

Minutes of the South Carolina Board of Accountancy
Thursday, April 26, 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 April 26, 2007, at 9:10 a.m., with a quorum present. Other Board members present were Donald H. Burkett, CPA, Vice-Chairman, Mark T Hobbs, CPA, Bobby R Creech, Jr., CPA, Anthony Callander, CPA, Joyce Green, Public Member, and Wendell Lunsford, Accounting Practitioner..

Based on advance notice, the absence of Jamison W. Hinds, Esq. was excused from the Board meeting.

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.

Guest in attendance were Michael Paulin, Heyward Hardin, John Hutto, Gale Bell, Carol Bourne, Pat Erwin, and Paul Walker.

- 1.. On motion by Donald Burkett, seconded by Joyce Green, and unanimously passed, an agenda was adopted for the meeting.
2. On motion by Donald Burkett, seconded by Bobby Creech, and unanimously passed, the minutes of the meeting held on January 24, 2007 were approved.
3. A hearing was held on a complaint against Michael Paulin, CPA #4357, Case No. 2006-01. Sheridan Spoon, Esquire represented the Board, Eddy Lane acted as advice counsel to the Chair, and Mr Paulin represented himself.

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

On motion by Mark Hobbs, seconded by Donald Burkett, and unanimously passed the Board found Mr Paulin in violation of SC Code Section 40-1-110 (H) and (L), 40-2-290 (5) and (6) and Regulation 1-21(A) and revoked his license as a Certified Public Accountant.

4. A hearing was held on a complaint against Heyward Hardin, CPA #6962, Case No. 2005-33. Sheridan Spoon, Esquire represented the Board, Eddy Lane acted as advice counsel to the Chair, and Mr Hardin represented himself. Anthony Callander recused himself from the hearing.

After the testimony of witnesses and the arguments and rebuttals were presented by counsel and rebuttal by Respondent, on motion by Mark Hobbs, 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 Donald Burkett, seconded by Mark Hobbs, and unanimously passed, the Chairman announced that there were no votes taken while in executive session.

On motion by Bobby Creech, seconded by Mark Hobbs, and unanimously passed, the Board assessed Mr Hardin probation for 24 months, 16 hours of additional CPE in Ethics over the required annual amount, and a \$500 fine.

5. Complaint & Investigative Activity:

- A. Consent agreements and other special matters:

Mark D. Midkiff, CPA #6056 Case #2004-06. On motion by Donald Burkett, seconded by Mark Hobbs, and unanimously passed the consent order was approved as presented. A copy is attached to these minutes and will be made part of the public record.

Howard T. Eidson, AP #1080 Case #2006-26. On motion by Donald Burkett, seconded by Mark Hobbs, and unanimously passed the consent order was approved as presented. A copy is attached to these minutes and will be made part of the public record.

- B. The list of new complaints was presented and received as information by the Board. (Copy of report attached)
- C. The following cases were approved for dismissal on motion by Donald Burkett, seconded by Mark Hobbs, and unanimously passed: Case No's. 2006-4, 2006-22, 2006-24, 2006-27, 2007-03, and 2007-04. (Copy of report attached)

6. Information Update

- A. Chairman's remarks:

Charles Talbert has been approached to sit on NASBA's Examination Review Board (ERB), and will accept the nomination.

Mr Talbert was in contact with Jacob Cohen, from Maryland, the Regional Director of the Mid Atlantic region. Mr Cohen is resigning as the Regional Director to chair the MD's Peer Review Oversight Committee. He is also pursuing a Director at Large position with NASBA and would like the SC Board to support his endeavor. In so doing, the Regional Director position must be filled by an Accountancy Board member. Because of his resignation the Regional Director's position is opening and Mr Talbert has had discussion with Donald Burkett to see if he would like to be nominated as a candidate for the position, which he agreed to.

Mr Talbert's tenure on the Board is coming to an end June 30, 2007. SCACPA will be recommending John Camp as his replacement to Governor Sanford.

The Board is to meet in room 108 on Wednesday, June 20, 2007 at 12pm for an Executive Session Work Session for strategic planning on contractual and personnel matters for the Board.

B. There were no advisory opinions.

C. Legislative Update:

Doris Cubitt briefed that the regulations were approved by the SC Senate and the SC House of Representatives are expecting for them to time out without any discussion on May 9, 2007 and should be published around May 29, 2007 in the Register.

D. The Administrator's report was received as information and contained the following:

Bobby Creech is on the Strategic Initiatives Committee and Charles Talbert is on the Ethics Committee.

Doris Cubitt is on the Compliance Assurance Review Task Force & Compliance Assurance Committee: Which concluded a meeting in San Antonio, TX on April 24, 2007. Actively constructing a working document to be presented at the June Regional meeting for Boards to use as a model document for their Compliance Assurance Oversight Committee.

There is a NASBA Committee Interest form on your CD if you want to volunteer. All forms are due back to NASBA by May 1, 2007.

Regional Meeting from June 6 – 8 in Williamsburg, VA. Anthony Callander's scholarship was approved. Charles Talbert, Donald Burkett, Bobby Creech, Joyce Green, Doris Cubitt and Anthony Callander all have been approved for travel to the Regional Meeting.

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

The AICPA has a draft document for Peer Review and it is located on your CD. It's a whole new rewrite not a strike out. Comments are due by June 30, 2007.

Quality Audit Reviews are scheduled for May 22-23. The 23rd is CPA Day at the SC State House, sponsored by the SC Association of CPA's. It's a good thing to keep both events at the same time. Robert Keisler will not be able to attend during the event but will be available to conduct the final report and notifications. We are not going to drop the QAR once the Peer Review program has been implemented.

Exam fees are going up. Information is located under the Miscellaneous section of your CD.

Hearing dates were scheduled for the opposing months of the Board Meetings. However, internal scheduling confusion landed several hearings on Board Meeting dates. As in the case for today and for the June meeting. Is this OK to proceed with or do we want to use the opposing months? Proceed with the regular Board Meeting and have the hearings in the afternoon.

Doris has been given the additional duties as the Funeral Board and the Cemetery Board Administrator.

- E. The Financial Report was received as information.
- 7. Old Business. There was no old business
- 8. New Business

Regulation/Legislative Committee

- A. Peer Review Committee: Mark Hobbs

The first Peer Review meeting of the year is scheduled for Friday, May 11, 2007. Jim Holloway is planning on being there to perform oversight on behalf of the Board. A contract has not been firmed up, so should he even go to the meeting.

Chuck Talbert indicated that he had talked to Mr Holloway and was told that Mr Holloway would go ahead to the meeting and the contract would catch up with him.

How many Peers Reviews do we have turned in? Unknown. We need to establish a time table to adhere to.

- B. Report of Education/Experience Committee: Bobby Creech

West Virginia letter to NASBA regarding the need of the 150 hour rule. There are other states out there asking the same type of questions.

C. Report of CPE Committee: Bobby Creech

No Report

D. Report of Examination/CBT Committee: Vacant

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

On motion by Donald Burkett, seconded by Joyce Green and unanimously passed, to grant Telika April Tony Holder's, Michelle K. Florine's and William E. Barrett's request to accept the CPA Exam grades as passed within the credit expiration date of 11/30/06 as notified rather than the 7/22/06 as stated in statute.

On motion by Anthony Callander, seconded by Mark Hobbs and with a majority vote, Donald Burkett and Wendell Lunsford opposed the vote, to deny Angela McKenzie Edward's request to extend the Credit expiration dates for AUD and BEC sections of the CPA Exam due to a computer malfunction during testing of the FAR section on 11/27/06.

E. Other Professional Issues Committee: Vacant

1. On motion by Donald Burkett, seconded by Mark Hobbs, and with a majority vote, Anthony Callander and Bobby Creech opposing, to allow the usage of Meridian Services, LTD by Robert Nagy.
2. On motion by Donald Burkett, seconded by Mark Hobbs, called to question and unanimously passed, to allow the usage of Simpson & Associates, LLC by Harriet S. Simpson who is buying out her partner and wants to continue using the firm.

F. Report of Qualification for Licensure Committee: Jamison Hinds

On motion by Donald Burkett, seconded by Joyce Green, and unanimously passed, the Board went into Executive Session. On coming out of executive session on motion by Donald Burkett, seconded by Bobby Creech, and unanimously passed, the Chairman announced that there were no votes taken while in executive session.

On motion by Donald Burkett, seconded by Joyce Green and unanimously passed, to grant Mr Paul Walker's, Ms Peggy Garland-Coleman's, Mr John Hutto's, Mr James J. Strauss' and Ms Carol Bourne's request to reinstate as Accounting Practitioners provided that all necessary renewal forms for their licenses and their firms be submitted along with payment within the next 30 days.

On motion by Donald Burkett, seconded by Bobby Creech and unanimously passed, to deny Mary F. D. Williams request to reinstate as an Accounting Practitioner.

On motion by Donald Burkett, seconded by Bobby Creech, and unanimously passed, the Board went into Executive Session. On coming out of executive session on motion by Mark Hobbs, seconded by Bobby Creech, and unanimously passed, the Chairman announced that there were no votes taken while in executive session.

On motion by Joyce Green, seconded by Bobby Creech and unanimously passed, to deny Patrick Erwin's request to reinstate (On a 2 year probation from a previous Consent Agreement dated 8/24/06) and charge him \$5,000 per violation, two violations for a total of \$10,000 to be paid by June 30, 2007.

On motion by Joyce Green, seconded by Mark Hobbs and unanimously passed, to deny Stephen Marko's request to reinstate and to be fined \$10,000 to be paid by June 30, 2007.

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.

G. Report of Character and Fitness Committee: Jamison Hinds

No Report

9. Ms Reva Brennan from the SC Association of CPA's made a short presentation concerning a recognition ceremony for newly licensed CPA's. To have an Inauguration ceremony for newly certified CPA's in conjunction with the SCACPA's annual meeting which would be November 9, 2007 and then possibly semi-annually so that there would not such a long period between ceremonies like CPA Day in May. SCACPA is suggesting to the Board to have it as a Board recognition rather than SCACPA. More people would attend if it would be sanctioned by the Board. SCACPA would take the role of coordination and logistics and finding sponsors to help offset the event. It would be free to the CPA's and guests. Possibly have the Administrative Law Judge to preside over the swearing in ceremony. Doris Cubitt stated that most states are calling this a recognition ceremony rather than an oath ceremony, as we don't have a provision in the statute to have the CPA's to take an oath. Charles Talbert wants

to go ahead and call it an Oath Ceremony while Mark Hobbs, Bobby Creech and Anthony Callander agrees. Mark Hobbs wanted to check to see if the event could be added into our budget, Doris Cubitt said she would check into it.

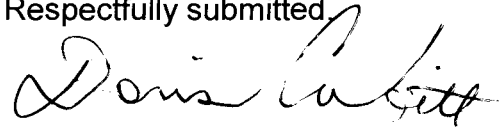
10. On motion by Donald Burkett, seconded by Mark Hobbs, and unanimously passed, the meeting was adjourned at 3:30pm by the Chairman.
11. The next meeting dates are as follows:

2007	
June 28, Wednesday (Executive Session)	Room 108
June 29, Thursday (Board Meeting)	Room 108
July 26, Thursday (Hearings, if needed)	Room 201-03
August 23, Thursday (Board Meeting)	Room 201-03
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

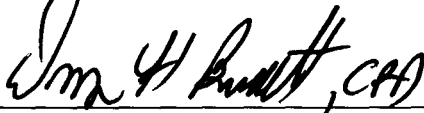
Members are to reserve the afternoon before each meeting in the event a hearing is scheduled.

Respectfully submitted,




Doris Cubitt, Administrator

Approved at the June 29, 2007 Board Meeting.



Donald H. Burkett, CPA, Vice-Chairman



Jamison W. Hinds, Esq, Secretary
MARK T. HOBBS, CPA