

Minutes of the South Carolina Board of Accountancy
Wednesday, January 24, 2007, at 9AM in 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 January 24, 2006, at 9:15 a.m., with a quorum present. Other Board members present were Donald H. Burkett, CPA, Vice-Chairman, Jamison W. Hinds, Esq., Secretary, Mark T Hobbs, CPA, Bobby R Creech, Jr., CPA, Joyce Green, Public Member, and Wendell Lunsford, Accounting Practitioner. The Chair welcomed new Board member Anthony Callander, CPA, appointed November 21, 2006, expires June 30, 2008 to replace H. McRoy Skipper, Jr, CPA.

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

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 Donald Burkett led all present in the Pledge of Allegiance.

1. Board Chair Charles Talbert formally recognized Anthony Callander's appointment to the SC Board of Accountancy. He replaced H. McRoy Skipper, Jr. Chairman Talbert formally thanked and recognized Mr Skipper for many years of service to the Board.
2. Charles Talbert introduced Erin Hardwick, Executive Director of the SC Association of CPA's (SCACPA) who introduced Glenna Minor who assumed the position of Peer Review Coordinator and Member Services Manager of SCACPA. She reported that the Association conducted 153 Peer Reviews in 2006; 86 were System, 67 were Engagement. As of today SCACPA has enrolled 127 new firms that will be participating in the Peer Review program. SCACPA has 200+ applications that appear will not to be participating in the Peer Review program. However, further review may find those firms participating.
- 3.. On motion by Mark Hobbs, seconded by Donald Burkett, and unanimously passed, an agenda was adopted for the meeting.
4. On motion by Donald Burkett, seconded by Jamison Hinds, and unanimously passed, the minutes of the meetings held on December 7, 2006 were approved.
5. The hearing scheduled in the matter of Michael Paulin, CPA #4357, Case No. 2006-01, was continued due to representation conflicts of the respondent. The Chair granted the continuance until the April 26, 2007 Board Meeting.

6. A hearing was held on a complaint against Mr Phillip Biggar, AP #534, Case No. 2005-19. Sheridan Spoon, Esquire represented the Board, Shirley Robinson acted as advice counsel to the Chair, and Mr Biggar represented himself.

After the testimony of witnesses and the arguments and rebuttals were presented by counsel and rebuttal by Respondent, on motion by Jamison Hinds, seconded by Donald Burkett, and unanimously passed, the Board went into Executive Session to receive legal counsel. On coming out of executive session on motion by Bobby Creech, seconded by Marks Hobbs, and unanimously passed, the Chairman announced that there were no votes taken while in executive session.

On motion by Donald Burkett, seconded by Bobby Creech, and unanimously passed the Board found Mr Biggar in violation of the laws and regulations that are described in the complaint and revoke his license as an Accounting Practitioner.

On motion by Donald Burkett, seconded by Mark Hobbs, and passed with one nay vote, found Mr Biggar in violation of the laws and regulations that are described in the complaint and fine him \$5,000.

7. Complaint & Investigative Activity:

- A. Consent agreements and other special matters:

George E. Simmons, AP #152 Case #2006-06. On motion by Jamison Hinds, seconded by Mark Hobbs, and unanimously passed the consent agreement is to be tabled until the April 26, 2007 Board Meeting.

- B. The list of new complaints was presented and received as information by the Board.

- C. The IRC did not recommend any cases for dismissal.

8. Information Update

- A. Chairman's remarks: Stressed that the Board as a whole should attend as many NASBA Meetings as possible.

NASBA Committee Update:

Doris Cubitt; Compliance Assurance Review Task Force & Compliance Assurance Committee: Attended a meeting in Dallas, TX on January 7, 2007. NASBA voted to go forward with the Compliance Assurance Review Board (CARB), they're looking at developing the Board and seeing what guidelines will be necessary and which Boards of Accountancy would be interested in participating. Another meeting is scheduled for

April. CARB will be reviewing the AICPA's proposed revisions to the Peer Review program. They are looking for CARB to be an oversight body to see that which ever entity that will be handling the Peer Review program is doing what is needed.

Bobby Creech; Strategic Initiatives Committee: Continuing to have monthly conference calls. A couple of states are requesting information as to what Boards of Accountancy need to have in order to do their job. Consensus of the committee is basically the same as the SC Board; control of the Budget, oversight of investigations, and those type of things. To include a good mix of practitioners and non-practitioners on the Board. Discussed the upcoming Independence issue.

Charles Talbert; Ethics Committee: Had a number of conference calls and a meeting in Nashville. There's an effort to come up with common CPE. Not necessarily going to be easy to put into place. As with the Ethics course North Carolina has everyone doing, where they mainly have the licensees go over their statute and regulations. It does not have the licensees deal with case studies and ethical issues. The question of Independence, the SC Board looks toward the AICPA's Code of Professional Ethics, maybe there should be an independent board in regards to Professional Ethics that's separate from the AICPA.

- B. There were no advisory opinions.
- C. Legislative Update: Our Regulations, Document 3092, were sent to the LCI Committee in both House and Senate. It is expected for it to time out on May 9, 2007, in other words, to pass without discussion.
- D. The Administrator's report was received as information and contained the following:

Regional Meeting from June 6 – 8 in Williamsburg, VA. As a newly appointed Board member Anthony Callander is eligible for a scholarship to attend the Regional Meeting.

Annual Meeting from October 28 – 31 in Maui, HI.

Renewal Statistics (Attached)

Registration of Sole Practitioner firms will be looked at and a policy will be developed during a Character & Fitness conference call on January 31, 2007.

The online processing fee of \$1.25 has been dropped.

- E. The Financial Report was received as information.

9. Old Business. There was no old business
10. New Business

Regulation/Legislative Committee

Mark Hobbs brought up the subject of making an amendment to our statute concerning practitioners that have been revoked and how they wouldn't be able to be employed by a registered firm as a staff member.

A policy needs to be developed concerning the issue above and will be brought to the April Board Meeting.

A. Peer Review Committee: Mark Hobbs

Mark Hobbs introduced a memo concerning Jim Holloway position as Peer Review oversight chairman. (Attached)

- The hourly rate will have to be readjusted to come inline with State standards.
- If Mr Holloway will be assisting in investigations and serving as an expert witness, there may be potential to be some conflict and he may have to recuse himself in the matter if he has gained knowledge through the Peer Review process.
- It would be wise for Mr Holloway to conduct some background work into how the administrative process works regarding Peer Review, so that he can do his job.
- He should not be voicing an opinion at the RAB Meeting, because it would take the focus off the meeting, since he would be a representative of the Board. He is just there to observe.
- It was brought up that Mr Holloway or any other person that would be involved in the Peer Review process sign a confidentiality agreement.
- SCACPA will be assisting in advertising for CPA's to serve as investigators through out the state. Requirements would be that they are a licensed CPA in good standing and that they would need a background in audit issues.

B. Report of Education/Experience Committee: Bobby Creech

On motion by Jamison Hinds, seconded by Anthony Callander, and unanimously passed, the Board went into Executive Session. On coming out of executive session on motion by Bobby Creech, seconded by Wendell Lunsford, and unanimously passed, the Chairman announced that there were no votes taken while in executive session.

Ms Sadhna Patel withdrew her petition to the Board to accept experience as submitted which is 4 months short and reserves her right to petition the Board at a later date.

C. Report of CPE Committee: Bobby Creech

On motion by Bobby Creech, seconded by Donald Burkett, and unanimously passed, to grant Mr David Stair's CPE extension until May 15, 2007.

D. Report of Examination/CBT Committee: Vacant

No Report

E. Other Professional Issues Committee: Vacant

POLICY: Firm names that are not registered with the Secretary of State's office would have to use a derivative of their name for firm names. Firm names registered with the Secretary of State's office and do not use terminology that is self serving or fictitious are acceptable firm names.

1. Contact Mr Charles Turlington and notify him, that in order to use B & G Tax Service he will have to become a legal entity and register with the South Carolina Secretary of State's office.
2. Mr Wes Billingsley's request to use Business Advisors, LLC has been sent back to the staff office so it can be handled by the above policy.

F. Report of Qualification for Licensure Committee: Jamison Hinds

Logistically/Administratively, how do other states pass out their certificates? For those Boards that are presenting the certificates ask what venue is it done in and who does the swearing in?

On motion by Jamison Hinds, seconded by Donald Burkett and unanimously passed, to grant Mr John Boczar's request to license by reciprocity.

On motion by Jamison Hinds, seconded by Mark Hobbs and unanimously passed, the exam grades for the October/November testing window were reviewed and accepted by the Board.

G. Report of Character and Fitness Committee: Jamison Hinds

Character & Fitness Committee will be convening by conference call on January 31, 2007 to discuss:

- Review those licensees, In-State/Out-of-State Firms, and Practice Privilege registrations that indicated "Yes" to any moral questions on the 2007 Renewals.
- Firm Registrations involving firms that should have been registered in the past but are just now registering.
- Fee structure for late renewals.

POLICY: The administrator has the discretion to waive the Reinstatement Fee, based on illness or death in the family, on Reinstatement Applications.

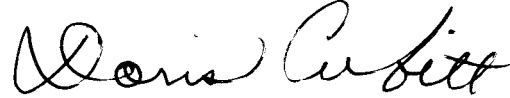
11. Consideration of In-State Firm registrations has been deferred to the Character & Fitness Committee as stated above.
12. Candidate records that have not passed the CPA Exam and are 10 years or older can be destroyed.
13. On motion by Wendell Lunsford, seconded by Donald Burkett, and unanimously passed, the meeting was adjourned at 12pm by the Chairman.
14. The next meeting dates are as follows:

2007	
February	No Meeting
March	No Meeting
April 26, Thursday (Board Meeting)	Room 108
May 24, Thursday (Hearings, if needed)	Room 201-03
June 21, Thursday (Board Meeting)	Room 108
July 26, Thursday (Hearings, if needed)	Room 201-03
August 23, Thursday (Board Meeting)	Room 108
September 27, Thursday (Hearings, if needed)	Room 201-03
October 25, Thursday (Board Meeting)	Room 108
November 15, Thursday (Hearings, if needed)	Room 108
December 6, Thursday (Board Meeting)	Room 108

2008	
January 23, Wednesday (Board Meeting)	Room 108
February	No Meeting
March	No Meeting
April 24, Thursday (Board Meeting)	Room 201-03
May 22, Thursday (Hearings, if needed)	Room 108
June 26, Thursday (Board Meeting)	Room 108
July 23, Wednesday (Hearings, if needed)	Room 108
August 21, Thursday (Board Meeting)	Room 108
September 24, Wednesday (Hearings, if needed)	Room 108
October 30, Thursday (Board Meeting)	Room 108
November 20, Thursday (Hearings, if needed)	Room 201-03
December 11, Thursday (Board Meeting)	Room 108

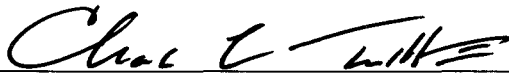
Members are to reserve the afternoon before each meeting in the event a hearing is scheduled.

Respectfully submitted,

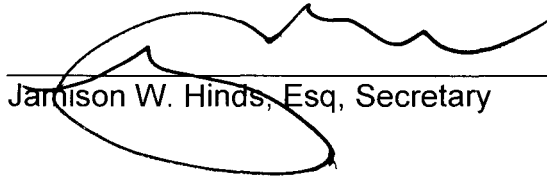


Doris Cubitt, Administrator

Approved at the April 26, 2007 Board Meeting.



Charles L. Talbert, III, CPA, Chairman



Jamison W. Hinds, Esq, Secretary