

MINUTES
S. C. Department of Labor, Licensing & Regulation
Board of Accountancy
Board Meeting
9:00 a.m., Monday, October 18, 2010
Synergy Office Park, Kingstree Building, Room 108
110 Centerview Drive, Columbia, SC 29210

1. Call to Order

Bobby R. Creech, Jr., CPA, Chairman called the board meeting of the South Carolina Board of Accountancy to order on August 19, 2010, at 9:07 a.m., with a quorum present. Other Board members present were: Mark T. Hobbs, CPA, Vice Chair, Robert Baldwin, CPA; Donny Burkett, CPA; Wendell Lunsford, CPA and Malane Pike, Esq.

Staff members participating in the meeting included: Doris Cubitt, Administrator; Michael R. Teague, Administrative Assistant, and Amy Holleman, Administrative Specialist. LLR employees attending the meeting included: Sharon Dantzer, Office of General Counsel; Sandra Dickert, Administrative Assistant; Steve Freshley, Investigator; and Suzanne Hawkins, Assistant General Counsel.

A. Public Notice

Mr. Creech announced that this meeting was being held in accordance with the Freedom of Information Act by notice mailed to The State Newspaper; Associated Press; WIS-TV and all other interested persons, organizations or news media. In addition, the notice was posted on the bulletin board at the main entrance of the Kingstree Building.

2. Consideration of excuses for absences of Board Members

The Board approved Mr. Callendar's absence and Mr. Forte's absence.

3. Adoption of Agenda

MOTION

Mr. Hobbs made a motion the Board approve the agenda. Mr. Baldwin seconded the motion which carried unanimously.

4. Approval of Minutes of Meeting held on August 19, 2010

MOTION

Mr. Hobbs made a motion the Board approve the minutes of the August 19, 2010 meeting as presented. Mr. Burkett seconded the motion which carried unanimously.

5. Complaint & Investigative Activity – Office of Investigation & Enforcement

Number of Open Complaints

Mr. Freshley stated the IRC has not met since the last meeting and noted it would meet on November 10, 2010. He further stated he would present the November 10, 2010 IRC report during the December 2, 2010 meeting. He noted as of October 15, 2010 there are 18 active cases, of which the oldest case is 844 days old and the youngest case is two days old. Since January 1, 2010, OIE has received 25 complaints and closed 23 complaints.

6. Information Update

A. Chairman's remarks

Mr. Creech stated the annual meeting will be held next week in San Antonio, Texas. He further stated the Board's work session meeting is scheduled for December 1, 2010.

The Board determined the December 1, 2010 meeting would begin at 10:00 a.m.

- B. Advisory opinions (Sharon Dantzler – Office of General Counsel)
There were not advisory opinions given during this meeting.
- C. Legislative update (Sharon Dantzler – Office of General Counsel)
There was no legislative update given during this meeting.
- D. Office of General Counsel
Ms. Hawkins stated two of the cases located in OGC are with the same respondent. One is a consent agreement being presented to the Board during this meeting.
- E. Office of Public Information Report
Ms. Cubitt stated since August 20, 2010 44 licenses have been issued. She noted there are currently 7,599 active licenses, which includes firms and individuals.
- F. Administrator's Report (Doris Cubitt)
Ms. Cubitt presented the members with a financial report from July 1, 2009 to June 30, 2010.

Discussion ensued regarding an advertisement of a certified public accountants company. It was noted advertisement come with mobility.

7. Old Business

There was no old business for discussion during this meeting.

8. New Business

A. Appearances

- 1. Consideration of Exam Eligibility for Mathew Fillmore
This proceeding was recorded by a court reporter in order to provide a verbatim transcript should one be necessary.

Executive Session

Mr. Burkett made a motion the Board enter executive session to seek legal advice. Mr. Hobbs seconded the motion, which carried unanimously.

Return to Public Session

Mr. Burkett made a motion to return to public session. Mr. Hobbs seconded the motion, which carried unanimously.

Mr. Creech noted for the record that no official action was taken during executive session.

MOTION

Ms. Pike made a motion the Board grant Mr. Fillmore the right to take the exam conditioned upon at the time he applies for final licensure he produce a SLED report showing no charges, no arrests, and no convictions. Mr. Burkett seconded the motion, which carried unanimously.

- 2. Consideration of Joseph Phipps' Licensing Application

This proceeding was recorded by a court reporter in order to provide a verbatim transcript should one be necessary.

Executive Session

Mr. Hobbs made a motion the Board enter executive session to seek legal advice. Ms. Pike seconded the motion, which carried unanimously.

Return to Public Session

Mr. Hobbs made a motion to return to public session. Mr. Burkett seconded the motion, which carried unanimously.
Mr. Creech noted for the record that no official action was taken during executive session.

MOTION

Ms. Pike made a motion the Board deny Mr. Phipps' application for licensure until such time as he provides evidence of his character and fitness from his employer and the community and also until such time he is evaluated by the Recovering Professionals Program. Mr. Burkett seconded the motion, which carried unanimously.

- 3. Consideration of Charles Finley's Consent Agreement
- 4. Consideration of Jerry Wells' Agreement to Permanently Relinquish License

Executive Session

Mr. Hobbs made a motion the Board enter executive session to seek legal advice. Ms. Pike seconded the motion, which carried unanimously.

Return to Public Session

Mr. Hobbs made a motion to return to public session. Mr. Burkett seconded the motion, which carried unanimously.
Mr. Creech noted for the record that no official action was taken during executive session.

MOTION

Ms. Pike made a motion the Board approve the consent agreement regarding Charles Finley and the relinquishment of licensure in regard to Jerry Wells. Mr. Burkett seconded the motion which carried unanimously.

B. Regulation/Legislative Committee – Donald Burkett

Consideration of Statute and Regulation Changes
The Board discussed possible language changes.

Ms. Pike presented language from the Department of Revenue, which includes employees, officers and board members. She noted it is an indemnification clause.

Ms. Dantzler stated should have been inserted into the engine act originally. She noted efforts to change the engine act have not been successful.

Ms. Cubitt discussed language changes for indemnification, clarifying office registration, incorporate self reporting for licensees, payment of registration fees from annual to biennial, consideration of an age that could receive a lesser amount of CPE, and change emeritus status from annual to biennial for statute and regulation changes.

Mr. Baldwin asked that the statutes from North Carolina and Florida in regard to ethics be available for the December 1, 2010 workshop.

1. Peer Review/Communications Committee– Mark Hobbs

a. Peer Review Update

Mr. Hobbs stated peer review is fine and presented the members with information regarding the national peer review for information.

b. Communications Update

Mr. Hobbs stated there would be a communications committee meeting during the national meeting in San Antonio next week.

2. Report of Education/Experience Committee – Malane Pike

No reported information.

3. Report of CPE Committee – Malane Pike

a. Consideration of Neil Brown’s Concerns Regarding Lunch-N-Learn CPE

Mr. Brown appeared on behalf of a Columbia tax study group. He further stated he is aware of Regulation 1-08 where it asks sponsors to read a statement to the attendees about the CPE responsibilities and not to detract from the program by reading newspapers, using blackberries or other activities. He wants to be able to use something similar and requests that they be allowed to eat while listening to the presenters. He went on to say the meetings are usually held from 12:00 p.m. to 1:00 p.m. He stated the members usually arrive at 11:45 a.m. to mingle and the Speakers speak from 12:00 p.m. to 12:55 p.m. He noted there is an attentive process while eating lunch.

Mr. Creech asked for clarification on the regulations regarding this matter. The Board interpreted that the food must be already served and on the table prior to the CPE event starting.

b. Consideration of Rex O’Steen’s Concerns regarding CPE

Ms. Cubitt stated Mr. O’Steen is unhappy with the self-study changes. She further stated there was medical emergency within his family and he could not attend today’s meeting. She noted he would be placed on the agenda for the December 2, 2010 Board meeting.

4. Report of Examination/CBT Committee – Anthony Callander

Approval of CPA Exam Grades

MOTION

Mr. Hobbs made a motion the Board approve the CPA exam grades. Ms. Pike seconded the motion which carried.

5. Other Professional Issues Committee – Wendell Lunsford

No reported information.

6. Report of Qualification for Licensure Committee – Anthony Callander

No reported information.

7. Report of Character and Fitness Committee – Robert Baldwin
No reported information.

9. Public Comments

No public comments were made during this meeting.

Executive Session

MOTION

Mr. Burkett made a motion the Board enter executive session to seek legal advice. Mr. Baldwin seconded the motion which carried unanimously.

Return to Public Session

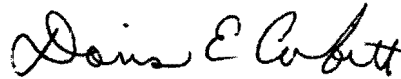
A motion was made, seconded and carried to return to public session.

Mr. Creech noted for the record that no official action was taken during executive session.

10. Adjournment

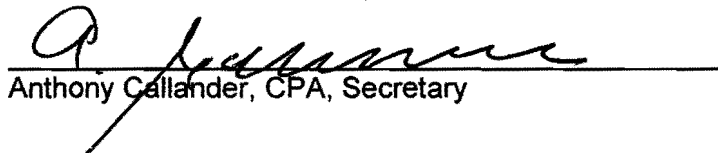
The October 18, 2010 meeting of the SC Board of Accountancy adjourned at 11:33 a.m.

Respectfully submitted,



Doris E Cubitt, CPA
Administrator

Approved at the December 2, 2010 Board Meeting.


Bobby Creech, CPA, Chair
Anthony Callander, CPA, Secretary