEARING: MICHAEL R. LENIHAN/LENIHAN & COMPANY INC.

Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to revoke the CPA certificate of Michael R. Lenihan's firm, but stay the revocation subject to the completion of the following requirements by July 31, 2014:

- Payment of a fine of \$7,500 for multiple violations.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved Professional Standards and Responsibilities course.
- Completion of Peer Review.
- Verify completion of his CPE credits after the 2014 renewal.

Motion carried 8-0 on a roll call vote.

REINSTATEMENT HEARING: PATRICK J. COX

Upon motion by Mr. Carroll, seconded by Mr. Gottfried, the Board voted to take no action against Mr. Cox and Mr. Cox may not appear before the board again until all sanctions imposed by the SEC have been met, including payment of any fines or penalties.

Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: RONALD M. KOMOROWSKI, JR. / RONALD M. KOMOROWSKI, JR., CPA, INC.

Upon motion by Mr. Carroll, seconded by Mr. Gero, the Board voted to revoke the CPA certificate of Ronald M. Komorowski Jr.'s firm, but stay the revocation subject to the completion of the following requirements by July 31, 2014:

- Payment of a fine of \$7,500 for multiple violations.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved Professional Standards and Responsibilities course.
- Completion of a satisfactory Peer Review of his firm.

Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: SCOTT J. CAVELL/CAVELL & ASSOCIATES CPA LLC

Upon motion by Mr. Carroll, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of Scott J. Cavell's firm, but stay the revocation subject to the completion of the following requirements by July 31, 2014:

- Payment of a fine of \$3,000.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved Professional Standards and Responsibilities course.
- Completion of a satisfactory Peer Review of his firm.

Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: WILLIAM K. YOH, II/WILLIAM K. YOHO, II CPA

Upon motion by Mr. Carroll, seconded by Ms. Sfalcin, the Board voted to accept the voluntary surrender of Mr. Yoho's CPA certificate.

Motion carried 8-0 on a roll call vote.

REINSTATEMENT HEARING: JEFFREY C. KOLARIK

Upon motion by Mr. Carroll, seconded by Mr. Gottfried, the Board voted to reinstate the CPA certificate of Jeffrey C. Kolarik, subject to the completion of the following requirements by July 31, 2014:

- Payment of original fine of \$2,000.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved Professional Standards and Responsibilities course.

Motion carried 8-0 on a roll call vote.

DISCIPLINARY HEARING: BONNIE WANDTKE/BONNIE WANDTKE CPA

Upon motion by Mr. Carroll, seconded by Ms. Sfalcin, the Board voted to revoke the CPA license of Bonnie Wandtke.

Motion carried 8-0 on a roll call vote.

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to adjourn. Motion carried 8-0.

ROBERT F. FAY, CHAIR

JAMES J. CARROLL, SECRETARY