

ACCOUNTANCY BOARD OF OHIO
MINUTES OF DECEMBER 7-8, 2015 MEETING

The Accountancy Board met on December 7, 2015 in Room 1932 on the 19th floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: Michael Comer, CPA (Chair), James Carroll, CPA (Vice-Chair), James Gero, CPA (Secretary), Robert Fay, CPA (Immediate Past-Chair), Adriana Sfalcin (Public Member), James Gottfried, CPA (Member), Michael Guinigundo, CPA (Member) and Maggie Gilmore, CPA (Member). W. Michael Fritz, CPA (Past Chair) was not present at the Board Retreat, Monday, December 7th.

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

Mr. Comer opened the meeting to discuss the issues that will be of importance to the Board and the public accounting profession in 2016.

Present in the audience were Laura Hay of the Ohio Society of Certified Public Accountants (OSCPA), Gary Previts, PhD, CPA, Associate Dean, Case Western University and Joseph Skoda, CPA, representing the Ohio Association of Independent Accountants.

GOALS FOR 2016

Mr. Patterson discussed whether we should amend the rules to require more than 120 hours of CPE to return to permit status after an extensive absence. The board talked about setting a timeframe, possibly 2 -3 reporting periods of CPE. It was agreed the matter should be reviewed by the Licensing Committee for recommendations to the entire Board for review. Also discussed, was the 120 vs 150 to sit for the CPA. The Board agreed no action was required at this time.

Mr. Fay discussed the NASBA Examination Exposure Draft Response and his findings. Most of the concern was centered on education vs experience as well as hours to sit for the examination. The Board also discussed the new NASBA examination requirements that will go into effect in 2016.

ISSUES ON THE HORIZON

Mr. Patterson discussed with the Board that Board members cannot interrupt opposing counsel when giving statements or providing documents. Board's counsel would attempt to guide counsel for licensee; we only require a statement of good moral character and not provide a detail listing.

Ms. Kelly Ann Kelly, firm registration secretary, explained that peer review deadlines, as well as recalled peer reviews, put the firm in an expired license status due to the peer review due date and therefore moved four firms forward a year in their reporting and will need to move five in the following year.

Miscellaneous items discussed were the discontinuance of providing wallet cards for renewal. The Board approved discontinuing.

Newsletter items were requested of the Board for the Winter Newsletter which should go out the first of the calendar year 2016.

BOARD CALENDAR OF EVENTS

The Board reviewed the following meeting dates for 2015-2016:

- February 5th, 2016 (Friday) (Room West B & C)
- April 29th, 2016 (Room West B & C)
- June 3rd, 2016 (Room West B & C)
- July 15th, 2016 (Room East B)
- September 9th, 2016 (Room West B & C)
- November 4th, 2016 - Annual Meeting (Room West B & C)
- December 5th, 2016 - Board Retreat (Room West B and C)
- December 6th, 2016 (Room West B and C)
- February 10th, 2017 (Room West B & C)

Mr. Carroll, as the new incoming Chair, will review and discuss at the February 5th, 2016 meeting.

DECEMBER 8, 2015
ACCOUNTANCY BOARD OF OHIO
BOARD MEETING

The Accountancy Board reconvened on December 8, 2015 at 9:00 a.m., in room 1932 on the 19th floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: Michael Comer, CPA (Chair), James Carroll, CPA (Vice-Chair), James Gero, CPA (Secretary), Robert Fay, CPA (Immediate Past-Chair), W. Michael Fritz, CPA (Past-Chair), Adriana Sfalcin (Public Member), James Gottfried, CPA (Member), Michael Guinigundo, CPA (Member) and Maggie Gilmore, CPA (Member).

Mr. Comer opened the meeting with the Pledge of Allegiance at 9:00 a.m.

Present in the audience were Ken Bishop, CEO of NASBA, Donald Burkett, NASBA's Chair for 2015-16, Scott D. Wiley, CEO, Barbara Benton, Vice President for Governmental Affairs, Laura Hay of the Ohio Society of Certified Public Accountants (OSCPA), and Joseph Skoda, CPA, representing the Ohio Association of Independent Accountants.

PRESENTATION BY NASBA'S
KEN BISHOP AND DONALD BURKETT

Mr. Comer introduced Ken Bishop, CEO, and Donald Burkett, NASBA's Chair for 2015-2016.

Mr. Bishop spoke with the board regarding all the changes being implemented by NASBA for the new CPA Examination. He noted that the Accountancy Board of Ohio has consistently been among the national leaders in accountancy regulation, mobility and their involvement with NASBA. Mr. Bishop also thanked Mr. Fritz for his service as the Great Lakes Regional Director of NASBA. He also commented on the United States vs other countries regarding hour based exam vs competency based. The U.S. is the only country that uses hour based exam.

Mr. Burkett thanked the Ohio Board for the hospitality and efforts in bringing Ohio into the forefront and with the new implementation of the cpe verify and mobility standards.

DISCIPLINARY HEARING: DONALD A. WETZEL, CPA

Mr. Comer opened a disciplinary hearing at 10:00 a.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Donald A. Wetzel with violation of sections 4701.16(A)(1) & (11) of the Ohio Revised Code, concerning fraud and deceit in obtaining an Ohio permit; and failure to comply with firm registration requirements. Mr. Wetzel was in attendance and represented by counsel, James Leo.

Ms. Huston called Mr. Wetzel as a witness and introduced State's Exhibit A, 1 through 7, Exhibit B, 1 through 7 and Exhibit C, 1 through 21.

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

REINSTATEMENT HEARING: JOHN HOLTZHAUSER, CPA

Mr. Comer opened a disciplinary hearing at 10:30 a.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged John Holtzhauser with 4701.16(A)(10), pertaining to conduct discreditable to the public accounting profession as a result of sanctions issued by the Securities and Exchange Commission. Mr. Holtzhauser was in attendance.

Ms. Huston called Mr. Holtzhauser as a witness and introduced State's Exhibit A, 1 through 4, Exhibit B, 1 through 9 and Exhibit C, 1 through 13.

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

DISPLINARY HEARING: JOSEPH B. GORDON, CPA

Mr. Comer opened a disciplinary hearing at 10:46 a.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Joseph Gordon with 4701.16(A)(9) and (11), concerning failure to obtain an Ohio firm registration and failure to comply with section 4701.04 of the Ohio Revised Code. Mr. Gordon was in attendance.

Ms. Huston called Mr. Gordon as a witness and introduced State's Exhibit A, 1 through 6, Exhibit B, 1 through 4, Exhibit C, 1 through 6, Exhibit D, 1, Exhibit E, 1 through 6 and Exhibit F, 1 through 4.

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

DISPLINARY HEARING: PAUL A. WILLIAMS, CPA/WILLIAMS & WILLIAMS, CPAs

Mr. Comer opened a disciplinary hearing at 11:14 a.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Paul Williams with 4701.16(A)(11), concerning a violation of 4701.04 concerning failure to comply with firm registration requirements. Mr. Williams was not in attendance.

Ms. Huston introduced State's Exhibit A, 1 through 9 and Exhibit B, 1 through 2.

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

DISCIPLINARY HEARING: PETER A. BECK, CPA

Mr. Comer opened a disciplinary hearing at 11:20 a.m. pursuant to Chapter 119 of the Ohio Revised Code. The Board charged Peter Beck with 4701.16(A)(6), concerning a conviction of any crime, an element of which is dishonesty or fraud, under the laws of any state or of the United States. Mr. Beck was not in attendance.

Ms. Huston introduced State's Exhibit A, 1 through 6 and Exhibit B, 1 through 76.

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

REQUESTS FOR WAIVER OF LATE FILING FEES

RONALD S. CHESTNUT, CPA

Mr. Chestnut requested a waiver of the \$300 late fee applicable to the renewal of his Ohio CPA certificate that expired on December 31, 2012.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson introduced our new Investigations Supervisor, Donna Oklok, who will start on December 14, 2015.

APPROVAL OF THE NOVEMBER 6, 2015 BOARD MEETING MINUTES

Upon motion by Ms. Sfalcin, seconded by Mr. Gottfried, the Board voted to approve the minutes of the November 6, 2015 Board meeting. Motion carried 9-0.

INFORMATION REPORTS AND UPDATE

FINANCIAL AND BUDGET REPORT

Ms. Fithen said that the Board's current budget situation was good and there were no unexpected expenses so far in fiscal year 2016. The Board was also awarded by the Office of Budget Management additional appropriations for the fiscal years 2016 and 2017 to cover payroll increases. A new Investigations Supervisor, Donna Oklok, will start on December 14, 2015.

INVESTIGATIONS REPORT

Ms. Kochensparger reported that, to date, there are a total of 37 open cases and three cases in litigation. Currently, there are two cases with compliance action pending. She informed the Board too that 85 cpe verification audits have been completed.

EDUCATION ASSISTANCE PROGRAM REPORT

Ms. Fithen reported that a total of \$230,661 has been paid in scholarships to date in fiscal year 2016. This amount includes the \$50,000.00 grant to the Accounting Career Awareness Program paid in October of 2015. Mr. Comer stated concern that since Maggie Houston was no longer on the Board the program would falter. Mr. Patterson assured the Board that this is not the case and that The Ohio State University has exceeded past years in offering scholarships.

OLD BUSINESS

Ms. Huston commented on the Wolfe case that a decision hasn't been rendered at this time.

NEW BUSINESS

Mr. Comer discussed the Board's involvement with the National Association of State Boards of Accountancy (NASBA) by more board members signing up for committees. Mr. Fritz, as Great Lakes Regional Director, was asked to provide a list of suggested committees that would best serve the board.

CHAIR'S REPORT

DISTINGUISHED SERVICE AWARDS: ROBERT F. FAY, CPA – AND – W. MICHAEL FRITZ, CPA

Mr. Comer awarded Mr. Robert F. Fay, CPA (Past Board Member) and Mr. W. Michael Fritz, CPA (Past Board Member), with the Distinguished Service Award for their years serving on the board in appreciation for their service and contributions.

CHAIR GAVEL AWARD: MICHAEL S. COMER, CPA

Mr. Carroll, as the incoming Chair, presented Mr. Comer with the Chair Gavel Award for his service as Chair during the 2015 year.

QUASI-JUDICIAL DELIBERATIONS

Upon motion by Mr. Gottfried, seconded by Ms. Sfalcin, the Board voted to enter into quasi-judicial deliberations with a roll call vote. Motion carried 9-0 on a roll call vote. After discussion the Board returned to general session.

BOARD DECISIONS

LATE FEE WAIVER APPEALS

Upon motion by Mr. Gero, seconded by Mr. Gottfried, the Board voted to deny the appeal of the following licensee for waiver of the late filing fee:

- Ronald S. Chestnut

Motion carried 9-0 on a roll call vote.

FORMAL HEARING: DONALD A. WETZEL

Upon motion by Mr. Gero, seconded by Mr. Fay, the Board voted to revoke the CPA certificate and firm registration of Donald A. Wetzel, but stay the revocation subject to the completion of the following requirements by March 31, 2016:

- Payment of a fine of \$5,000 for fraud or deceit in obtaining a firm registration.
- Payment of any applicable late and penalty fees.
- Completion of a Board-approved professional standards and responsibilities course.

Motion carried 9-0 on a roll call vote.

REINSTATEMENT HEARING: JOHN HOLTZHAUSER

Upon motion by Mr. Gero, seconded by Mr. Gottfried, the Board voted to reinstate the CPA certificate of John Holtzhauser following completion of the following requirements by March 31, 2016:

- 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 9-0 on a roll call vote.

FORMAL HEARING: JOSEPH B. GORDON

Upon motion by Mr. Gero, seconded by Mr. Gottfried, the Board voted to revoke the CPA certificate of Joseph B. Gordon, but stay the revocation subject to the completion of the following requirements by March 31, 2016:

- Payment of a fine of \$2,500 for fraud or deceit in obtaining a firm registration.
- 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 with Ms. Sfalcin abstaining.

FORMAL HEARING: PETER A. BECK

Upon motion by Mr. Gero, seconded by Mr. Gottfried, the Board voted to revoke the CPA certificate of Peter A. Beck. Mr. Beck cannot apply for reinstatement until all terms and conditions of court ordered requirements are met.

Motion carried 9-0 on a roll call vote.

FORMAL HEARING: PAUL A. WILLIAMS/WILLIAMS & WILLIAMS, CPAs

Upon motion by Mr. Gero, seconded by Mr. Gottfried, the Board voted to revoke the CPA certificate and firm registration of Paul A. Williams and Williams & Williams, CPAs. The Board also stipulated any application for reinstatement may not occur earlier than November 30, 2016.

Motion carried 9-0 on a roll call vote.

EXECUTIVE SESSION

Upon motion by Mr. Comer, seconded by Mr. Gottfried, the Board voted to go into Executive Session, per ORC 121.22(G) to discuss the job evaluation of the Executive Director, John Patterson. During a roll-call vote of Mr. Fritz, Mr. Fay, Mr. Guinigundo, Mr. Gottfried, Ms. Sfalcin, Ms. Gilmore, Mr. Gero, Mr. Carroll and Mr. Comer all voting yes; to go into executive session. Motion carried 9-0.

Mr. Comer passed the gavel to Mr. James Carroll, as the Board's new Chair for 2016.

ADJOURNMENT

Upon motion by Mr. Carroll, seconded by Mr. Gottfried, the Board voted to adjourn. Motion carried 9-0.

**JAMES CARROLL
CHAIR**

**ADRIANA SFALCIN
SECRETARY**