

**ACCOUNTANCY BOARD OF OHIO
MINUTES OF JUNE 8, 2012 MEETING**

The Accountancy Board met on June 8, 2012 in Rooms West B and C 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: Margaret Houston, CPA (Chair), W. Michael Fritz, CPA (Vice Chair), Robert Fay, CPA (Secretary), Mark LaPlace, CPA (Past Chair), Michael Comer, CPA (Member), James Carroll, CPA (Member), and James Gero, CPA (Member). Greta Russell (Immediate Past Chair) and Adriana Sfalcin (Public member) were absent.

Representing the Board staff was Robert Joseph, CPA and Assistant Director. Board counsel present was John Patterson, Esq., representing the office of the Attorney General.

Present in the audience was Barbara Benton, Vice President for Governmental Affairs of the Ohio Society of Certified Public Accountants (OSCPA).

Ms. Houston called the meeting to order at 10:00 a.m., and welcomed the guests in the audience.

APPROVAL OF THE APRIL 2012 BOARD MEETING MINUTES

Upon motion by Mr. Fritz, seconded by Mr. Fay, the Board voted to approve the minutes of the April 27, 2012 Board meeting with one amendment. Motion carried 7-0.

PROPOSED RULE CHANGES

Mr. Joseph presented six rules due to be filed as part of the five-year review procedure. He noted that any comments can be included in the rule filing process due to begin after the July 13, 2012 Board meeting.

INFORMATION REPORTS AND UPDATES

NASBA REPORT

Mr. Joseph reported the NASBA Regional Meeting would be held in Philadelphia June 13-15, 2012. He added that he was placed on a NASBA task force to develop an enforcement manual for the states that do not have such a manual and that the Ohio enforcement manual was selected as a source of ideas for the project.

Ms. Houston remarked that the NASBA Eastern Regional Meeting Ohio delegation normally sits together, and that Executive Director Ronald Rotaru normally reserved some seats before the meeting start time.

BUDGET AND FINANCIAL REPORT

Mr. Joseph noted that the Board as of May 31, 2012 was still spending less than its projected budget for fiscal year 2012, so it would be certain once again that the Board would not spend its entire appropriation. He added that payments could not be made for most of June due to the close of the fiscal

year.

Mr. Fritz remarked that the Board was requesting an additional \$125,000 for the education assistance fund at the Controlling Board meeting on Monday, June 11, 2012.

INVESTIGATIONS REPORT

Mr. Joseph noted that 16 licensees had still not complied with the continuing education verification. One hearing was scheduled for June 2012 with other likely hearings in July or September. He presented a report on the status of past hearings and noted that the cases involving Robert White, Neil Tolbert and Charles Morrison will be closed and will not appear on subsequent reports.

EDUCATION ASSISTANCE PROGRAM REPORT

Mr. Joseph reported a total of \$240,000.00 was spent for education assistance in fiscal year 2012. He added that \$234,064.40 was actually used for grant payments and \$5,935.60 was not eligible to be used since refund checks sent to the Board by colleges were deposited in the incorrect fund. After some discussion, the Board agreed to pursue the depositing of the \$5,935.60 into the education assistance fund.

There was discussion concerning the possible transfer of funds by the OSCP from the Aspire program to the Accounting Career Awareness Program (ACAP-Ohio) this fiscal year. Since both Aspire and ACAP-Ohio are minority recruitment programs within the meaning of division 4701.26(D)(6) of the Ohio accountancy law, the funds allocated by the Board for that purpose need not be split evenly between the two programs.

OLD BUSINESS

ELECTRONIC NEWSLETTER

The Board discussed the proposed newsletter, and agreed that the Board members should review the material Mr. Joseph presented and make recommendations on the final content of the newsletter by the next Board meeting.

NEW BUSINESS

HEARING ITEMS AND BOARD REPORTS

The Board discussed with counsel the issue of placing Board hearing exhibits on the website. It was the recommendation of Mr. Patterson that investigative files are confidential until the hearing. Once the hearing is held, the exhibits presented at the hearing become a public record.

The Board also agreed that the reports for the next Board meeting would be posted on the website and one notification email to the Board members of such posting would replace the current procedure of emailing the items.

REQUEST FOR WAIVER OF LATE FILING FEES

AUGUSTUS M. FREEMAN

Mr. Freeman requested a waiver of the \$250 late fee applicable to the late renewal of his Ohio permit because his secretary misfiled his renewal notice.

FORMAL HEARING: CHARLES L. MELOSH

Ms. Houston opened a disciplinary hearing at 10:35 a.m. pursuant to Chapter 119 of the Revised Code. Charles L. Melosh was charged with a violation of section 4701.16(A)(2) of the Ohio Revised Code, pertaining to dishonesty, fraud, or gross negligence in the practice of public accounting, and section 4701.16(A)(4) of the Revised Code, pertaining to failure to comply with Board rule 4701-11-07 regarding failure to respond to Board communications. Mr. Melosh requested a hearing in a timely manner but he was not present at the hearing. Mr. Melosh was represented at the hearing by counsel, Richard G. Witkowski, Esq.

Mr. Patterson in his opening statement asked for the acceptance of State's Exhibit A. Mr. Witkowski did not object, and Ms. Houston accepted the exhibit.

Mr. Patterson said that, in the course of the investigation, the subject of the hearing would be Mr. Melosh's failure to respond to Board communications and not the underlying complaint. He added that the original hearing notice was mailed to Mr. Melosh on October 5, 2011 and that Mr. Melosh has not responded to the allegations from complainant Destiny's Auto Sales that it paid for services that were never rendered.

Mr. Witkowski noted that Mr. Melosh was in ill health. He added that Mr. Melosh could not attend the hearing due to health issues within his family. He remarked that it was not the intention of Mr. Melosh to ignore the Board or otherwise imply that the complaint did not deserve serious consideration. He concluded by stating that Mr. Melosh had sold his public accounting firm.

The Board then asked questions of Mr. Witkowski.

Ms. Houston concluded the hearing.

REINSTATEMENT HEARING: ROBERT E. DAVIS

Ms. Houston opened a reinstatement hearing at 10:55 a.m. Present at the hearing was Robert E. Davis, whose CPA certificate was revoked by the Board on November 4, 2011 pursuant to Ohio Revised Code section 4701.16(A)(4) then in effect, pertaining to failure to respond to Board communications in a timely manner in accordance with rule 4701-11-07 of the Ohio Administrative Code. Stephanie P. Franckewitz, Esq., represented Mr. Davis as counsel.

Ms. Franckewitz presented the reasons in support of Mr. Davis's request for reinstatement, and indicated that Mr. Davis's failure to appear at the November 4, 2011 Board hearing was a misunderstanding. She appealed for a favorable consideration of Mr. Davis's request.

The Board then asked questions of Mr. Davis.

Ms. Houston closed the hearing.

FORMAL HEARING: ROBERT M. WARK

Ms. Houston opened a disciplinary hearing at 11:15 a.m. pursuant to Chapter 119 of the Revised Code. Robert M. Wark was charged with a violation of section 4701.16(A)(1) of the Ohio Revised Code, pertaining to fraud or deceit in obtaining an Ohio permit, and section 4701.16(A)(4) of the Revised Code, pertaining to failure to comply with Board rule 4701-15-12 regarding failure to comply with the Board's continuing education verification requirement. Mr. Wark requested a hearing in a timely manner and he was present at the hearing. Mr. Wark was represented at the hearing by counsel, James J. Leo, Esq.

Mr. Leo opened by stating that Mr. Wark made an error in calculating his continuing education credit and that he has been diligent over the past few months to correct his credit shortage. He added that Mr. Wark planned to continue as a CPA for a short while before leaving public accounting practice.

Mr. Patterson noted that Mr. Wark reported completion of 120 continuing education credits at the time he renewed his Ohio permit. He asked Mr. Joseph to review the continuing education submitted by Mr. Wark. Mr. Joseph replied that Mr. Wark completed 120 verified continuing education credits as of May 9, 2012, but that 88 of those credits were earned after December 31, 2011.

Mr. Leo reviewed the situation with Mr. Wark and asked his client some questions. Mr. Wark indicated that he removed references to the CPA designation at his place of business.

The Board then asked questions of Mr. Wark.

Ms. Houston concluded the hearing.

FORMAL HEARING: DANIEL D. WEDDINGTON

Ms. Houston opened a disciplinary hearing at 11:35 p.m. pursuant to Chapter 119 of the Revised Code. Daniel D. Weddington was charged with a violation of section 4701.16(A)(5) of the Ohio Revised Code, pertaining to Mr. Weddington's conviction in United States District Court, Southern District of Ohio, of two counts of Aiding and Abetting in the Preparation of a False or Fraudulent Income Tax Return, and one count of Obstructing or Impeding the Administration of the Internal Revenue Service. Mr. Weddington submitted a written statement in lieu of a personal appearance at the hearing.

Mr. Patterson waived his opening statement, called Mr. Joseph as a witness, and asked that he be sworn in. Mr. Joseph took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. Joseph, including the judgment entry issued by the United States District Court.

Mr. Patterson moved for the acceptance of State's Exhibit A and Ms. Houston accepted the exhibit. Mr. Patterson said the Board has jurisdiction to take action in this matter.

Ms. Houston concluded the hearing.

FORMAL HEARING: JOHN D. MAY, JR., INC./JOHN D. MAY, JR.

Ms. Houston opened a disciplinary hearing at 11:40 p.m. pursuant to Chapter 119 of the Revised Code. John D. May, Jr. was charged with a violation of section 4701.16(A)(11) of the Ohio Revised Code,

pertaining to the failure of his firm, John D. May, Jr., Inc., to comply with the firm registration requirements. Mr. May did not request a hearing in a timely manner and he was not present at the hearing.

Mr. Patterson waived his opening statement, called Mr. Joseph as a witness, and asked that he be sworn in. Mr. Joseph took the oath. Mr. Patterson reviewed documents in State's Exhibit A with Mr. Joseph. Mr. Patterson moved for the acceptance of State's Exhibit A and Ms. Houston accepted the exhibit. Mr. Patterson said the Board has jurisdiction to take action in this matter.

Ms. Houston concluded the hearing.

APPEAL OF CLOSED CASE

CASSANDRA WILTZ vs. SIX CPAs and TWO CPA FIRMS

Mr. Patterson noted that Ms. Wiltz filed court cases in various venues and these cases were dismissed. Ms. Wiltz presented a brief statement in support of her appeal and claimed that none of the court cases were related to her complaint before the Board. She concluded by asking the Board to reopen the case.

EXECUTIVE SESSION

Upon motion by Ms. Houston, seconded by Mr. Comer, the Board voted to recess into executive session pursuant to Ohio Revised Code section 121.22(G)(1) to discuss the requests for waiver of late fees and confidential investigative cases with Mr. Patterson, as well as employment of a public employee. Motion carried 7-0 on a roll call vote. After discussion, the Board returned to general session.

BOARD DECISIONS

LATE FEE WAIVER APPEAL

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to deny the appeals of the following licensees for waiver of the late filing fee:

- Augustus M. Freeman

Motion carried 7-0 on a roll call vote.

DISCIPLINARY HEARING: CHARLES L. MELOSH

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of Charles L. Melosh. Motion carried 7-0 on a roll call vote.

REINSTATEMENT HEARING: ROBERT E. DAVIS

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to reinstate the CPA certificate of Robert E. Davis, subject to the completion of the following requirements by August 31, 2012:

- A fine of \$1,000.
- Completion of a Board-approved professional standards and responsibilities course.

Motion carried 7-0 on a roll call vote.

DISCIPLINARY HEARING: ROBERT M. WARK

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to assess Robert M. Wark a fine of \$1,880 and require completion of a Board-approved professional standards and responsibilities course by August 31, 2012. Motion carried 7-0 on a roll call vote.

DISCIPLINARY HEARING: DANIEL D. WEDDINGTON

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of Daniel D. Weddington, with the provision that he cannot apply for reinstatement until all court-ordered requirements are completed. Motion carried 7-0 on a roll call vote.

DISCIPLINARY HEARING: JOHN D. MAY, JR., INC./JOHN D. MAY, JR.

Upon motion by Mr. Fay, seconded by Mr. Comer, the Board voted to revoke the CPA certificate of John D. May, Jr., CPA, and the firm registration of John D. May, Jr., Inc. Motion carried 7-0 on a roll call vote.

APPEAL OF CLOSED CASE: CASSANDRA WILTZ

Upon motion by Mr. Fay, seconded by Mr. Fritz, the Board voted to affirm the decision of the Executive Director to close the case regarding Cassandra Wiltz. Motion carried 7-0.

EXECUTIVE SESSION

Upon motion by Ms. Houston, seconded by Mr. Comer, the Board voted to recess into executive session pursuant to Ohio Revised Code section 121.22(G)(1) to discuss the employment of a public employee. Motion carried 7-0 on a roll call vote. After discussion, the Board returned to general session.

EXECUTIVE SESSION

Upon motion by Ms. Houston, seconded by Mr. Comer, the Board voted to recess into executive session pursuant to Ohio Revised Code section 121.22(G)(1) to discuss the possible dismissal of a public employee. Motion carried 7-0 on a roll call vote. Mr. LaPlace and Mr. Comer left the meeting and did not participate in the executive session. After discussion, the Board returned to general session.

Upon motion by Mr. Fay, seconded by Mr. Carroll, the Board voted to adjourn. Motion carried 5-0.

MARGARET A. HOUSTON, CHAIR

ROBERT F. FAY, SECRETARY