

Minutes of the South Carolina Board of Accountancy
Wednesday, April 26, 2006, at 10:00 AM in Meeting Room 108 (Regulations)
Thursday, April 27, 2006, at 9:00 AM in Meeting Room 108 (Board Meeting)
Synergy Office Park, Kingstree Building, 110 Centerview Drive
Columbia, South Carolina

Charles L. Talbert, III, CPA, Chairman, called the Board Meeting of the South Carolina Board of Accountancy to order on April 27, 2006, at 9:00 a.m., with a quorum present. Other Board members present Joseph S. Cone, Accounting Practitioner, Mark T Hobbs, CPA, Bobby R Creech, Jr., CPA, and Wendell Lunsford, Accounting Practitioner.

Based on advance notice, the absence of Jamison W. Hinds, Esq., Donald H. Burkett, CPA, Vice-Chairman, and H. McRoy Skipper, Jr, CPA, were excused for April 26. The same board members and Joyce Green were excused for April 27.

Staff members participating during the meeting included: Doris E. Cubitt, Administrator, and Michael Teague, Administrative Assistant.

The Chairman announced the meeting was being held in accordance with section 30-4-80 of the South Carolina Freedom of Information Act by notice mailed to The State Newspaper, Associated Press, WIS-TV and all other requesting persons, organizations, or news media. In addition, notice was posted on the bulletin board at the main entrance of the Kingstree Building.

A moment of silence was observed after which Charles Talbert led all present in the Pledge of Allegiance.

1. On motion by Mark Hobbs, seconded by Bobby Creech, and unanimously passed, an amended agenda was adopted for the meeting.
2. On motion by Mark Hobbs, seconded by Wendell Lunsford, and unanimously passed, the minutes of the meeting held on January 26, 2006 were approved.
3. Hearing for Mr Stephen K Stullenbarger CPA # 5035, Case No 2005-13, was not heard as Mr Stullenbarger agreed to sign a consent agreement.

On motion by Mark Hobbs, seconded by Bobby Creech, and unanimously passed, the consent order was approved pending a change to the agreement.

As it read:

Respondent's license to practice accounting is hereby suspended for a period of twelve (12) months; however, such suspension shall be immediately stayed and the Respondent's license shall continue interrupted in a probationary status for a period of twelve (12) months from the effective date of this Order.

Amended to read:

Respondent's license to practice accounting is hereby suspended for a period of twelve (12) months; however, such suspension shall be immediately stayed and the Respondent's license shall continue uninterrupted in a probationary status for a period of twelve (12) months from the effective date of any future reinstatement, if such reinstatement is granted by the Board.

A copy of the original and final agreements are attached to these minutes.

4. Mr Rion Alvey gave an overview as to the makeup and operations of the Office of Investigation and Enforcement.

The Board requested as much information as possible be provided on a dismissal report in order to make an informed decision for dismissal. Requested 2 reports, one in case sequence order, and another by type i.e. Open, Closed, Pending etc.

5. Dismissal Report:

Mr Brett Sims was introduced and reviewed the complaint and dismissal reports to the Board.

- (1) The list of new complaints was presented and received as information by the Board. The following cases were approved for dismissal on motion by Mark Hobbs, seconded by Bobby Creech, and unanimously passed: Case Nos. 2005-11, 2005-37, 2005-27, 2006-03, and 2005-21.

Charles Talbert requested that a system for following up after a Cease and Desist is issued. Randy Bryant indicated that investigators would be able to look into situations throughout the state.

Ms Adrienne Youmans was introduced as director of LLR.

- (2) The following cases were identified as not being finalized and are recommended for dismissal and/or closure on motion by Mark Hobbs, seconded by Bobby Creech, and unanimously passed: Case Nos. 57-877 Closed, 57-914 Closed, 57-933 Closed, 57-968 Dismissed, 57-972 Closed, 57-1009 Closed, 2004-1 Dismissed, 2004-2 Investigation, 2004-3 Dismissed, 2004-7 Dismissed, 2004-10 Dismissed, 2004-13 Closed, 2004-15 Closed, 2005-03 Dismissed, 2005-10 Dismissed, 2005-12 Dismissed, 2005-17 Dismissed.

6. Information Update

- A. Chairman's remarks: Commended staff in pulling together information concerning agenda items into a summary that correlates back to the agenda.
- B. There were no advisory opinions.
- C. There was no legislative update.
- D. The Administrator's report was received as information and contained the following:

- (1) Eastern Regional Meeting is June 21 – 23, 2006 and will have a new member orientation at the meeting. Travel requests were approved for six Board members and the administrator to attend this meeting.

Charles Talbert stressed the importance of attending NASBA meetings, as the Board will use the information gained. It also lets the NASBA know that SC is interested and wants to be involved in decisions regarding the licensing and regulation of the accountancy profession.

- (2) The National NASBA Meeting will be October 29 through November 1, 2006 in Atlanta, GA.
- (3) Chuck Talbert's name has been submitted as our nomination to the position of Mid-Atlantic Regional Director. North Carolina has submitted a letter of support for his nomination.
- (4) National Committees – Any committees that the Board members would like to serve on please let the Board staff know after this meeting. Board members are encouraged to sign up for committee positions as it allows us to have input into national issues. Also, it will give us the exposure needed to be considered for other committees and positions within NASBA.
- (5) Educational Draft – Please respond with any opinions. SC already made changes to our educational requirements when we revised our statute, and our requirements exceed what is being proposed.
- (6) Hotel – Please reserve early with Kimberly Hicks with The Radison in order to obtain the \$99 government rate when available.

Charles Talbert made the request for the Board to be able to offset the cost of lodging over the \$66 governmental rate.

Randy Bryant indicated that the governor made it clear, lodging reimbursement is to follow the GSA standard for the Columbia rate of \$66.

Adrienne Youmans mentioned that we are following the governor's policy.

Joe Cone expressed his concerns as to why the Board cannot spend the money as deemed necessary. The Accountancy Board must be operated by funds generated by the Board and that no funds can come from the state (Revenue Funded).

We don't use state generated funds.

Adrienne Youmans stated that state government does not make a distinction between state dollars and revenue funded dollars.

Sharon Dantzer stated that the SC Attorney General's office and the State Supreme Court have given their opinion several times that once our revenues get deposited it becomes state funds and is subjected to the appropriation rules of the SC Constitution.

Randy Bryant will have the procurement area look into negotiating the rate at The Radisson.

E. The Financial Report was received as information.

Chuck Talbert inquired of Ms Youmans as to why the BOA has to pay 10% of their expenditures into the general fund every year.

Ms. Youmans stated that the 10% of expenditures goes to central state government for legal services, Budget and Control Board and other areas. This was required prior to restructuring and has never changed. The policy has been questioned, but with no resolution.

7. Old Business. There was no old business

8. New Business

Regulation/Legislative Committee

It is requested to have a rough draft of the Regulations available by June 15, 2006 prior to the Eastern Regional Meeting in Puerto Rico.

A. Peer Review Committee: No Report

B. Report of Education/Experience Committee: No Report

C. Report of CPE Committee:

(1) On motion by Mark Hobbs, seconded by Bobby Creech, and unanimously passed, to grant an Extension of 2005 CPE for Nancy Center CPA #6509, until 10/1/06 without penalty. She must complete 2006 CPE by 12/31/06.

(2) On motion by Bobby Creech, seconded by Mark Hobbs, and unanimously passed, to grant an Extension of 2005 CPE for Amy Heard CPA #4568 until 7/1/06 without penalty. She must complete 2006 CPE by 12/31/06.

- (3) On motion by Mark Hobbs, seconded by Bobby Creech, and unanimously passed, to accept the 80 CPE hours for 2004 & 2005 and refund the Reinstatement Fee of \$500 for Russell Sanders CPA #4254.
- (4) On motion by Wendell Lunsford, seconded by Mark Hobbs, and unanimously passed, to grant Robert Lewis CPA #1074, Emeritus Status effective 1/1/06, without penalty.
- (5) On motion by Mark Hobbs, seconded by Bobby Creech, and unanimously passed, to grant an Extension of 2005 CPE for Maurice Johnson CPA #6269 and assess a \$250 Reinstatement Fee for completing 2005 hours in 2006. He has submitted the 2005 CPE report on 4/12/06.
- (6) On motion by Bobby Creech, seconded by Mark Hobbs, and unanimously passed, to grant an Extension of 2005 CPE for Bruce Miller CPA #3150 until 9/1/06 and assess a \$250 Reinstatement Fee for completing 2005 hours in 2006.

D. Report of Examination/CBT Committee: No Report

E. Other Professional Issues Committee:

- (1) NASBA Strategic Initiatives Committee request a response to a Quick-Poll regarding identifying emerging and significant trends and issues that will impact state board regulation and propose proactive measures to deal with them effectively. Copy of Response attached to minutes.
- (2) On motion by Bobby Creech, seconded by Mark Hobbs, and unanimously passed, that Gary Bezella's, CPA #2167, roll as a Financial Advisor is too close in nature to the services that are performed by the licensees we regulate to approve his request for Emeritus status.
- (3) Board Policy
On motion by Bobby Creech, seconded by Mark Hobbs and unanimously passed, any licensee actively involved in Financial Advisory services cannot hold an Emeritus certificate.
- (4) Susan McDaniel's, AP #404, request to use Padgett Business Services as the firm name is tabled until the June 2006 meeting.

The Board discussed that a firm name cannot be misleading about the legal form of the firm: If you list the name of the Inc

and DBA, it is not misleading; if you list just the DBA name, it is misleading. DBA is not a legal name; it's a trade name.

F. Report of Qualification for Licensure Committee:

- (1) On motion by Mark Hobbs, seconded by Bobby Creech and unanimously passed, to refund the reinstatement fee for those revoked for non-renewal of their license for 2006 due to reporting date changes, broken down in three categories: Groups 1-3 refund \$500 reinstatement fee to licensees who do not have a history of any late renewals or late CPE reports; Groups 4-9 refund half the reinstatement fee, \$250 to those licensees who had only one late occurrence either in late renewals or CPE reporting or a combination of both; Groups 10-11 refund no part of the reinstatement fee for those licensees that had a history of numerous late renewals or CPE reporting and to include those licensees that completed 2005 CPE in 2006.

Charles Talbert made the recommendation to give group 12, that are totally revoked and did not ask for a refund, to be investigated by OIE to make sure they are not practicing.

- (2) Consideration of the request by Elliot Davis to amend the Reciprocity rules was denied. The rules for reciprocity are mandated by statute and cannot be changed by Board policy.
- (3) On motion by Mark Hobbs, seconded by Wendell Lunsford and unanimously passed, the exam grades for the January/February testing window were reviewed and accepted by the Board.
- (4) On motion by Mark Hobbs, seconded by Wendell Lunsford, and unanimously passed, the CPA Certificates issued from January 27, 2006 through April 27, 2006, were approved. A copy of the list is attached to these minutes.

G. Report of Character and Fitness Committee:

On motion by Bobby Creech, seconded by Wendell Lunsford, and unanimously passed, to accept the Character & Fitness Committee's recommendation to grant a Reciprocity License to William S Clark.

9. Public Comment: None

10. The next meeting dates are as follows:

For the year 2006: May – No Meeting; June 28, Room 201-03; July – No Meeting; August 24, Room 108; September – No Meeting; October 26, Room 108; November – No Meeting; December 7, Room 108.

Members are to reserve the afternoon before each meeting in the event a hearing is scheduled.

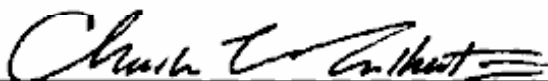
11. The meeting was adjourned at 1:21pm by the Chairman.

Respectfully submitted,

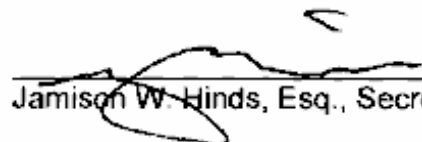


Doris Cubitt, Administrator

Approved at the June 28, 2006 Board Meeting.



Charles L. Talbert, III, CPA, Chairman



Jamison W. Hinds, Esq., Secretary