

S.C. BOARD OF ACCOUNTANCY MEETING

APRIL 24, 2012

This meeting, held April 24, 2012, was reported by Betty M. Washington, Verbatim Court Reporter and Notary Public in and for the State of South Carolina; said Meeting being held pursuant to notice and in accordance with LLR regulations, at Room 108, Kingstree Building, 110 Centerview Drive, Synergy Business Center, scheduled for 9:00 a.m. and commencing at 9:10 a.m.

1 APPEARANCES:

2
3 BOARD MEMBERS PRESENT:

4 MARK T. HOBBS, CPA, CHAIRMAN
5 ROBERT L. BALDWIN, CPA, VICE CHAIR
6 GARY F. FOOTE, SECRETARY/TREASURER
7 MALANE PIKE, CPA
8 MARK S. CROCKER, CPA
9 DAVID C. NICHOLS, ACTING PRACTITIONER
10 DONALD H. BURKETT, CPA
11 TANYA G. GREENLEE, CPA

12 LLR STAFF PRESENT:

13 SARA MCCARTHA, ESQUIRE, ADVICE COUNSEL
14 DEAN GRIGGS, ESQUIRE, ADVICE COUNSEL
15 ANDREW ROGERS, ESQUIRE, ADVICE COUNSEL
16 DORIS CUBITT, ADMINISTRATOR
17 MICHAEL TEAGUE, AMY HOLLEMAN; JEANIE ROSE, ROSALINE
18 BAILEY-GLOVER
19 SHARON WOLFE, CHIEF INVESTIGATOR

20 INTERESTED MEMBERS OF THE PUBLIC
21
22
23
24
25

1	CONTENTS	
2	PROCEEDING	5
3	HEARING ON MR. FINLEY	53
4	HEARING ON LILA FOWLER	164
5	HEARING ON PEACE OF MIND	183
6	CERTIFICATE OF REPORTER	234
7	WORD INDEX	

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EXHIBIT INDEX

EXHIBITS: IDENTIFIED AT
PAGE:

STATE'S EXHIBITS:

INTRODUCED AS STATE'S EXHIBIT NUMBER 1, Copy of
credential view screen, 2 pages. 60

INTRODUCED AS STATE'S EXHIBIT NUMBER 2, Copy of
Consent Agreement dated 10/18/19, and copy of
letter dated 12/2/10, 5 pages. 61

INTRODUCED AS STATE'S EXHIBIT NUMBER 3, Copy of
Yellow Pages advertisement, 2 pages. 63

INTRODUCED AS STATE'S EXHIBIT NUMBER 4, Copy of
Google internet search, 10 pages. 65

INTRODUCED AS STATE'S EXHIBIT NUMBER 5, Copy of
correspondence from IRS, 7 pages. 83

[MARKED FOR IDENTIFICATION AS STATE'S EXHIBIT
NUMBER 6, Copy of initial complaint filed by
Mr. Weaver against Mr. Finley, 2 pages. 105

RESPONDENT'S EXHIBITS:

INTRODUCED TO THE BOARD, Two photographs and
copy of fax transmission and confirmation. 123

MARKED AT: 190

INTRODUCED INTO EVIDENCE, Copy of Yellow Page
bill, Copy of phone book cover for 2011, and
Copy of current CPA section of Yellow Pages
for Pickens, 3 pages. 126

MARKED AT: 190

Court Reporter's Note:

--Indicates interruption; incomplete phrases; trailing
off; unfinished sentences.

P R O C E E D I N G

MR. CHAIRMAN: I'd like to call this meeting to order. The meeting is 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. Welcome, everyone, to this meeting.

Consideration of absences. But before we do that, let me call on my vice chair to have a moment of silence and The Pledge of Allegiance.

MR. BALDWIN: Thank you. Please stand. A moment of silence, please.

(A moment of silence is observed.)

MR. BALDWIN: Please join me in The Pledge of Allegiance.

(The Pledge of Allegiance is recited.)

MR. CHAIRMAN Thank you, Mr. Baldwin. Consideration of excuses or absences of Board Members, and I think the only absence we're going to have is Wendell Lunsford. Wendell

1 emailed me late last night and said he's a
2 little under the weather and he's been
3 advised to stay in. So we miss Wendell.

4 Tanya, I know you were kind of stuck in
5 some traffic.

6 MS. GREENLEE: I was. I apologize. I
7 hate being late.

8 MR. CHAIRMAN Well, we're glad you're
9 here. I hope you don't mind, we went ahead
10 and got started.

11 MS. GREENLEE: Yes, I'm glad you did.

12 MR. CHAIRMAN So we're just getting
13 started. We're working on some technical
14 difficulties, but we're glad you're here;
15 we're glad you're here. Before we proceed,
16 we've got a new Advice Counsel that's sitting
17 to my left, and I would like for her to
18 introduce herself, so we'll all know a little
19 bit about her. We're excited about having
20 her. Our old advice counsel is here in the
21 audience, so he's out there, but we enjoyed
22 him for that short duration. Mr. Grigg, we
23 certainly enjoyed your assistance when you
24 were Advice Counsel.

25 MR. GRIGG: I enjoyed being with you.

1 MR. CHAIRMAN Let me turn it over to our
2 new Advice Counsel.

3 MS. MCCARTHA: Good morning everyone. My
4 name is Sara McCarthy. I'm new to LLR, been
5 here for about two months, and I will be
6 taking over as the Advice Counsel for this
7 Board. I'm originally from Charleston. I'm
8 a Clemson graduate, and I went to law school
9 here in Columbia at USC. Before I came over
10 to LLR, I spent a year clerking for Judge
11 Johnson. I had the opportunity to clerk
12 during some wonderful trials and experiences,
13 the most probably infamous being the Ronald
14 Sheppard Homegold/Carolina Investors Trial.

15 And I spent five years with the
16 Attorney General's Office, prosecuting health
17 care fraud, specifically complex Medicaid and
18 Medicare cases, and had some successes over
19 there, really enjoyed working with the AG.
20 But I am very excited to be here at LLR.
21 I've had some great opportunities in the past
22 two months to not only advising the boards
23 chair, but work on legislation and
24 regulation, and I'm really enjoying getting
25 to know everyone here, both the boards and in

1 the LLR building. So thank you so much for
2 welcoming me, and I hope I can serve y'all
3 well.

4 MR. CHAIRMAN Well, we're excited about
5 your participation and help to our board. We
6 value your input and look forward to working
7 with you.

8 MS. MCCARTHA: Thank you so much, Mr.
9 Chairman.

10 MR. CHAIRMAN All right. So the only
11 excused absence that I'm aware of is Mr.
12 Wendell Lunsford. The agenda, we're sticking
13 with our agenda today, which has been
14 published, but we are going to move it around
15 a little bit; we are going to shift it around
16 a little bit. So what I'd like to hear is a
17 motion that we adopt our agenda with the idea
18 that we're going to move some of our agenda
19 items around. Specifically, we might move 8,
20 9 and 14 up until the hearing or some other -
21 - till we're ready for the hearing. The
22 hearing is going to be scheduled for right
23 around ten o'clock.

24 MR. BALDWIN: I move for the acceptance
25 of the agenda as adjusted.

1 MR. CHAIRMAN Okay. I've got a motion on
2 the floor that we approve it as --

3 MR. BURKETT: Second.

4 MR. CHAIRMAN -- adjusted. I've got a
5 second by Mr. Burkett. Any discussion?

6 (NO RESPONSE.)

7 MR. CHAIRMAN All in favor, please say
8 aye.

9 BOARD MEMBERS: Aye.

10 MR. CHAIRMAN Any opposed?

11 (NO RESPONSE.)

12 MR. CHAIRMAN Well, thank you very much
13 for that assistance. Approval of the meeting
14 minutes from our January 25th meeting.

15 MR. BALDWIN: I move we approve the
16 minutes.

17 MR. BURKETT: I move they be approved.

18 MR. CHAIRMAN We've got an approval by
19 Mr. Baldwin, our vice chair, and a second by
20 Mr. Burkett. Any discussion of those
21 minutes?

22 (NO RESPONSE.)

23 MR. CHAIRMAN All in favor, please say
24 aye.

25 BOARD MEMBERS: Aye.

1 MR. CHAIRMAN Any opposed?

2 (NO RESPONSE.)

3 MR. CHAIRMAN Thank you very much. Item
4 Number 8, Office of Investigation and
5 Enforcement, complaint and investigative
6 activity.

7 MS. WOLFE: Good morning, Mr. Chair,
8 members of the Board. I'm Sharon Wolfe,
9 Chief Investigator with OIE. We presently
10 have seven active investigations. One's
11 pending a consent agreement for this year
12 through April 23rd. We have closed three
13 this year, and we have issued one letter of
14 caution and two permanent revocations this
15 year. Comparing to last year, same basic
16 time frame, we had two active investigations.
17 We'd closed four, had one "do not open," one
18 pending board action, one pending hearing and
19 one pending scheduling a hearing.

20 Last year, same basic time, January
21 through April 23rd, we'd closed four cases
22 and we had one "do not open."

23 MR. CHAIRMAN To make sure I understand
24 the flow, we have a hearing scheduled today.
25 Is that the pending board hearing?

1 MS. WOLFE: Yes.

2 MR. CHAIRMAN: Okay. That would be the
3 one we've got today.

4 MS. WOLFE: Correct.

5 MR. CHAIRMAN: Okay. Just wanted to make
6 sure. Anybody have any questions on the
7 board case report?

8 (NO RESPONSE.)

9 MR. CHAIRMAN: Do I hear a motion that we
10 accept the board case report?

11 MR. NICHOLS: I so move.

12 MR. BALDWIN: I second.

13 MR. CHAIRMAN: Motioned and second. Any
14 discussion?

15 (NO RESPONSE.)

16 MR. CHAIRMAN: All in favor, please say
17 aye.

18 BOARD MEMBERS: Aye.

19 MR. CHAIRMAN: Thank you very much.

20 MS. WOLFE: Thank you.

21 MS. CUBITT: She's also going to do the
22 IRC report.

23 MS. WOLFE: The IRC Report, we are asking
24 that you review it and approve the report.

25 MS. CUBITT: All the cases in the top of

1 it are formal complaints, so they will be
2 going forward through the complaint process.
3 And there's just one other case, and it was a
4 continuance.

5 MR. CHAIRMAN: How does this report -- we
6 gave a nice summary comparing last year to
7 this year on that other report. How are we
8 looking compared to last year as far as the
9 statuses? Are we having more cases being
10 opened than the past, or can we see a trend?

11 MS. WOLFE: I haven't really seen a
12 trend. Have you? It seems to be pretty
13 constant. We had ten -- we received ten last
14 year this same time frame. We've got eight
15 so far this year, same basic time frame.

16 MR. CHAIRMAN: Should we be concerned at
17 all about the average days on those cases
18 outstanding?

19 MS. CUBITT: Mr. Chairman, bear in mind
20 when the cases are outstanding, there's a lot
21 of different reasons that they're
22 outstanding. Sometimes it's obtaining
23 additional information. Sometimes it's -- I
24 don't want to say lawyering, but, you know,
25 that kind of makes --

1 MR. CHAIRMAN: Would you say stall
2 tactics, or something like that?

3 MS. CUBITT: Sometimes.

4 MR. CHAIRMAN: Due process tactics?

5 MS. CUBITT: Due process.

6 MR. CHAIRMAN: I'm just trying to
7 understand. But that shouldn't be any --
8 there's no reason on our end why those cases
9 aren't moving quicker or anything?

10 MS. CUBITT: No, sir. They have been
11 moving -- I attend all of the IRC meetings,
12 and they have been being followed up and
13 moved appropriately.

14 MR. BURKETT: I move to accept the
15 report.

16 MR. CHAIRMAN: Motion's made by Mr.
17 Burkett. Is there a second?

18 MR. NICHOLS: Second.

19 MR. CHAIRMAN: Second. Any discussion?

20 (NO RESPONSE.)

21 MR. CHAIRMAN: All in favor, please say
22 aye.

23 BOARD MEMBERS: Aye.

24 MR. CHAIRMAN: Any opposed?

25 (NO RESPONSE.)

1 MR. CHAIRMAN: Thank you very much.

2 MS. WOLFE: Thank you.

3 MR. CHAIRMAN: We appreciate you being
4 with us today.

5 MS. WOLFE: Thank you.

6 MR. CHAIRMAN: Number 9, Office of
7 General Counsel report.

8 MR. ROGERS: Good morning, MR. CHAIRMAN:,
9 members of the board. Andrew Rogers with the
10 Office of General Counsel. You should have
11 before you in your packet a spreadsheet
12 titled OGC caseload statistics. That is a
13 document that I'll be referencing today. If
14 you review that document, you'll see that we
15 currently have seven open cases, two of which
16 are pending action. Those are two CAs that
17 are on your agenda today. One is a pending
18 CA and MOA. It had to be renegotiated per
19 IRC. It is out in negotiations at this time.

20 Three pending hearings. It's actually
21 one respondent; that is Number 5 on your
22 agenda, but it is three OGC cases. Zero
23 pending final order hearings and one pending
24 final order was a petition for injunctive
25 relief at the ALC. We've had a hearing on

1 that matter, but we have not had a final
2 order issued by the court at this time.

3 MR. CHAIRMAN: That's on a previous case
4 we've ruled on?

5 MR. ROGERS: Yes, sir.

6 MR. CHAIRMAN: Okay.

7 MR. ROGERS: It's before the judge at
8 this time. It was about a month old now that
9 we presented the case to the judge, so we
10 should have an order coming any moment now,
11 or in a few days, I would expect.

12 MR. CHAIRMAN: That's great. That's
13 good. Did it go well?

14 MR. ROGERS: I didn't argue myself. It
15 was still Suzanne, the previous attorney --

16 MR. CHAIRMAN: Suzanne Hawkins?

17 MR. ROGERS: Yes, sir. She presented it,
18 and from what she told me, it went well. So
19 I don't have any --

20 MR. CHAIRMAN: Well, you know, we as
21 accountants, we sometimes try to learn from
22 our mistakes.

23 MR. ROGERS: Yes, sir.

24 MR. CHAIRMAN: So if there's anything
25 that we should have done differently in that

1 appeal process, or whatever it is, just
2 please be sure to share it with us. I know
3 our Advice Counsel may know about it or
4 anything, but it would help us to understand
5 that a little bit. So we make sure, if we
6 did have something.

7 MR. ROGERS: Yes, sir. I'll bring all
8 relevant information to the Board. And just
9 as a side note, I wanted to thank the Board
10 for sending me to NASBA for the conference.
11 It was a great opportunity to learn from
12 other general counsel across the United
13 States, network and share problems that we
14 have had here in South Carolina and learn
15 from the problems that other states have been
16 having.

17 MR. CHAIRMAN: Isn't that an excellent
18 organization?

19 MR. ROGERS: It really was. I was very
20 impressed.

21 MR. CHAIRMAN: I mean, I think they do
22 everything first class, don't they?

23 MR. ROGERS: Yes, sir.

24 MR. CHAIRMAN: We think there's a lot of
25 value in our participation in that

1 organization.

2 MR. ROGERS: I do too. It was very good.

3 MS. MCCARTHA: I concur with Mr. Rogers.

4 We really enjoyed it, and we appreciate that

5 y'all took the opportunity to send us to get

6 additional training. We were able to learn

7 from people all over the country and enjoyed

8 spending some time getting to know Malane.

9 MR. CHAIRMAN: Well, that's great. I'm

10 glad it was a positive experience, and we

11 think we can all do a better job if we are

12 better informed and know what's going on.

13 That's what we think too.

14 MR. BURKETT: Just for both of the

15 counsels. I'm on NASBA's board. Do you

16 think we could enhance that meeting or

17 anything you think the next time we need to

18 add to the agenda, let me know. I'll try to

19 make sure it gets on the agenda.

20 MR. ROGERS: Yes, sir.

21 MR. BURKETT: I'm glad you enjoyed the

22 meeting, so -- and we try to do something,

23 the same type thing, for investigators,

24 hopefully, within the next year, to have a

25 training for investigators, same type of

1 thing. That's what worries me.

2 MR. ROGERS: There were a couple of
3 investigators that sat in with the general
4 counsel, but it was -- I think they could
5 benefit from their own section.

6 MR. BURKETT: I'll pass on your comments
7 at a meeting this weekend -- this week. I'm
8 leaving Thursday morning to go to a board
9 meeting. So I'll pass on the comments.

10 MR. ROGERS: Thank you again. Do you
11 have any questions about the OGC report, sir?

12 MR. CHAIRMAN: Anybody have any
13 questions? Do I hear a motion that we accept
14 it?

15 MR. NICHOLS: So moved.

16 MR. CHAIRMAN: Motion made by Mr.
17 Nichols.

18 MR. BALDWIN: Second.

19 MR. BURKETT: Burkett.

20 MR. CHAIRMAN: Second by Mr. Baldwin or
21 Mr. Burkett, Double B. Any discussion? Any
22 discussion on that?

23 MR. BURKETT: One of us is insulted.

24 MR. CHAIRMAN: Hearing no discussion, all
25 in favor, please say aye.

1 BOARD MEMBERS: Aye.

2 MR. CHAIRMAN: Any opposed?

3 (NO RESPONSE)

4 MR. CHAIRMAN: It's unanimous. Okay.

5 Thank you very much.

6 MR. ROGERS: Thank you, sir.

7 MR. CHAIRMAN: Thanks for being here with
8 us. We're moving right along, Doris. This
9 agenda, as we've mentioned, we were going to
10 do 8 and 9, and then we mentioned 14. Can we
11 go ahead and sneak that in there right now?

12 MS. CUBITT: Yes, sir. Be glad to. I
13 had on my administrator's remarks to mention
14 the executive director's conference and the
15 legal conference. And we, I think, all
16 learned a lot from it. I think it was good
17 participation, and I think it was good to
18 send the attorneys so that they were exposed
19 to that and made contacts that they can use.
20 If we have a case that's particularly
21 technical or something like that, they've met
22 other people that might have dealt with that
23 kind of case or something. So I thought that
24 was very beneficial.

25 We have received a request to endorse

1 Kenneth Smoll as Director at Large for NASBA.
2 That's the only request that we've received.
3 I'm sure there's other people running.

4 MR. BURKETT: I don't know who else is
5 running, but I think Kenneth Smoll is a great
6 choice. I've kind of looked at -- a lot of
7 the people that go to the meetings know him.

8 MR. CHAIRMAN: Ken's a great guy.

9 MR. BURKETT: He's not small; he's a big
10 guy. But I'm not sure who else is running
11 for that, but I think he's a great choice.
12 He's very active in the financing and the
13 finance and audit committee, those type
14 situations, and he's been a great member of
15 the board. He's been on the board, I think
16 ever since I've been on it, except for one
17 year. So he's just a -- he'd be great. He'd
18 be somebody good for us to endorse for that
19 position.

20 MR. CHAIRMAN: Would anybody entertain
21 that motion? I think Donnie might need to
22 step aside because he's on the NASBA board.

23 MR. BURKETT: Yeah, I think --

24 MR. CHAIRMAN: I don't think it would be
25 appropriate.

1 MR. BALDWIN: I make a motion that we
2 recommend Mr. Smoll.

3 MR. CHAIRMAN: You make a motion --

4 MR. BALDWIN: I make a motion that we
5 support --

6 MR. HOGGS: -- that we support Mr. Smoll
7 for at large member?

8 MR. BALDWIN: For NASBA.

9 MR. CHAIRMAN: Is there a second?

10 MR. FORTE: Second.

11 MR. CHAIRMAN: There's a second on --.
12 I'll just say that I know Mr. Small and I
13 think he'd be an excellent choice. The fact
14 that no one else has contacted me, they need
15 that decision fairly quickly; don't they?

16 MS. CUBITT: Yes, sir.

17 MR. CHAIRMAN: So I don't know if we have
18 any choice but to consider him. If anybody
19 else says something to the rest of us, we
20 haven't been requested to vote for anybody
21 else. So hearing that, is there any other
22 discussion?

23 (NO RESPONSE.)

24 MR. CHAIRMAN: All in favor of that,
25 please say aye.

1 BOARD MEMBERS: Aye.

2 MR. CHAIRMAN: Any opposed?

3 (NO RESPONSE.)

4 MR. BURKETT: Let the record show I
5 abstained from that vote. Mr. Burkett.

6 MR. CHAIRMAN: Mr. Burkett abstained from
7 that vote. And, Doris, can you prepare an
8 appropriate response to them --

9 MS. CUBITT: Yes, sir.

10 MR. CHAIRMAN: -- sending our support?

11 MS. CUBITT: Uh-huh.

12 MR. CHAIRMAN: Good. Thank you.

13 MS. CUBITT: NASBA committees. It's time
14 to sign up for committees for the coming up
15 year, and we need to get those in as quickly
16 as possible. We've given you a copy of the
17 form in your packet. Please consider any
18 committees that you might be interested in
19 that you would want to serve on. I know that
20 several people serve. Mr. Chairman serves on
21 the Communications Committee. Mr. Baldwin
22 serves on --

23 MR. BALDWIN: I think it's the Statewide
24 Relevance Committee, relating to statutes and
25 so forth.

1 MS. CUBITT: Malane, do you serve on a --
2 did you serve on a committee?

3 MS. PIKE: Yes. I served on the
4 Independence Committee, which was a very good
5 committee.

6 MS. CUBITT: Okay. So even though you've
7 served on it, or currently serving on it, if
8 you want to serve again you need to send in
9 the form, and we need to get them in very,
10 very quickly. So I wanted to mention that.

11 MR. BURKETT: And fill out the form
12 completely. If it's a committee you really
13 want to be on, Galen will probably try to put
14 you on a committee, seriously.

15 MS. CUBITT: And I will say that in more
16 recent years, participation on the committees
17 at NASBA has been very good, and I think the
18 Board's benefitted from that participation,
19 and we've gotten a lot of good ideas.

20 We've given you a copy of the
21 financials for March. After we had already
22 gotten the book together, I realized that we
23 haven't met since December. So March report
24 gives you our up-to-date report, but I do
25 have them for December, January and February

1 and will be glad to email them out to you if
2 you want to look as how it came out each
3 month. I'll be glad to do that. We gave you
4 the printed copy of the summary sheet. We
5 also have the spreadsheet, and I will be glad
6 to give anybody the spreadsheet that goes
7 behind it.

8 I started looking into -- the Board
9 had asked me to look into the audited
10 financial statements for the municipalities
11 and the counties. We do have our quality
12 audit review program and we asked for those,
13 but it is totally voluntary, and sometimes
14 they send them in and sometimes they don't.
15 We also -- Mr. Hobbs had had a conversation
16 with somebody related to the fact that when
17 the Comptroller General's Office had them and
18 they thought there was a problem with them,
19 they were calling the State Auditor's Office
20 and not contacting us. And the Board had
21 expressed concern over that.

22 So I called somebody from the
23 Comptroller General's Office and they said
24 they no longer received them, that the
25 Treasurer's Office receives them. So I

1 called the Treasurer's Office and I went over
2 and I had a meeting with Paul Jarvis and
3 Dinah Raven, who's the deputy treasurer, I
4 believe. It was a very nice meeting. They
5 were very receptive. I explained what the
6 Board does and how they do it and what their
7 concerns are and the concern about unlicensed
8 practice. And we know from some of the ones
9 we get in here, unlicensed practice occurs. I
10 am sending them a guideline to go by, to look
11 at them when they come in, and they are very
12 willing to notify us anytime they have one
13 that does not look like it should look.

14 And they also furnished me with,
15 while I was there, all the statutes that
16 relate to who gets financial statements and
17 why they get them, and there is a county
18 audit requirement for counties to file with
19 the Comptroller General. And then each area
20 in a county or municipality where they take
21 fine money in, they have to send those to the
22 Treasurer's Office, and part of the fine
23 money goes back to them. So I am going to
24 follow up with the Comptroller General's
25 office and find out who I really need to talk

1 to over there and make sure that the ones
2 that they get, that they're aware of.

3 And I stressed the part about
4 substandard work. If they think they're
5 looking at something, and if they think it
6 may be substandard work, send it to us and
7 we'll include it in our quality audit review.
8 And if I receive something like that, I would
9 -- we get it looked at and may even possibly
10 do it as a complaint, that it was substandard
11 work, and go from there.

12 MR. CHAIRMAN: Doris, what do they do
13 with them, those reports they get? Are they
14 filed away in their office or something?

15 MS. CUBITT: Yes, sir.

16 MR. CHAIRMAN: If we went and had access
17 to look at those, we'd probably see all kind
18 of issues, I'm afraid.

19 MS. CUBITT: And that is part of my plan.
20 And interestingly enough, the state library
21 gets a copy of everything anybody does.
22 They're supposed to send a copy to the state
23 library and they archive all that stuff. And
24 so I can go down, I'm sure, at the
25 Treasurer's Office; they will let me see what

1 they get. They really are more interested
2 with the supplemental report that goes at the
3 end, about the fines accounts. I think the
4 Comptroller General is the one that's
5 supposed to be more concerned about the
6 quality of the complete audit, but I do have
7 a plan, once I find out who has the right
8 things, to go down and just flip through some
9 of them and see what I can find at just a
10 cursory glance, and do that. So I did get
11 that done.

12 I have contacted the IRS about the P-
13 10 numbers, and we can send in a request and
14 pay \$35 under the Freedom of Information Act,
15 and they will furnish us a list of all the P-
16 10 holders, with their addresses. We're only
17 concerned with the ones in South Carolina,
18 and it also says their credential. So if
19 they're signing as a CPA, that will be on
20 there. And we want to take that list and
21 compare it to our database, to see if they're
22 licensed in South Carolina.

23 MR. CHAIRMAN: It's a great opportunity
24 to test.

25 MS. CUBITT: Right.

1 MR. CHAIRMAN: That's good.

2 MS. CUBITT: So staff's in the process of
3 getting us a check and getting a form out and
4 it will be sent out.

5 I wanted to remind y'all that the
6 eastern regional meeting is in Philadelphia.
7 It's June the 13th to the 16th. Tanya and
8 Mark will be on scholarship as new board
9 members, to receive new board member
10 training. The only people that expressed an
11 interest in attending then was Bob Baldwin
12 and Mark Hobbs. So you need to do your
13 online registration with NASBA before May the
14 11th because the registration fee goes up
15 after that, so go ahead and do that. You
16 could go ahead and book your hotel room. I
17 almost finished it yesterday; it will go in
18 this afternoon as a travel request to LLR.
19 It's a formality. You know, the Board policy
20 is that they will pay for two to go and then
21 the other two going on scholarship.

22 Our costs for the scholarship people
23 are less than a hundred dollars of costs that
24 we would have, because they cover the
25 registration, they cover the hotel, and they

1 cover their airfare, and most of their meals
2 are included in the registration. So that's
3 all I have on my list.

4 MR. CHAIRMAN: Thank you very much.
5 Anybody have any questions for Doris on
6 anything she said?

7 MR. BALDWIN: Very pleased you're doing
8 the P-10.

9 MR. CHAIRMAN: That's very good.

10 MS. CUBITT: Mr. Chairman:, Matt Faile is
11 here from the Office of Information Services,
12 Number 7, and y'all had wanted to talk to him
13 about the online application briefing that we
14 -- LLR is going to online and he'll be glad
15 to discuss that with you.

16 MR. CHAIRMAN: Great. Matt, come on up
17 to the hot seat. Welcome.

18 MR. FAILE: Thank you.

19 MR. FAILE: Doris, is there anything
20 specific you wanted to talk about?

21 MS. CUBITT: They're interested in when
22 we might be in the cycle for the online
23 applications; people can apply online and
24 track their applications and --

25 MR. CHAIRMAN: Submitting of CPE, we'd

1 like that to be online, and we'd like that to
2 be digital. We'd like to be as automated as
3 we could. We're trying to save the trees.
4 We're trying to go green. We're trying to
5 save some trees.

6 MR. FAILE: Okay.

7 MR. CHAIRMAN: And we have a lot of --
8 you know, in this day and time, it doesn't
9 seem right that a licensee could mail in
10 their CPE requirements and we put a note in
11 there that if they want us to we'll send them
12 back something that they got it, in today's
13 age. And you being a computer person, I'm
14 sure you understand what I'm talking about.
15 That's just ridiculous. I don't know what we
16 -- you know, even if we were to review all
17 those documents, we'd rather review it from a
18 digital file than going through a bunch of
19 papers.

20 So what we want to do -- I mean, I
21 can't imagine what all those CPE things look
22 like that they get. But, I mean, we'd like
23 to streamline, and Mr. Crocker, on our Board,
24 he's done some work on it. I don't know if
25 you want to chip in or chirp in about what

1 you did when you were looking at it. There
2 are a lot of things you thought we could do
3 to streamline some things from an
4 organization standpoint, wasn't there, Mark?

5 MR. CROCKER: Oh, yeah. In actually
6 looking at some of the other states, I
7 realized that they're a little further down
8 the road than we are with automating that
9 process, and the majority of our members are
10 used to that kind of technology. So I think
11 they expect it of us.

12 MR. CHAIRMAN: Let me give you an
13 example. We did CPE audits last year, and we
14 had to come and meet in this room and go
15 through all these boxes of records. Whereas,
16 if it could all be PDF'd to us on some kind
17 of a secure thing, we could do it anytime,
18 and we'd be a lot more efficient. So we're
19 just trying to challenge you to -- we're
20 trying to challenge everybody to be a little
21 more efficient with using technology, and
22 that's why we asked you here.

23 MR. FAILE: Okay. For the applications,
24 really all it comes down to is you providing
25 a list of questions that you want the

1 applicants to answer and the flow for those
2 questions. In other words, this question has
3 to be answered first, and so on and so on.
4 So that part is relatively easy.

5 Now, the CPE part, we don't have
6 anything in place for that currently. So
7 we'll have to get some input from you as far
8 as what you want it to do, and we can go from
9 there, because right now we don't have
10 anything for that.

11 MR. CHAIRMAN: See, what I would envision
12 is each licensee would have a user name and a
13 password and they could access --

14 MR. FAILE: Right.

15 MR. CHAIRMAN: -- and communicate and
16 put things up, upload things, just like
17 anybody else.

18 MR. FAILE: And we have that now, but we
19 just don't have anything specific -- we just
20 can't allow them to go on there and say,
21 okay, here's a document. We have to
22 associate that document with something, so
23 it's a verification request. We have to have
24 something to associate that with.

25 MR. BALDWIN: We have a licensing number.

1 MR. FAILE: We do have an I.D. and
2 password for those people already, and that's
3 already in place now. So that's not a big
4 reach to get to that point. It's just a
5 matter of what you want to do with the CP
6 when it comes in. Well, does it go with the
7 license behind the document? I don't know.
8 I don't know what you do with this stuff.

9 MR. CHAIRMAN: It ought to be kept -- you
10 know what, the way I look at computers, it
11 ought to be just like you'd keep a file
12 cabinet for somebody; you ought to just keep
13 it right behind everything for that licensee,
14 kind of create a file for them. At least
15 that's what I think.

16 MR. BALDWIN: I'm going to throw another
17 thought in here. Right now we're dealing
18 with paper reports -- to Mark's point, it
19 would be PDF. Maybe the alternative is, is
20 that the licensee, in the course of a year,
21 could update their record with a CPE they
22 take. And if the information were put in an
23 additional format beyond a PDF, the other
24 thing I could see for Doris -- Doris, we
25 might have statistical information that can

1 be crunched vis-a-vis a database that says,
2 Gee, the following course occurred 30 times.

3 I mean, it strikes me that the PDF is
4 a breakpoint, and that may be our short-term
5 objective. But the long-term objective might
6 be to gather data on actual courses, classes,
7 NASBA-approved, beyond, assuming we have the
8 storage capacity, and assuming we desire that
9 information. But one of the issues, when we
10 did do the audits for the CPE, we were also
11 looking at the quality and whether or not the
12 CPE met the standards which qualified as
13 Continued Professional Education.

14 So again, I don't see that as a
15 short-term objective. I think your idea of
16 getting PDF would be a great first step, but
17 I wonder if we want to go beyond that, as
18 budget resources permit. And, Mark, I don't
19 know if you saw that with other states.

20 MR. CROCKER: I did.

21 MR. BALDWIN: But, you know, for example,
22 we know that the state association of CPAs
23 right now is maintaining a database. If Mark
24 and I attend the annual meeting or go to
25 something, they, at the end of the year, will

1 share with us their database. We've got
2 eight hours relating to the tax conference or
3 whatever; they actually tie it to the actual
4 education.

5 MS. CUBITT: And we will be glad to have
6 a meeting and determine exactly what they
7 need, and what we need to give them in order
8 for them to do that. Also, when we attended
9 the executive director's conference, I did
10 have a conversation -- the lady's name's not
11 going to come to me right now, but --
12 relating to CPE and how they could help us
13 with reporting and what not. So I'm going to
14 talk to them too, and they may have some
15 things already in place that would benefit
16 what we're doing here, and we wouldn't have
17 to rebuild something. It may or may not
18 work, but I'm going to talk to them about
19 that also. And we've had several
20 conversations about it.

21 MR. CHAIRMAN: Well, see, we're thinking
22 about tying in risk assessment with some of
23 our CPE audit functions, and using peer
24 review to possibly help us with CPE
25 compliance. And, you know, what I think

1 would be interesting to have is if we could
2 know how many licensees are in a peer
3 reviewed organization and what type of peer
4 review that organization is. Because see, I
5 think we could mine a lot of data with our
6 licensees, --

7 MR. BALDWIN: There you go.

8 MR. CHAIRMAN: -- that would in essence
9 allow our staff to focus on where our higher
10 degree of risk is associated with non-
11 compliance with CPE.

12 Now, I'm not going to turn -- I'm not
13 going to turn CPE compliance over to the
14 peer reviewers.

15 MS. CUBITT: No.

16 MR. CHAIRMAN: I'm not suggesting that.
17 I'm just saying it ought to be a tool we use,
18 rather than just a random sample.

19 MR. BALDWIN: Right.

20 MR. CHAIRMAN: And, you know, one thing
21 that doesn't worry me too much is I'm not
22 awfully concerned about educators and CPE. I
23 mean, that's not as concerning to me as
24 somebody out there that does mostly tax
25 returns and does one governmental audit --

1 and does one single audit. That's where I
2 think our biggest risk is. Whether somebody
3 who's a professor at Carolina that compiles
4 some financial statement for the church they
5 attend, I don't think that's a big risk for
6 us, you know, from a licensing, regulatory
7 board standpoint.

8 But I think there's a lot of
9 information we could use in our database to
10 help us in our daily tasks, cut back some of
11 the things we've been doing. That's all I'm
12 saying, because I asked Doris what she's
13 going to do with all those CPE things, and
14 she said they were in a box, and she said
15 they were going to get through going through
16 them. And, you know, I can't imagine who's
17 going to go through those things. I mean, it
18 just seems like it's -- I know you're going
19 to do it, Doris, but you know what I'm
20 saying? I just don't think that's something
21 that you would look forward to doing.

22 MS. PIKE: Mark, just following up on
23 something that Doris mentioned. One of the
24 attorneys for NASBA talked to me about the
25 fact that NASBA is in its infancy, but they

1 are adopting a pilot project with respect to
2 CPE, to assist states with some of the same
3 issues that you're talking about here, and
4 figuring out how NASBA might be able to do
5 that. They were interested in us being one
6 of the pilot states, and I asked about costs
7 with regard to that, and I was told that they
8 were not as concerned right now with the
9 costs as they were with developing something
10 that could be helpful.

11 So this might be an ideal time for us
12 to look to NASBA for help here. If they can
13 come up with some -- she couldn't give me any
14 details because it is truly in its infancy at
15 this point, and they need some direction as
16 to what we actually need. But I think they
17 may be a very valuable tool here.

18 MR. CHAIRMAN: That's a good point.

19 MS. CUBITT: I think so. And we did
20 receive all the CPE reports in. They are in
21 boxes. We did utilize our Office of Support
22 Services to assist us, and they checked the
23 math on it. They checked -- there were
24 several things that they checked on it, that
25 you could give someone to do without any

1 problem. But as far as looking at the
2 courses, you've got to have somebody trained
3 at a higher level in order to do that. So
4 we're going to try and work on a few along,
5 as we can do them. Or if I can get any
6 volunteers that want to have just a really
7 good day of fun.

8 MR. CHAIRMAN: Well, should we -- I know
9 we're getting away from the technology part.
10 We had a session last summer in the CPE
11 review. Do we need to reschedule another one
12 to do that, this Board?

13 MS. CUBITT: It would be beneficial.

14 MR. CHAIRMAN: Why don't we -- why don't
15 we see how many people -- why don't you poll
16 everybody after this meeting and see how many
17 volunteers we can get. I'll volunteer to
18 help, we'll see what we do. I think we ought
19 to do it.

20 Anything up and coming with our
21 website, or anything new happening that
22 you're excited about doing to move us
23 forward?

24 MR. FAILE: Well, the online applications
25 is a big deal for us. As you know, we're

1 doing that for four different boards, so it
2 takes a little bit of time to get through
3 everybody. But that will save Doris and
4 Michael a lot of time from processing that
5 paper, and everything will be electronic from
6 that standpoint, even payments. So it's just
7 going to take us a little bit of time to get
8 there, and we're three years behind because
9 of a failed system that we won't mention.

10 MR. CHAIRMAN: Well, let's hear about
11 that failed -- no, we don't need to go into
12 that.

13 MR. BALDWIN: Is the prioritization on
14 when you get to us based on the number of
15 licensees?

16 MR. FAILE: No, it's not. It's simply a
17 matter of who gets us the questions first.

18 MR. BALDWIN: Oh, important question.

19 MR. CHAIRMAN: Oh, that is a good -- we
20 can get you -- we can get you -- we can get
21 you the answers.

22 MR. FAILE: But really it's a matter --
23 if you can get us the questions, we can get
24 it up and running. We don't really need to
25 do anything. The core's in place. We just

1 input the questions you give us and we go
2 from there. So we don't really have to do
3 anything special for you, except set up the
4 fees, which are already in place, and go from
5 there. So it's not a big deal to get up and
6 running.

7 MR. CHAIRMAN: Thank you very much.
8 Anybody have any other questions on
9 technology?

10 MS. GREENLEE: Can you make it where it
11 checks the math? I mean, -- I think it's
12 just crazy in this day and age that somebody
13 would actually have to check math.

14 MR. BALDWIN: That's ironic, considering
15 the Boards --

16 MS. CUBITT: Thank you.

17 MR. CHAIRMAN: Anything else? All right.
18 Thank you very much.

19 (Mr. Faile exits.)

20 MR. CHAIRMAN: Should we address some of
21 the consent agreements we've got, Number 11?

22 MS. CUBITT: Yes, sir, we can.

23 MR. CHAIRMAN: We've got two consent
24 agreements, that hopefully you've read.
25 Number A is Owen W. Pirkle, CPA.

1 MR. BALDWIN: I make a motion we accept
2 the consent agreement of Mr. Pirkle.

3 MR. CHAIRMAN: Motion on the floor to
4 accept that consent agreement.

5 MR. BURKETT: I second. Sorry.

6 MS. PIKE: Second.

7 MR. CHAIRMAN: Second by Ms. Pike. Any
8 discussion?

9 (NO RESPONSE.)

10 MR. CHAIRMAN: All in favor, please say
11 aye.

12 BOARD MEMBERS: Aye.

13 MR. CHAIRMAN: Any opposed?

14 (NO RESPONSE.)

15 MR. CHAIRMAN: For the 11-B, I'm going to
16 abstain from this discussion and turn the
17 floor over to Mr. Baldwin.

18 MR. BALDWIN: In the matter of Elaine
19 Corley, we have a consent agreement. Would
20 anyone like to make a motion?

21 MR. CHAIRMAN: This one was just passed
22 out this morning, I think. So you may need
23 to give someone a minute to read it, Mr. Vice
24 Chair.

25 MR. BURKETT: I've got a question once we

1 get the motion.

2 (MR. HOBBS leaves the room as he is
3 abstaining.)

4 MS. CUBITT: While you are considering
5 the consent agreement for Mr. Corley, and
6 they're going to vote, and we thought there
7 might be a question, so.

8 MS. HAWKINS: Okay. Good morning.

9 BOARD MEMBERS: Good morning.

10 MR. BALDWIN: And the record should
11 reflect that the chairman abstained and has
12 left the room during the discussion and vote,
13 or a motion, as the case may be.

14 (The board members review the document.)

15 MR. BALDWIN: When everybody looks up,
16 I'll know they've finished reading.

17 MR. BALDWIN: Anybody want to make a
18 motion?

19 MR. NICHOLS: I make a motion to agree to
20 the consent agreement as presented.

21 MR. BALDWIN: Second?

22 MR. BURKETT: I second it.

23 MR. BALDWIN: We now have a discussion.

24 MR. BURKETT: So my question is, it seems
25 to me like he did two things: Business

1 valuation and a financial statement. And
2 then we look at the facts on 2-B in the
3 consent, he's only supposed to take a
4 business valuation -- without competency.
5 Why are we not talking about financial
6 statements too, just business valuations?
7 Because, I mean, look at -- you know, we look
8 at the first page, you know, three and four,
9 the financial statement issues, and only
10 business valuations. I'm just not sure why
11 it doesn't include something about financial
12 statements too. That's all. And we just got
13 that today which is why I asked that
14 question.

15 MR. CROCKER: And three is unclear. He
16 prepared the financial statements, or
17 reported financial statements.

18 MR. CROCKER: At what level?

19 MS. CUBITT: I would say that in looking
20 at it, the IRC, at that point, felt like the
21 business valuations was the much greater part
22 of what the problem was.

23 MR. BURKETT: And I know we can't know
24 much about the case. I'm just asking --

25 MS. CUBITT: I will make note of your

1 point and your question for future IRCs, but
2 --

3 MR. BALDWIN: Well, he is subject to Item
4 C. He's in probationary status for a period
5 of two years. So not only can he not do
6 business valuations without coming back to
7 this Board and satisfactorily demonstrating
8 its competency at business valuations, he's
9 subject to probation. So if he makes any
10 violation of financial statement standards,
11 or I could say auditing -- generally accepted
12 auditing standards -- I would presume that
13 would be a most serious matter, which might
14 impact his ability to continue to be
15 licensed, if that were the case. Is that a
16 fair observation? I mean, he's in probation,
17 is what I'm getting at.

18 MS. CUBITT: Yes, sir.

19 MR. CROCKER: If we assume that the
20 problem with the business valuation is that
21 it was flawed by the fact that the accounting
22 was improper?

23 MR. BALDWIN: That's how I read it. But
24 I also have read it --

25 MR. CROCKER: -- information?

1 MR. BALDWIN: Well, we can't have --
2 Doris, we can't have that information, can
3 we?, except for what's on the consent.

4 MR. CROCKER: Yeah.

5 MR. BURKETT: And the reason I pointed
6 out my question was not so much for this one,
7 but future ones. If we've got three or four
8 things listed, I'm just -- two things listed,
9 I was wondering why we only had one thing
10 that he was required to do. That's all.

11 MS. PIKE: I have one point.

12 MR. BALDWIN: Please.

13 MS. PIKE: On 2-B where it says -- about
14 first demonstrating his professional
15 competency in business valuations -- section
16 4, there really is no instruction as to how
17 he is to do that, if he wishes to do that. I
18 mean, is it taking -- CPE? Is it -- what is
19 it?

20 MR. BALDWIN: Well, I'm going to tell you
21 my interpretation, but I can be corrected. I
22 read it to mean that he could not do a
23 business valuation without re-approaching
24 this Board and asking permission, based on
25 some evidence that he now is competent to do

1 business valuation.

2 MS. PIKE: My point is that that is a bit
3 vague, and it could be worded better, to tell
4 him exactly what he has to do because it's
5 not really clear.

6 MR. BALDWIN: I'm looking at Advice
7 Counsel here. This has been brought to us.
8 I don't think we can change it. It's
9 basically --

10 MS. MCCARTHA: You would have to
11 basically get another CA with a modification.
12 I mean, I understand your point. This would
13 allow him to present some type of evidence, I
14 assume through Doris, to come back in front
15 of the Board, and then y'all would be able to
16 make that call at your discretion. But I do
17 understand your point.

18 MR. BALDWIN: Is that the desire, Malane?
19 I mean -- it's a call.

20 MS. PIKE: It is. I mean, I think it's
21 vague. It's probably okay for this one. But
22 in the future, I think we'll want to be, you
23 know, more specific.

24 MS. CUBITT: And I can take that back to
25 the IRC. Sometimes it's hard -- not talking

1 about this case in particular, but just in
2 general -- there's no one course that he
3 could take or anybody could take that would
4 be the course for business valuation. There
5 are lots of courses out there. And so
6 without knowing a specific course or
7 something, it's hard to put in, you must take
8 A, B, C.

9 So in the conversations that we have
10 with people, we would say, "It's up to you to
11 prove your competency. A way to prove your
12 competency is to take a course. You know,
13 take several things, whatever, and present it
14 to the Board, and then the Board will make
15 that decision."

16 MS. PIKE: Well, I guess my question is,
17 would -- for example, if they did business
18 valuations under somebody else's supervision,
19 would that be something that would be
20 sufficient to satisfy B?

21 MS. CUBITT: It could be. And it could
22 be that when he comes back, or anybody comes
23 back, to say, okay, I've taken this course; I
24 think that I'm competent in this area, the
25 Board has the opportunity -- and correct me

1 if I'm wrong -- to say to him, okay, based on
2 that, we think you're competent; you can do
3 them. Or they could say, 'Okay, we think
4 this is a way you prove competency. However,
5 for the next year or two years, every
6 business valuation that you go to issue must
7 be pre-approved by someone who is competent
8 in it,' at his expense.

9 MR. BALDWIN: I would share two thoughts,
10 strictly -- and this is just, as you know,
11 not --. It seemed to me that presently as a
12 CPA, he has no accreditation, he would
13 probably go forth and seek accreditation.
14 And secondly, even if he has accreditation, I
15 would agree with you. Not only must he prove
16 additional education, that he understands the
17 standards of business valuation, but I'd also
18 expect that he would produce some form of
19 product that could, in fact, be reviewed by a
20 qualified CPA, --

21 MS. PIKE: Yeah, and --

22 MR. BALDWIN: -- with business valuation
23 credential, in such a manner that he can
24 prove his competency.

25 MS. PIKE: And see, that is the exact

1 type thing that I think should be written in
2 here.

3 MR. BALDWIN: Going forward, right, yes.

4 MS. PIKE: The specificity of it, I mean,
5 it goes to fairness, I mean, because we're
6 limiting his ability to perform in the
7 profession. And so I think we need to tell
8 him what to do in order to, you know, --

9 MR. CROCKER: Yeah.

10 MS. PIKE: -- move forward.

11 MR. CROCKER: Although, you know, if it
12 just boils down to this one accounting issue,
13 he may be competent where this issue isn't an
14 issue. He may have already done a hundred of
15 these that were perfectly legitimate.

16 MR. BALDWIN: Yeah.

17 MR. CROCKER: So it's hard to know from
18 this, what we're agreeing to.

19 MR. BALDWIN: Well, as I read it again,
20 the burden is on the CPA involved to come
21 back with evidence --

22 MS. PIKE: Yes.

23 MR. BALDWIN: -- of his competency to
24 perform a business valuation. Whatever is
25 required, he'll have to figure it out,

1 because he effectively cannot do business
2 valuations until he returns, as I understand
3 it.

4 You want to call the question or to
5 continue discussion?

6 MR. ????: Call the question.

7 MR. BALDWIN: The question is called.
8 Any objection?

9 (NO RESPONSE.)

10 MR. BALDWIN: Hearing none, all in favor,
11 please say aye.

12 BOARD MEMBERS: Aye.

13 MR. BALDWIN: Any opposed?

14 (NO RESPONSE.)

15 MR. BALDWIN: Approved. I shall bring
16 back the Chair and see if we can just break
17 before we start.

18 MR. CHAIRMAN: You know, it's close to
19 ten. Why don't we take a five minute break,
20 and then we'll resume with the hearing,
21 unless our director's here with her comments.
22 I hadn't seen her yet, but we'll certainly
23 indulge her pending her schedule. So a five
24 minute recess.

25 MS. CUBITT: And I did tell her to drop

1 by anytime, so.

2 (Short break.)

3 MR. CHAIRMAN: Before we begin the
4 hearing -- before we begin the hearing, and
5 I'm waiting on something for the hearing.
6 Before we officially start the hearing, we
7 have our new director here. We have our new
8 director here, Holly Pisarik, and we're
9 excited about you being with us, and you have
10 the floor.

11 MS. PISARIK: Well, thank you. Good
12 morning to you all. I'm excited to be here.
13 I have worked with you all before, so I know
14 most of you, but wanted to stop in and
15 introduce myself to you as the new director,
16 and hand out one of my business cards. I
17 think it is my job as the director to work
18 with your Board to provide you the resources
19 that are necessary to do your business and to
20 get your job done. And so I plan to always
21 make myself available to you all, to come to
22 Board meetings or to meet with you
23 individually, or as a Board in my office, to
24 hear any concerns you have or to hear about
25 any resources or anything you need from LLR.

1 So I'm going to give you my card.
2 Feel free to call on me at any time, and I am
3 happy to work with your Board.

4 MR. CHAIRMAN: Thank you. Thank you very
5 much, and while she's passing those cards
6 out, if we have anybody here -- I noticed the
7 sign-in sheet was not filled out. If
8 everybody could please sign in, in the back.
9 That's part of one of our little procedures,
10 but we'd like for everybody to please sign
11 in, because unless we've got some invisible
12 people, nobody had signed it. Bob, you don't
13 need to sign in.

14 MS. PISARIK: Thank you.

15 *****

16 MR. CHAIRMAN:: This is a hearing in the
17 matter of Charles Finley, being held in
18 Columbia today, April 24th, 2012. My name is
19 Mark Hobbs. I'm serving as Chairman or
20 Hearing Officer, and you see the other Board
21 members. I think you've been here for a
22 little bit of our other meeting, so you know
23 all our Board members. Their names are in
24 front of them. To my left is our Advice
25 Counsel, Ms. Sara McCartha. We're excited

1 that she's here helping us. And the state is
2 being represented by Suzanne Hawkins,
3 Assistant General Counsel.

4 Now, Mr. Finley, do you have legal
5 representation?

6 MR. FINLEY: Yes, sir, I do.

7 MR. WILSON: Mr. Hobbs, my name is Bob
8 Wilson. I'm from Greenville, where I've been
9 practicing law for 40 years, as of yesterday.

10 MR. CHAIRMAN: Well, congratulations, Mr.
11 Wilson, on 40 years. We're excited about
12 having you with us on your 40 -- I reckon
13 it's your 40th year and first day.

14 MR. WILSON: Celebration of my first day,
15 fifth decade.

16 MR. CHAIRMAN:: We're glad to have you
17 here in front of us. This hearing will be
18 conducted as informally as is compatible with
19 an equitable presentation of both sides of
20 the case and in compliance with the
21 provisions of the Administrative Procedures
22 Act, the Practice Act and the regulations of
23 this Board of Accountancy.

24 The State and the Respondents may, if
25 they desire, make opening statements.

1 Thereafter, the State shall present its case.
2 The Respondent will then present his case.
3 Both parties may make closing statements if
4 they wish. The State has the option of a
5 closing statement in reply. Ms. Hawkins.

6 MS. HAWKINS: Good morning. I'm Suzanne
7 Hawkins for the State. We're here this
8 morning in the matter of Charles Finley. His
9 license number was CPA-2442. You're going to
10 hear this morning that he's currently
11 suspended. We did have three cases that we
12 were presenting to you this morning, but I'm
13 going to start out by telling you that
14 unfortunately we have to withdraw the
15 allegations regarding Case 2010-6 because the
16 complainant in that case has gone missing.
17 We can't find him. We can't get him here.
18 So there's no way we can -- those
19 allegations.

20 So we'll be going forward with Case
21 2008-18. And in that case, we're going to
22 show you, this morning, that Mr. Finley was
23 contracted to do some work for a Danny
24 Weaver, and that he failed to file all the
25 required forms for Mr. Weaver. And Mr.

1 Weaver has, consequently, encountered some
2 difficulty with the IRS, which he will tell
3 you about this morning.

4 And in Case 2011-5, we're going to
5 show you that despite the fact that Mr.
6 Finley's license has been lapsed since 2007
7 and is currently suspended, he has held out
8 as a CPA since that time.

9 We're also going to give you the
10 information regarding the previous order that
11 has led to him being suspended, so that you
12 understand what his current license status
13 is. And after we do all that, we're going to
14 ask that you impose an appropriate sanction
15 against his license. Thank you.

16 MR. CHAIRMAN:: Mr. Wilson.

17 MR. WILSON: May it please the Panel. My
18 name is Bob Wilson. I'm here for my friend,
19 Chuck Finley, who's from Pickens, which is
20 right next to Greenville. Mr. Finley brought
21 me along to assist him to dispute the claim
22 that he has not properly discharged his
23 duties to Mr. Weaver. We believe that we can
24 show that Mr. Weaver gave certain information
25 to Mr. Finley, which he processed and which

1 he used in the filing of appropriate tax
2 returns and appropriate schedules, and that
3 in the course of discharging his duties to
4 Mr. Weaver, he met the standards that I
5 believe this Board is charged with
6 recognizing and enforcing.

7 And as to the holding himself out as
8 a CPA, Mr. Finley, on vigorous examination
9 from his lawyer -- that's me -- has assured
10 me, and can assure you all, that he has not
11 engaged, knowingly engaged in holding himself
12 out as a CPA. In fact, as soon as he became
13 aware that he was -- that his license had
14 been suspended, he took down his signs. The
15 testimony will show that he is not at all --
16 not taken on any CPA work since he became
17 aware of it.

18 There is an unfortunate event that
19 occurred with Yellow Pages, and I've
20 litigated with Yellow Pages about this same
21 issue, which is, Yellow Pages continues your
22 Yellow Page entry on whether you know it or
23 not, but Mr. Finley can advise you more fully
24 about that. And Mr. Finley, I think he will
25 testify, again, strongly, that he did not and

1 has not engaged anybody to project or to
2 present or to portray him as a CPA since he
3 became aware of his suspension or his lapse,
4 or whatever the proper terminology may be.

5 And with all due respect to Ms.
6 Hawkins, we will present the chain of events
7 that led to his suspension, his lapse and the
8 current charge that he has been representing
9 himself as a CPA. And I believe that if
10 y'all follow that, you will realize that
11 there was some confusion at the beginning
12 because he filed late, but that he has not
13 engaged in any knowing, willing efforts to
14 hold himself out as a CPA.

15 I thank y'all for letting me be here.

16 MR. CHAIRMAN:: Thank you. Thank you
17 very much, Mr. Wilson. Ms. Hawkins.

18 MS. HAWKINS: My first witness is Todd
19 Bond. He's right here.

20 (The witness is sworn in.)

21 COURT REPORTER: Could you give me your
22 name again, please?

23 THE WITNESS: Todd Bond.

24 COURT REPORTER: B-O-N-D?

25 THE WITNESS: B-O-N-D, yes, ma'am.

1 COURT REPORTER: Thank you.

2 EXAMINATION BY MS. HAWKINS:

3 Q. Good morning, Mr. Bond. What's your
4 current position?

5 A. I'm chief investigator with the
6 Department of Labor, Licensing and Regulation.

7 Q. And how long have you been in that
8 position?

9 A. Eleven months.

10 Q. What did you do before that?

11 A. I was an investigator for LLR for 13
12 years.

13 Q. Okay. And are you familiar with Mr.
14 Finley, the respondent in this case?

15 A. I am.

16 Q. How are you familiar with him?

17 A. I was the investigator in the case
18 against Mr. Finley.

19 Q. Okay. Did you investigate both of these
20 cases?

21 A. I did.

22 Q. Okay. Do you know what his current
23 licensure status is?

24 A. It's suspended, I believe.

25 Q. Okay. Let me show you -- do you

1 recognize the document I've just handed you?

2 A. I do.

3 Q. And what is it?

4 A. It's a credential view screen from our
5 Relays Computer System here at LLR.

6 Q. Okay. And when did you obtain that
7 document?

8 A. Yesterday.

9 MS. HAWKINS: If I can move this in as
10 State's Number 1.

11 [INTRODUCED AS STATE'S EXHIBIT NUMBER 1,
12 Copy of credential view screen, 2 pages.]

13 MR. WILSON: If it please the Board, we
14 have no objection to it.

15 MS. HAWKINS: Thank you.

16 Q. Mr. Bond, can you tell by looking at this
17 document when Mr. Finley last had a license?

18 A. His license expired on December 31st,
19 2007.

20 Q. But currently it's suspended; that was
21 just your testimony, correct?

22 A. That is correct.

23 Q. Do you know why that is?

24 A. He entered into a consent agreement with
25 the Board of Accountancy.

1 Q. Okay. Let me show you a document and
2 ask you if this is the agreement that you're
3 referring to.

4 (The witness reviews the document.)

5 A. Yes, it is.

6 Q. And does it have another attachment?

7 A. It has a letter that -- a cover letter
8 that went with the consent agreement when it was
9 mailed to the respondent, --

10 Q. And how did you come into possession of
11 these documents?

12 A. I obtained them from the investigator -
13 - I obtained them from the investigative file.

14 Q. Okay.

15 MS. HAWKINS: If I can move these in as
16 State's 2.

17 MR. WILSON: We have no objection to the
18 authenticity or to the admission of this
19 document. Thank you.

20 [INTRODUCED AS STATE'S EXHIBIT NUMBER 2,
21 Copy of Consent Agreement dated 10/18/19,
22 and copy of letter dated 12/2/10, 5
23 pages]

24 Q. (By MS. HAWKINS) When did Mr. Finley
25 sign this consent agreement?

1 A. September 28th, 2010.

2 Q. And how many cases did it relate to?

3 A. Two. Case Numbers 2009-7 and 2009-31.

4 Q. And to your knowledge, has Mr. Finley
5 followed the requirements of the CA?

6 A. I don't believe so.

7 Q. And is that why his license is currently
8 suspended?

9 A. That is correct.

10 Q. Now, Case 2011-5, was that initiated by
11 a complaint coming from a member of the public?

12 A. Yes, I believe it was.

13 Q. Okay. And what was the nature of that
14 complaint?

15 A. That he had been advertising as a CPA.

16 Q. Okay. And the document that I've just
17 handed you, do you recognize that?

18 A. I do. It's a printout from The Real
19 Yellow Pages of Greater Easley, SC.

20 Q. And there's no date on there. Do you
21 have knowledge of what year this Yellow Pages is
22 from?

23 A. I believe it would be from around 2010,
24 the one -- the one that was issued in 2010.

25 Q. Okay. And how do you know that?

1 **A. When we received the complaint, I**
2 **believe that it stated that this was the May 2010**
3 **Yellow Pages.**

4 MR. WILSON: For purposes of the record,
5 we will stipulate that this document was a
6 part of the 2010 Yellow Pages, and we do not
7 object to its --

8 MS. HAWKINS: Thank you.

9 [INTRODUCED AS STATE'S EXHIBIT NUMBER 3,
10 Copy of Yellow Pages advertisement, 2
11 pages.]

12 **Q. Mr. Bond, is there any listing on this**
13 **State's Number 3 that relates to Mr. Finley?**

14 **A. Yes. Under the heading, Certified**
15 **Public Accountants, there is a listing for Charles**
16 **A. Finley, Jr., CPA.**

17 **Q. Okay. And that was quite a while ago,**
18 **2010. Have you investigated more recently, to see**
19 **if there's any holding out by the respondent as a**
20 **CPA?**

21 **A. I have.**

22 **Q. And when was that?**

23 **A. Yesterday.**

24 **Q. What did you do to update that research?**

25 **A. Essentially I did a search of the**

1 internet web.

2 Q. The packet that I've just handed you, is
3 that what you obtained --

4 A. Yes.

5 Q. -- in your Google search?

6 A. It is.

7 MS. HAWKINS: If I could move this in as
8 State's 4.

9 MR. WILSON: May it please the Board. My
10 wife told me that I could come if I'd promise
11 to be quiet, but more seriously, I don't want
12 to object to evidence or witness' testimony
13 unless it really is germane. But with all
14 due respect to Ms. Hawkins, none of these
15 things that she has submitted to me show an
16 engagement by my client to represent himself
17 as a CPA to the public. These are all third
18 party indications of his status as a CPA.
19 And for that reason, I've got to object to
20 its admissibility on the grounds that it's
21 not relevant, nor is it probitive on the
22 issue of whether or not he is continuing to
23 violate the order of this Board to the effect
24 that he cannot represent himself as a CPA.

25 MS. HAWKINS: The witness has testified

1 that he obtained all of this information from
2 the internet yesterday, and it's our
3 contention that Mr. Finley has an affirmative
4 responsibility to take steps to remove this
5 sort of information. Any member of the
6 public who did a Google search will find
7 these representations that Mr. Finley is a
8 CPA.

9 MR. WILSON: May I respond?

10 MR. CHAIRMAN:: Yes, sir.

11 MR. WILSON: Our paths diverge at the
12 point that my honorable adversary asserts
13 that Mr. Finley has a duty to police the
14 internet, police third party representations
15 about him. It's at that point that I believe
16 our paths diverge, and I respectfully
17 disagree with her assertion --

18 MS. HAWKINS: Again, the witness has
19 testified that he pulled these from the
20 internet and that they are authenticated. If
21 Mr. Wilson believes they hold no weight, I
22 think that's a different question than
23 whether the document itself is admissible as
24 evidence.

25 MR. CHAIRMAN:: Ms. Hawkins, you can

1 certainly put that into evidence.

2 MS. HAWKINS: Thank you.

3 MR. WILSON: Thank you.

4 MR. CHAIRMAN:: And we understand your
5 position.

6 MR. WILSON: Thank you, sir.

7 [INTRODUCED AS STATE'S EXHIBIT NUMBER 4,
8 Copy of Google internet search, 10
9 pages.]

10 **Q. Mr. Bond, could you quickly step the**
11 **Board through, just let them know what types of**
12 **listings you found here.**

13 **A. I have a -- or there's a listing from**
14 **the Pickens, South Carolina Yellow Pages showing**
15 **Charles A. Finley, Jr., CPA.**

16 MR. WILSON: May I object to the
17 question? I think the document speaks for
18 itself.

19 MS. HAWKINS: I'd just like him to
20 briefly describe where the listings come
21 from. I don't think we're going to belabor
22 the point.

23 MR. CHAIRMAN:: Proceed, Ms. Hawkins.
24 Let's don't take a lot of time going over
25 what we've got in front of us, though.

1 MS. HAWKINS: Don't worry; I won't.

2 Thank you.

3 Q. And what's the second one, Mr. Bond?

4 A. It is a listing from Manta, which is
5 like a professional listing service, --

6 Q. Okay.

7 A. -- listing Mr. Finley as a CPA. I have
8 a listing from Accounting8.com, listing Mr. Finley
9 as a CPA.

10 Q. Okay. And just jump to the last page
11 and describe to us what that is.

12 A. The last one is a listing from Facebook.

13 Q. And when did you pull that? Was that
14 also yesterday?

15 A. Yes.

16 Q. And, I'm sorry, go ahead.

17 A. And it lists Mr. Finley as a CPA.

18 Q. Is it your understanding that a Facebook
19 page can go up without the knowledge of the person
20 who's listed?

21 A. My understanding was that you have to
22 have an account with Facebook to put anything in it.

23 Q. I believe those are all the questions I
24 have for you for now. If you'll answer Mr. Wilson's
25 and the Board's.

1 EXAMINATION BY MR. WILSON:

2 Q. Mr. Bond, my name is Bob Wilson. I'm
3 from Greenville.

4 A. Yes, sir.

5 Q. In the course of your investigation, did
6 you inquire from Mr. Finley as to whether or not he
7 had engaged any advertiser or any other public
8 agency or any, to represent himself as a CPA?

9 A. When I did the investigations, I would
10 always send a letter to Mr. Finley, informing him of
11 the complaint and requesting information as to --
12 requesting a statement as to what he had done in
13 relation to --

14 Q. Yes, sir. But you did not inquire, did
15 you, that whether or not Mr. Finley was knowingly,
16 knowledgeably paying for representations in any of
17 the advertising that he was a CPA.

18 A. It's been a while since I've read those
19 letters. From my memory, I would say that what I
20 had done was wrote him, told him what was there and
21 asked him if he had any knowledge of why it was
22 there.

23 Q. May I fairly characterize your response
24 to my question as a no?

25 A. If you're asking specifically did I ask

1 him -- tell me specifically what you are asking.

2 I'm sorry.

3 Q. And I beg your pardon, sir. Did you
4 inquire of him whether or not he had engaged any
5 advertising media -- radio, TV, printed, electronic
6 -- to represent himself as a CPA, available to do
7 CPA work?

8 A. No.

9 Q. Thank you, sir. And, in fact, did you,
10 in the course of your investigation, communicate
11 with any of these people who have things on the
12 internet that portray him as a CPA available to do
13 CPA work?

14 A. No, sir, I did not.

15 Q. Okay. And what is your understanding --
16 Mr. Bond, is it --

17 A. Yes, sir, it's Bond.

18 Q. Forgive me. -- Mr. Bond, as to what it
19 is that Mr. Finley can perform -- what services can
20 he perform as a CPA, as opposed to somebody who is
21 not licensed?

22 A. He can attest. He can do audit -- audit
23 reports. There's a number of things that he can do
24 as an accountant that he can't as -- when he is not,
25 and I couldn't name them all.

1 Q. Yes, sir. Now, during the course of
2 your investigation, I guess you did not inquire of
3 Mr. Finley whether or not he had taken on any CPA
4 work, as distinguished from general accounting work.

5 A. No, sir.

6 Q. So you can't tell this Board today if
7 Mr. Finley has breached -- by taking on work --
8 breached any cease and desist order to not perform
9 CPA work.

10 MS. HAWKINS: I'm going to object to the
11 relevance of this question because we haven't
12 alleged any work that requires a CPA. We've
13 only alleged holding out as a CPA.

14 MR. WILSON: May I respond, Mr. Hobbs?

15 MR. CHAIRMAN:: Yes, you may respond.

16 MR. WILSON: Thank you. It would be, I
17 would think, fair to assert that a part of
18 holding yourself out is the danger implicit
19 in holding oneself out as a CPA, available to
20 perform CPA work, that the danger to the
21 public would be that they might be engaging
22 somebody who is not properly available to do
23 CPA work. It's the no harm, no foul
24 argument, if you'll let me reduce it to
25 simple terms, and on that basis, I reiterate

1 my question, Mr. Bond, subject to the
2 objection.

3 MR. CHAIRMAN: I'm going to sustain Ms.
4 Hawkins' argument, really on the premise that
5 her argument is he was holding out, not that
6 he'd accepted any work, subject to --

7 MR. WILSON: Yes, sir. And if I may --
8 and please forgive me; I'm putting stuff in
9 the record, and I don't mean to be
10 contentious with you. It would be our
11 position, in response to your ruling, that if
12 there is no consequence of Mr. Finley's
13 alleged improper acts, then that might go to
14 mitigate any consideration that this Board
15 might have. And forgive me again. As my
16 wife always says, be quiet as much as you
17 can.

18 MR. CHAIRMAN: I understand.

19 MR. WILSON: Thank you. Oh, I'm still
20 up. Okay.

21 **Q. And so the sole sources then, Mr. Bond,**
22 **of your testimony that Mr. Finley has breached his**
23 **duty to not hold himself out as a CPA, the sole**
24 **sources are this internet scan that we have seen.**

25 **A. Yes, sir.**

1 Q. And this copy of the 2010 Yellow Pages
2 that we've already seen.

3 A. Yes, sir.

4 Q. And that's the sole sum and substance of
5 your testimony today, that he has breached his duty
6 not to hold himself out as a CPA.

7 A. Yes, sir.

8 Q. Thank you, sir.

9 MR. WILSON: Excuse me one second.

10 (Brief Pause.)

11 Q. Thank you, sir. Thank you. I have no
12 further questions.

13 MR. CHAIRMAN:: Okay. Ms. Hawkins.

14 MS. HAWKINS: Thank you.

15 EXAMINATION BY MS. HAWKINS:

16 Q. Mr. Bond, did you ever have occasion to
17 go to Mr. Finley's office?

18 A. Yes.

19 Q. I'm sorry I failed to ask you this
20 before, but did he have a sign in front of his
21 office?

22 A. At one point, yes, he did.

23 Q. Do you know about when that was?

24 A. I went by a couple of times when I was
25 working on other cases, just to check. The last

1 time I believe I was up there was around April of
2 2011.

3 Q. Okay. And what did the sign indicate?

4 A. Some of the sign had been covered over.
5 I -- I do remember there was a faded out sign that
6 said "Charles Finley, CPA."

7 Q. Okay. And do you know about when that
8 was?

9 A. I believe it would have been around
10 April of 2011.

11 Q. Okay. If I could have you look back at
12 State's Number 2, which is the consent agreement.

13 (The witness complies.)

14 A. I have it.

15 Q. On the second page of that exhibit,
16 which is the consent agreement itself, did Mr.
17 Finley admit to anything related to the allegations
18 in this case? I'm sorry, the second page of the
19 exhibit, not the --

20 A. And ask me again. I'm sorry.

21 Q. Did Mr. Finley admit, in these two
22 cases, to any facts that relate to this current case
23 that you're testifying about?

24 A. He admitted that his license had been
25 expired since December 31st, 2007. He admitted that

1 he was issued a cease and desist letter on February
2 6th, 2008. He admitted that he issued financial
3 statements on June 30th, 2008, and an auditor's
4 report dated August 11th, 2008. He admitted that he
5 had signage on his property stating that he was a
6 CPA as of February 26th, 2009. And he admitted that
7 he continued to hold out as a CPA, even though his
8 licensing permit to practice had lapsed.

9 Q. Okay. And what was the date that he
10 signed that again? I know you've already testified
11 to that.

12 A. 9/28/2010.

13 MS. HAWKINS: Okay. That's all I have.

14 MR. CHAIRMAN:: All right.

15 EXAMINATION BY MR. WILSON:

16 Q. Mr. Bond, again, forgive me for being
17 querulous with you. When you went to see Mr. Finley
18 at his office, and you said it was 2011 and you saw
19 a CPA sign, are you quite sure about that?

20 A. I believe that's when I went up there,
21 and I believe that's what I saw, yes, sir.

22 Q. Mr. Finley's career may depend on it.

23 A. Yes, sir, I understand.

24 Q. And forgive me, again, for being
25 querulous with you, but could it have been a year

1 before, or a year before that?

2 A. As I said, I visited twice, so it's
3 possible. Yes, sir.

4 Q. It is possible.

5 A. Yes, sir.

6 Q. Thank you, sir. Now, when you
7 interviewed Mr. Finley about his -- the interview
8 that resulted in this 9/28/10 order that Ms. Hawkins
9 just refereed to and asked you a few questions
10 about, do you remember asking him about how it came
11 about that his license had lapsed, and the events
12 that had gone on that resulted in him thinking that
13 he was still a CPA?

14 A. I -- I do remember -- yeah, I believe I
15 talked to Mr. Finley on the phone about it at one
16 point.

17 Q. Yes, sir. And that he had sent off the
18 re-application, and that he had sent off the fee
19 that was called for and so forth, and in compliance
20 with the directions, he believed that that was all
21 that he had to do in order for his license to be, in
22 effect, renewed?

23 A. Yes, sir.

24 Q. Okay. And that during the period prior
25 to hearing from you, during that period after he had

1 submitted -- complied with the directions of the
2 Board -- but it was during that period that he had
3 performed an audit for the Six Mile Water District?

4 A. I believe that's correct.

5 Q. Yes, sir. And upon hearing from you
6 that he was no longer a CPA, then, of course, he
7 advised you that he was going to stop trying to do
8 CPA work.

9 A. Yes, sir. I believe he said that as
10 well.

11 Q. Thank you. I have no further questions.

12 EXAMINATION BY MS. HAWKINS:

13 Q. Just one, I am sorry, in response. Mr.
14 Bond, this case that you're testifying about is Case
15 2011-5, correct?

16 A. It is.

17 Q. So the case wasn't open until 2011; is
18 that correct?

19 A. That's correct.

20 Q. Did you go to the office or drive by the
21 office in response to this case?

22 A. I believe I did, yes.

23 Q. Okay. Thank you.

24 MR. WILSON: I have no further questions.

25 Thank you.

1 MR. CHAIRMAN:: All right.

2 MS. HAWKINS: I have nothing further.

3 If the board has any.

4 MR. CHAIRMAN:: Any of he Board have any
5 questions of Mr. Bond?

6 (NO RESPONSE.)

7 MR. CHAIRMAN:: I don't think we have any
8 questions for Mr. Bond.

9 MR. WILSON: Thank you.

10 MS. HAWKINS: Thank you.

11 MR. CHAIRMAN:: Thank you very much.

12 MS. HAWKINS: My next witness is Danny
13 Weaver.

14 (The witness is sworn in.)

15 COURT REPORTER: Could you give me your
16 full name, please, sir?

17 THE WITNESS: It's actually Joseph Daniel
18 Weaver.

19 COURT REPORTER: Joseph Daniel Weaver?

20 THE WITNESS: Yes.

21 COURT REPORTER: Thank you.

22 EXAMINATION BY MS. HAWKINS:

23 Q. Good morning, Mr. Weaver.

24 A. Morning.

25 Q. Thank you for being here. Do you know

1 of Mr. Finley?

2 A. I do.

3 Q. And how do you know him?

4 A. I hired him in 1999 to do my taxes for
5 me.

6 Q. Okay. And was that your personal taxes
7 or business taxes?

8 A. Combined, business and personal.

9 Q. Okay. And what was your business, or
10 what is your business?

11 A. Well, at that time I was a sales rep. I
12 was an independent contractor for multiple
13 companies.

14 Q. And why did you or how did you choose
15 Mr. Finley?

16 A. Well, I'm not good at taxes, so I wanted
17 to hire somebody that could do them for me, and I
18 chose a CPA because I felt like they would be done
19 correctly and I would be led in the right direction.

20 Q. Okay. Did you have any sort of -- in
21 what form was your business, or in what form did
22 your business end up being?

23 A. (No response.)

24 Q. Was it a sole proprietorship? Was it --

25 A. Well, --

1 Q. -- a partnership? Was it a corporation?

2 A. -- he had advised me to form an S-corp,
3 get incorporated. So I formed an S-corp.

4 Q. Okay. And did he handle the taxes for
5 that company?

6 A. Yes, he did.

7 Q. Talk to me about how you interacted with
8 him and how y'all coordinated your information for
9 your taxes.

10 A. Well, I met with him once a year.
11 Basically, that was all we did, was once a year we'd
12 sit down and go over my income and expenses. I
13 would come back in a couple weeks and sign the
14 paperwork and write checks to the state and the IRS
15 for taxes.

16 Q. Okay. And, obviously, there was a
17 problem because we're here. So when did you -- what
18 was your first inkling of any issue?

19 A. Well, starting in 2000 or 2001, I
20 started getting letters from the IRS every month,
21 asking where these forms were, certain forms. So I
22 would take the forms to Chuck's office, and he said
23 that he would take care of them for me. And that's
24 all that was discussed.

25 Q. Okay. How long did this go on?

1 A. For four or five years.

2 Q. So you continued to get the letters?

3 A. I got letters every month, multiple
4 letters from different offices from the IRS, asking
5 for forms. So I would just -- instead of walking in
6 the door, I would go through his drive-through window
7 and press the button and flash my envelope. "I'm
8 here again." And I would just drop the envelopes
9 off every month.

10 Q. And were you in communication with him
11 otherwise?

12 A. No.

13 Q. Did you try to have any contact with him
14 at that point?

15 A. I would ask what he was doing and he
16 said that he would take care of it, and he would not
17 discuss exactly what it was he was doing or what the
18 IRS was asking for.

19 Q. Now, at what point did you decide, or
20 how many years went by, when did you decide you were
21 go to see --?

22 A. Well, sometime in 2006, I'm at a trade
23 market in High Point, North Carolina, talking to
24 other associates that are in the same business that
25 I was in, and they're talking about conversations

1 that they had with their accountants. And I'm
2 thinking to myself, I've never had any of these
3 conversations with my accountant. And they were
4 talking about --

5 MR. WILSON: Excuse me. I'm going to
6 object to the hearsay nature of this
7 testimony. I'm not sure that it's properly
8 before this tribunal. Forgive me for
9 interrupting.

10 MS. HAWKINS: Obviously, we're not
11 requesting that the statements of his
12 colleagues are entered for the truth of them.
13 It's just what he heard and what he did in
14 response. We don't know that they actually
15 talked to their accountants, so we're not
16 putting that forward.

17 MR. CHAIRMAN: I'm going to allow this
18 evidence to be for background information.
19 You can continue, Ms. Hawkins. I understand
20 where you're coming from. But let's go ahead
21 and hear it if it's not going to be -- you
22 can proceed.

23 MS. HAWKINS: Thank you.

24 A. So that got me to thinking. So I
25 started getting nervous, more nervous that I had

1 been earlier. So I took all my taxes from 1999 to
2 2006, that Chuck had prepared for me, and I found
3 another tax preparer. He wasn't a CPA, but he was
4 an enrolled agent, and I called several CPAs in
5 town, and I liked the way this guy sounded.

6 So anyway, I went to his office, dropped
7 everything off, and he was --

8 Q. Let me stop you there because --

9 A. -- he was going to review --

10 Q. -- this will be hearsay. I just want
11 you to -- if you can focus your testimony from
12 hereon as to what happened, that you have firsthand
13 knowledge of, and not what someone else told you.

14 A. Well, he discovered that I owed a lot of
15 money to the IRS. I owed Social Security and
16 Medicare. I had not been paying Social Security and
17 Medicare since Chuck started doing my taxes for me.
18 So I owed over \$20,000. And, you know --

19 Q. Well, what's the current status, or what
20 has happened between you and the IRS?

21 A. Well, my enrolled agent that I had since
22 2007, we have someone in West Virginia that works
23 with the IRS, and she's been working with us for the
24 past two years. And they're discussing setting me
25 up on payment plans to pay back what I owe.

1 Q. Okay. And that's the \$20,000 that you
2 just testified to? Is that the only amount you had
3 out there?

4 A. Yes.

5 Q. Now, when you dropped those letters off
6 at Mr. Finley's office, did you keep copies?

7 A. I did not.

8 Q. Do you have any copies of any letters
9 from the IRS?

10 A. I kept a few copies after 2007.

11 Q. Okay. Let me ask you to look through
12 that packet and tell me if those are some of the
13 letters that you did retain.

14 (The witness complies.)

15 A. Yes.

16 Q. So these were all received by you from
17 the IRS.

18 A. Absolutely.

19 MS. HAWKINS: If I could move these in as
20 State's Number 5.

21 [INTRODUCED AS STATE'S EXHIBIT NUMBER 5,
22 Copy of correspondence from IRS, 7
23 pages.]

24 MR. WILSON: Could I have a moment to
25 admire your submission?

1 MS. HAWKINS: Sure.

2 (Mr. Wilson reviews the document.)

3 MR. WILSON: Yes, sir.

4 MR. CHAIRMAN:: Yes, sir. No objection?

5 MR. WILSON: I'm sorry. No objection.

6 Q. Now, Mr. Weaver, if I could have you
7 look at that document. What years -- although these
8 are all more recent letters, what years are
9 mentioned in these letters? What tax years?

10 A. 2001 through 2006.

11 Q. Okay. And what forms are referred to in
12 these letters?

13 A. Let's see, 1120-S.

14 Q. Now, do you have any memory of getting
15 letters regarding any other forms or types of forms?

16 A. Yes. Numbers 940 and 941 comes to mind.
17 I don't know what those are, but they kept asking
18 for those forms.

19 Q. Okay. And do you remember any other
20 types of forms?

21 A. There were so many, they all ran
22 together. So I just recall those three particular
23 numbers.

24 Q. Okay, fair enough. I believe that's all
25 I have for you for now. If you will answer Mr.

1 **Wilson's questions.**

2 EXAMINATION BY MR. WILSON:

3 Q. Danny, who formed this corporation for
4 you?

5 A. It was a lawyer in town.

6 Q. Who was it?

7 A. I don't recall his name.

8 Q. Okay. And did he prepare a minute book
9 and bylaws with bylaws and stock certificates and
10 such as that?

11 A. He did.

12 Q. Where are they?

13 A. They're in my office.

14 Q. Yes, sir. And I guess that either your
15 attorney or somebody suggested to you that the
16 corporation should elect Sub-chapter S status.

17 A. Did the attorney suggest it?

18 Q. Somebody suggested that you elect that
19 the corporation should elect Sub-chapter S status.
20 Who was that?

21 A. Chuck told me I should do a S-corp.

22 Q. Yes, sir. And the corporation was
23 already created?

24 A. No, it was not.

25 Q. Okay. The corporation was created, and

1 then Chuck suggested it to you?

2 A. It was created after Chuck suggested,
3 after I started working with Chuck.

4 Q. But Chuck did not create the corporation
5 for you.

6 A. No, he did not create it.

7 Q. Thank you, sir. And you understood, I'm
8 sure, from discussing with Chuck, that as a result
9 of the election of Sub-chapter S status that the
10 corporation would be, in effect, that you would
11 enjoy a partnership or sole proprietorship treatment
12 as a tax entity for the corporation.

13 A. I don't understand.

14 Q. Yes, sir. The corporation would be
15 treated as if it were a part of Danny Weaver. It
16 would be you, personally.

17 A. It was created for me.

18 Q. Did you understand that when you elected
19 Sub-chapter S status?

20 A. (NO RESPONSE.)

21 Q. Sir?

22 A. I'm still unclear; I'm sorry.

23 Q. What was your understanding of what the
24 Sub-chapter S status meant?

25 MS. HAWKINS: May I ask -- I've been

1 trying to see where he's going here, but I've
2 got to object to the relevance because we're
3 not alleging anything related to the
4 formation of the corporation or how or why it
5 was formed for him. We are only alleging
6 that Mr. Finley's duties, as CPA to the
7 corporation, were not fulfilled.

8 MR. CHAIRMAN: Yeah, I wish we could
9 limit your cross examination to the direct
10 questions that have been asked, if you don't
11 mind.

12 MR. WILSON: How dare I mind. Excuse me
13 for being a little bit blunt. But the
14 purpose of starting at that point, if it
15 please the Board, is to establish that it was
16 a corporation that had elected Sub chapter S
17 status, and that the returns were not returns
18 for the corporation, but the schedule --
19 y'all know this better than I do. Schedule
20 S, whatever the schedule is that gets --

21 MR. FINLEY: 1120-S.

22 MR. WILSON: -- that gets appended to the
23 personal tax return of the shareholder or
24 shareholders of the corporation. And I was
25 trying to simply establish that line of --

1 that chain of events.

2 Q. Mr. Weaver, during the period that you
3 had engaged Mr. Finley, you were the sole
4 employee/operator. You were all of Danny Weaver,
5 Inc.

6 A. The one and only.

7 Q. You were all of it.

8 A. Yes, I was.

9 Q. So there were no employees?

10 A. No.

11 Q. There were no officers or directors,
12 except you.

13 A. I suppose that's correct.

14 Q. Thank you, sir. Now, when you went to
15 Mr. Finley for your annual meeting to give him the
16 information that he would need to prepare both your
17 personal returns and the returns for the
18 corporation, you gave him some data, some
19 information.

20 A. I did.

21 Q. And that information, of course, he
22 translated into a personal tax return for you, and
23 for your wife as well?

24 A. After I got married in 2003, yes, sir.

25 Q. But after you got married, for you and

1 your wife as well.

2 A. Sure.

3 Q. And he also prepared a schedule for you
4 to attach to your tax return, and then to your joint
5 return with your wife, during this period of time;
6 isn't that correct?

7 A. Is that a document or something?

8 Q. Yes, sir. It's the 1120-S.

9 A. I don't recall ever seeing that
10 document.

11 Q. Okay. During this period, Mr. Weaver --
12 excuse me for a second. During this period, 2000 to
13 2006?

14 A. Actually 1999 through 2006.

15 Q. Right. During this period, Mr. Finley
16 would prepare the returns and put them out for you
17 to review and to submit to the IRS. Isn't that the
18 way the relationship worked?

19 A. Yes.

20 Q. So if those returns were not filed after
21 he tendered them to you, it was your responsibility
22 to file those returns; wasn't it?

23 A. No, it was not.

24 Q. Why wasn't it?

25 A. I hired him to do my returns for me.

1 Q. Yes, sir. And he did the returns for
2 you, didn't he?

3 A. He did the personal return, but he did
4 not complete everything, all the documents for the
5 S-corp.

6 Q. Yes, sir.

7 A. That's why I got letters every month
8 from the IRS asking for these forms.

9 Q. And those letters were addressed to you,
10 to inquire about various forms that needed to be
11 filed for employees; isn't that correct?

12 A. I don't know what they were for.

13 Q. The 940, the 941?

14 A. The 940, 941, 1120-S.

15 Q. Yes, sir. Those were for employees;
16 weren't they?

17 A. That was his job to know what those
18 forms were for.

19 Q. Yes, sir. During this --

20 A. That's not my job; that's what I paid
21 him for.

22 Q. Excuse me for interrupting. During this
23 period, Mr. Weaver, did your corporation ever lose
24 its charter due to administrative action by the
25 South Carolina Secretary of State?

1 A. It did not.

2 Q. Which would indicate to you, wouldn't
3 it, that the IRS and/or the state were not
4 complaining about lack of filings for your
5 corporation?

6 A. Well, I got letters every month --

7 Q. Yes, sir.

8 A. -- asking for these forms and documents.

9 Q. Thank you, sir. But I'm speaking about
10 a letter from the South Carolina Secretary of State,
11 addressed to you, as the sole shareholder and member
12 of this corporation, that you had filed to comply
13 with the taxes, the filing of taxes, and that your
14 corporation had lost its charter. You never
15 received that letter?

16 A. I never received a letter like that,
17 right.

18 Q. Thank you. I have no further questions.

19 MR. CHAIRMAN: Ms. Hawkins?

20 MS. HAWKINS: Thank you.

21 EXAMINATION BY MS. HAWKINS:

22 Q. Mr. Weaver, you testified earlier that
23 you turned over all the letters you received from
24 the IRS to Mr. Finley; correct?

25 A. Correct.

1 Q. Did he ever call you up and say "You've
2 given me some letters that relate to something
3 that's not my responsibility; it's your
4 responsibility"?

5 A. He did not.

6 Q. And did you ever fail to mail any form
7 that Mr. Finley prepared for you?

8 A. Everything that I was given, I sent in
9 like I was supposed to, or asked to or told to.

10 Q. Okay. Thank you.

11 MR. WILSON: If it please the Board,
12 could I ask him?

13 MR. CHAIRMAN: Yes, sir.

14 MR. WILSON: Thank you.

15 EXAMINATION BY MR. WILSON:

16 Q. You were interviewed by Mr. Bond, the
17 investigator seated at the back of the room?

18 A. No, I wasn't.

19 Q. Did you tell Mr. Bond or this Board that
20 Mr. Finley had prepared the tax returns for the S-
21 corporation?

22 A. I told someone else.

23 Q. Beg your pardon, sir. I didn't mean to
24 mislead you. But you told him that he'd prepared
25 all the returns.

1 A. He had been doing my taxes, but he did
2 not completely do my taxes. He didn't fill out
3 every document form as he should have. That's why
4 we're here today.

5 Q. Forgive me. I didn't ask the question
6 artfully, and I'll try to do better. You told the
7 Board, the investigator from this Board, that Mr.
8 Finley prepared the tax returns for your S-
9 corporation from 2000 to 2006, stop, period. The
10 answer, sir?

11 A. Yes.

12 Q. And you said that the two 1040s were
13 filed, stop, period. Isn't that true, sir?

14 A. I'm not sure what a 1040 is. Oh, that's
15 like a basic personal return.

16 Q. Yes, sir.

17 A. Yes.

18 Q. And the next question is: And the
19 extensions for 1120-Ss for all years were filed.

20 A. I'm not sure of that.

21 Q. Stop.

22 A. I'm not sure of the answer to that
23 question.

24 Q. Okay. Isn't that what you told this
25 Board's investigator, sir?

1 A. (No response.)

2 MR. WILSON: Do you have the letter
3 handy?

4 (Off-the-record discussion.)

5 Q. Having seen the letter that is a report
6 of your interview with the investigator for this
7 Board, does that help refresh your memory, sir,
8 about what you told this Board?

9 A. Well, this letter was not written by me.

10 Q. I understand. But does that help
11 refresh your memory about what you told this Board?

12 A. I've got what I sent into the Board
13 right here.

14 Q. Sir, may I ask my question again. Does
15 this letter that I've just handed you for your
16 review help refresh your memory about what you told
17 the investigator for this Board?

18 (The witness reviews the document.)

19 A. Yes.

20 Q. And what you're telling this Board today
21 is different from what is reported by the
22 investigator; isn't that true?

23 A. I don't see a difference.

24 Q. Okay. Did I misunderstand your
25 testimony? I thought you said that he never filed

1 any of your returns, but in that letter it alludes
2 to your earlier statements that he filed all the
3 1040s. Did I misunderstand your testimony, sir?

4 A. He filed the 1040s, correct.

5 Q. Yes, sir. And he prepared all the 1120-
6 Ss, or got extensions for them as well; isn't that
7 true?

8 A. I'm not sure.

9 Q. All right, sir. But today you told this
10 Board that he didn't do that, didn't you?

11 A. If those were done, how come I still got
12 letters in 2008, 2009, 2010 asking --

13 Q. Let's talk about those letters, sir.
14 Those letters, at least in the exhibit that she
15 handed in, were for tax year 2008 and tax year 2006,
16 which would have been after he was discharged, tax
17 year 2008.

18 MR. CHAIRMAN: I don't see anything for
19 2008 on these notices.

20 MR. WILSON: I think it's the second one
21 in the batch, Your Honor.

22 MR. ?: Actually, if you're looking at
23 the top of the page, if you look down in the
24 middle you see it's years 2003, '4 and '5.

25 MR. CHAIRMAN: The '8 is the date that

1 notice was rendered.

2 MR. WILSON: Yes, sir. The date is the -
3 - the date is the date upon which they
4 responded to his request for them to send a
5 notice. These are not -- he asked for these
6 from the IRS. He wasn't getting the letters,
7 at least not the letters that have been
8 submitted in evidence.

9 (Off-the-record discussion.)

10 MR. CHAIRMAN: You've still got it up.

11 MR. WILSON: Thank you.

12 MR. CHAIRMAN: Go ahead; you're at bat.

13 MR. WILSON: But we try not to trip;
14 that's my biggest difficulty.

15 Q. (By Mr. Wilson) Mr. Weaver, could you
16 take another look at this packet of materials that
17 have been submitted as a part of this case? They
18 show --

19 A. Which page you want me to look at?

20 Q. Well, I'll tell you what, let's start at
21 the beginning and go to the second page, and then to
22 the third page, and then to the fourth page. And
23 they're requesting a Form 1120, and then an 1120,
24 and then an 1120, and then another 1120 for tax
25 years '03, '04, '05, '06. And perhaps you know more

1 about taxes than I do, but 1120 is not the return
2 that Mr. Finley was preparing, or required to
3 prepare, for a Sub-chapter S election; was it?

4 A. I couldn't tell you.

5 Q. Okay. So your complaint about the lack
6 of filing 1120s is based upon what?

7 A. These letters I got from the IRS. They
8 sent me letters, asking where they were.

9 Q. You asked for these letters; didn't you?

10 A. Why would I ask for these letters?

11 Q. Well, why are --

12 A. Why would I ask the IRS to send me
13 letters every month?

14 Q. If Mr. --

15 A. For me to --

16 Q. Excuse me. I beg your pardon.

17 A. Go ahead.

18 Q. I interrupted you, sir. I'm sorry. If
19 Mr. Finley filed the 1120-S, why are they sending
20 you something about 1120?

21 A. Ask him; he should know.

22 Q. Yes, sir. But you don't know.

23 A. That is correct.

24 Q. But you filed a complaint. Even though
25 you didn't know, you filed a complaint against Mr.

1 **Finley.**

2 **A. (No response.)**

3 **Q. Sir? Did I hear a response to my**
4 **question?**

5 **A. You did not.**

6 **Q. I beg your pardon. Could I have a**
7 **response to my question?**

8 **A. Can you ask me the question again?**

9 **Q. I'm not sure I can. Mr. Finley filed,**
10 **or made arrangements concerning 1120-S forms. You'd**
11 **agree with that; didn't you?**

12 **A. (No response.)**

13 **Q. Take your time, Mr. Weaver.**

14 **A. I guess I did agree to that earlier.**

15 **Q. Yes, sir. And then you filed a**
16 **complaint, a grievance against Mr. Finley, for not**
17 **filing or taking care of 1120 -- not 1120-S -- and**
18 **that's at least, in part, your complaint here today**
19 **before this Board.**

20 **A. My original complaint did not have any**
21 **mention of any particular document or form.**

22 **MR. CHAIRMAN:** Mr. Wilson, if we could
23 kind of -- if you wouldn't mind moving along
24 with your questions.

25 **MR. WILSON:** I will, Your Honor.

1 MR. CHAIRMAN: I think the Board has an
2 understanding of some of the factual issues,
3 and -- plus, we'll have a chance to ask some
4 questions of Mr. Weaver, too.

5 MR. WILSON: Yes, sir. I beg your
6 pardon; I didn't mean to trip over the wire.

7 **Q. I'm going to show you -- I got three**
8 **more things. Could you take a look at this, please,**
9 **sir?**

10 **(The witness reviews the document.)**

11 MR. CHAIRMAN: We don't have these --
12 that letter you were referring to earlier, we
13 haven't seen. We haven't seen that. Are you
14 going to put that into evidence -- mark it?

15 MR. WILSON: I beg your pardon. I
16 thought it was part -- even though I've been
17 around 40 years, I'm not as seasoned as I
18 might look, but I thought that that was part
19 of the record of this matter, and didn't
20 realize that I needed to submit it.

21 MS. HAWKINS: There's nothing before the
22 Board other than what I've put into evidence
23 today in the formal complaint.

24 MR. WILSON: Okay.

25 MR. CHAIRMAN: I'm not trying to keep

1 anything out, but you're kind of limiting us
2 with talking about stuff we don't have --

3 MR. WILSON: Sure.

4 MR. CHAIRMAN: -- information on.

5 MR. WILSON: I misunderstood about -- the
6 Board could rely upon --

7 MR. CHAIRMAN: That's what you're
8 referring to, the formal complaint. She said
9 she has that.

10 MR. WILSON: Do y'all have the complaint
11 in front of you, from Mr. Weaver?

12 MR. CHAIRMAN: No. We don't have his
13 complaint, do we?

14 MR. FINLEY: I mean, not from him, but
15 from Todd Bond?

16 MR. WILSON: We'd like to introduce --

17 MR. CHAIRMAN: Yeah, we've got that.

18 MS. CUBITT: Yeah, in your materials.

19 MR. CHAIRMAN: This is the letter --

20 MS. CUBITT: -- that's in your material.

21 MR. CHAIRMAN: It's in your material,
22 yeah. The complaint was provided in advance.

23 MS. HAWKINS: Not the initial complaint,
24 the state's formal complaint. We're talking
25 about two different things.

1 MS. CUBITT: Formal complaint.

2 (Talking at the same time, between
3 themselves)

4 MR. BURKETT: Let me ask a question --

5 MR. CHAIRMAN: Sure.

6 MR. BURKETT: He refereed to an initial
7 complaint that I don't believe I've ever
8 seen. If it was in our documents, I don't
9 remember seeing it. You had questioned him
10 about the initial complaint. I was looking
11 through our documents. I can't find that
12 document. So, I mean, unless somebody else
13 is telling me we have it, I don't know that
14 it's in the record.

15 MS. HAWKINS: It should not be. You have
16 the state's formal complaint. You don't have
17 Mr. Weaver's initial complaint.

18 MR. WILSON: Upon correction and
19 instruction, I'm now introducing that into
20 evidence. And I beg your pardon.

21 MR. BURKETT: Because I couldn't find it.

22 MR. WILSON: Yeah, that's right -- I'm a
23 newby.

24 (Talking among themselves.)

25 MR. CHAIRMAN: Do you have other

1 documents that you need to submit, that we
2 need to have a little recess to make copies
3 made?

4 MS. HAWKINS: I have no objection.

5 MR. FINLEY: I've got copies.

6 MR. WILSON: I think he has copies; I was
7 going to speed it up to get the copies made.

8 MS. ? : That will need to be marked and
9 --

10 MR. BURKETT: And we'll need a copy of
11 that, Mark.

12 MR. CHAIRMAN: I don't know if you've got
13 enough copies of this for everybody. Do you?

14 MR. WILSON: I've got some more copies,
15 but I don't know that I have enough for --

16 MR. CHAIRMAN: I tell you what, let's
17 take a five minute pause and let's make
18 copies of everything, so we'll all have the
19 same stuff. Five minutes.

20 MR. WILSON: Thank you.

21 (Off the record.)

22 MR. CHAIRMAN: Mr. Wilson, we're ready
23 when you are, I think. I'll hit the gavel
24 when you get ready.

25 MR. WILSON: Yes, sir. Thank you, sir.

1 CONTINUING EXAMINATION BY MR. WILSON:

2 Q. Mr. Weaver, I'm going to show you this
3 document, and there are lots of copies. Thank you.
4 I want to thank the staff and the Board. Take a
5 moment, if you would, and review it.

6 (The witness reviews the document.)

7 A. Yeah.

8 Q. Want to show it to your counsel?

9 MS. HAWKINS: I'm not his attorney. Let
10 me just say that for the record. I'm the
11 attorney for the state.

12 Q. Mr. Weaver, did you have an opportunity
13 to review the documents that have the orange post-it
14 notes on them?

15 A. Yes, I have.

16 Q. And are those documents, documents that
17 represent the information that you gave to Mr.
18 Finley in connection with the preparation of your
19 tax returns?

20 A. This is what I gave him. Yes, sir, it
21 is. Yes, sir.

22 MR. WILSON: Is that satisfactory?

23 MS. HAWKINS: I only have the one. Is
24 there another year as well?

25 MR. WILSON: Yeah, there are two batches.

1 MS. HAWKINS: Have you shown both batches
2 to him?

3 MR. WILSON: Yeah. Mr. Chairman, I think
4 I received permission from opposing counsel
5 to go ahead and -- these.

6 MR. CHAIRMAN: Ms. Hawkins, are you fine
7 with letting us look at what he's got to
8 share?

9 MS. HAWKINS: The witnesses says it's
10 what he says it is, so I don't see how I can
11 object.

12 **Q. And likewise, I think I've shown this**
13 **letter to you, Mr. Weaver, and I think also Ms.**
14 **Hawkins.**

15 MS. HAWKINS: Uh-huh.

16 MR. WILSON: This is a copy of the
17 original complaint, which was issued as a
18 part of the investigation of Mr. Finley by
19 Mr. Bond, and we'd like to submit that for
20 the record.

21 MS. HAWKINS: Just to clarify, this is
22 not the initial complaint. The initial
23 complaint is what comes in from Mr. Weaver
24 himself. This is a letter that Mr. Bond sent
25 to Mr. Finley as a result of receiving the

1 initial complaint. And though neither Mr.
2 Finley nor Mr. Bond have testified to its
3 authenticity, I'll stipulate to it because we
4 have it in our file.

5 MR. CHAIRMAN: Thank you very much, Ms.
6 Hawkins.

7 MR. WILSON: Thank you, Mr. Chairman.
8 That concludes my cross-examination of Mr.
9 Weaver.

10 EXAMINATION BY MS. HAWKINS:

11 Q. Mr. Weaver, I'd like to again turn your
12 attention to this letter that we've spent a good bit
13 of time on that was just introduced, the letter from
14 Mr. Bond to Mr. Finley. This letter provides
15 information beyond what you indicated in your
16 initial complaint, correct?

17 A. Yes.

18 Q. And let me just, since we've had some
19 requests for it, let me show you what I believe is
20 your initial complaint, and ask you if it is indeed
21 what you filed with the Board administration.

22 A. Yes, it is.

23 Q. Okay. And what was the date on your
24 complaint?

25 A. 6/23/2008.

1 **Q. Okay.**

2 MS. HAWKINS: If I could move this in as
3 State's Number 6, please.

4 MR. WILSON: We have no objection, Your
5 Honor -- Mr. Chairman.

6 [MARKED FOR IDENTIFICATION AS STATE'S
7 EXHIBIT NUMBER 6, Copy of initial
8 complaint filed by Mr. Weaver against Mr.
9 Finley, 2 pages.]

10 **Q. Mr. Weaver, did you reference any**
11 **specific IRS forms in your complaint?**

12 **A. I did not.**

13 **Q. And finally, when you were turning over**
14 **these IRS letters to Mr. Finley over the course of,**
15 **I believe you testified for seven years, did he ever**
16 **tell you there was a mistake in what the IRS was**
17 **telling you you needed to file? Or -- well, let me**
18 **just ask you that first: Did he ever say we didn't**
19 **need to file this form?**

20 **A. No.**

21 **Q. And during that six to seven year**
22 **period, did he ever tell you this is not -- these**
23 **letters that you're giving me, these do not relate**
24 **to anything that I have responsibility for as your**
25 **CPA?**

1 A. No.

2 Q. Okay. Thank you.

3 MR. CHAIRMAN: Yes, sir.

4 EXAMINATION BY MR. WILSON:

5 Q. Just one question. I want to be quite
6 sure that I didn't inartfully pose the question.
7 Mr. Weaver, at no time have you ever received a
8 cancellation of your corporate charter from the
9 Secretary of State -- cancellation of your corporate
10 charter from the Secretary of State.?

11 A. During a certain period?

12 Q. Since its organization through today.

13 A. I dissolved the corporation; it was
14 either in 2007 or 2008.

15 Q. But you never received an administrative
16 letter from the Secretary of State withdrawing or
17 revoking your --

18 A. I did not.

19 Q. -- corporate charter. Thank you, sir.
20 I have no further questions.

21 MS. HAWKINS: Nothing further.

22 MR. CHAIRMAN: We appreciate you being
23 with us here with us today. The Board may
24 have a few questions for you, if you'd give
25 us a few minutes. We've heard a lot in the

1 last 30 or 40 minutes. Does any Board member
2 have a question for Mr. Weaver?

3 MS. PIKE: I do. I'm a bit confused, so
4 I want to get some facts straight. When you
5 provided this information to Mr. Finley, am I
6 correct in that he would prepare the return
7 for you and then ask you to come in and sign
8 it?

9 MR. WEAVER: Yes.

10 MS. PIKE: And so did you then go to his
11 office and sign the returns?

12 MR. WEAVER: I physically went to the
13 office and signed where I was supposed to
14 sign.

15 MS. PIKE: Okay. And then did Mr. Finley
16 give you those returns for you to mail, or
17 did Mr. Finley keep the returns himself to be
18 mailed, for him to mail? Who actually mailed
19 the returns in? Did you mail them in, or did
20 you leave them for Mr. Finley to mail in?

21 MR. WEAVER: I don't recall at this time
22 if I physically left and mailed them or left
23 them there. I know several times I would
24 write checks to the state and the IRS and
25 leave them there, along with a check for his

1 services.

2 MR. CHAIRMAN: But you have these
3 returns, the returns in questions, these
4 mystery returns?

5 MR. WEAVER: They're sitting right here.

6 MR. CHAIRMAN: Well, I don't think we
7 need to copy them or anything. I just wanted
8 to see; they were prepared and you have
9 copies?

10 MR. WEAVER: Absolutely.

11 MR. CHAIRMAN: And where did you get
12 those copies?

13 MR. WEAVER: From Mr. Finley.

14 MR. CHAIRMAN: I don't want to hog the
15 questions for you Mr. Weaver, but I do have
16 another question. This twenty thousand
17 dollars (\$20,000) that you are owed because
18 you said Mr. Finley didn't do something right
19 and you're paying that back, I haven't seen
20 any evidence of any of that in anything
21 provided. Did you happen to bring anything
22 about those penalties that describes that a
23 little better for us Board members?

24 MR. WEAVER: I do not.

25 MR. CHAIRMAN: And you did mention that

1 it was Social Security tax and Medicare tax?

2 MR. WEAVER: Yes. It's -- it's being
3 worked out right now with an agent with the
4 IRS.

5 MR. CHAIRMAN: But you don't have any
6 notices or anything about that?

7 THE WITNESS: (Witness nods head.)

8 MR. BURKETT: I've got a question. You
9 said you have copies of tax returns he filed
10 for you here today; is that what you -- did I
11 misunderstand that?

12 THE WITNESS: They're sitting right here.

13 MR. BURKETT: Are there any 1120 forms in
14 that, or are they all 1040 forms?

15 THE WITNESS: (Looking through forms.)

16 MR. BURKETT: I thing it may be corporate
17 returns or individual return, it may show --

18 THE WITNESS: This is a -- they were
19 combined in the same booklet. This one is
20 just a 1040. You're welcome to look at them.

21 MR. BURKETT: No, I just -- I'm trying to
22 --

23 MR. CHAIRMAN: Is there a Schedule E?
24 Is there a Schedule E in that 1040 that shows
25 an S-corp number on there? We don't really

1 want to look and dig into those tax returns,
2 but we're just trying to understand what was
3 filed.

4 MR. BURKETT: Right.

5 THE WITNESS: I have nothing to hide at
6 this point.

7 MR. CHAIRMAN: But you don't have any
8 corporate tax returns. All you have is
9 individuals?

10 THE WITNESS: I believe so. This is all
11 I've been given from -- from his office. So
12 I guess so; it's looking that way.
13 Unfortunately

14 MR. BURKETT: Okay. That's fine. I was
15 curious if you had anything except 1120 tax
16 return.

17 MR. CHAIRMAN: Do you remember getting a
18 K-1?

19 THE WITNESS: Doesn't ring a bell.

20 MR. BURKETT: That's good. Thank you.

21 MR. CHAIRMAN: Any other questions for
22 Mr. Weaver?

23 MS. PIKE: Mr. Weaver, do you remember
24 how much you paid Mr. Finley for doing your
25 income tax returns in any given year?

1 THE WITNESS: It was somewhere between a
2 hundred and a hundred fifty.

3 MS. PIKE: Was that to be for both
4 returns, for the corporate return and the
5 individual return?

6 THE WITNESS: Yes. It was for combined.

7 MS. PIKE: So it was a hundred and fifty
8 dollars for the two of them.

9 THE WITNESS: Correct.

10 MR. CHAIRMAN: Any other questions for
11 Mr. Weaver?

12 MR. BALDWIN: I have a question. Mr.
13 Weaver, the information presented with the
14 IRS notices, indicated that the Internal
15 Revenue Service was unable to find copies of
16 Form 1120-S, which is an S-corporation income
17 tax return. We're using a lot of jargon
18 here, but it says that the Internal Revenue
19 Service was unable to find copies of Form
20 1120-S, S-corporation tax return for periods
21 2003 to 2006. Is your current enrolled agent
22 preparing these returns to file at this time?

23 THE WITNESS: Yes. Since 2007, my -- my
24 current enrolled agent is, as far as I know,
25 doing all the necessary documents. But,

1 again, I don't know all these numbers. So I
2 can't --

3 MR. BALDWIN: Right.

4 THE WITNESS: -- testify accurately on
5 documents and forms because -- that's why I
6 pay someone else.

7 MR. BALDWIN: Well, it's interesting
8 because one of the notices makes reference to
9 a 2006 Form 1120, which is a corporation
10 return. The other one makes reference to a
11 2006 1120-S, as if there's confusion as to
12 what's being filed. I just was curious if
13 that -- that's okay.

14 MR. CHAIRMAN: But you've never seen any
15 other tax returns other than those you've got
16 in your possession today?

17 THE WITNESS: Yeah. During the times
18 that I hired him, this is all I have.

19 MR. CHAIRMAN: You've never gotten a
20 corporate business tax return.

21 THE WITNESS: No, I guess I haven't. But
22 I started to in 2007 with my new guy.

23 MR. BURKETT: Well since you've -- that
24 form there, what form is that, since you've
25 held it up? What does it say? Is it a

1 corporate tax return, a 1120? What does it
2 say?

3 MR. CHAIRMAN: It's up in that top left-
4 hand corner up there.

5 MR. BURKETT: Keep going.

6 THE WITNESS: It says 1120-S.

7 MR. CHAIRMAN: And you never got one of
8 those before from Mr. Finley.

9 THE WITNESS: I did not.

10 MR. BALDWIN: There are two boxes on that
11 form. One reads the date of incorporation;
12 it's usually in the upper right corner, and
13 there's also a date of the S election. What
14 are those dates, please?

15 THE WITNESS: On this particular one?

16 MR. BALDWIN: Yes, they should be in the
17 upper right or left corner. One should say
18 "date of incorporation," the other should say
19 "date of Sub-chapter S election."

20 THE WITNESS: Let me find that.

21 MR. BALDWIN: It's on Page 1 of 1120-S.
22 Right upper left or upper right.

23 THE WITNESS: Selection or election
24 effective date?

25 MR. BALDWIN: Yes, please.

1 THE WITNESS: 7/5/2000.

2 MR. BALDWIN: And what does it say the
3 date of incorporation is?

4 THE WITNESS: 7/5/2000.

5 MR. BALDWIN: Thank you.

6 MR. CHAIRMAN: Any more questions for Mr.
7 Weaver? He's been very patient with us.

8 MS. PIKE: Mr. Weaver, at any point did
9 you have conversations with Mr. Finley about
10 receiving all of these notices from the IRS?

11 THE WITNESS: We never had a
12 conversation. All that was told to me by him
13 was he would take care of it. Bring it by
14 the office, is what I was told to do, and he
15 would handle it.

16 MS. PIKE: So you did not receive any
17 correspondence at all back from Mr. Finley,
18 indicating that he had taken care of it.

19 THE WITNESS: Never heard anything, not a
20 phone call, email, letter.

21 MR. BALDWIN: Mr. Weaver, do you remember
22 Mr. Finley providing you any letters of
23 engagement on an annual basis to sign as to
24 what work he was performing on your behalf?

25 THE WITNESS: No.

1 MR. BALDWIN: All right. Thank you.

2 MR. CHAIRMAN: Okay. Mr. Weaver's been
3 very patient. The Board's had good
4 questions. Any other questions of Board
5 members for Mr. Weaver?

6 (NO RESPONSE.)

7 MR. CHAIRMAN: Hearing none, Mr. Weaver,
8 thank you so much for being with us today,
9 taking time from your schedule. Thank you
10 for coming with us.

11 THE WITNESS: Thank you.

12 MS. HAWKINS: Could I ask that Mr. Weaver
13 be excused?

14 MR. WILSON: We have no objection to his
15 release.

16 MR. CHAIRMAN: Mr. Weaver is certainly
17 excused. Thank you, Mr. Weaver.

18 THE WITNESS: Thank you very much.

19 MS. HAWKINS: Thanks for being here. The
20 state rests our case.

21 MR. CHAIRMAN: Counsel?

22 MR. WILSON: Mr. Finley. Does he need to
23 be sworn in?

24 MR. CHAIRMAN: Yes.

25 (The witness is sworn in.)

1 MR. WILSON: Advice Counsel, I've only
2 got one script; I have to ask him his name
3 and all that stuff, like I've been going and
4 doing in court for 40 years.

5 EXAMINATION BY MR. WILSON:

6 Q. What's your name, sir?

7 A. Charles A. Finley, Jr.

8 Q. What's your occupation?

9 A. Tax preparer.

10 Q. And have you ever been a CPA, sir?

11 A. Yes, sir.

12 Q. And when were you -- when did you become
13 a CPA?

14 A. '86, I believe.

15 Q. And where did you receive your training
16 to become a CPA?

17 A. A four-year degree at Clemson and then
18 under -- Cook for my experience.

19 Q. Yes, sir. At some point in the 2000s,
20 did you neglect to send off your renewal fee for
21 your license as a CPA?

22 A. Yes, sir, I did.

23 Q. And when was that, sir?

24 A. January of 2008.

25 Q. And did you subsequently -- did the

1 Board make you aware that you had failed to send in
2 your license fee?

3 A. Yes, sir, they did.

4 Q. And what was your response to that?

5 A. I immediately submitted a five hundred-
6 dollar (\$500) fee, in addition to the eighty-dollar
7 (\$80) license fee, and a five hundred dollar (\$500)
8 fee for my office, in addition to the fifty-dollar
9 (\$50) fee, along with the applications for renewal.

10 Q. Yes, sir. And were you required to do
11 anything else to secure the renewal of your license?

12 A. No, sir. No, sir. Based on the
13 information I had, that's all I had to do.

14 Q. All right. And the letter that you
15 received providing you with instructions, did that
16 letter lead you to believe that once you complied
17 with the instructions, that your license was back in
18 good standing?

19 A. Oh, yes, sir. Definitely.

20 Q. Can you look at that letter and read it
21 to the Board, please, sir?

22 A. Well, I've got a number of different
23 letters. One is a 2008 Accountancy Board update,
24 and in it, it talks about "renewals of license and
25 registrations are due to our office no later than

1 January 2nd, 2008." On down there, it talks about -
2 - bear with me because I didn't highlight this copy.
3 It says, "As a reminder, a license not renewed on or
4 before January 2nd is considered revoked. Continued
5 practice after the 15th must be sanctioned as
6 unlicensed practice. Licensees will be required to
7 file a reinstatement application and pay the \$500
8 reinstatement fee, if the renew is filed and
9 completed after January 15th."

10 And there is an additional statement.
11 I've got a fax from a Mr. Michael Teague dated March
12 31st, 2008. In it he says "Please complete the
13 reinstatement application and renewal form and mail
14 back to the Board as soon as possible, so that it
15 can be processed."

16 I've got a statement from the Board of
17 Accountancy talking about reinstatement
18 instructions, and on it, it talks about a complete
19 reinstatement application must be submitted, a CPE
20 report must be submitted, payment of \$500
21 reinstatement fee and a \$80 license fee.

22 Q. And did you comply with those
23 instructions, sir?

24 A. Yes, sir, I did.

25 Q. And additionally, did you receive a

1 cease and desist letter?

2 A. Yes, sir, I did. This was dated
3 February 6th of 2008.

4 Q. And what does that cease and desist
5 letter tell you, Mr. Finley?

6 A. "In accordance to -- your firm's
7 registration has lapsed as of December 31st, 2007.
8 The action is a result of your failure to file the
9 2008 application in-state firm registration. As a
10 courtesy, renewal notices are mailed. However, to
11 receive a notice is not an acceptable excuse for
12 failing to file the renewal. To continue in
13 practice in South Carolina, you must agree and sign
14 the enclosed consent agreement, pay the \$500 fee,
15 complete in-state registration form and pay the \$50
16 current registration."

17 Q. Now, was that language "to continue to
18 practice in South Carolina"?

19 A. Yes, sir.

20 Q. And then it had conditions beneath it?

21 A. Yes, sir.

22 Q. And did you comply with those
23 conditions, sir?

24 A. Yes, sir, I did.

25 Q. Okay. As a result of that compliance by

1 you, with those instructions, what was your
2 understanding of the status of your license, sir?

3 A. It was my understanding that my license
4 would be reinstated and I, you know, would continue
5 to operate as a CPA.

6 Q. Yes, sir. And during the period after
7 that cease and desist with the instructions, and
8 after your compliance with the instructions, did you
9 take on some CPA work?

10 A. Yes, sir. I took on one audit.

11 Q. And what was that, sir?

12 A. For the Six Mile Rural Water District in
13 August of 2008.

14 Q. Yes, sir. And as a result of that
15 audit, have there been any complaints or grievances
16 about your performance of your duties?

17 A. There was a complaint filed.

18 Q. What was the complaint, sir?

19 A. Saying that I prepared a audit while not
20 licensed as a CPA.

21 Q. Was there any complaint other than that
22 about your performance as --

23 A. No, sir.

24 Q. -- a CPA?

25 A. No, sir.

1 Q. And when you heard about this complaint,
2 what was your response, sir?

3 A. It was the first part of 2009 when I
4 heard about the complaint. Prior to that date, I
5 thought I was a licensed CPA.

6 Q. Yes, sir.

7 A. And upon hearing that from Mr. Bond, I -
8 - well, really I heard about it two ways. One, I
9 heard about it from Mr. Bond, and the second way I -
10 - when I went I went to submit my renewal fees for -
11 - in January of 2009, for the office and for me
12 personally, they got sent back to me, saying that,
13 you know, that I was not licensed, or that my
14 license was in lapse, I think.

15 Q. And did this prompt you to make an
16 inquiry to determine what was going on?

17 A. Yes, sir.

18 Q. And what did you find out?

19 A. At -- at that time, I was told that my
20 license had never been reinstated from March of
21 2008.

22 Q. All right, sir. And what measures did
23 you take to try and reinstate your license? What
24 did you do next?

25 A. Next I contacted the Board to see what

1 was going on, and that's when they told me that my
2 license had not been reinstated yet. And at that
3 time I took my signs down and no longer practiced as
4 CPA. And that was in January of 2000--and -- or the
5 first part of the year, 2009.

6 Q. Mr. Finley, I'm going to ask you to look
7 at these two photographs and the three pieces of
8 paper that are also included with them.

9 A. Yes, sir.

10 Q. What are they?

11 A. These are two pictures I took of my
12 sign, showing Mr. Bond where I had taken CPA off my
13 signs, and the other one is confirmation that, you
14 know, where I faxed -- yeah, where I faxed these to
15 Mr. Bond. And the third one's just a letter. It
16 states, "Dear Mr. Bond, please find attached the
17 pictures of my signs. The wide sign was cut off by
18 me, removing the words certified public accountant.
19 This was done last year. The vertical sign was
20 covered by me last year. I tried two different
21 methods recommended to me by the Board.

22 I probably should have put "by Mr. Bond." "I
23 covered the sign with plastic, but the weather kept
24 blowing it off. I finally had someone to make metal
25 signs, so it could be screwed into the original

1 **signs. If I can be of additional help, please do**
2 **not hesitate to contact me.**

3 MR. WILSON: We ask that the Board permit
4 the submission of the two photographs and the
5 letter that was sent to Mr. Bond, along with
6 the confirmation sheet for the fax that
7 confirms that the letter was sent down to the
8 Board.

9 MS. HAWKINS: Could I get the dates on
10 that?

11 MR. WILSON: On the fax, it's May '09.
12 May 14th, '09.

13 [INTRODUCED TO THE BOARD, Two photographs
14 and copy of fax transmission and
15 confirmation.]

16 **Q. Now, in May of '09 did you become aware**
17 **that there were other representations that you were**
18 **a CPA out and around?**

19 **A. Yes, sir.**

20 **Q. And what were they, sir?**

21 **A. Sometime around May or the summer of**
22 **2009, I realized that my ad in the Yellow Pages**
23 **still showed me advertising as a CPA.**

24 **Q. What action, if any, did you take --**

25 **A. I --**

1 Q. -- when you discovered that?

2 A. -- started contacting BellSouth about
3 removing my ad and correcting my ad. And in
4 addition to that, about that time AT&T took over for
5 BellSouth. Up until then, I could not refuse
6 payment of my advertisement bill because it was
7 included on my phone bill. Sometime during '09, I
8 believe it was, they broke it up to where it's a
9 separate bill from AT&T and a separate bill for my
10 phone bill. So I refused to pay the bill for my
11 advertising because they had not done what I had
12 asked them to do. And, you know, this was -- this
13 was over in '10.

14 They -- you know, when I requested -- the
15 adjustments have to be made in March, prior to the
16 phone book coming out in May. I contacted them many
17 times saying, you know, Remove my ad. That was
18 prior to March. The May 2010 phonebook came out and
19 it was status quo, even though I wasn't paying the
20 bill. You know, at that time, I was not paying my
21 advertising bill.

22 So it rocked on. Again, I kept -- I did
23 not pay my bill for my advertising. When the May
24 2011 phonebook came out, the same month that the
25 complaint was filed against me, my ad is no longer

1 in the phonebook. I don't -- I don't know -- well
2 --

3 Q. No, that's --

4 A. No, I mean, I don't -- I don't know how
5 it's showing up on the internet as being the Yellow
6 Pages, but I've got a phonebook here and I've got
7 pictures showing that my ad is not in the May 2011
8 phonebook. And I -- and I did that -- well, I had
9 to do that prior to the complaint coming out because
10 it had to be changed by March of that year. So the
11 change was already made prior to the complaint being
12 filed.

13 Q. Would you take a look at these three
14 pieces of paper, please, sir?

15 A. Yes, sir. The top one is a -- is a bill
16 from the AT&T Advertising Solutions. In the middle
17 of the page, it shows that I owe them a thousand and
18 thirty-six dollars, and it shows how it was
19 allocated between '09 and '10. The second page is a
20 cover of the phonebook that came out in May of 2011
21 because at the bottom it says "recycle after May of
22 2012." And the third page is the Yellow Pages ad
23 for certified public accountants for -- or for the
24 Easley Area -- there is no Pickens Yellow Pages --
25 but for the Easley Area, and my name's not listed.

1 MR. WILSON: Do you have any objection?

2 MS. HAWKINS: No objection.

3 MR. WILSON: Without objection from Ms.
4 Hawkins, we'd like to submit the three pages
5 just authenticated and identified by Mr.
6 Finley.

7 THE WITNESS: Like I said, I've got the
8 phonebook if anybody wants to take a look at
9 it.

10 [INTRODUCED INTO EVIDENCE, Copy of Yellow
11 Page bill, Copy of phone book cover for
12 2011, and Copy of current CPA section of
13 Yellow Pages for Pickens, 3 pages.]

14 Q. Mr. Finley, since you became aware of
15 the suspension of your license, have you engaged any
16 of the media to represent you or present you to the
17 public as a CPA?

18 A. No, sir. I do -- I do no advertising
19 whatsoever.

20 Q. And exactly -- help this layman
21 understand what the distinction is between CPA work
22 and what you're doing now.

23 A. After being notified -- well, after
24 coming to find out in the first part of '09, I have
25 simply done payroll and tax service work, --

1 Q. Yes, sir.

2 A. -- which was 99 percent of my business
3 to start off with.

4 Q. Yes, sir. Now, have you had -- other
5 than Mr. Weaver and this situation with your --

6 A. Advertising?

7 Q. -- suspension, have you ever had any
8 other complaints about you?

9 A. Yes, sir.

10 Q. And what are they?

11 A. I had one complaint back in '03, I
12 believe. I had a client that would -- and y'all
13 being accountants can appreciate this -- would bring
14 in a box full of every paid receipt, power bill,
15 cable bill, you know, everything. She was a single
16 lady that had two or three sources of income, but
17 she would bring everything to me. Of course, you
18 know, I'd go through it, and out of the box of
19 receipts I'd probably use, you know, ten or twelve
20 of them, and I'd give her her information back, file
21 the return, it was done.

22 The last year I prepared a return, she
23 came back, got her return, but she did not pick up
24 her information. My office contacted her numerous
25 times saying please come get this information; we

1 didn't have anywhere to put it. And she refused to
2 do it. Well, she didn't do it. She later moved to
3 Colorado, I believe, and contacted me, asking me to
4 mail her, her information. I asked her to have her
5 sister come by and pick up her information.

6 MS. HAWKINS: I've got to object to the
7 relevance of this line of testimony about a
8 previous complaint that's not before you
9 today.

10 MR. CHAIRMAN: Sustained.

11 Q. As a result of your appearance here
12 before this Board, what relief do you think you're
13 entitled to today, Mr. Finley?

14 A. I made a mistake. I am not a
15 confrontational person by nature; I'm just not. I
16 should have came and represented myself, or just
17 represented myself when the situation with the audit
18 being prepared in August of 2009; I should have
19 came. I should have been here when y'all met
20 concerning that. But to be quite honest, I thought
21 I was represented; I thought I had representation
22 here. That was my mistake.

23 But I was at -- I was told I did not have
24 to be here; the Board had the facts and the Board
25 would make a decision, and they did. A terrible

1 mistake on my part because I believe -- and I
2 believe I've got documented substantial -- I don't
3 want to say proof -- but substantial information why
4 I thought the way I thought after I submitted all
5 that stuff in May of '09.

6 The deal with Mr. Weaver and the
7 phonebook ad I think can be very easily discussed
8 and clarified. And I'd like for my license to be
9 reconsidered, and my original fine to be reduced to
10 an amount that I can reasonably pay and continue to
11 practice. I'm a one-man practice; I worked hard for
12 my CPA license when I got out of school. And I
13 don't think I've done anything intentionally to harm
14 this -- the CPA -- the CPA profession itself. I
15 mean, that's not my intent. That never has been my
16 intent. And being a one-man show, I don't think
17 I've done that. I've just made some terrible
18 mistakes as far as not showing up here that day when
19 it was discussed.

20 Q. Please answer any questions that Ms.
21 Hawkins may have for you.

22 EXAMINATION BY MS. HAWKINS:

23 Q. I'm going to go out of order, Mr.
24 Finley, and just follow up on what you just talked
25 about, that you weren't here.

1 A. Yes, ma'am. I'm sorry.

2 Q. You just testified that you weren't here
3 when your case was considered before?

4 A. Exactly.

5 Q. Are you referring to this 2010 consent
6 agreement --

7 A. Yes, ma'am.

8 Q. -- that you signed? Okay. And the fine
9 that you're bringing up to the Board now is the fine
10 that you agreed to as part of that 2010 document; --

11 A. Yes, ma'am.

12 Q. -- is that correct? Okay. I just
13 wanted to clarify that. Did you provide any of the
14 information that you just provided the board to Mr.
15 Bond when you got information about the 2011
16 complaint against you for the Yellow Pages ad?

17 A. Yes, ma'am.

18 Q. You did?

19 A. Yes, ma'am.

20 Q. You told him that you sent him the bill
21 that showed you hadn't paid?

22 A. I don't have it in front of me; I'm
23 sorry. But yes, ma'am, because the complaint came
24 out; when the complaint came out, the new phone bill
25 was already -- the new phonebook was already out.

1 So I made pictures of it and, you know, because
2 again, you said the complaint was filed in May of
3 2011?

4 Q. I believe you got a letter from him in
5 April.

6 A. Okay.

7 Q. You testified at the beginning of your
8 testimony that you're a tax preparer now?

9 A. Yes, ma'am.

10 Q. And when you registered this year for
11 the IRS PTIN number, how did you qualify for that
12 number, under what category?

13 A. Tax preparer. The PTIN number?

14 Q. Yes.

15 A. Yeah, tax preparer -- tax preparer.

16 Q. Now the fax that you put into evidence,
17 the May 14th, 2009, fax with the photo of your sign,
18 --

19 A. Yes, ma'am.

20 Q. -- that was related to a previous case,
21 correct?, because that was before this 2011
22 advertising case.

23 A. Right. Yes, ma'am. Yes, ma'am. That's
24 when, you know, Mr. Bond called and said, Hey, I
25 rode by your office and your -- and your signs are

1 up. I said, Well, I'll take care of that.

2 Q. Okay. Do you believe that that case was
3 part of the consent agreement that you signed in
4 2010?

5 A. I don't recall.

6 Q. Well, given the timing that you signed a
7 consent agreement on September 28th, 2010, and you
8 testified -- or I believe actually Mr. Wilson
9 clarified that that fax was sent to Mr. Bond on May
10 14th, 2009, that wasn't related to today's
11 unlicensed practice case; was it? That had to have
12 been related to the other case.

13 A. Today's unlicensed, dealing with the
14 Yellow Pages.

15 Q. Correct.

16 A. Oh, no, ma'am. It's separate.

17 Q. Okay. So that document that you've
18 submitted regarding your sign is related to a
19 previous case that's covered by this consent
20 agreement, --

21 A. Yes, ma'am.

22 Q. -- correct? So it's not relevant to
23 today's case.

24 A. Oh, I believe it is. Yes, ma'am.

25 Q. Okay. And in that consent agreement, if

1 I could -- do you have a copy of it in front of you?

2 A. No, ma'am, I don't.

3 Q. You admitted in that consent agreement
4 that you had been lapsed since 12/31/2007; is that
5 correct?

6 A. Yes, ma'am.

7 Q. (Inaudible)

8 A. I'm not arguing that point. Yes, ma'am.

9 Q. Okay.

10 A. But this was -- yes, ma'am.

11 Q. That's all I have.

12 MR. CHAIRMAN: Questions from the Board?
13 Donnie?

14 MR. BURKETT: I have two questions. Did
15 you file 1120-S's for this individual who
16 says you did not file --

17 THE WITNESS: Absolutely. I had to have
18 for two reasons come to mind. One was, as
19 all of you know, the Secretary of State would
20 do a administration dissolution of his
21 charter if those returns were not filed. The
22 second one is, and I'm not an attorney. He
23 stated he carried these returns to his new
24 guy to change, and how did he carry something
25 to -- to them if I didn't provide it to him.

1 MR. CHAIRMAN: Did you bring copies of
2 them today?

3 THE WITNESS: No, I got copies for two
4 years; yes, sir. That's all I brought with
5 me.

6 MR. CHAIRMAN: What years do you have? I
7 don't know if I want to see them, but I just
8 --

9 THE WITNESS: Oh, no, that's fine. For
10 somebody thinks they're organized, I
11 apologize. I faxed copies to Todd Bond a
12 while back, dealing with this. I brought '05
13 and '06.

14 MR. CHAIRMAN: Mr. Burkett, I think, has
15 a question. Sorry, I interrupted you.

16 MR. BURKETT: That's okay. But you did
17 file 1120-Ss for him.

18 THE WITNESS: Yes, sir.

19 MR. BURKETT: And then the next question,
20 the follow-up question is, then you took the
21 K-1 information off of that tax return and
22 put on the individual return?

23 THE WITNESS: Yes, sir.

24 MR. BURKETT: His testimony also was that
25 -- and I think you confirmed this -- there

1 were no employees of that S.

2 THE WITNESS: Absolutely not.

3 MR. BURKETT: Okay. So you did not file
4 any wage statements at all for him for his
5 form S. You treated everything as dividends;
6 --

7 THE WITNESS: Yes, sir.

8 MR. BURKETT: -- is that correct? My
9 next question is, when you testified about
10 losing your license before --

11 THE WITNESS: Right.

12 MR. BURKETT: -- signing this consent
13 agreement, --

14 THE WITNESS: Yes, sir.

15 MR. BURKETT: -- you said that you
16 decided not to come, but yet, when I look at
17 this consent agreement, I believe that the
18 Board hearing was in October and you signed
19 this consent agreement on September the 28th,
20 2010. So you didn't appear here; you just
21 signed a consent agreement; is --

22 THE WITNESS: Yes, sir.

23 MR. BURKETT: -- that correct? You
24 consented to this; you did not --

25 THE WITNESS: Exactly. I did not come

1 here to represent myself in that matter.

2 MR. BURKETT: Okay.

3 MR. CHAIRMAN: When you said you thought
4 somebody was representing you here --

5 THE WITNESS: Yes, sir.

6 MR. BURKETT: That was my question. Who
7 did you think was representing you, because
8 you had signed this consent agreement --

9 THE WITNESS: This lady sitting right
10 here.

11 MR. BURKETT: Well, but you had signed
12 this -- but you had signed this consent
13 agreement, agreeing that everything that was
14 said in the agreement is correct and --

15 THE WITNESS: Yes, sir.

16 MR. BURKETT: -- you understood that.

17 THE WITNESS: Yes, sir.

18 MR. BURKETT: Okay. That's all I got.

19 MR. BALDWIN: I've got four questions.
20 Did you, by May 8th, 2011, take an eight-hour
21 ethics course? 2011. In the consent order
22 it says --

23 THE WITNESS: Oh, no, sir. No, sir.
24 I've not taken those courses.

25 MR. CHAIRMAN: So you didn't follow the

1 consent agreement?

2 MR. BALDWIN: I've got my three
3 questions.

4 MR. CHAIRMAN: Yeah.

5 MR. BALDWIN: I've got four or five
6 actually. Did you take an eight-hour course
7 in auditing since then?

8 THE WITNESS: No, sir.

9 MR. BALDWIN: So you didn't take eight
10 hours of governmental auditing?

11 THE WITNESS: No, sir.

12 MR. BALDWIN: Well, obviously you're
13 choosing not to practice as a CPA and as a
14 tax preparer.

15 THE WITNESS: No, sir. I was -- I was
16 informed I would not have to take those hours
17 prior to me paying the \$10,000.

18 MR. BALDWIN: All right.

19 THE WITNESS: That was my -- that was my
20 interpretation that -- that I could do all of
21 it at one time. And I've not had the money
22 to pay the \$10,000, so I've not taken the
23 continuing education.

24 MR. CHAIRMAN: And that's why you hadn't
25 got your license back, because if you had

1 followed this consent agreement, you would
2 have your license back.

3 THE WITNESS: Yes, sir. That's -- that's
4 my understanding. If I'd of paid --

5 MR. CHAIRMAN: That's the way I'm reading
6 that letter.

7 THE WITNESS: Yes, sir.

8 MR. CHAIRMAN: I just wanted to make sure
9 I wasn't missing something.

10 THE WITNESS: Yes, sir. If I had the
11 \$10,000 to pay, I would have gotten the
12 hours, and yes, sir, I'd have my license
13 back. But it's my understanding, still, that
14 just because I've not done that does not mean
15 that my license will be revoked.

16 MR. BALDWIN: Oh, it is revoked right
17 now; is it not?

18 THE WITNESS: No, it's suspended right
19 now.

20 MR. BALDWIN: Suspended.

21 THE WITNESS: Yes, sir.

22 MR. BALDWIN: I stand corrected.

23 THE WITNESS: But it's my understanding
24 that -- that I've got -- but, you know, this
25 agreement stands until I can -- I don't want

1 to say rob a bank because I'm on video -- but
2 until I can come up with the -- when I come
3 up with the \$10,000 and do my continuing
4 education hours, I can submit for
5 reinstatement to the Board. And that's all I
6 ask for.

7 MR. BALDWIN: Mr. Finley.

8 THE WITNESS: Yes, sir.

9 MR. BALDWIN: Did you have engagement
10 letters with Mr. Weaver?

11 THE WITNESS: No, sir, I did not.

12 MR. BALDWIN: You did not?

13 THE WITNESS: No, sir.

14 MR. BALDWIN: Mr. Finley, did you respond
15 to the notices of the Internal Revenue
16 Service that he presented to you, and if so,
17 did you make copies available through your
18 correspondence?

19 THE WITNESS: Not wanting to -- I did not
20 get monthly -- the IRS does not mail out
21 monthly notices on anything. I mean, he
22 referred to monthly notices on his payroll.
23 He had no payroll. The IRS was not
24 anticipating him filing any payroll tax
25 returns. So I have no knowledge of what he's

1 talking about.

2 MR. BALDWIN: At any time did you respond
3 to the Internal Revenue Service on his behalf
4 regarding the non-filing of the 1120-Ss? I'm
5 not --

6 THE WITNESS: No, sir.

7 MR. BALDWIN: -- saying you didn't
8 prepare them -- (talking over)

9 THE WITNESS: No, sir. Right. No, sir.
10 Because until I saw that notice today, I did
11 not know of any other notice or anything from
12 the Internal Revenue Service saying they did
13 not have copies of returns.

14 MR. BALDWIN: No more questions.

15 MR. CHAIRMAN: Mr. Crocker.

16 MR. CROCKER: I realize that you were
17 delinquent with your 2008 license and
18 remitted the \$500.

19 THE WITNESS: Yes, sir.

20 MR. CROCKER: Was that check cashed?

21 THE WITNESS: Yes.

22 MR. CROCKER: (Inaudible)

23 THE WITNESS: It was a certified check.
24 Yes, sir. Yes, sir. I assume it was.

25 MR. CROCKER: Well, I don't understand

1 why that didn't get the ball rolling.

2 MR. BALDWIN: Reinstatement in 2009?

3 MR. CROCKER: Yes.

4 THE WITNESS: That was my reason why I
5 say I was not here for that, you know. I
6 wish I had been -- I wish I'd have came and
7 brought that up.

8 MR. BURKETT: I've got a follow-up
9 question.

10 THE WITNESS: Yes, sir.

11 MR. BURKETT: I mean, because I'm
12 confused; maybe y'all are. You signed an
13 agreement saying that you were suspended,
14 saying you were going to pay the \$10,000.

15 THE WITNESS: Yes, sir.

16 MR. BURKETT: But it's your testimony you
17 just didn't want to come fight that; is that
18 what you're saying? I mean --

19 THE WITNESS: No, sir. The facts are
20 true. In the -- in this consent order, the
21 facts are true, okay? You know -- you know.
22 But the timing of me finding out that my
23 license was lapsed, I think is a -- is a
24 viable argument in that I did not find out
25 that my license was lapsed until the

1 beginning of 2009. And everything that I
2 consent to happened prior to that.

3 MS. MCCARTHA: When you sent the
4 information in 2008, did you send it
5 certified, return receipt, so that you could
6 see that it was received by the Board and --

7 THE WITNESS: I don't recall if I did or
8 not, ma'am. I don't recall.

9 MR. CHAIRMAN: Anything else?

10 MS. PIKE: Mr. Finley.

11 THE WITNESS: Yes, ma'am.

12 MS. PIKE: Is it your testimony, then,
13 that you did not receive any of these notices
14 that Mr. Weaver says that he gave you,
15 indicating that certain income tax returns
16 had not been filed?

17 THE WITNESS: The only -- the only notice
18 I remember getting was from the State of
19 South Carolina stating that they did not have
20 a copy of one of his corporate tax returns
21 for South Carolina, and I'm sure that's why I
22 told him I'd take care of it, because that's
23 easy enough to fix. Mail them a copy of the
24 return and it was fixed. Yes, ma'am.

25 I believe that's the one that was on

1 the cover page of the -- of the notices that
2 he submitted. I don't know why he kept
3 calling them IRS notices. But again, I don't
4 recall getting any IRS notices. The only one
5 is when they -- when the state made up that
6 arbitrary \$200 tax and we got that abated by
7 filing the return.

8 MR. CHAIRMAN: Mr. Finley, did you
9 deliver the returns for him to mail?

10 THE WITNESS: Yes, sir. That's -- that's
11 my office policy. We mail no return. That's
12 part of the client's responsibility. I can't
13 sign and mail returns for him. And he had to
14 take them with him because he had to get his
15 wife to sign them anyway. I mean, it's not
16 like --

17 MR. CHAIRMAN: Were any of these years
18 we're talking about, were there any e-filing
19 going on?

20 THE WITNESS: No, sir. Not in my office.

21 MR. CHAIRMAN: All paper filing?

22 THE WITNESS: Yes, sir. Yes, sir. Yes,
23 sir.

24 MR. CHAIRMAN: Any other questions?

25 (NO RESPONSE.)

1 MR. CHAIRMAN: Closing arguments?

2 MS. HAWKINS: Ms. Cubitt has offered to
3 testify, to clear up the circumstances
4 regarding that 2008 renewal, if Mr. Wilson
5 has no objection, if y'all are interested in
6 hearing that from her.

7 MR. CHAIRMAN: I wouldn't mind hearing
8 it, if Mr. Wilson doesn't have any objection.
9 We're after the truth.

10 MR. WILSON: I'm after the truth also.
11 And I think, with my client's permission, I
12 think that's entirely appropriate.

13 THE WITNESS: I'd love to hear.

14 MS. CUBITT: I'm trying to get the
15 computer system, so I've got all my notes.

16 MR. CHAIRMAN: We'll need to swear her
17 in.

18 MS. HAWKINS: You need to be sworn in.

19 (The witness is sworn in.)

20 EXAMINATION BY MS. HAWKINS:

21 Q. Ms. Cubitt, what's your current
22 position?

23 A. I'm the administrator for the Board of
24 the Accountancy.

25 Q. So who do you work for, technically?

1 A. I work for LLR.

2 Q. Okay. And do your job duties include
3 dealing with licensing issues?

4 A. Yes, they do.

5 Q. And does that include renewal?

6 A. Yes, it does.

7 Q. Okay. Can you explain to the Board --
8 you've heard the questions regarding the time line
9 for that 2008 renewal.

10 A. Yes. Let me -- he did miss the renewal.
11 There was -- we actually physically called him; I
12 can give you the date.

13 Q. There -- there had been some discussions
14 about his renewal, and so our office called,
15 according to the notes in the computer system that
16 were made at the time. On February the 26th he was
17 called and asked what his intentions were about
18 renewing. He thought he had till the end of
19 February to get his renewal in, and we told him what
20 he needed to do, and to send the form in. That was
21 on the 26th of February.

22 On the 25th of February, we had received,
23 in the office, a complaint from someone who said
24 that Mr. Finley would not return their records. On
25 March the 31st, we received the reinstatement

1 application, and we have a Character and Fitness
2 Committee, and those applications go before the
3 Character and Fitness Committee. So we talked to
4 the members and they felt like that Mr. Finley
5 should satisfy any outstanding complaints prior to
6 being reinstated. And so we had communicated that
7 to him; that was on April the 9th, the Character and
8 Fitness Committee had said that.

9 We checked at that date with the
10 complainant to see if he had received his records;
11 he had not. At that time, we'd also asked an
12 investigator to go out and make pictures, to see if
13 his signs were out and that because we -- when we
14 had talked to Mr. Finley earlier, we had indicated
15 that he would not be reinstated until he actually
16 got a license. You can't practice without the
17 license. He'd applied, but the Character and
18 Fitness Committee at that time was not willing to
19 tell us he was ready to be licensed.

20 On June the 30th of '08, we received a
21 message from the complainant that he had turned over
22 the documentation to him, so that was like two or
23 three months later. We were going back to the
24 Character and Fitness Committee, but we had received
25 -- we had received some phone calls about signage

1 and that type thing. And so on February the 10th,
2 we received another complaint concerning his signage
3 and the services he was performing.

4 MR. BURKETT: You said February 10th?

5 THE WITNESS: Of '09.

6 A. And so that's what led up to the consent
7 agreement for -- that he did in 2010. The Character
8 and Fitness Committee looked at it and said that's
9 what we needed to do.

10 MR. CHAIRMAN: Did we send him any
11 letters or anything about his status, and did
12 we cash his check? Did he send money in with
13 his --

14 THE WITNESS: He did send his money in
15 and we did cash his check.

16 MR. CHAIRMAN: We cashed his check?

17 THE WITNESS: Uh-huh.

18 MR. CHAIRMAN: Did we have a letter that
19 we sent him anything back about his status?

20 THE WITNESS: We have the cease and
21 desist letter that we sent out on February
22 the 4th.

23 MR. CHAIRMAN: Well, I'm talking about
24 after the time that Character and Fitness
25 Committee got involved.

1 THE WITNESS: Let me see. Most of it was
2 handled with phone calls to him. I
3 personally talked to him; Michael Teague
4 talked to him. He -- and in that process he
5 did say that he sent in a renewal for '09,
6 and he did, but we never issued his license.
7 So that was sent back to him because you
8 can't renew a license that's not active. So
9 we had returned that in '09. We sent him --
10 well, we sent him a letter December the 2nd
11 of '10, but I think that's the one about the
12 -- the consent agreement.

13 **Q. (By Ms. Hawkins) Ms. Cubitt, so the**
14 **initial complaint that held up the renewal is not**
15 **one that's covered by this State's Number 2, the**
16 **2010 consent agreement?**

17 **A. That's correct.**

18 **Q. And if he had complied with the**
19 **conditions that he agreed to in 2010, would he be**
20 **active right now?**

21 **A. Yes. If he -- if his license was**
22 **suspended, but if he had paid the fine and taken the**
23 **courses, then he would have been re-licensed and**
24 **been on probation.**

25 **Q. Okay. And there were time frames for**

1 compliance; is that correct?

2 A. Yes.

3 Q. For all of those?

4 A. Yes.

5 Q. And have those time frames passed?

6 A. Yes. They were May 8th, 2011.

7 Q. Okay.

8 MR. CHAIRMAN: Is there any questions?

9 MR. WILSON: Yes, sir.

10 EXAMINATION BY MR. WILSON:

11 Q. Ms. Cubitt.

12 A. Yes, sir.

13 Q. In early '08, Mr. Finley received a
14 cease and desist notice.

15 A. Yes, sir.

16 Q. And it instructed him that if he met
17 certain conditions, he could continue to practice as
18 a CPA; isn't that correct?

19 A. No, sir. It didn't tell him he could
20 continue to practice. He said -- it says that's
21 what he would have to do in order to get re-
22 licensed, but you're not actually licensed until you
23 receive your license.

24 Q. Could I show you the letter?

25 A. Uh-huh. Certainly.

1 Q. It says, To continue to practice in
2 South Carolina, you must 1, 2, 3, 4, do four things.

3 A. It also says if you continue to practice
4 while your registration is lapsed, you will be
5 charged with unlicensed practice.

6 Q. My first question --

7 A. Yes, sir, it does say that.

8 Q. And he conformed to those four things;
9 didn't he?

10 A. He did send those in.

11 Q. Yes, ma'am. And at some point, this
12 Character and Fitness Board refused to renew his
13 license without giving him notice and an opportunity
14 to appear, didn't they?

15 A. They didn't -- they wanted to see him
16 clear up those things before they approved him.
17 Character and Fitness is to decide is somebody
18 eligible to be licensed.

19 Q. My question, ma'am, was: The committee
20 on Character and Fitness refused to let his license
21 be renewed, without giving him a chance to appear
22 and to defend against the claim; isn't that correct?

23 A. We -- I contacted him by phone and
24 talked to him about it.

25 Q. Did you tell him that there was going to

1 be a hearing?

2 A. There was no hearing. This was just a
3 recommendation from the committee that he should
4 clear up the outstanding things in order for them to
5 give a favorable recommendation to license.

6 Q. There was administrative action taken
7 then that he didn't have a chance to contest or to
8 appear or to discuss in a face-to-face situation,
9 isn't there?

10 A. I don't know if he was given that option
11 or not.

12 Q. Thank you, ma'am. And was the case ever
13 started, a file opened, an investigator assigned to
14 the complaint about Mr. Finley's alleged failure to
15 return documents that you've referred to earlier?

16 A. We did not open a complaint on it
17 because we did not have an active license on it. We
18 contacted him and asked him. And then at one point,
19 he did return those records.

20 Q. And the active license was not active --
21 the license was not active because he had not
22 complied with the cease and desist instructions?

23 A. His license was not active. He went
24 through the application process, but the process had
25 not completed, and he didn't actually have a

1 license. The instructions on the reinstatement
2 application state that -- that the licenses are not
3 always issued immediately and can take up to a
4 period of time to be reinstated.

5 Q. From June 30 of 2008 until February of
6 2009, no cases were opened against Mr. Finley.

7 A. Not to my knowledge.

8 Q. Yes, ma'am. And you'd agree with me
9 that it wasn't until 2009 that he discovered that
10 his license had not been renewed as a result of his
11 compliance with the cease and desist order.

12 A. I had a conversation with him.

13 Q. Yes, ma'am. But you did not invite him
14 up here -- or down here from Greenville -- excuse me
15 -- to appear and to contest --

16 A. No, sir.

17 Q. -- and participate.

18 A. No, sir.

19 Q. And his license was not in effect,
20 according to you.

21 A. That's correct.

22 Q. And that was the result of a decision by
23 the committee on Character and Fitness.

24 A. We would have -- we would have carried
25 the recommendation of the Character and Fitness

1 Committee to the full Board.

2 Q. And did Mr. Finley have notice of that
3 and an opportunity to appear?

4 A. No, we didn't bring it.

5 Q. But as a result of this action, his --
6 his license was suspended and virtually cancelled;
7 isn't that correct?

8 A. Yes.

9 Q. Thank you, ma'am. I have no further
10 questions.

11 EXAMINATION BY MS. HAWKINS:

12 Q. Let me clarify that. His license was
13 not suspended based on anything you've just talked
14 about. His license is currently suspended because
15 he signed a CA and then did not comply with its
16 terms; is that correct?

17 A. That's correct.

18 Q. If he had returned those records to that
19 client immediately, would he have been renewed at
20 that point?

21 A. Yes. We -- the committee would have
22 made a positive recommendation. We would have
23 brought it to the Board, and he would have been
24 reinstated.

25 Q. And isn't all of this made moot by the

1 2010 consent agreement in which he admitted to have
2 been lapsed since 2007? He admitted to having
3 received a C&D, and he admitted to having had
4 performed work in 2008.

5 MR. WILSON: I object to --

6 **Q. And he agreed to sanctions.**

7 **A. He did.**

8 MR. WILSON: I object to the form of the
9 question. It's leading. Come on.

10 MR. CHAIRMAN: Sustained.

11 MS. HAWKINS: I will redirect.

12 MR. CHAIRMAN: Try to let her answer, if
13 you don't mind.

14 MS. HAWKINS: I thought I was on re-
15 direct. I'm sorry.

16 MR. CHAIRMAN: Well --

17 MR. WILSON: That doesn't matter.

18 **A. That is -- that is correct. He agreed**
19 **to sign -- it was presented to him; he agreed to**
20 **sign the consent agreement, and the sanctions were**
21 **imposed in the consent agreement.**

22 **Q. And you already testified to this, I**
23 **believe, but just to clarify; if he had completed**
24 **these requirements in the 2010 CA within a timely**
25 **fashion, the time frames he agreed to, would he be**

1 active right now?

2 A. He would.

3 Q. And we're here today about two
4 additional cases, not the ones covered by this
5 consent agreement.

6 A. That's correct.

7 MR. CHAIRMAN: Any other questions from
8 counsel? Then we'll have the Board
9 questions.

10 MR. WILSON: Yes, sir.

11 EXAMINATION BY MR. WILSON:

12 Q. Ms. Cubitt, may I ask you just --

13 A. Yes.

14 Q. -- a few more questions? You'd agree
15 with me that if the Committee on Character and
16 Fitness had honored the cease and desist letter as a
17 result of his compliance with the four conditions,
18 that his license should have been reinstated.

19 A. I don't necessarily agree with the way
20 you're wording it. I agree that had we -- had he
21 done all those things, he still couldn't practice
22 until he was issued a license. The Character and
23 Fitness Committee would have looked at it. If there
24 had been nothing else out there, he -- they consider
25 a lot of things. They consider how many times

1 they've lapsed before, how long they were lapsed,
2 and that's just a part of the process.

3 Q. And Mr. Finley would not be accused of
4 holding wrongfully -- holding himself out as a CPA
5 today if the license had been reinstated in 2008,
6 pursuant to the core conditions contained in that
7 cease and desist order.

8 A. That relates back to the consent
9 agreement, which is different from why we're here
10 now.

11 Q. Sure. And the consent agreement
12 resulted from the failure of the Committee on
13 Character and Fitness and/or this Board -- and I
14 apologize to y'all -- for failing to honor the
15 conditions that were put on Mr. Finley with which he
16 complied. Thank you.

17 MR. BURKETT: I have a question. Was the
18 year in question that he said he thought he
19 had till February the 28th to file the forms,
20 was that the year in which we changed?

21 THE WITNESS: No, sir.

22 MR. BURKETT: Okay. And four questions.
23 We changed the requirement to be due on
24 January the 1st, or beginning of January, as
25 opposed to February 20th. That was not that

1 year.

2 THE WITNESS: The -- the renewals were
3 never done February 28th. You used to have
4 to file the continued education reports by
5 February 28th.

6 MR. BURKETT: Right. Thank you.

7 MR. CHAIRMAN: Anybody have any other
8 questions of Ms. Cubitt?

9 (NO RESPONSE.)

10 MR. CHAIRMAN: Thank you, Ms. Cubitt.

11 (Ms. Cubitt steps down.)

12 MR. CHAIRMAN: Any other witnesses that
13 anybody would like to have? We've been going
14 at it pretty good here. Ms. Hawkins or Mr.
15 --? Anybody else?

16 MS. HAWKINS: Nothing further.

17 MR. CHAIRMAN: Closing arguments? Who
18 wants --

19 MS. HAWKINS: I'd like to defer.

20 MR. CHAIRMAN: Defer? Okay.

21 CLOSING ARGUMENT BY MR. WILSON:

22 MR. WILSON: Actually, I think I can
23 make my argument fairly short. I know that
24 will be greeted with relief on the part of
25 the Board. First of all, I want to say thank

1 y'all for letting me come down here and thank
2 y'all for putting up with my idiosyncrasies.
3 At age 69, my idiosyncracies are piling up.

4 I'm worried about Mr. Finley's
5 constitutional rights. A right to perform
6 services as a CPA or as an attorney is a
7 right that is vital to the public, that is
8 subject to the public's concern. It's
9 subject to monopoly; this Board is in charge
10 of administering.

11 But what happened, in my view, was
12 that Mr. Finley received this cease and
13 desist order -- cease and desist letter. He
14 received four instructions, and the language
15 in it said, "To continue to practice in South
16 Carolina, you must -- " He did all four. He
17 thought he was good to go. Performed an
18 audit for Six Mile Water District later on
19 that year, and all of a sudden it came to his
20 attention, two ways, that he was no longer
21 licensed as a CPA.

22 It came to his attention two ways
23 because somebody from the Six Mile crowd took
24 his audit, with which there was no
25 substantive quarrel, but took the fact that

1 he had signed an audit without a license in
2 effect, and reported it. And also, when he
3 sent in his renewal stuff for '09, he found
4 out that he hadn't been renewed.

5 He would not have been confronted
6 with this consent order, nor would he be here
7 today if he had been -- if the Committee on
8 Character and Fitness had not engaged in what
9 I view as actual misconduct -- and forgive me
10 for speaking strongly -- in interfering with
11 Mr. Finley's right to practice as a CPA,
12 without giving him notice and an appearance
13 to defend, vital to our constitution, both
14 federal and state.

15 And forgive me for speaking to y'all
16 that way, but those are constitutional rights
17 that protect us as citizens, protect us as
18 employees, protect us as employers. I ask
19 y'all to reconsider this situation. Give Mr.
20 Finley his chance to raise -- I don't know
21 how -- the \$10,000, and to conform with the
22 instructions contained in the consent order,
23 and let him get on about the business of
24 supporting his wife and his family. Thank
25 you.

1 MR. CHAIRMAN: Ms. Hawkins.

2 CLOSING ARGUMENT BY MS. HAWKINS:

3 MS. HAWKINS: Thank you. And thanks for
4 your patience this morning and into this
5 afternoon. I want to start off by objecting
6 vehemently to discussion of the cases that
7 formed the basis of the consent agreement,
8 that Mr. Finley signed, agreed to, waived his
9 right to a hearing. We've heard both he and
10 his attorney ask that you reconsider the fine
11 that he agreed to a year and a half ago.
12 Those cases are not on the table.

13 Obviously Mr. Wilson's raised some
14 issues that he believes leads into how we got
15 here today. But we're here today regarding
16 two different cases, not those that Mr.
17 Finley's already signed a consent agreement
18 on. I don't believe he should be able to
19 benefit from having so many complaints
20 against him, and cases come before you, that
21 it becomes confusing, and that we can't get
22 the time line straight.

23 We're here today mainly because Mr.
24 Weaver hired him, went to him and trusted him
25 to file all -- or prepare -- perhaps file; we

1 had conflicting testimony there -- all
2 necessary forms for his individual tax
3 returns and his S corporation, which he
4 formed, as he testified, on Mr. Finley's
5 advice.

6 We have his testimony and we have
7 some documentary evidence that all of the
8 necessary forms were not filed. You did not
9 see any documentary evidence to the contrary.
10 I would ask that you weigh the credibility of
11 the witnesses that you've seen in front of
12 you today in making your decision.

13 Now, Mr. Finley's well aware of the
14 issues with holding out, as you've heard.
15 He's received a C&D. He signed a consent
16 agreement regarding holding out in the past.
17 And still, yesterday, if you Googled Charles
18 A Finley, Jr., you get CPA, CPA, CPA, CPA,
19 including a Facebook page.

20 We would submit to you that he's well
21 aware of this issue. He has a responsibility
22 to try to clean that up. And we're asking
23 that he be sanctioned, so that he is,
24 perhaps, further motivated to clean that up
25 and protect the public from confusion about

1 going to him and hiring him as a CPA to do
2 his work. He has not had a license since
3 2007. He knows that; he's signed a CA to
4 that effect. There's no confusion -- should
5 not be any confusion at this point, that he's
6 not held a license since 2007.

7 Therefore, we would ask that you find
8 that he has violated the Practice Act in
9 these two additional cases that are before
10 you today, and we would ask that you impose
11 an appropriate sanction. As you know, his
12 license is currently suspended. The time
13 lines have passed for him to comply with the
14 previous consent agreement, so we would ask
15 that you take all that into consideration
16 should you find a violation and want to
17 impose a sanction. Thank you.

18 MR. CHAIRMAN: Thank you, Ms. Hawkins.
19 It's 12:30, and we have two other hearings.

20 And what I would propose to us is, some
21 people have been waiting in the audience for
22 most of the day. So what I would suggest is,
23 if it's okay with the Board members, is let's
24 take a short recess and come back and have
25 these other hearings. And then we'll go into

1 executive session after we have all the
2 hearings, if that's suitable to everybody.
3 If anybody's opposed to that, speak up, but
4 I'd like to go ahead and knock these hearings
5 out right now. You know, I'm a pretty good
6 task master. So I'd like to go ahead and
7 knock them out. We've had people waiting
8 here for a while. So let's take a five
9 minute break, kind of to change seats. Let's
10 have these two other hearings we've got, and
11 then we can go in and have our deliberations.
12 Five minutes.

13 *****

14 (Short break, 12:30-12:40)

15 MR. CHAIRMAN: Okay. We are going to go
16 to Item Number -- let me find it on here.

17 MS. CUBITT: It's 10.

18 MR. CHAIRMAN: Item Number 10. Thank
19 you. Lila Fowler, CPA candidate. And this
20 hearing is called to order. This is the
21 matter of Lila Fowler. The purpose of this
22 hearing is to determine whether the applicant
23 is eligible for a South Carolina CPA license.
24 Everyone is reminded that these proceedings
25 are being recorded and that all witnesses

1 must be sworn before they testify. All
2 remarks should be directed to the chair.

3 Ms. Cubitt, is the complete licensing
4 application in our material?

5 MS. CUBITT: Yes, it is.

6 MR. CHAIRMAN: I think we had all that
7 information, correct?

8 MS. CUBITT: Yes, sir.

9 MR. CHAIRMAN: And you are represented
10 today by counsel. And, Senator, we're glad
11 to have you with us. You want to introduce
12 yourself to everyone, if you hadn't already
13 met?

14 SENATOR DAVIS: Thank you, Mr. Chair. My
15 name is Tom Davis. I'm an attorney with the
16 law firm of Harvey and Battey in Beaufort,
17 and I am representing today Ms. Lila Fowler.
18 Pleasure to be here. I appreciate watching
19 you earlier, and I appreciate the effort you
20 put into finding the truth. I really, I
21 really mean that.

22 MR. CHAIRMAN: Well, good. We're glad to
23 have you here. Ms. Cubitt, I'm going to turn
24 it over to you. What questions did staff
25 have concerning this reinstatement?

1 MS. CUBITT: This is an initial licensing
2 application, and Ms. Fowler sent us her
3 application after exam on June the 30th,
4 2011. There were two certificates of
5 experience that she submitted, but they only
6 covered 11 months and seven days. So that
7 leaves her 23 days short of the year's
8 requirement.

9 As we reviewed the attachments, they
10 were -- and some of this is through
11 conversations and emails that Ms. Fowler and
12 I had -- but they were written by Ms. Fowler
13 and signed by the CPAs that she worked under.
14 She worked under Mr. Robert Heil and a John
15 Barron. Both attachments didn't have a lot
16 of detail, but the one under Mr. Heil seemed
17 to be more -- she did more bookkeeping work.
18 She had -- she did some -- it said
19 "bookkeeping, prepared the W-2s, prepared the
20 1099s." Her employment there -- and the
21 exact dates are in the folder and you can
22 correct me if I say something wrong -- but
23 about December the 1st to the middle of
24 March.

25 THE WITNESS: It was 11/30/2010 to 3/24.

1 MS. CUBITT: 3/24, okay, for Mr. Heil.
2 And so staff had pulled the files together
3 and had given them to me, and I have looked
4 at them. And so Amy had left her a message
5 to ask her some questions about the
6 experience forms. Then Ms. Fowler had
7 emailed me on August the 23rd of 2011 with
8 the way we were counting her experience.

9 I had contacted both Mr. Heil and Mr.
10 Burn (sic) to ask about her actual job duties
11 while she was there. Mr. Burn (sic) stated
12 that they did not do anything but tax and tax
13 was the only thing that she had worked on.
14 So therefore, that would have been
15 inappropriate for that. When I talked to Mr.
16 Heil, he was not expecting the call. I
17 explained to him who I was and what I did and
18 asked him about the wording on it. And he
19 indicated, at that time, also, that she had
20 prepared it and he had signed it, and she did
21 work for him during that period, but that she
22 did do bookkeeping. She had worked on the W-
23 2s and the 1099s.

24 And I explained to him that the
25 Board's position in the past has been that it

1 has to be experience at the CPA level. And
2 while you get a lot of good experience doing
3 some bookkeeping things or some routine
4 things, they normally do not count for
5 experience. I asked him to give me an
6 estimate, which he did, which was totally
7 off-the-cuff. He, you know, maybe -- he said
8 20 percent.

9 So there were some conversations back
10 and forth with Mrs. Fowler -- Ms. Fowler, I
11 guess -- and myself. She challenged those
12 records, and they were an off-the-cuff
13 figure. So I contacted Mr. Heil again. I
14 asked him if he would provide us with more
15 detailed information. He did provide the
16 spreadsheet that's in your package that shows
17 what she did. And it shows that she actually
18 spent 38 percent of her time doing work which
19 would qualify as CPA experience. And so I've
20 communicated that to Ms. Fowler and that's
21 why we're here today.

22 MR. CHAIRMAN: Do you have any witnesses
23 that you've subpoenaed to be here today?

24 MS. CUBITT: I have asked Mr. Heil to be
25 here, in case there were any questions that

1 might arise that he could answer, from y'all.

2 MR. CHAIRMAN: So he's kind of here on an
3 as-needed basis?

4 MS. CUBITT: Yes, sir.

5 MR. CHAIRMAN: He's not here to -- you're
6 not proffering him up for witness at this
7 time.

8 MS. CUBITT: He can be a witness if he
9 needs to be. I didn't know. This is the
10 first time I have ever had to do one this
11 way, and so to err on the side of caution, I
12 asked him to come.

13 MR. CHAIRMAN: Okay. I'll turn it over
14 to you, Counsel.

15 SENATOR DAVIS: Thank you, Mr. Chair. As
16 Ms. Cubitt said, this is a initial
17 application by my client for licensure as an
18 accountant. And I think we can stipulate --
19 I'm going to ask if we can stipulate that
20 under Section 40-2-35 of the Code, that
21 everyone of the criterion that are listed
22 there have been met, except for Criteria
23 Number 4, which is the appropriate experience
24 requirement. I don't think there's any
25 question that she's got the requisite amount

1 of college education. She also has a
2 master's in accounting from Clemson. She's
3 passed the CPA exam. She's passed the
4 Professional Ethics Exam, and there's been no
5 question as to her moral character.

6 So I think we can boil it down to
7 that fourth particular requirement. And in
8 that regard, Mr. Chair, I would direct the
9 Board's attention to Section 4-C, which
10 states that for purposes of discharging the
11 one year of accounting experience
12 requirement, that this Board has a
13 discretion, and only this Board. And so Ms.
14 Cubitt did absolutely nothing wrong at the
15 staff level. She doesn't have this
16 discretion.

17 But this Board has the discretion,
18 and has the right to make a subjective
19 determination, as to whether any combination
20 of experience determined by the board that is
21 a substantial equivalent. And so not
22 necessarily quibbling or quarreling about
23 percentages or what we might assign, but I
24 think that once you hear Ms. Fowler testify,
25 she has spent over two years currently with

1 an enrolled agent named Greg Frank at the
2 firm of Hills and Frank. And we have some
3 testimony we are going to adduce in regard to
4 her work there for that two year period.

5 So when you take that two year period
6 and the work she did there, combine that with
7 what is undisputed, that she did seven months
8 worth of CPA work for Mr. Barrons. Even if -
9 - and Ms. Fowler contends that the work she
10 did for Mr. Heil was accounting experience,
11 and I understand there's some dispute in that
12 regard. So even if this Board were to accept
13 that particular allocation of time averred by
14 Mr. Heil, the experience that she has had in
15 the past two years under Mr. Frank is going
16 to get her well over that one year of
17 experience.

18 And the reason I'm here today -- and
19 this is the first time you've seen me -- this
20 is not something that I typically do -- but
21 as a constituent request, she contacted me.
22 I reviewed the materials. I reviewed it with
23 some of my partners, and it seemed to me to
24 be greatly in excess of one year. And so
25 what she wanted was a chance to directly make

1 her case to this Board, and she's certainly
2 willing to abide by whatever decision this
3 Board makes in regard to that one year's
4 experience. Thank you, Mr. Chairman.

5 MR. CHAIRMAN: You want to go ahead and
6 call your witness?

7 SENATOR DAVIS: If I could. You want to
8 swear Ms. Fowler?

9 (The witness is sworn in.)

10 EXAMINATION BY SENATOR DAVIS:

11 Q. Ms. Fowler, I'm going to take you
12 through some questions that are designed to educate
13 the Chair and the Board as to the nature of the work
14 that you've done and whether or not that accounts
15 for accounting experience, so if you would be as
16 detailed and as specific as possible. I don't
17 pretend to be an accountant, and you're probably
18 going to be able to talk in the language that they
19 understand. So please, you know, amplify whatever
20 answer to any question I might ask you.

21 Now, you did some work for a firm called
22 Larson Allen; is that correct? And that is a CPA
23 firm?

24 A. Yes.

25 Q. And you worked there for about seven

1 months?

2 A. Yes. Or seven and a half, eight.

3 Q. Speak up louder, so they can hear you.

4 A. Yes.

5 Q. And describe for me the work that you
6 did for Larson Allen.

7 A. Tax research, tax planning, tax
8 preparation. I was -- or I looked at some financial
9 statements because they had a auditing department
10 which fed into the tax returns.

11 Q. And that was all under the supervision
12 of a CPA; was it not?

13 A. Yes.

14 Q. Okay. I want to take you next to Mr.
15 Heil. And I believe you worked for him for
16 approximately four months; is that correct?

17 A. Yes.

18 Q. Describe for me the services that you
19 performed during your four month period of
20 employment with Mr. Heil.

21 A. Well, I was hired at the beginning of
22 tax season, so that should be a good indication of
23 what I was there for.

24 Q. And you have a degree in accounting from
25 Clemson and a masters in accounting from Clemson; is

1 that correct?

2 A. Yes.

3 Q. Okay.

4 A. So, basically, I was -- the majority of
5 time was corporate tax returns. He let me go
6 shortly after the corporate deadline, so I don't
7 really know where all the clerical, administrative
8 bookkeeping stuff came from.

9 Q. Okay. So we have seven months of CPA
10 time with Larson Allen. Of the four months that you
11 were with Mr. Heil, what is your contention today,
12 to the Board, in regard to what portion of that time
13 is properly allocated to accounting experience, as
14 defined by the code?

15 A. A hundred percent.

16 Q. A hundred percent. So it's your
17 contention today that the four months of service
18 with Mr. Heil should be added to the seven months
19 that you had with Larson Allen; is that correct?

20 A. Seven and a half.

21 Q. Seven and a half months.

22 A. Yes.

23 Q. Okay. So we're two weeks short, I
24 think, you know --

25 A. Correct.

1 Q. Now let me talk to you a little bit
2 about the work you're doing now for Hills and Frank.
3 And you've been there for how long now? A little
4 over two years?

5 A. Yes.

6 Q. Okay. And do you have a statement
7 today, or do you have a letter today, from Mr. Frank
8 that details what sorts of things you do?

9 A. Yes.

10 SENATOR DAVIS: I would like to offer
11 this into evidence, so I can explore the
12 nature of the work that she's doing, so that
13 this board can understand what she's been
14 doing the past two years. Thank you.

15 MR. ?:

16 THE WITNESS: Oh, that's -- it's all one
17 document.

18 SENATOR DAVIS: That is the only copy.
19 So I can read from it; it's very short.

20 MR. CHAIRMAN: Why don't we do that?

21 Q. Ms. Fowler, will you please read to the
22 Board this letter from Greg Frank, who is designated
23 to be the enrolled agent and owner of the Hills and
24 Frank Financial Group, LLC?

25 A. Yes. I'm a little nervous, so --

1 Q. That's okay.

2 A. "I'm writing on behalf of my employee,
3 Lila Fowler. She has been a tremendous asset to me
4 in my business over the past few years. Her primary
5 duties have been tax research, the preparation of
6 all sorts of tax returns -- estate, trust, gift,
7 corporation, S-corporation, partnership, tax exempt
8 organization and individual -- and communication
9 with tax authorities.

10 "We often get clients from CPAs and there
11 has never been a return she couldn't handle. She
12 has met and communicated with numerous clients and
13 it has always gone well. I feel Lila is a highly
14 qualified individual who would make a wonderful CPA.
15 I would be glad to discuss her qualifications in
16 further detail, if that is needed." Contact
17 information.

18 And then he broke down the tax returns I
19 did this tax season alone, which totaled to a
20 hundred and eighty tax returns -- five corporate, 29
21 S-corporations, 34 partnerships, a 105 individual
22 returns.

23 Q. And that's just this past season?

24 A. Right.

25 Q. Okay. And let me ask you this, Ms.

1 Fowler. The description of the work that he says
2 you provided there -- tax research, the preparation
3 of all sorts of tax returns, estate, trust, gift,
4 corporation, S-corporation, partnership, tax exempt
5 organizations and individuals, and communication
6 with tax authorities -- is that fairly descriptive
7 of what you have done for Hills and Frank over the
8 past two years?

9 A. Yes.

10 Q. And is it your understanding that those
11 particular services that you provided account for
12 accounting experience?

13 A. Yes.

14 Q. Okay. And so is it your contention
15 today that the two years that you spent with Hills
16 and Frank, the seven years (sic) that you spent with
17 Larson Allen, that would be two years and seven
18 month's worth of undisputed accounting experience;
19 would you agree with me?

20 A. Yes.

21 Q. And then we have, on top of that, a
22 dispute, I guess, in some respects, as to what
23 percentage of the work you did for Mr. Heil
24 constituted accounting experience. I understand you
25 said a hundred percent. I understand Mr. Heil had,

1 I think, 36 percent. But isn't it true that
2 irrespective of whatever that particular number is,
3 that you're well over the one year accounting
4 experience?

5 A. Yes.

6 SENATOR DAVIS: Mr. Chair, that's all
7 that I have. I honestly think that Ms.
8 Fowler has amply demonstrated -- and even
9 accepting that there may be some disagreement
10 over the type of work and percentage of work
11 for Mr. Heil, I think the record is
12 abundantly clear that she's exceeded the one
13 year.

14 And I want to say, in no way am I in
15 any way denigrating Ms. Cubitt -- I hope I'm
16 pronouncing that correct -- because you and
17 you alone, this Board, pursuant to the
18 statute. have the authority to consider a
19 combination of experience to be a substantial
20 equivalent. So I'm not saying anything at
21 the staff level was wrong, but I do think
22 that this Board, in its discretion, has the
23 ability to weigh what she has done and to
24 make a determination in regard to that one
25 year. Thank you.

1 MR. CHAIRMAN: Thank you very much.
2 Doris, do you have anything to add before the
3 Board has questions?

4 MS. CUBITT: The only thing I think that
5 I could add, and I do see where Senator Davis
6 is referring to the experience, and it says a
7 combination of experience. It was my
8 understanding, from the Board, that that
9 referred to the experience in A and B,
10 because they can qualify as teaching
11 experience, and so we've done people before
12 that had a combination. They had worked some
13 in a CPA firm and some teaching. So I have
14 that comment.

15 MR. BURKETT: Can you put the law on the
16 board. -- put it up? Because, I mean, I'm
17 just trying to -- I can't find it. I can't
18 find it --

19 MS. CUBITT: Oh, okay.

20 MR. CHAIRMAN: Historically, it's always
21 been a CPA, as far as our Board.

22 MS. CUBITT: The experience form
23 directions say it must be under the direct
24 supervision of a CPA. And it says that there
25 can't even be -- if you were in a firm -- the

1 way the Board's explained it to me in the
2 past, which is what I've used for the
3 guidelines for the ones I've approved, is if
4 there's a CPA controller and then there's a
5 non-CPA, some kind of accounting manager, and
6 then you're below that, you have to be
7 directly assigned to the one that's the CPA.
8 There can't be intervening supervision.

9 And so to my knowledge, in the 11
10 years I've been here, the Board has never
11 accepted experience from anyone but a
12 currently-licensed, active CPA.

13 MR. BALDWIN: -- pulls up the statute, as
14 noted by the Senator, reads -- experience,
15 which may include A) one year, or B) five
16 years teaching, or C) any combination of
17 experience determined by the Board to be
18 substantial -- and evidence of good, moral
19 character. So the "or" is in both places.

20 MS. CUBITT: Okay.

21 MR. BALDWIN: I'm not disputing what
22 Doris is saying, so it does read "or."

23 SENATOR DAVIS: Mr. Chair.

24 MR. CHAIRMAN: Yes, sir.

25 SENATOR DAVIS: If I may ask a couple

1 more questions from Ms. Fowler that I think
2 might illuminate the issue a little bit
3 further.

4 CONTINUING EXAMINATION BY SENATOR DAVIS:

5 Q. Ms. Fowler, during the time that you
6 were employed at Hills and Frank, were there CPAs
7 employed at the firm during that time, and was the
8 CPA responsible for overseeing your work?

9 A. She was there, but she didn't
10 necessarily --

11 Q. Directly supervise your work.

12 A. Right.

13 Q. Okay. What I would point out to the
14 Chair and to the Board is precisely the point that
15 was just made, is that (A), (B) and ©, is stated as
16 requirements in the alternative by virtue of the
17 word "or." And in Subparagraph ©, when you talk
18 about s combination of experience that is
19 substantially equivalent to the foregoing, you're
20 talking about something that necessarily is somewhat
21 different than the foregoing, but substantially
22 equivalent.

23 So, you know, the fact that in (A) and
24 (B) you have referenced, you know, CPA direct
25 supervision, or in (B) you have a direct teaching

1 and accounting in a college, Subparagraph © talks
2 about work experience that is a substantial
3 equivalent to that. So I don't think it's fair to
4 bootstrap into © a requirement that is contained
5 only in (A) and (B), would be my argument. And I
6 think that the totality of the work that she's done
7 in all three of the employers that I spoke with,
8 well puts her over one year.

9 MR. BALDWIN: May I ask is whether that
10 firm involved is registered with the state,
11 either as a CPA firm or as an accounting
12 practitioner firm?

13 THE WITNESS: Where I'm currently
14 employed?

15 MR. BALDWIN: Yes.

16 THE WITNESS: No. There was a licensed
17 practitioner there for like the first year I
18 worked there, but she is now gone. But --
19 and I did work under her direct supervision,
20 so.

21 MR. BALDWIN: But no member of the firm
22 is an accounting practitioner or a CPA of
23 this state?

24 THE WITNESS: I -- I know my boss is an
25 enrolled agent, but I'm not -- I'm not sure

1 if he's a --

2 MR. BALDWIN: Thank you. That's helpful.

3 THE WITNESS: I can ask.

4 MS. CUBITT: I did look the firm up and
5 did not see anybody licensed.

6 MR. BALDWIN: I don't see it in here
7 either. I'm just curious.

8 THE WITNESS: But they would have been --
9 she left, the licensed practitioner, left in
10 September of 2009.

11 MR. BALDWIN: Do you or the firm have any
12 experience with compilations, audits, or
13 during your experience in the prior location,
14 for --?

15 THE WITNESS: Well, Larson Allen, they
16 had a auditing department, so we would take
17 what they compiled or -- and then, you know,
18 feed them into the tax returns. And then,
19 essentially, bookkeeping does produce
20 financial statements. So that can be viewed
21 as auditing, attestation.

22 MR. BALDWIN: Thank you.

23 MR. CHAIRMAN: You got it up there,
24 Michael?

25 MR. TEAGUE: Yes, it's up there.

1 MR. CHAIRMAN: Any other questions?

2 (NO RESPONSE.)

3 MR. CHAIRMAN: Going once. Going twice.
4 I think we've got enough information. We
5 appreciate y'all being here. We appreciate
6 your patience to wait, and we'll be meeting
7 shortly, this afternoon, and hopefully we'll
8 be getting back to you real shortly.

9 SENATOR DAVIS: Thank you, Chair. Thank
10 you, Board members.

11 THE WITNESS: Thank you.

12 MS. CUBITT: You're welcome to stay and
13 find out, or we'll be glad to call you,
14 whichever works better for y'all.

15 *****

16 MR. CHAIRMAN: The next item that we
17 wanted to cover before we go take our short
18 30 minute lunch break, then we're going to
19 come back, is the matter of Peace Of Mind
20 Accounting, LLC., And I believe we had
21 somebody here from --

22 MS. CUBITT: We do.

23 MR. CHAIRMAN: -- Peace of Mind. You get
24 to take the hot seat. How are you today?

25 MS BYRNE: I'm fine.

1 MR. CHAIRMAN: This hearing is called to
2 order. This is the matter of Peace of Mind
3 Accounting, LLC. The purpose of this hearing
4 is to determine whether the applicant can use
5 the firm name "Peace of Mind Accounting,
6 LLC." Everyone is reminded that these
7 proceedings are being recorded and that all
8 witnesses must be sworn before they testify.
9 All remarks should be directed to the chair.

10 Ms. Cubitt, is the complete licensing
11 information been provided to board members?

12 MS. CUBITT: Yes, sir.

13 MR. CHAIRMAN: What questions did the
14 staff have concerning this application?

15 MS. CUBITT: In the past the Board has
16 changed the way we look at naming a firm
17 some, where it used to have to include the
18 name of the person or persons. We have
19 allowed for some leeway in it, but we have to
20 be careful. Like if you're in Forest Acres,
21 you could be "Forest Acres CPAs," you know,
22 that's a fact; you are there. There's no
23 back and forth or anything on it.

24 This one is "Peace of Mind" and it
25 may be perfectly acceptable to the Board. I

1 just couldn't approve it at my level.

2 MR. CHAIRMAN: The goal is the name
3 cannot be misleading, right?

4 MS. CUBITT: Right.

5 MR. CHAIRMAN: Misleading.

6 MS. CUBITT: Right.

7 MR. CHAIRMAN: And I reckon -- what
8 assurance do we have that all of her clients
9 will have peace of mind? I mean, that's kind
10 of tricky, isn't it? But anyway, do you have
11 any witnesses you're going to have, Doris, or
12 is that the main issue at hand?

13 MS. CUBITT: No, sir. That's just --

14 MR. CHAIRMAN: And, ma'am, what's your
15 name?

16 THE WITNESS: I'm Christine Byrne. I'm
17 from Aiken.

18 MR. CHAIRMAN: Christine? Well, we're
19 glad to have you with us. Aiken. Horse
20 town.

21 THE WITNESS: Yes.

22 MR. CHAIRMAN: Would you like to talk to
23 us about your name and talk to us about it?

24 THE WITNESS: I have two forks of my
25 practice and it's just me. I do some small

1 business accounting, and then I also do elder
2 care accounting. And what that entails is
3 assisting people who, for many reasons, just
4 can't do it anymore or don't want to do it,
5 their day-to-day financial work. And lots of
6 times their children -- well, first of all,
7 the Savannah River Site is out in -- on the
8 river there between Georgia and Aiken, and we
9 have many people who came down originally --
10 or came from all over the world -- the
11 states, originally, in the '50s to build that
12 and then to stay on. And many of them still
13 are in their homes, want to be independent.
14 It's usually just one spouse left, and their
15 children have grown up. You know, their
16 children are 50, maybe. They have moved
17 away. They have no one in town, or don't
18 have anyone in town who they trust.

19 And so there is a need to -- to help
20 them in their home. And so my elder care
21 clients are those types of people. And I
22 communicate, usually on a weekly basis, with
23 the child who's out of town, and it relieves
24 the pressure for them, that they don't -- you
25 know, that the parent isn't taking care of it

1 or not taking care of it correctly.

2 MR. CHAIRMAN: And you were told you
3 could have counsel with you today, you could
4 be represented. Was that explained to you?

5 THE WITNESS: It was explained in the
6 letter from Michael Teague, yes.

7 MR. CHAIRMAN: Good, good. We're just
8 kind of confirming that, and we're glad
9 you're here with us. And the Board may have
10 some questions to discuss with you about your
11 name, and I'm going to open it up now if
12 anybody wants to have any questions.

13 Do you have any staff in your firm?

14 THE WITNESS: No.

15 MR. CHAIRMAN: It's just you?

16 THE WITNESS: Just me.

17 MR. CHAIRMAN: Any questions about this
18 name?

19 (NO RESPONSE.)

20 MR. CHAIRMAN: I think you caught us on a
21 good day. We're kind of tired; we're hungry
22 and we're tired and everybody's looking at me
23 like when you going to feed me.

24 (Off-the-record discussion.)

25 MR. CHAIRMAN: Do we have any questions

1 of her? If not, we'll let her go. We
2 appreciate you coming. If I hear no
3 questions, then we're going to have us a
4 little bite to eat, and then we're going to
5 be back. And as Doris will probably tell
6 you, she'll be getting in touch with you, or
7 if you wait, we may have something later on
8 in the day.

9 THE WITNESS: Okay. Well, I'd appreciate
10 a call. I -- I appreciate what you do. This
11 has been really an eye-opener, and I respect
12 the time and the thought and the
13 communication with each individual case. It
14 was really a good experience for me.

15 MR. CHAIRMAN: We're glad. We will have
16 a tip jar. Just kidding. Thank you for
17 coming here today.

18 THE WITNESS: Only words today. Sorry.

19 MR. CHAIRMAN: Thank you for coming.

20 THE WITNESS: Thank you.

21 *****

22 MR. CHAIRMAN: Okay gang, it's 1:10. I
23 propose we take a 30 minute break to get
24 something to eat; the crowds should be died
25 down. There should be no lines at 1:15 or

1 1:20. You can go to Fuddruckers or The
2 Villa. Fuddruckers is probably quickest;
3 isn't it? And maybe we can meet back in here
4 at about --

5 MS. CUBITT: But you'll have a hard time
6 doing it in 30 minutes.

7 MR. CHAIRMAN: How about two o'clock.
8 Two o'clock? We'll meet back at two o'clock?
9 Is that okay with everybody? I don't want a
10 -- I don't want a mutiny. All right. We'll
11 be back at two o'clock.

12 (Lunch break, 1:10-2:00)

13 MR. CHAIRMAN: We're going to reconvene
14 our meeting after lunch, and Mr. Finley is
15 back and his attorney is back. And
16 apparently we need to do a little
17 housekeeping about some documents that we had
18 reviewed as part of your hearing. And I'm
19 going to turn it over to you right now for
20 you to make that motion.

21 MR. WILSON: If it please the Board, and
22 with the consent of Ms. Hawkins, I earlier
23 introduced a series of documents during the
24 course of my examination and cross-
25 examination, but neglected to take the next

1 step, which is to move their admission into
2 the record and let the clerk, who I believe
3 is seated over here to my left, mark them for
4 your consideration. And I've asked Ms.
5 Hawkins to agree with me, and I've asked your
6 kind indulgence to allow me to correct that
7 error.

8 MR. CHAIRMAN: Ms. Hawkins --

9 MS. HAWKINS: No objection.

10 MR. CHAIRMAN: -- has no objection. And
11 that is fine.

12 MR. WILSON: Thank you, sir.

13 MR. CHAIRMAN: Those can be put into
14 evidence.

15 MR. WILSON: You are very kind. Ms.
16 Reporter has the documents in hand and she
17 can mark them. And that concludes my
18 housekeeping for the day.

19 [MARKED FOR IDENTIFICATION AS
20 RESPONDENT'S NUMBER 1, Two photographs
21 and copy of fax transmission and
22 confirmation, 5 pages.]

23 [MARKED FOR IDENTIFICATION AS
24 RESPONDENT'S EXHIBIT NUMBER 2, 3 pages.]

25 MR. CHAIRMAN: Very good. Thank you.

1 And the next thing we have to address on our
2 agenda is someone who wants to sit for the
3 CPA examination. Doris, I don't think that
4 individual is here.

5 MS. CUBITT: They are not.

6 MR. CHAIRMAN: Krystal A. Pino. I am not
7 sure if we're going to do this. I reckon
8 we're going to do this as a formal hearing.
9 Hearing is called to order. This is the
10 matter of Krystal Pino. The purpose of this
11 hearing is to determine whether the applicant
12 is eligible as a South Carolina candidate for
13 the CPA exam. Everyone is reminded that
14 these proceedings are being recorded and that
15 all witnesses must be sworn before they
16 testify. All remarks should be directed to
17 the Chair.

18 Ms. Cubitt, is the complete licensing
19 information in our materials?

20 MS. CUBITT: Yes, sir.

21 MR. CHAIRMAN: I think I received that;
22 that was posted on our website. Hopefully
23 everybody's reviewed it. What questions do
24 you or staff have concerning this
25 application?

1 MS. CUBITT: Mr. Chairman and Board
2 Members, she turned in her application and we
3 had it to sit. And y'all have given me the
4 authority to sign off on criminal background
5 things that are minor, you know, first
6 offense, DUI, a driving under suspension,
7 some minor things. In the past, y'all have
8 been concerned if there's a pattern, because
9 that sometimes flows over into work product.

10 So she did answer the question that
11 she had some problems with her credit report
12 and she had been arrested, and we've included
13 a copy of the background and her explanation
14 as to what all happened.

15 She did furnish us with a copy of her
16 credit report, but we didn't want to release
17 it entirely because that's a lot of very
18 personal information, but we do have it
19 available for y'all to look at if you need
20 to, and then we were going to shred it.

21 MR. CHAIRMAN: Have we had applicants
22 with this type experience in the past?

23 MS. CUBITT: I don't think we have
24 exactly this same thing. It does come up
25 from time to time, maybe for a license filed

1 for bankruptcy and they notify us on their
2 renewals. But she was -- she does give an
3 explanation for it. The arrest occurred in
4 '04; she had had five worthless checks. She
5 was 18 at the time, and then her debts got --
6 just overwhelmed her and she ended up filing
7 bankruptcy.

8 MR. CHAIRMAN: Is there a reason why she
9 applied to us for license to take the exam?
10 I couldn't see any South Carolina connection
11 in any of the documents I reviewed. Is that
12 something y'all considered?

13 MS. CUBITT: I don't normally consider
14 that; they don't have to be a resident of
15 this state. Sometimes people will live in
16 another state and apply in our state. I do
17 not have a -- have not had a conversation
18 with her that would indicate anything like
19 that to me, and I guess I don't know if
20 Alabama's ever denied her to sit; I don't
21 know that. I don't know what their --

22 MR. CHAIRMAN: Did she have to report
23 that on her application to us, if anybody
24 else had turned her down?

25 MR. BALDWIN: That's actually on --

1 MS. CUBITT: I believe so. Yes, sir.

2 And she said no.

3 MR. CHAIRMAN: She said no?

4 MS. CUBITT: Because the question is:
5 Have you ever been denied permission to take
6 the Uniform CPA exam for a reason other than
7 not meeting the educational requirements, and
8 she answered no.

9 MR. CHAIRMAN: But if someone never
10 applied to that state and was never turned
11 down, then that would be the correct answer;
12 wouldn't it.

13 MS. CUBITT: Yes, sir.

14 MR. CHAIRMAN: Does anybody else have any
15 questions for Ms. Cubitt on this matter?

16 (NO RESPONSE.)

17 MR. CHAIRMAN: Hearing none, do I hear a
18 motion that we go into executive session?

19 MR. BALDWIN: So moved.

20 MR. BURKETT: I second.

21 MR. BALDWIN: I move it; Donnie seconds
22 it.

23 MR. CHAIRMAN: We've got a motion. We're
24 going into executive session. Any
25 discussion?

1 (NO RESPONSE.)

2 MR. CHAIRMAN: All in favor, please say
3 aye.

4 BOARD MEMBERS: Aye.

5 MR. CHAIRMAN: Any opposed?

6 (NO RESPONSE.)

7 MR. CHAIRMAN: It's unanimous.

8 (Board Members convene to Executive Session)

9 MR. BALDWIN: I make a motion we come out
10 of executive session.

11 MS. PIKE: Second.

12 MR. CHAIRMAN: Motion has been made that
13 we come out of executive session and a second
14 by Malane. All in favor, please say aye.

15 BOARD MEMBERS: Aye.

16 MR. CHAIRMAN: Any opposed?

17 (NO RESPONSE.)

18 MR. CHAIRMAN: I'd like the record to
19 reflect that no votes were taken during the
20 executive session.

21 MS. PIKE: Mr. Chairman, I'd like to make
22 a motion, please.

23 MR. CHAIRMAN: Yes, ma'am.

24 MS. PIKE: First of all, this is with
25 regard to Mr. Finley's case. I'd like to

1 make the motion that the State has failed to
2 prove a violation against Mr. Finley on the
3 allegation of failure to file tax returns on
4 behalf of the client, and has also failed to
5 prove the violation against Mr. Finley of
6 holding out as a CPA in 2011.

7 MR. CHAIRMAN: Do I hear a second to that
8 motion?

9 MR. BALDWIN: I'll second it.

10 MR. CHAIRMAN: Second by Mr. Baldwin.
11 All in favor, please say aye.

12 BOARD MEMBERS: Aye.

13 MR. CHAIRMAN: Any opposed?

14 (NO RESPONSE.)

15 MR. WILSON: Thank you.

16 MS. PIKE: Mr. Chairman, I'd like to make
17 another motion, please.

18 MR. CHAIRMAN: Yes, ma'am.

19 MS. PIKE: Did you have anything further
20 that you wanted to address with regard to Mr.
21 Finley?

22 MR. CHAIRMAN: Mr. Finley and Counsel,
23 one thing that we didn't feel was appropriate
24 was to revisit the consent order that was
25 signed in October, so.

1 MR. WILSON: Yes, sir.

2 MR. CHAIRMAN: But we felt like it was
3 appropriate for us to address just the cases
4 that were on the docket for today.

5 MR. WILSON: Yes, sir. I understand.

6 MR. CHAIRMAN: So you would still be
7 subject to that consent order as previously
8 agreed.

9 MR. WILSON: Thank you, sir. At the risk
10 of pushing my luck, does that mean -- and
11 again, this is for my information -- that Mr.
12 Finley, if he raises the \$10,000 and
13 otherwise complies, may have his license then
14 restored?

15 MR. CHAIRMAN: He will need to discuss
16 that with Ms. Cubitt, but he will need to
17 make application and probably have another
18 little hearing for that to discuss that,
19 since that time has lapsed.

20 MR. WILSON: Yes, sir.

21 MR. CHAIRMAN: But we would certainly
22 consider -- that could certainly be something
23 you could do.

24 MR. WILSON: Thank you, sir. Appreciate
25 it. Thank you.

1 MS. PIKE: Mr. Chairman, I'd like to make
2 a motion with regard to Ms. Fowler's case.

3 MR. CHAIRMAN: Yes, ma'am.

4 MS. PIKE: I'd like to make the motion
5 that we affirm the staff's interpretation of
6 Ms. Fowler's experience.

7 MR. BALDWIN: Second.

8 MR. CHAIRMAN: There's a motion and a
9 second. Any discussion?

10 (NO RESPONSE.)

11 MR. CHAIRMAN: All in favor, please say
12 aye.

13 BOARD MEMBERS: Aye.

14 MR. CHAIRMAN: Any opposed?

15 (NO RESPONSE.)

16 MR. CHAIRMAN: Doris, will you
17 communicate that --

18 MS. CUBITT: Yes, sir, I will call her --

19 MR. CHAIRMAN: -- to Ms. Fowler?

20 MS. CUBITT: -- after this meeting.

21 MR. CHAIRMAN: And her attorney too?

22 MS. CUBITT: Uh-huh.

23 MR. CHAIRMAN: Make sure he's aware,
24 Senator Davis.

25 MR. CHAIRMAN: Do we have anything else

1 on the floor today?

2 MS. PIKE: Yes. Mr. Chairman, we have
3 another motion. This motion is with regard
4 to Ms. Pino, I believe that was her last
5 name.

6 MR. CHAIRMAN: Uh-huh.

7 MS. PIKE: I'd like to make a motion that
8 we defer action with regard to her issue
9 until the June meeting in order that staff
10 can gather additional information for us.

11 MR. BALDWIN: Second.

12 MR. CHAIRMAN: There's a motion and
13 second. Any discussion?

14 (NO RESPONSE.)

15 MR. CHAIRMAN: All in favor, please say
16 aye.

17 BOARD MEMBERS: Aye.

18 MR. CHAIRMAN: Any opposed?

19 (NO RESPONSE.)

20 MR. CHAIRMAN: Thank you.

21 MS. PIKE: Mr. Chairman, I have a final
22 motion and it's with regard to our last
23 issue, which I believe the business name was
24 -- help me out.

25 MS. BYRNE: Peace of Mind Accounting.

1 MS. PIKE: -- Peace of Mind Accounting.
2 I'd like to make the motion that the firm
3 name violates Section 40-2-335, Subparagraph
4 B, in that the firm name is misleading.

5 MR. BALDWIN: Second.

6 MR. CHAIRMAN: There's a motion on the
7 floor. A second by Mr. Baldwin. Any
8 discussion?

9 (NO RESPONSE.)

10 MR. CHAIRMAN: All in favor, please say
11 aye.

12 BOARD MEMBERS: Aye.

13 MR. CHAIRMAN: Any opposed?

14 (NO RESPONSE.)

15 MR. CHAIRMAN: Thank you very much.

16 MS. PIKE: That concludes all of my
17 motions.

18 MR. CHAIRMAN: No more motions. You're
19 motionless.

20 MS. PIKE: I'm motionless.

21 MR. CHAIRMAN: All right. We're going
22 back to our agenda. Ms. Hawkins and
23 counselor and Mr. Finley. Thank you.

24 MR. FINLEY: I'd like to thank the Board.
25 Thank you a lot.

1 MR. CHAIRMAN: Okay. We're back to our
2 agenda. Old business, Item 15, we don't have
3 anything. Donnie left, so we lost our old
4 business.

5 MR. BALDWIN: We lost Mr. Forte, too.

6 MR. CHAIRMAN: That was old business too;
7 wasn't it? New business, consideration of
8 using the AICPA comfort policy. Doris,
9 everybody should have that policy. A lot of
10 CPAs and a lot of the public, a lot of
11 underwriters, they're using CPA letters to
12 circumvent underwriting for financial
13 institutions. Doris has got a letter here
14 from the AICPA, and Doris is asking us
15 whether we should adopt that policy for
16 dealing with the Board of Accountancy. Isn't
17 that what you're suggesting, Doris?

18 MS. CUBITT: Yes, sir.

19 MR. CHAIRMAN: Is there a reason we need
20 to adopt it? Because if the AICPA comes out
21 with it, isn't it kind of a standard that we
22 would use, or do you see cases or have
23 instances where letters to underwriters has
24 posed a problem?

25 MS. CUBITT: I honestly don't get a lot

1 of calls about this. We have had a few and
2 people wanting to know what they could do
3 with a comfort letter. You have adopted the
4 AICPA standards and what-not by referencing
5 the statute. But it was something that came
6 to us, and so we wanted to present it to
7 y'all.

8 MR. CHAIRMAN: Well, I think it's a
9 excellent letter. We use it on all requests
10 we get by loan originators. So if you hadn't
11 seen the letter, it was in your information.
12 It was put out by A-O-N, Aon, which is the
13 professional liability coverage insurance
14 company that AICPA promotes. But it gives
15 you a nice little letter, and I think the key
16 thing is, at the bottom it says you shouldn't
17 use anything that the CPA tells you, or the
18 practitioner tells you, to make a credit
19 decision.

20 So would you like to have that in a
21 motion?

22 MR. BALDWIN: Can we have a short
23 discussion?

24 MR. CHAIRMAN: Yeah.

25 MR. BALDWIN: One of the advantages, if

1 we were to adopt this as a guideline or a
2 policy, that would give CPAs within the state
3 an official position when they deal with the
4 financial institutions within the state. So
5 I'm using the comfort letter too. It is an
6 AICPA confirmation notice. I'll just kick
7 that around; I don't know if we -- because
8 what basically the letter is saying is, to go
9 beyond that is being a test function; is it
10 not? I don't know; maybe it's not
11 (inaudible) concern --

12 Do y'all have any sense of it?

13 MS. PIKE: Wait a minute. Where's the
14 provision in our law -- I mean, I see the
15 definition in the AICPA, but where does it
16 say in here that we --

17 MR. BALDWIN: I think we did it in the
18 regs, didn't we? Didn't we do it in the
19 regulations?

20 MS. CUBITT: It's in the statute
21 somewhere.

22 MS. PIKE: It is.

23 MR. BALDWIN: We adopted the AICPA Code
24 of Professional Ethics, so we adopted the
25 AICPA Standards.

1 MS. CUBITT: And it may not reference --
2 it may say, Malane, national standards, which
3 would encompass the FASBs and the AICPA and
4 the GASBs and all that.

5 MS. PIKE: I think we need to look at
6 that before we --

7 MR. BALDWIN: Make a decision?

8 MS. PIKE: I need to find it.

9 MS. CUBITT: Okay.

10 MR. CHAIRMAN: Well, I don't think what
11 we referenced in our Accountancy Act is
12 specific that a licensee would know they're
13 supposed to use this letter for underwriters.
14 That's what I'm a little concerned about.
15 I'm wondering whether we ought to just share
16 this information with all of our licensees,
17 as a best -- as a best practice.

18 MS. BALDWIN: Best practices?

19 MR. CHAIRMAN: I don't know why we need
20 to take action on it.

21 MR. BALDWIN: Okay.

22 MR. CHAIRMAN: I don't know why we
23 wouldn't do that. We don't need to take
24 Board action on it.

25 MS. CUBITT: We could put a link on our

1 website, comfort letters, and put that
2 position out there as just available
3 information.

4 MR. CHAIRMAN: Because what I'd hate to
5 see happen, I'd hate to see a licensee not
6 adopt the letter, and then all of a sudden
7 we're going to do a cease and desist because
8 they failed to adopt some letter that we
9 mandated, kind of going back to what Malane's
10 saying. You know what I mean?

11 MS. CUBITT: Uh-huh.

12 MR. CHAIRMAN: We don't want to put
13 something out there that says, we're going to
14 get you.

15 MS. CUBITT: We're doing a word search
16 for that, Malane.

17 MR. CHAIRMAN: I think we ought to put it
18 as a link, though. I think that's pretty
19 good.

20 MR. TEAGUE: 40-2-110?

21 MR. CHAIRMAN: No. It's where -- by
22 reference. Keep going. There you go.
23 Violations.

24 MS. PIKE: What statute?

25 MR. BALDWIN: This is not a professional

1 standard, really.

2 MR. CHAIRMAN: Yeah. This is a best
3 practice, too.

4 MR. BALDWIN: This is a best practice.

5 MR. CHAIRMAN: This isn't a standard.

6 MS. CUBITT: It's 110. It's actually
7 "grounds for discipline." And it says
8 "Violation of the Code of Professional Ethics
9 adopted by the Board or --".

10 MS. PIKE: But this is different.

11 MS. CUBITT: Uh-huh.

12 MR. CHAIRMAN: Yeah. This isn't a part
13 of any standard.

14 MS. PIKE: Yeah. I don't think we can
15 formally adopt it then.

16 MR. BALDWIN: I agree.

17 MS. PIKE: And we don't have the
18 statutory --

19 MR. CHAIRMAN: Can we put a link for our
20 licensees, as information?

21 MS. PIKE: Yeah, I think it could be as a
22 best practices kind of thing. I mean, we
23 don't have to adopt it, but we can certainly
24 put it out there.

25 MR. CHAIRMAN: I think that's what we

1 ought to do.

2 MS. PIKE: I mean, the important point
3 is, it's not something that we can discipline
4 somebody for.

5 MR. CHAIRMAN: Yeah, we've got enough of
6 that. We've got enough of that.

7 MR. BALDWIN: Agreed.

8 MS. PIKE: Yeah.

9 MR. BALDWIN: So what we agree is we're
10 going to put it on the website as a best
11 practices.

12 MR. CHAIRMAN: A link. A link as --

13 MR. BALDWIN: That's perfect.

14 MR. CHAIRMAN: -- something they ought
15 to consider.

16 MR. BALDWIN: So we don't need a motion
17 for that.

18 MR. CHAIRMAN: We don't need a motion.
19 Consideration of AICPA's Chartered Global
20 Management Accountant, or CMA, for those of
21 you that remember that term.

22 MS. CUBITT: That was presented to us at
23 the legal and executive director conference.
24 There was some concerns by some of the people
25 at the meeting about that. They're

1 partnering with -- the name of it's not going
2 to come -- but it's like the chartered
3 accountants, and they're going to call it a
4 Chartered Global Management.

5 But basically, you could use that
6 designation, but you don't have to be a CPA.
7 So CPAs can use that designation, but also
8 other people can use that designation, and
9 that was causing some heartburn to some
10 people. And the discussion was that it
11 reminded a lot of people at the meeting about
12 the --

13 MR. CHAIRMAN: Trognitor (sic).

14 MR. BALDWIN: Cognitor.

15 MS. CUBITT: Yeah. And that that was
16 another way they were maybe trying to do that
17 and --

18 MR. CHAIRMAN: Is this just for
19 information today?

20 MS. CUBITT: It is, for y'all to look at
21 it and think about it. And maybe at the next
22 meeting, after you've studied it --

23 MS. PIKE: Tell me the deal with the
24 cognitor. I don't know what you're talking
25 about.

1 MR. BALDWIN: That's been a long time.
2 The AICPA floated something years ago about
3 the new designation, and it fell on its face.

4 MS. CUBITT: It would be higher than a
5 CPA. You would have to do certain other
6 things, and you would be a --

7 MR. CHAIRMAN: It started out as an XYZ,
8 and then it became a cognitor. And what --
9 it really wasn't a test; it was an attempt by
10 the AICPA --

11 MR. BALDWIN: Oh, yeah.

12 MR. CHAIRMAN: -- to get a way to having
13 a license or a certificate that wasn't
14 through state jurisdiction.

15 MS. PIKE: I see.

16 MR. CHAIRMAN: It was a economic -- it
17 was a economic -- but you know what? it kind
18 of -- it kind of tanked because everybody
19 said, You know, you're trying to do an end
20 around state licensure.

21 See, the big problem with the AICPA
22 is everything is in state licensure, and they
23 don't like that sometime. So this is a way
24 to do it, but do it with the managerial
25 accountants. But I don't think it really has

1 much bearing on us too much. We're not going
2 to police them or anything, are we?

3 MR. BALDWIN: No. Pay no attention to
4 the man behind the curtain.

5 MS. PIKE: Well, the thing that I see
6 about it is that if I saw somebody that said
7 that they were a Chartered Global Management
8 Accountant, I would assume that they were a
9 CPA, and they may well not be a CPA. So it
10 could be misleading in that it grants a
11 glorified title to somebody that's really not
12 glorified. Does that make sense? I mean, if
13 you don't have the credentials to back it up.

14 MS. CUBITT: Well, and also, they then
15 get to put on their letterhead that they're a
16 member of the AICPA, and that further --

17 MS. PIKE: Oh.

18 MS. CUBITT: -- makes the public think --

19 MS. PIKE: That's even worse.

20 MS. CUBITT: -- that they are CPAs, so --

21 MS. PIKE: Oh, yes. It definitely does.
22 That's very misleading. I didn't realize
23 that piece of the puzzle.

24 MR. CHAIRMAN: So the question is, what
25 if a CGMA holds out to the public.

1 MS. CUBITT: Yes. Is that a designation
2 that would likely be confused with a CPA?
3 And I think it can be from the perspective of
4 they're saying they're a member of the AICPA,
5 so people will think. oh, well, they're CPAs
6 too. And they're saying it's for their
7 people in industry; however, if you're in
8 industry and you're a CPA, you're marketing
9 yourself to get that advantage of being a
10 CPA. It's just something else the AICPA has
11 come up with.

12 MR. CHAIRMAN: Information. Board of --

13 MS. PIKE: Does it warrant -- let me ask
14 this; I'm sorry, Mark.

15 MR. CHAIRMAN: That's okay.

16 MS. PIKE: Does it warrant, perhaps, a
17 letter of concern from the Board to the
18 AICPA?

19 MR. BALDWIN: I'd like to make a
20 suggestion. I'd like to suggest that we get
21 some members of the state board of CPAs to
22 come here and give us an update, whether it
23 be Pat McDermott or one of the others who is
24 knowledgeable on the council -- the goals and
25 aims of this designation.

1 MR. CHAIRMAN: I think that's an
2 excellent idea.

3 MS. PIKE: That's a good idea.

4 MR. CHAIRMAN: That's a great idea.

5 MS. PIKE: That's a great idea.

6 MR. CHAIRMAN: Because Pat's a big
7 proponent of it.

8 MR. BALDWIN: Well, let's get Pat in
9 here.

10 MR. CHAIRMAN: And we ought to invite Pat
11 McDermott to come to our June meeting to
12 explain to us --

13 MS. GREENLEE: I get a lot of emails
14 about this, because I'm in industry.

15 MR. CHAIRMAN: -- this designation.

16 MR. BALDWIN: Well, let's do it.

17 MS. GREENLEE: -- lots of emails about
18 this.

19 MR. CHAIRMAN: Let's do it.

20 MS. GREENLEE: I'm getting lots of emails
21 about becoming a CGMA.

22 MR. CHAIRMAN: That's a good point.

23 MS. GREENLEE: Or that I already am one
24 because I'm a CPA in industry, or something.

25 MS. CUBITT: You automatically qualify.

1 MR. CHAIRMAN: Well, you're one already?

2 MS. GREENLEE: And I've gotten lots of
3 emails in the last two months about it.

4 MR. CHAIRMAN: Well, maybe you can make
5 the presentation.

6 MS. GREENLEE: No, I don't know about
7 that. But, I mean, somebody is pushing it.

8 MS. PIKE: Well, y'all, tell me who Pat
9 McDermott -- I know that name, but I'm not
10 placing it.

11 MR. BALDWIN: Past president of the
12 Association.

13 MR. CHAIRMAN: The Beach Company in
14 Charleston?

15 MR. BALDWIN: Controller.

16 MR. CHAIRMAN: Controller of the Beach
17 Company?

18 MS. PIKE: Got it.

19 MR. BALDWIN: Pat also represents the
20 Board --

21 (Talking over one another.)

22 MR. CHAIRMAN: Anything else on that? I
23 hate to be speeding up here, but I see
24 adjournment coming up, and we do have some
25 things we want to talk about.

1 The Board of Accountancy Annual
2 Report. We had some setbacks. We had some -
3 - we had some delays. The lady who, at
4 SCAPA, was going to help us broke her leg and
5 was out a couple weeks. But I'm supposed to
6 get a red line emailed to me today. Okay?
7 It's kind of appropriate for getting emails
8 to me today. They've had the information for
9 quite a while. We got a letter from Holly
10 recently, and we've been adding to it.

11 So we've got to have a little quick
12 turnaround on this, so I'm going to have to
13 ask y'all to read this thing kind of good
14 when you get it. I'm going to put -- I don't
15 usually put one of those exclamation points
16 on my emails that says "high priority," but I
17 might put one on this one because I need you
18 to read it, and if you see anything we ought
19 to tweak or change, you probably need to do
20 it within a couple days from getting it.

21 MS. CUBITT: Well, no.

22 MR. CHAIRMAN: Well, I am trying to be
23 nice. Okay, 24 hours. Because we want to
24 print it. We want to print it and have it
25 for CPA Day next Wednesday.

1 MS. CUBITT: We have to hand deliver it
2 to the printer tomorrow, if you're going to
3 have it by CPA Day.

4 MR. CHAIRMAN: Well, you need to read it
5 tonight. If I get it today, I'll forward it
6 to you and you can try to read it tonight.
7 And we're working on the cover with somebody
8 from NASBA, hopefully is going to help us
9 with the cover. So we're going to try to --
10 we're printing 500 copies of it. It looks
11 pretty good, I think. We've been working on
12 it all through tax season. It looks good; I
13 think it looks good. The governor didn't
14 want to necessarily put something in there,
15 but Holly did put something. And we'll
16 hopefully have it ready for presenting next
17 week.

18 We're planning on using it next week
19 at CPA Day at the legislature, and we're also
20 planning on using it at our PIUs later on
21 this year, something to pass out from the
22 Board. So I think that's good. So that's a
23 update on that.

24 Adoption of CPE standards. Doris.

25 MS. CUBITT: We, at a earlier meeting,

1 did adopt the newest version of the CPE
2 standards. And after we had done that and I
3 was going back through my notes and
4 everything, I realized that there's a
5 standard 2.05 that talks about independent
6 study. And the way y'all had approved the
7 standards before was, all the standards,
8 except the ones related to independent study.
9 So --

10 MS. PIKE: Okay. I might have been
11 asleep at the wheel on the last one, but let
12 me ask this question. Where in here gives us
13 the authority to adopt something like that, I
14 mean for CPE?

15 MS. CUBITT: Well, now, I don't know
16 about the authority, Ms. Malane.

17 MR. CHAIRMAN: Malane is an authority
18 person here.

19 MS. CUBITT: Well, she's keeping us
20 straight. Can you do a word search?

21 (Off the record discussion between
22 staff.)

23 MS. CUBITT: Try it and see.

24 MS. HOLLEMAN: Would it not be 40-2-70?

25 MS. CUBITT: Powers and duties? Let's

1 look at that.

2 MS. HOLLEMAN: -- course hours and
3 programs?

4 MS. PIKE: Amy, what page are you on?

5 MS. HOLLEMAN: I'm sorry; 25.

6 MS. PIKE: Wait a minute. Which one,
7 Amy? Oh, a status criteria?

8 MS. HOLLEMAN: Yes.

9 MS. CUBITT: It does say evaluate and
10 approve continuing education course hours and
11 programs.

12 MS. PIKE: Which one? I'm sorry.

13 MS. CUBITT: Number 5.

14 MS. PIKE: Number 5. All right, here's
15 my next question then: Do we know for a fact
16 that everything that's in this statement on
17 standards for CPE is consistent with our law,
18 with the exception of independent study?
19 Have we looked at it?

20 MS. CUBITT: We have kind of looked at
21 the standards. We didn't look at them as
22 hard this time as we did last time, I don't
23 think. The one that was in there -- it
24 mostly covers self-study, things that are
25 attended, responsibilities of a sponsor, that

1 type thing. And then the independent study
2 issue allowed somebody to say, 'I'm going to
3 do some work on bankruptcies and I'm just
4 going to go get some books and I'm going to
5 read some books and I'm going to count those
6 hours.'

7 And the Board's position, when we
8 originally looked at it. -- and I will say
9 that the majority of the boards that I've
10 heard from did not adopt the independent
11 study portion, but they did adopt the rest of
12 them.

13 MR. BALDWIN: Now, I have two questions.
14 Is this a NASBA statement, right?

15 MS. CUBITT: It's a combination of --

16 MR. BALDWIN: NASBA and AICPA?

17 MS. CUBITT: Uh-huh.

18 MR. BALDWIN: I'd like to suggest we
19 carry this over to June --

20 MS. CUBITT: Yeah.

21 MR. BALDWIN: -- because, one, I'd like
22 to go back and study it more at length, and
23 secondly, it would be nice if we had two or
24 three of the other members back on this
25 discussion.

1 MR. CHAIRMAN: Well, you know what, our
2 next meeting is after the regional meeting.

3 MR. BALDWIN: Yes.

4 MR. CHAIRMAN: And we can have this
5 discussion when we're in Philadelphia

6 MR. BALDWIN: Yeah.

7 MS. PIKE: The other thing is, I think we
8 need to read each of the provisions of this
9 --

10 MR. BALDWIN: I concur.

11 MS. PIKE: -- and make sure that we have
12 the authority to adopt that. In other words,
13 it's either --

14 MR. BALDWIN: Right.

15 MS. PIKE: -- not inconsistent with
16 something we already have.

17 MR. BALDWIN: Check.

18 MS. GREENLEE: The regs too.

19 MS. PIKE: Yeah.

20 MS. MCCARTHA: Because I see one thing in
21 1-08 I'd be concerned it would conflict with.

22 MS. PIKE: Yeah.

23 MR. BALDWIN: Okay.

24 MR. CHAIRMAN: All right. That sounds
25 good. Does that sound good to everybody?

1 MS. PIKE: Okay.

2 MR. CHAIRMAN: While we were covering
3 that topic area, the draft of the annual
4 report hit my email and I forwarded it
5 around.

6 MS. CUBITT: Okay.

7 MR. CHAIRMAN: So it must have knew when
8 it was on our agenda, right? It came about
9 the same time.

10 MS. MCCARTHA: Software.

11 MR. CHAIRMAN: Those computers are
12 getting good; aren't they? So I hadn't
13 looked at it yet, but I took the liberty of
14 forwarding it to everybody. I'll make sure
15 everybody gets it.

16 All right. Consideration of recognition
17 of NASBA's past president, David Costello,
18 who's coming here next week, and you should
19 have in front of you a proclamation and his
20 bio. Does everybody have that in front of
21 them?

22 MS. CUBITT: It was handed out today.

23 MR. CHAIRMAN: It was handed out this
24 morning? Did everybody read it? Malane,
25 I'll go ahead and get you to comment on it.

1 I feel kind of bad because I hadn't talked to
2 you about it much.

3 MS. PIKE: Do I need to make a motion
4 that David Costello be named God and we move
5 on?

6 MR. CHAIRMAN: Well, it's just that --
7 you know what? It came to me, it's David
8 Costello Day. But, you know, we have to
9 proclaim something, you know. That's why I
10 went on the internet last night, looking on
11 proclamations. You have to proclaim
12 something, --

13 MS. PIKE: Yeah.

14 MR. CHAIRMAN: -- so I figured that's one
15 thing we could proclaim, May 2nd is David
16 Costello Day for the accounting profession.
17 But I don't know. We're waiting late in the
18 day to be talking about this, something I did
19 last night at about 8:30. But maybe it needs
20 to be looked at a little bit. But has
21 everybody read that thing? Did you read it?
22 Doris, why don't you read it for us?

23 MS. CUBITT: I would be delighted.

24 "Recognition of outstanding service presented
25 to Mr. David Costello, CPA.

1 WHEREAS, the South Carolina Board of
2 Accountancy, the Board, is the licensing
3 board and primary regulator of the accounting
4 profession in the State of South Carolina, as
5 promulgated in the South Carolina Accountancy
6 Act.

7 WHEREAS, the Board has been an active
8 member in the National Association of State
9 Boards of Accountancy which serves as the
10 primary catalyst that promotes uniform and
11 equitable regulation of the accounting
12 profession in the United States of America.

13 WHEREAS, Mr. David Costello, CPA, serves
14 as president of the National Association of
15 Accountancy."

16 Should that be "served"?

17 MR. CHAIRMAN: Served, yeah. You're
18 serving me now. Served.

19 MS. CUBITT: ".. served as president of
20 the National Association of State Boards of
21 Accountancy from September 1994 to December
22 31st, 2011.

23 WHEREAS, that during his tenure as
24 president, the organization has greatly
25 expanded its service and support of the

1 various jurisdictions of the Board of
2 Accountancy and has greatly enhanced public
3 protection through greater public awareness,
4 as well as educating board members as to the
5 importance of their roles in state
6 regulation.

7 WHEREAS, Mr. Costello led the development
8 and transition from a paper-based examination
9 to the current computer-based test.

10 WHEREAS, Mr. Costello was the driving
11 force behind the achievement of mobility in
12 the accounting profession. Today, an
13 overwhelming majority of jurisdictions has
14 passed this mobility legislation which allows
15 licensees to practice more freely while still
16 maintaining accountability.

17 WHEREAS, Mr. Costello has developed NASBA
18 into the voice of the state boards on issues
19 being addressed by standard-setters, national
20 and international, regulators and
21 legislators.

22 The South Carolina Board of Accountancy
23 proclaims May 2nd, 2012, as David Costello
24 Day in the State of South Carolina in
25 recognition for your years --"

1 MR. BALDWIN: Geez.

2 MS. CUBITT: "-- of outstanding service
3 to the accounting profession, and
4 specifically to the State Boards of
5 Accountancy that you have served."

6 MR. CHAIRMAN: All right, I have two
7 things. I did that one, and then I did one,
8 just short and sweet, that says, "We thank
9 you for your service." And I let Donnie read
10 it earlier this morning, and he liked that
11 one better, and I put the other one in my
12 bag. But there's nothing there -- do you
13 think we ought not -- I know we're tired and
14 I know it's late in the day, but I don't want
15 to do anything too cheesy. If you think it's
16 too cheesy and we ought to tweak it or take
17 something out, I'm open.

18 I mean, I hadn't devoted -- I'm not
19 really emotionally tied into this thing, but
20 I'd like to do something for him, since he's
21 going to be here, and he's coming to speak at
22 CPA Day.

23 So, Malane wants to re-write it.

24 Okay, let's let Malane rewrite it.

25 MS. PIKE: No. Let's just --

1 MR. CHAIRMAN: Is it too much? You want
2 my short version?

3 MS. PIKE: Yeah, give me your short --
4 well, I don't mind anything at all, except
5 when you get down to David Costello Day.

6 MR. CHAIRMAN: All right. Let's take
7 that out. We've got to proclaim something;
8 what are we going to proclaim?

9 MS. PIKE: Well, you just proclaim that
10 he --

11 MR. ?: -- rock star -- (talking at the
12 same time.)

13 MS. PIKE: Proclaim that he's a great
14 individual and that's it. I mean, you know,
15 that he has done all these things. It
16 doesn't -- we don't have to --

17 MR. CHAIRMAN: How are we going to -- you
18 know, that's the problem I had. All the
19 things I gave as examples, it was naming
20 something. So we had -- that's my example.

21 MS. PIKE: I don't think you have to name
22 anything. As a matter of fact, they do these
23 proclamations all the time for state
24 retirees, as a matter of fact.

25 MR. CHAIRMAN: Listen to the short

1 version. This is the short version: "The
2 South Carolina Board of Accountancy
3 proclamation of recognition and gratitude to
4 Mr. David Costello, CPA, for his contribution
5 to the regulation of the accounting
6 profession, as president of the National
7 Association of State Boards of Accounting
8 from September 1994 --

9 MS. PIKE: That's perfect.

10 MR. CHAIRMAN: -- to December 2011,
11 presented this 24th day of April, 2012."
12 That was the short version.

13 MS. PIKE: That's perfect. And then add
14 to the bottom of that, just give a little
15 history about what all he's done. But you're
16 proclaiming -- that top part, say that again,
17 that's really good.

18 MR. CHAIRMAN: Hey, hey. "The South
19 Carolina Board of Accountancy proclamation of
20 recognition --

21 MS. PIKE: That's it.

22 MR. CHAIRMAN: -- and gratitude to Mr.
23 David Costello --

24 MS. PIKE: There you go.

25 MR. CHAIRMAN: -- for his contribution to

1 the regulation of the accounting profession."

2 MS. PIKE: That's perfect.

3 MR. CHAIRMAN: Is everybody all right
4 with this? That's kind of cheesy; isn't it?
5 Well, you know what? I had in there "the
6 voice of state regulation on the
7 international and national stage." You know,
8 I was thinking about The Voice, you know.

9 MR. BALDWIN: The voice.

10 MS. PIKE: That's isn't so bad either.

11 MR. CHAIRMAN: Yeah. That's a little
12 cheesy, wasn't it?

13 MS. PIKE: But David Costello Day? No.

14 MR. CHAIRMAN: Hey, I thought it was a
15 joke when I wrote it; Donnie wanted it. I
16 did it kind of as a joke.

17 MS. PIKE: Okay. We need to examine
18 Donnie.

19 MR. BALDWIN: Donnie's a little tight
20 with that crowd, you know?

21 MR. CHAIRMAN: He liked all those
22 whereas's. Is that all right with you?

23 MS. PIKE: Yeah.

24 MR. CHAIRMAN: Some of those things that
25 he's done are in the whereas's. So all we

1 need to do is --

2 MS. PIKE: I actually like "the voice"
3 language. I mean, I don't think that's bad.

4 MR. CHAIRMAN: Well, no, let's don't --
5 Listen, it's almost four o'clock.

6 MS. PIKE: Okay. All right.

7 MR. CHAIRMAN: Do I have a motion that we
8 pass what we just read?

9 ?MS. PIKE: So moved.

10 MR. BALDWIN: Second.

11 MR. CHAIRMAN: There's a motion and a
12 second. Any discussion?

13 (NO RESPONSE.)

14 MR. CHAIRMAN: Everybody happy about
15 this?

16 MS. PIKE: We're delighted.

17 MR. CHAIRMAN: All in favor, please say
18 aye.

19 BOARD MEMBERS: Aye.

20 MR. CHAIRMAN: Any opposed?

21 (NO RESPONSE.)

22 MR. CHAIRMAN: All right, good. David,
23 could you handle Item F, approval of the CPA
24 exam.

25 MR. NICHOLS: I so move that we approve

1 the exam.

2 MS. PIKE: Second.

3 MR. CHAIRMAN: Second. We had a motion
4 and a second. Any discussion?

5 (NO RESPONSE.)

6 MR. CHAIRMAN: All in favor, please say
7 aye.

8 BOARD MEMBERS: Aye.

9 MR. CHAIRMAN: Any opposed?

10 (NO RESPONSE.)

11 MR. CHAIRMAN: Okay.

12 MS. CUBITT: I left something off my
13 administrator's remarks. Can I --

14 MR. CHAIRMAN: Doris.

15 MS. PIKE: Doris.

16 MS. CUBITT: I can add them to the next
17 meeting.

18 MR. CHAIRMAN: No, go ahead.

19 MS. CUBITT: We did contact Burl Luce, L-
20 U-C-E, and it's the same clipping service the
21 North Carolina Board uses, --

22 MR. BALDWIN: Oh good.

23 MS. CUBITT: -- and their rate is \$99 a
24 month and \$1.40 per clip.

25 MR. CHAIRMAN: Uh-oh.

1 MS. CUBITT: They would provide us with a
2 portal for us to log in and review the
3 information, so it wouldn't be hard copies;
4 it would be electronically, and we could
5 review it at our pleasure. I think the North
6 Carolina Board has a cheaper rate because
7 they've had it a long time, and they're
8 spending three or four hundred dollars a
9 month.

10 MR. BALDWIN: But \$1.99 a clip?

11 MS. CUBITT: A dollar forty.

12 MR. BALDWIN: You know, that's pretty
13 strong.

14 MS. CUBITT: Holly did mention, in a
15 meeting that we had, that Google has Google
16 Alerts --

17 MR. BALDWIN: Yeah. That would be --

18 MS. CUBITT: -- and we're going to set
19 that. Do you want me to try Google Alerts
20 for a little while, and then research maybe
21 some other clipping services, where we might
22 get a better rate?

23 MR. CHAIRMAN: My thoughts are, we ought
24 to wait till June and get some other prices.

25 MS. CUBITT: Okay.

1 MR. BALDWIN: I do too.

2 MR. CHAIRMAN: But go ahead and try to
3 get the Google Alert set up. We've been
4 without the clipping service for all this
5 time.

6 MS. CUBITT: All right.

7 MR. CHAIRMAN: If we wait from now to
8 June -- and let's try to follow our
9 procurement code and try to get several
10 quotes --

11 MS. CUBITT: Okay.

12 MR. CHAIRMAN: -- for us to consider, and
13 what option we have. Is that fair?

14 MS. CUBITT: Uh-huh.

15 MR. CHAIRMAN: Is that all right with
16 everybody? You said you had something else
17 too, or was that it?

18 MS. CUBITT: Oh, I was just going to say
19 that Sue Coffey, who's the senior vice
20 president for Public Practice and Global
21 Alliances at the AICPA, has offered to do a
22 question and answer article in the executive
23 director's digital newsletter. And if we had
24 any questions, we could submit them to her,
25 but they wanted them by May the 4th, and I

1 don't think we're going to have our questions
2 by then. But I will share that newsletter
3 with y'all.

4 That's all I have.

5 MR. CHAIRMAN: Now, we're at that time of
6 the day where I'm looking for the magic
7 motion.

8 MR. BALDWIN: I so move we adjourn.

9 MS. PIKE: Second.

10 MR. CHAIRMAN: There's a motion that we
11 adjourn and a second by Malane. Any
12 discussion?

13 (NO RESPONSE.)

14 MR. CHAIRMAN: All in favor, please say
15 aye.

16 BOARD MEMBERS: Aye.

17 MR. CHAIRMAN: Any opposed?

18 (NO RESPONSE.)

19 MR. CHAIRMAN: Thank you so much for
20 being here for this long meeting. Sara,
21 thank you so much.

22 (The meeting was adjourned at 3:55 p.m.)

23

24

25

1 CERTIFICATE OF REPORTER

2 I, Betty M. Washington, Verbatim Court Reporter and
3 Notary Public in and for the State of South Carolina at
4 Large, hereby certify that I reported the Board Meeting of
5 the South Carolina Board of Accountancy, held on the 24th
6 day of April, 2012; and that the foregoing pages constitute
7 a true and correct transcription of said Board Meeting, to
8 the best of my ability.

9 I further certify that I am neither attorney nor
10 counsel for, nor related to or employed by any of the
11 parties connected with this action, nor am I financially
12 interested in said cause.

13 I further certify that the original of said transcript
14 was thereafter sealed and delivered to: DORIS CUBITT,
15 Administrator, Kingstree Building, Centerview Drive,
16 Columbia, South Carolina 29210, who will retain this sealed
17 original transcript and shall be responsible for same.

18 In witness whereof, I have set my hand and seal this
19 19th day of May, 2012.

20
21 _____
22 BETTY M. WASHINGTON
23 MY COMMISSION EXPIRES 7-16-2017.
24
25