

**MINUTES**

SC Department of Labor, Licensing & Regulation  
Board of Accountancy

**Board Meeting**

9 A.M., Wednesday, April 24, 2012  
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. A transcript of this meeting providing more detail will be available on the Board's website: [www.llronline.com/pol/accountancy](http://www.llronline.com/pol/accountancy)**

**1. Call to Order**

Mark Hobbs, CPA, Chair, called the board meeting of the South Carolina Board of Accountancy to order on April 24, 2012, at 9:05 a.m., with a quorum present. Other Board members present were: Robert Baldwin, CPA, Vice Chair, Gary Forte, Secretary/Treasurer, David Nichols, Accounting Practitioner, Donald Burkett, CPA, Mark Crocker, CPA, Tanya Greenlee, CPA, and Malane Pike, Esq.

**MOTION**

Mr Burkett made a motion that the Board excuse the following Board Member, Mr Wendell Lunsford from today's Board Meeting. Mr Nichols seconded the motion which carried unanimously.

LLR staff members participating in the meeting included: Doris Cubitt, Administrator, Michael R. Teague, Administrative Assistant, Amy Holleman, Administrative Assistant, Wendi Elrod, Program Assistant, Dean Grigg, Advice Counsel, Sara McCartha, Advice Counsel, Andrew Rogers, Assistant General Counsel, Office of General Counsel, Matt Faile, Chief, Office of Information Services, and Sharon Wolfe, Chief Investigator, Office of Investigations and Enforcement.

**2. Adoption of Agenda**

**MOTION**

Mr Baldwin made a motion to approve the agenda. Mr Burkett seconded the motion which carried unanimously.

**3. Approval of January 25, 2012, Meeting Minutes.**

**MOTION**

Mr Baldwin made a motion to accept the minutes for January 25, 2012, as written. Mr Burkett seconded the motion which, carried unanimously.

**4. Complaint & Investigative Activity**

Ms Wolfe briefed the Board regarding the case load and IRC Report. (See attached)

**MOTION**

Mr Burkett made a motion that the Board accept the case load and IRC reports as information. Mr Nichols seconded the motion, which carried unanimously.

## 5. General Counsel Activity

Mr Rogers briefed the Board regarding case load. (See attached)

### **MOTION**

Mr Nichols made a motion that the Board accept the case load report as information. Mr Baldwin seconded the motion, which carried unanimously.

## 6. Administrator's Report

Ms Cubitt discussed the following items:

- The Board has been approached to support Mr E Kent Smoll as a Director-at-Large for NASBA.

### **MOTION**

Mr Baldwin made a motion that the Board resolve to support Mr Smoll's's nomination as a NASBA Director-at-Large. Mr Forte seconded the motion, which carried unanimously, with Mr Burkett abstaining.

- NASBA requests volunteers to serve on various committees. NASBA provided a list of descriptions of the various committees along with the sign-up sheet.
- Ms Cubitt distributed Board financials.
- Ms Cubitt met with Paul Jarvis and Dinah Raven, both of the SC Treasurer's office, and they discussed the Board's concerns about unlicensed individuals providing financial statements for different state entities which are to be provided to the Treasurer's office annually. Guidelines will be provided to the Treasurer's office to use when reviewing the financial statements. It was mentioned that if an actual financial report, provided by a CPA, is substandard to send the report to the Accountancy Board.
- We are in the process of purchasing a list of CPAs in SC that have registered with the IRS for their Preparer Tax Identification Number (PTIN). We will compare the IRS list with our database and determine who does not have a SC CPA License.
- Ms Cubitt reminded the Board about the Eastern Regional Meeting in Philadelphia on 6/13-6/15.
- She contacted Burl Luce, the same clipping service that the North Carolina Board uses. Their rate is \$99 a month and \$1.40 per clip. It is possible for us to use Google Alerts. Mr Hobbs asked staff to go ahead and use Google Alerts and possibly look for other services to be presented at the June meeting.

## 7. Office of Information Services

Matt Faile informed the Board that the agency is moving toward making all applications available in a digital format. Staff needs to submit the applications in a Word version so OIS can create the web versions. Further discussion ensued regarding digitizing the CPE form.

**8. Consideration of Consent Agreement for Owen Pirkle (CPA 8489) and Wayne Corley (CPA 1735) (See attached)**

**MOTION**

Mr Baldwin made a motion that the Board accept the Consent Agreement for Mr Pirkle as presented. Ms Pike seconded the motion, which carried unanimously.

Mr Hobbs recused himself from the discussion and voting regarding Mr Corley's Consent Agreement.

**MOTION**

Mr Nichols made a motion that the Board accept the Consent Agreement for Mr Corley as written. Mr Burkett seconded the motion.

Discussion ensued whether the Consent Agreement is specific enough regarding the actions needed to be taken by the licensee. Future Consent Agreements will need to be more specific.

The vote was taken, which carried unanimously.

**9. Holly Pisarik, Agency Director**

Ms Pisarik introduced herself to the Board and invited them to contact her if they needed anything.

**Separate motions were made after hearing Items 10, 11, 12, and 13**

**10. Hearings**

Charles A Finley, CPA #2442, Cases #2008-18, 2010-6 and 2011-5

Bob Wilson, from The Wilson Law firm in Greenville, SC, represented Mr Finley.

**11. Consideration of Lila Fowler's Experience as it pertains to obtaining a CPA License**

Senator Tom Davis, from Harvey & Battey, PA located in Beaufort, SC, represented Ms Fowler.

The experience submitted included more bookkeeping than the type of work at a generally acceptable level in order to license.

**12. Consideration of Christine Byrne's usage of Peace of Mind Accounting, LLC as the name for her CPA firm**

Ms Cubitt explained that the Board has taken a more lenient stance in allowing firm names as long as firm names are stating fact. In this particular case she was not comfortable in approving this application, and it is now before the Board.

Ms Byrne explained to the Board that she has two divisions of her practice, one that deals with Elder Care accounting and another that deals with business accounting. She is the sole employee.

**13. Consideration of Kyrstal A Pino's CPA Exam Application**

CPA Candidate has several convictions that go beyond the scope the Board Administrator can approve for the CPA Exam.

**MOTION**

Mr Baldwin made a motion that the Board go into Executive Session for legal advice. Mr Burkett seconded the motion, which carried unanimously.

**MOTION**

Mr Baldwin made a motion that the Board come out of Executive Session. Ms Pike seconded the motion, which carried unanimously.

Mr Hobbs stated that no votes or actions were taken while in executive session.

**MOTION (Item 10)**

Ms Pike made a motion that the State has failed to prove a violation against Mr Finley on the allegation of failure to file tax returns on behalf of the client and also failed to prove the violation against Mr Finley of holding out as a CPA in 2011. Mr Baldwin seconded the motion, which carried unanimously.

As a point of clarification, Mr Hobbs stated that the Board only addressed the cases that were on the docket today and that the Consent Agreement that was issued to Mr Finley in October 2011 is still in effect.

**MOTION (Item 11)**

Ms Pike made a motion that the Board affirms staff's interpretation of Ms Fowler's experience. Mr Baldwin seconded the motion, which carried unanimously.

**MOTION (Item 12)**

Ms Pike made a motion that the firm name, Peace of Mind Accounting, violates Section 40-2-335(B), in that the firm name is misleading. Mr Baldwin seconded the motion, which carried unanimously.

**MOTION (Item 13)**

Ms Pike made a motion that the Board defers action with regard to Ms Pino's issue until the June meeting in order for staff to gather additional information for the Board. Mr Baldwin seconded the motion, which carried unanimously.

**14. Consideration of using AICPA's Comfort Letter Policy**

Comfort Letters are requested by loan originators. The example letter was published by AON, which is the professional liability coverage insurance company that AICPA promotes. The main reason behind the letter is it provides the requester the financial status of the person requesting the loan. The caveat for the licensee issuing the letter, is it states that you should not use anything that the licensee tells the loaning institute to make a credit decision. It was

discussed that the Board does not have statutory authority to mandate licensees to use this letter, but to post it on the Boards website as a “best practice”.

**15. Consideration of the AICPA’s Charter Global Management Accountant (CGMA) designation**

The AICPA is attempting to have the CGMA designation carry more weight than a CPA. It is a way to have a license or a certificate that is not issued through a state jurisdiction. The CGMA designation would be very misleading to the public as an individual would be able to place on their documents that they are members of the AICPA, the public could assume that since the individual is a member they are a CPA when they are not. Mr Baldwin recommended inviting Mr Pat McDermott, CPA, past president of SCACPA to speak to the Board about CGMA at the June Board Meeting.

**16. Board of Accountancy Annual Report**

Mr Hobbs encouraged the Board members to review the information he would send out later that day and let him know if there is anything that needs to be tweaked or changed. It needed to go to the printers the next day in order to have it ready for the following week’s CPA Day at the State House. It will also be passed out later this year at the Professional Issues Update.

**17. Adopt Statement on Standards for CPE, January 2012, Excluding 2.05 – Independent Study**

The Board wanted more time to study the CPE Standards and compare them with statute and regulations. This issue will be held over to the June meeting.

**18. Consideration of Recognition for NASBA’s Past President, David A. Costello, CPA**

Final version:

The South Carolina Board of Accountancy proclamation of recognition and gratitude to Mr David Costello, CPA, for his contribution to the regulation of the accounting profession, as president of the National Association of State Boards of Accountancy from September 1994 to December 2011, presented this 24<sup>th</sup> day of April, 2012.

**MOTION**

Ms Pike made a motion to accept the proclamation as written. Mr Baldwin seconded the motion, which carried unanimously.

**19. Approval of CPA Exam grades**

**MOTION**

Mr Nichols made a motion to approve the CPA Exam grades Ms Pike seconded the motion, which carried unanimously.

**20. Adjournment**

**MOTION**

There being no further business to be discussed at this time Mr Baldwin made a motion the meeting be adjourned. Mr Burkett seconded the motion, which carried unanimously.

The April 24, 2012, meeting of the SC Board of Accountancy adjourned at 4:00 p.m.

Respectfully submitted,

Doris E Cubitt, CPA  
Administrator

Approved at the August 23, 2012, Board Meeting.

---

Donald H. Burkett, CPA, Chair