

## **MINUTES**

SC Department of Labor, Licensing, & Regulation  
Board of Accountancy

### **Board Meeting**

April 30<sup>th</sup> through May 1<sup>st</sup> 2019  
SYNERGY OFFICE PARK  
KINGSTREE BUILDING, ROOM 108  
110 CENTERVIEW DRIVE  
COLUMBIA, S.C. 29210

**NOTE: These minutes are a record of the motions and official actions taken by the Board and a brief summary of the meeting.**

**1. Call to Order**

Todd Dailey, CPA, Chair, was present and called the meeting of the South Carolina Board of Accountancy to order on April 30<sup>th</sup>, 2019, at 10:00am, with a quorum present. Other Board members present were: Charles Alvis, CPA, Vice Chair, Gale Bell, Accounting Practitioner, Mark Crocker, CPA, David Nichols, Accounting Practitioner, Ellen Adkins, CPA, Brian Johnson, CPA, and Bob Wood, Public Member. LLR staff members participating in the meeting included: Susanna Sharpe, CPA, Administrator, Chelsea Buchanan, Program Coordinator, Mary League, Advice Counsel, Courtney Crosby, CPA, Investigator, Rodney Pigford with the Office of Investigations and Enforcement, and Ashley Thompson, Prosecuting Attorney with the Office of Disciplinary Counsel.

**2. Consideration of Excuses for Absences of Board Members**

**Motion**

Charles Alvis made a motion to excuse Michael Putich, CPA, and Tanya Greenlee, CPA, from both meeting days and allow David Nichols, Accounting Practitioner, to join by phone as soon as possible. Charles Alvis seconded the motion, which carried unanimously. Public member Ron Hollins submitted his resignation from the Board prior to the meeting.

**3. Adoption of Agenda**

**Motion**

Gale Bell made a motion to approve the agenda. Mark Crocker seconded the motion, which carried unanimously.

**4. Office of Investigation Report**

Rodney Pigford briefed the Board on the OIE report. He reported that there are currently 26 active cases. Two have been closed, four were do not open cases, and two are pending consent agreement review.

Mr. Pigford also presented the IRC report from the April 2, 2019 IRC meeting. Two cases were recommended for dismissal, three were recommended for dismissal with cease and desist order, one was recommended for a formal complaint, and two were brought back to the IRC for reconsideration.

**Motion**

Ellen Adkins made a motion to approve the IRC report. Gale Bell seconded the motion, which carried unanimously.

**5. Office of Disciplinary Counsel Report**

Ashley Thompson presented a report for information. There are currently 12 open cases, 5 cases pending action, 7 pending hearings, and 10 have been closed since October 2018.

**6. Application Hearings**

**A. Consideration of Shawn Adamo CPA License Application**

**Motion**

Charles Alvis made a motion to go into executive session for legal advice. Ellen Adkins seconded the motion, which carried unanimously.

**Motion**

Charles Alvis made a motion to come out of executive session. Brian Johnson seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

**Motion**

Ellen Adkins made a motion to deny the application for reciprocity because the applicant does not meet the education requirements and must show additional CPE to satisfy the 80 hours required for licensure. Charles Alvis seconded the motion, which carried unanimously.

**B. Consideration of Aaron Rabon's CPA Exam Application**

**Motion**

Ellen Adkins made a motion to go into executive session for legal advice. Charles Alvis seconded the motion, which carried unanimously.

**Motion**

Gale Bell made a motion to come out of executive session. Ellen Adkins seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

**Motion**

Charles Alvis made a motion to approve the applicant to sit for the CPA exam as a SC candidate. Ellen Adkins seconded the motion, which carried unanimously. The Board noted that the candidate should not need to have an additional hearing for the same matter at the time he applies for licensure.

### **C. Consideration of Brenda Tindall's Reinstatement Application**

#### **Motion**

Charles Alvis made a motion to go into executive session for legal advice. Ellen Adkins seconded the motion, which carried unanimously.

#### **Motion**

Ellen Adkins made a motion to come out of executive session. Gale Bell seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

#### **Motion**

Bob Wood made a motion to approve the application for reinstatement pending payment of a \$500 penalty for failure to answer the criminal history question on the application correctly. Gale Bell seconded the motion, which carried unanimously.

### **D. Consideration of Smith and Coker's Request for Name Change**

#### **Motion**

Brian Johnson made a motion to go into executive session for legal advice. Mark Crocker seconded the motion, which carried unanimously.

#### **Motion**

Ellen Adkins made a motion to come out of executive session. Charles Alvis seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

#### **Motion**

Brian Johnson made a motion to approve the name and ownership changes, with the condition that the firm is limited to an Accounting Practitioner scope of work unless the CPA owner becomes the majority owner. Charles Alvis seconded the motion, which carried unanimously. Gale Bell recused himself from the matter and did not participate in the discussion or vote.

### **E. Consideration of Marshall O. Wells Jr. PA CPA Firm Application**

#### **Motion**

Ellen Adkins made a motion to go into executive session for legal advice. Charles Alvis seconded the motion, which carried unanimously.

#### **Motion**

Charles Alvis made a motion to come out of executive session. Ellen Adkins seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

#### **Motion**

Bob Wood made a motion to approve the firm registration application pending payment of \$1600 for back registration and penalty for failure to register timely. Gale Bell seconded the motion, which carried unanimously.

### **F. Consideration of The Kitchens Firm and Wealthplan LLC Applications**

**Motion**

Ellen Adkins made a motion to go into executive session for legal advice. Gale Bell seconded the motion, which carried unanimously.

**Motion**

Ellen Adkins made a motion to come out of executive session. Charles Alvis seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

**Motion**

Charles Alvis made a motion to approve the firm applications for The Kitchens Firm and Wealthplan, with the expectation that the applicant will find and maintain a separate physical location for Wealthplan.

**Agenda items 9 and 10 were discussed at this time.**

**7. Memorandum of Agreement**

**A. Case 2014-9**

**Motion**

Tanya Greenlee made a motion to go into executive session for legal advice. Michael Putich seconded the motion, which carried unanimously.

**Motion**

Charles Alvis made a motion to come out of executive session. Gale Bell seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

**Motion**

Mark Crocker made a motion to accept the MOA as presented, including a public reprimand and a penalty of \$2,650.00 for the alleged violations and \$1,522.00 for investigative costs. Gale Bell seconded the motion, which carried unanimously.

**8. Consent Agreements**

**A. 2018-4**

**Motion**

Bob Wood made a motion to approve the consent agreement. Brian Johnson seconded the motion, which carried unanimously.

**B. 2018-5 and 2018-9**

**Motion**

Charles Alvis made a motion to approve the consent agreement. Mark Crocker seconded the motion, which carried unanimously. Brian Johnson recused himself from the matter and did not participate in any discussion or vote.

**Motion**

Charles Alvis made a motion to adjourn the April 30th, 2019 meeting at 7:03p.m. and return the next day, May 1<sup>st</sup>, 2019 at 9:00a.m. Ellen Adkins seconded the motion, which carried unanimously.

**Reconvened on May 1st, 2019 at 9:00am.**

**Agenda item 14A was discussed at this time.**

**9. WGU Update**

Brentni Henderson presented an update from Western Governor's University. Information related the Department of Education audit was provided as part of the Board package. Ms. Henderson stated that she would make the University's response to the audit available to Administrator Sharpe as well as statistical information about CPA exam pass rates.

**Agenda items 8G and 8H were discussed at this time.**

**6. Application Hearings (continued)**

**G. Consideration of Rosenberg Rich Baker & Berman Firm Registration**

**Motion**

Ellen Adkins made a motion to go into executive session for legal advice. Michael Putich seconded the motion, which carried unanimously.

**Motion**

Charles Alvis made a motion to come out of executive session. Michael Putich seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

**Motion**

Ellen Adkins made a motion to approve the firm registration pending payment of \$130.00 for failure to register timely and the back registration fee for 2018. Charles Alvis seconded the motion, which carried unanimously.

**H. Consideration of Chris Kerr's CPA Licensure Application**

**Motion**

Bob Wood made a motion to approve the reciprocal licensure application pending payment of \$360 for back registration and a penalty for failure to register timely. Brian Johnson seconded the motion, which carried unanimously.

**Agenda item 11 was discussed at this time.**

**10. Disciplinary Hearings**

**A. Case 2016-37**

**Motion**

Bob Wood made a motion to go into executive session for legal advice. Gale Bell seconded the motion, which carried unanimously.

**Motion**

Charles Alvis made a motion to come out of executive session. Gale Bell seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

**Motion**

Ellen Adkins made a motion to permanently revoke the respondent's CPA license, with a public reprimand, with a fine of \$6500 for violations of § 40-2-190(C)(1), § 40-2-110(C)(2), and § 40-2-110(A)(7), and \$428.00 for investigative costs. Bob Wood seconded the motion, which carried unanimously.

**Agenda item 14F was discussed at this time.**

**11. Legislative Update**

Holly Beeson briefed the Board on recent legislative matters, including the bill introduced this session by the SC Association of CPA's. She stated that she believed it would be discussed and voted on during this session as it timed out during the previous session. SCACPA CEO Chris Jenkins also provided an update on the bill, noting some minor Scribner's errors that had been corrected since the bill was introduced.

**Agenda item 11B was discussed at this time.**

**10. Disciplinary Hearings (continued)**

**B. Case 2014-41**

**Motion**

Charles Alvis made a motion to go into executive session for legal advice. Ron Hollins seconded the motion, which carried unanimously.

**Motion**

David Nichols made a motion to come out of executive session. Ellen Adkins seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

**Motion**

Ellen Adkins made a motion to dismiss the complaint with a letter of caution advising the respondent to be more attentive when responding to Board staff. Charles Alvis seconded the motion, which carried unanimously. Bob Wood recused himself from the matter and did not participate in the discussion or vote. David Nichols had to leave at this point in the meeting.

**6. Application Hearings (continued)**

**I. Consideration of Chris Becker's CPA License Application**

**Motion**

Ellen Adkins made a motion to approve the application for licensure as a CPA. Charles Alvis seconded the motion, which carried unanimously.

**Motion**

Gale Bell made a motion to grant the Board Administrator authority to evaluate and approve applications that include teaching experience to satisfy the experience requirement. Charles Alvis seconded the motion, which carried unanimously.

#### **J. Consideration of Owen & Kwiecinski's Firm Application**

##### **Motion**

Mark Crocker made a motion to approve the application for firm registration. Brian Johnson seconded the motion, which carried unanimously.

#### **K. Consideration of The Pomykala Group's Firm Application**

##### **Motion**

Bob Wood made a motion to approve the application for firm registration pending payment of \$650 of back registration fees and a penalty for failure to register timely. Mark Crocker seconded the motion, which carried unanimously.

#### **L. Consideration of Maryknoll Elliot's CPA Licensure Application**

##### **Motion**

Ellen Adkins made a motion to defer the application until the next meeting date unless pending legislation that affects the required education requirements for applicants before 2012 is approved by the Legislature prior to that meeting. Should the legislation pass before the next meeting, the Board Administrator has the authority to approve the application for licensure. Brian Johnson seconded the motion, which carried unanimously. Bob Wood left the meeting prior to the hearing.

### **12. Administrator's Report**

Administrator Susanna Sharpe made a brief report on some recent topics.

- The financial reports from December, January, and February were part of the Board's materials, with the more recent reports expected to be ready to present at the next meeting.
- The licensee update was presented, which showed 6,031 active CPA's, 68 AP's, 1,318 in-state firms, and 355 out of state firms. There are 4 active PA's at this time.
- A comparison of the UAA and the SC Practice Act was included in the Board's package per request.
- Administrator Sharpe briefly mentioned a few of the topics that were covered during the 2019 NASBA Executive Director and Legal Conference in San Antonio, including the evolution of the CPA pathway, continuous testing, and peer review. She mentioned the other staff members who attended the conference and each spoke about how valuable it is to hear from Board staff in other states and to stay up to date with the national trends and issues. The Board members stressed how important they feel it

is for staff to attend such conferences in order to help better serve licensees and the public.

-The SC specific ethics course that is being created by the Center for the Public Trust is still in process. Ms. Sharpe will provide the Board the most updated content once she receives it.

-The spring Oath Ceremony will be held on May 23<sup>rd</sup> in Columbia and all Board members are encouraged to attend.

-Ms. Sharpe mentioned the recent changes in staff, including Courtney Wise being promoted to Program Assistant following the departure of Johnnie Rose. The open administrative assistant position has been posted and interviews will take place this week. Ms. Sharpe also described the many tasks that consume staff time and the difficulty there is finding time for other projects the Board would like staff to complete.

### **Motion**

Charles Alvis made a motion to have staff prepare a detailed breakdown of daily tasks and responsibilities of each staff member as well as projects that are needed. He also suggested a letter be drafted noting the hard work of staff and improvements that have been made. Brian Johnson seconded the motion, which carried unanimously.

## **13. Chair's Remarks**

Chair Todd Dailey stated that much of what he had intended to say had been covered by the previous comments and motion and that he would like to reiterate his appreciation and support for the hard work of Board staff.

## **14. Old Business**

### **A. Quick Poll Results**

Administrator Sharpe mentioned the results of a recent quick poll that was sent out to other state Boards to collect information about other states' renewal processes, fees, and other relevant information. The results were included in the Board's package for information.

### **B. Guidelines Committee Report**

Ashley Thompson presented the most current draft of the guidelines for consent agreement sanctions that the Guidelines Committee has been working on.

### **Motion**

Ellen Adkins made a motion to adopt the guidelines prepared by the Guidelines Committee to be used in preparing consent agreement sanctions. Gale Bell seconded the motion, which carried unanimously.

### **C. Regulation Task Force Committee Update**



Administrator Sharpe mentioned the ongoing work by the Task Force, with the next committee meeting in a few weeks.

#### **D. Education Committee Meeting Update**

Ms. Sharpe mentioned that the Education Committee likely will not meet again until at least August as school is currently in summer session. She also mentioned that the committee has gained several new members from in state schools and all of the committee members have been instrumental in representing their institutions and programs.

### **15. New Business**

#### **A. Q1 CPA Exam Scores**

##### **Motion**

Charles Alvis made a motion that the Board send a congratulatory letter to the three winners of the Elijah Watts Sells awards for 2018 and any future recipients. Ellen Adkins seconded the motion, which carried unanimously.

##### **Motion**

Ellen Adkins made a motion to approve the CPA exam scores from the first quarter of 2019. Gale Bell seconded the motion, which carried unanimously.

#### **B. Travel Budget for FY 2020**

Administrator Sharpe presented the proposed travel budget for fiscal year 2020. For the NASBA Annual conference in October, the proposed budget includes attendance for the Administrator, an Assistant Administrator, and two Board members. For the March 2020 NASBA Executive Director's conference the proposed budget includes attendance for the Administrator, an Assistant Administrator, Program Coordinator, Investigator, and Advice Counsel. For the June 2020 NASBA conference, the proposed budget includes attendance for Administrator, an Assistant Administrator, and two Board members. Other items included in the proposed budget include travel for the Administrator to attend SCACPA events to present Board updates, Board member expenses for meetings, and Board staff to attend NASBA U, which is predominantly funded by NASBA.

##### **Motion**

Charles Alvis made a motion to approve the proposed travel budget for Fiscal Year 2020 as presented. Gale Bell seconded the motion, which carried unanimously.

#### **D. Appointment of Hearing Panel**

Advice Counsel Mary League explained to the Board that in certain instances, it may be necessary for a disciplinary case to be heard by a hearing panel comprised of individuals selected by the Board members. The hearing panel would hear testimony, make findings of fact, determine

whether violations have occurred, and recommend sanction to the Board in regards to the case. The Board would then review the panel's recommendation at a final order hearing, and vote on the final disposition of the matter.

**Motion**

Ellen Adkins made a motion to go into executive session for legal advice. Charles Alvis seconded the motion, which carried unanimously.

**Motion**

Charles Alvis made a motion to come out of executive session. Brian Johnson seconded the motion, which carried unanimously. It is noted that no official actions were taken by the Board during executive session.

**Motion**

Charles Alvis made a motion to ask the Board members to submit their recommendations for the hearing panel to the Board Administrator by May 22<sup>nd</sup>, for consideration at the June Board meeting. Gale Bell seconded the motion, which carried unanimously.

**F. Delegation of Authority for Cease and Desist Orders for Unlicensed Practice**

Advice Counsel Mary League explained that in order to streamline the issuance of Cease and Desist orders in cases of unlicensed practice, the Board may wish to authorize the Board Chair to sign the orders.

**Motion**

Gale Bell made a motion to authorize the Board Chair to sign cease and desist orders for unlicensed practice with finality. Charles Alvis seconded the motion, which carried unanimously.

**Agenda items 15C and 15E were deferred to the June meeting.**

**16. Public Comment**

No Public Comments

**17. Adjournment**

**Motion**

With no further business to be discussed at this time, Charles Alvis made a motion to adjourn the meeting at 5:40pm on May 1st, 2019. Gale Bell seconded the motion, which carried unanimously.