

Connecticut State Board of Accountancy
Meeting Minutes
Thursday, February 4, 2016 – 10:00 A.M.
Second Floor Conference Room
30 Trinity St., Hartford, CT 06106
Hartford, CT 06106
860-509-6179
sboa@ct.gov

Chairman John H. Schuyler, CPA, called the meeting to order at 10:05 A.M. at the Connecticut State Board of Accountancy, Second Floor Conference Room, 30 Trinity Street, Hartford, CT.

BOARD MEMBERS PRESENT:

John H. Schuyler, CPA, Chairman
Marcia L. Marien, CPA
Peter J. Niedermeyer, CPA
Dannell R. Lyne, CPA
Timothy F. Egan, CPA – Via Conference Call
Mark Aronowitz
Martha S. Triplett, Esq.

BOARD MEMBERS ABSENT:

Karla H. Fox, Esq.

STAFF MEMBERS PRESENT:

James Spallone, Deputy Secretary of the State
Sonia Worrell Asare, Legal Counsel
Stephanie Sheff, License and Application Analyst
Constance O. Sakyi, Paralegal Specialist

OTHERS PRESENT:

Art Renner, CPA, Executive Director of CT Society of CPA

ACTION REQUIRED – Approve Minutes of the January 7, 2016 board meeting.

Ms. Marien made a motion to approve the minutes with corrections. Mr. Aronowitz abstained. Ms. Triplett seconded the motion. All present board members voted in favor.

INFORMATION REPORTS – Administrative Updates

BUDGET – BLANCHE REEVES-TUCKER, FISCAL ADMINISTRATIVE MANAGER

Mrs. Reeves-Tucker provided the board with an overview of the current status of the board's budget in light of the 2016 governor's proposed budget and the 2015 special session budget cuts.

Executive Session – Personnel Matters- The board invited Attorney Sonia Worrell Asare and Deputy Spallone into executive session to discuss a personnel matter.

WI-FI ACCESS

Tom Miano gave the conference room Wi-Fi password to board members.

RENEWAL UPDATES

Attorney Asare stated that there were some password reset issues during the renewal period, otherwise the online renewal process went well. Attorney Asare stated that reminder notices were sent out on January 31, 2016. On February 15, 2016 another notice will be sent to licensees whose status are not current informing them that their status will change to inactive. To date the board's records indicate that 2,686 certificates, 1,361 firm permits and 4,164 license have been renewed. Record's reflect that 174 licensees are in lapse status following the close of the renewal cycle for 2016.

LEGISLATION 2016

Commission and Contingency Fees, Mandatory Online Renewal, Non-Credential Commercial Tax Preparation Services

Attorney Asare informed board members about the proposed 2016 legislative initiatives.

PEER REVIEW COMMITTEE REPORT

Chairman Schuyler will attend the Connecticut Society of Certified Public Accountant's board meeting on behalf of the board to be held on February 15, 2016 to discuss peer review oversight.

MAY RETREAT PLANNING MEETING – LOCATION AND TOPICS

Attorney Asare stated that the May 12th retreat meeting will be held at University of Connecticut Business School located in Hartford, Connecticut. Topics include the PhD Program, Experience Verification Form, CGMA designation, Peer Review and Supervising CPAs.

ANNUAL NEWSLETTER UPDATE

Attorney Asare thanked Ms. Marien for her contribution to the newsletter. Attorney Asare stated that the newsletter will be distributed to members of the board for final review prior to distribution.

SBA-12 COMMITTEE PROPOSAL – EXPERIENCE REQUIRED BY REGISTERED/LICENSED CPAs FROM ALL EXPERIENCE GAINED AFTER FEBRUARY 2016

The board decided to table this discussion until the May Retreat.

EXAM TESTING REPORT 4TH QUARTER 2015

Attorney Asare gave board members copies of the report for review.

MEETING DATES REVISED

Ms. Marien made a motion to approve the revised dates of the 2016 board meetings. Mr. Niedermeyer seconded the motion. All present board members voted in favor.

CANDIDATE CARE 4TH QUARTER 2015

Attorney Asare distributed copies to board members for review.

PUBLIC COMMENT – Opportunity for members of the public to address the board
Mr. Renner stated that Secretary Merrill, Chairman Schuyler, Attorney Asare and board staff attended the Certificate Ceremony on January 28, 2016 at the Aqua Turf at Plainville, Connecticut. Mr. Renner invited board members to the next Certificate Ceremony to be held in May of 2016.

**EXAM AND LICENSING
OLD BUSINESS**

Action required – Industry, Government, or Self Employed Experience, and Other Applications
Amy Brandstetter – Initial CPA Certificate & Initial License, Industry Experience & Public.

Ms. Marien made a motion to approve the application. Ms. Triplett seconded the motion. All present board members voted in favor.

Chelsea Dugas - Initial CPA Certificate & Initial License, Industry and Public Experience.

Mr. Niedermeyer recused himself. Ms. Marien made a motion to approve the application. Mr. Aronowitz seconded the motion. All present board members voted in favor.

Briggs Wealth Management, Inc.- tabled at the January 4, 2016 meeting requesting additional information regarding the services provided by the firm. Mr. Niedermeyer made a motion to approve the application. Ms. Marien seconded the motion. All present board members voted in favor.

Macconel & Dodd - tabled at the January 4, 2016 meeting requesting additional information regarding the structure of the firm. Ms. Marien made a motion to table the application and request for more information. Ms. Triplett seconded the motion. All present board members voted in favor.

NEW BUSINESS

Action Required - Industry, Government, or Self Employed experience, and Other Applications

Theodore Fatse - Initial CPA Certificate & Initial License, Public and Industry Experience

Mr. Egan recused himself from the matter. Ms. Marien made a motion to approve the application. Mr. Aronowitz seconded the motion. All present board members voted in favor.

**REVIEW FIRM PERMITS FOR APPROVAL- INITIAL APPLICATION & FIRM NAME
CHANGE- List Provided**

Ms. Marien made a motion to approve the list. Mr. Lyne seconded the motion. All present board members voted in favor.

PCAOB Inspection Reports Received – Report Date - January 13, 2016

Moore Stephens Lovelace, P.A.

Whittlesey & Hadley, P.C.

EXAMINATION AND CPE EXTENSION – None

OTHER BUSINESS - Enforcement Cases

2015-10 Victor G. Hewitt vs. Michael Weinshel. Allegations: §20-281a (10) is engaging in actions reflecting adversely on the profession of public accountancy.

Substantiated Violations: None. Complainant argued that Respondent increased fees without warning. Complainant states the fees were unwarranted. Complainant states Respondent failed to offer an itemized bills upon request. The matter was submitted to small claims court for nonpayment of fees. Respondent states he offered to explain the charges, but the Complainant refused.

Recusal by Karla Fox, Dannel Lyne and Martha Triplett. Motion by Mr. Niedermeyer to dismiss the matter finding no jurisdiction over fees disputes. Seconded by Ms. Marien. All board members voted in favor.

2015-26 Gavin & Sara Golbourn vs. Michael Weinshel. Allegations: §20-281a (10) is engaging in actions reflecting adversely on the profession of public accountancy and §20-281(a)(5) negligence/ incompetence in the practice of public accountancy.

Substantiated Violations: None. Complainant states that the Respondent overcharged for services rendered for 2013 tax returns. Complainant states that the invoice provided was insufficient and reflected a considerable cost increase in comparison to quoted estimates. Complainant requested an itemized invoice on several occasions, which was never received. Respondent filed suit in small claims court against the Complainant for nonpayment of fees. Complainant expressed concern that the fees were not in line with the services rendered. Respondent states the matter is a fee dispute and should be dismissed.

Recusal by Karla Fox, Dannell Lyne and Martha Triplett. Ms. Marien voted to dismiss the matter finding no jurisdiction over fee disputes. Seconded by Mr. Neidermeyer. All board members voted in favor.

2015-75 – Connecticut State Board of Accountancy vs. Anthony Beatman Allegations: failure to complete continuing education courses in the year 2014 as prescribed by the Connecticut State Board of Accountancy's regulations, §2-280-5 and statutes §20-281d(f) and failure to respond to the notice of continuing education audit.

Substantiated Violation: Respondent claimed 48 total cpe, 18 carryover, 58 total claimed, 20 carryforward. Subsequent to the notice of cpe audit Respondent submitted an additional 41.5 CPE of the original 58 hours cpe submitted. Respondent submitted an additional 20 credits exceeding the delinquent credits, which were not originally reported but are qualifying hours, includes 20 instructor hours. Respondent has sufficient credits for the report cycle, even without justifying the original credits.

Mr. Aronowitz made a motion to dismiss finding no probable cause to continue. Seconded by Mr. Neidermeyer. All voted in favor.

2015-44 - Connecticut State Board of Accountancy vs. Parker Tax Services, LLC Allegations: §20-280-16n false and misleading advertisement; §20-281e practicing without a firm permit.

Substantiated Violations: The Respondent has held an active firm permit, permit #5348, since April 21, 2015. According to the Secretary of the State's website, the Respondent has an active business status, under Business ID: 1140362. Firm name does not include CPA in title. Firm offers bookkeeping, small business accounting, and forensic accounting services. October 13, 2015, the board dismissed the matter finding no probable cause to continue. On November 16, 2015, the matter was reopened and notice of violation was sent to the Respondent, after the board received anonymous communication that Respondent had improperly received a firm permit. The board staff discovered that the firm permit, 5348 was approved as an administrative error. The board communicated to the Respondent and requested immediate surrender of the firm permit; in addition, the firm was prohibited from renewing for the 2016 license year. Respondent surrendered firm permit on November 23, 2015, upon notice from the board that the permit was improperly issued.

Mr. Neidermeyer made for a motion cease and desist agreement prohibiting Respondent from offering certified public accounting services, using the certified public accounting title in business name or otherwise, or advertising offering public accounting services. Seconded by Ms. Marien. All board members voted in favor.

2015-91 – Connecticut State Board of Accountancy vs. Dipto Jaymin Shah Allegations: §20-280c engaging in the unauthorized use of the CPA title from the years 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015 by failing to renew Connecticut Certificate number 13613, while maintaining a practice in the state of Connecticut.

Substantiated Violations: Respondent submitted proof of tax preparer ID number. Respondent submitted proof of valid South Carolina issued license CPA 5669, which was issued in 1999. Respondent submitted a sworn affidavit stating that she provides tax preparation services, but does not sign financial statements or provide audit services nor does she sign returns. Respondent has completed power of attorney forms, as a CPA referencing Connecticut certificate number. Respondent states that she was under the impression that her firm was paying her certificate fees and became aware of the certificate status issue after IRS contacting her regarding her Connecticut certificate status. Respondent registered her certificate for the year 2015. Respondent has maintained her continuing education requirement for all the years in question. Respondent works for a Connecticut firm and resides in Connecticut. Respondent never held a Connecticut license, she has only held Connecticut certificate.

Ms. Triplett made a motion to settle the matter imposing late fees and certificate fees for the years 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015 for a total civil penalties of \$680.00. Board acknowledges respondent paid the certificate fee of \$40.00 for 2015. The board acknowledges that the Respondent renewed her 2016 certificate. Respondent shall submit 40 hours of cpe for the years 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, although not required for certificate. Respondent shall take 4 hours of ethics to be reported by June 30, 2016. Seconded by Mr. Lyne. All board member voted in favor.

2014-10 – Derek J. Deleo vs. Anthony W. Cirone, Jr. Allegations: §20-281(n) false and misleading advertisement; §20-281(a) (10) engaging in acts reflecting adversely on the profession of public accountancy and §20-280-16(p) firm name requirements.

Substantiated Violations: Partnership dissolution matter. Respondent demanded a dissolution of the partnership and Complainant reluctantly agreed, but did not immediately terminate partnership interest. Respondent sent communications to clients stating the partnership was dissolved and there was a new partnership. Complainant filed a motion for injunction enjoining the Respondent from holding out to the public, advertising and/or otherwise operating the Limited Liability Partnership Equale & Cirone, LLP as a partnership of Anthony Cirone, Jack Tyransky and/or Joseph Equale and requested that the Respondent immediately cease and desist from using the letterhead or any stationary, advertisement, etc., as it would lead to client confusion. The motion was denied by the court. Court found no evidence supporting harm or errors regarding firm name of dissolution. Complainant is appealing the court decision. Evidence was submitted that the partnership agreement was terminated on June 30, 2013, in accordance with the partnership agreement. On October 22, 2015 a judge found that Complainant's interest was terminated effective June 30, 2015. (DBD-CV-13-6013571-S)

Motion by Ms. Marien to dismiss the matter finding no probable cause to continue. Seconded by Ms. Triplett. All board members voted in favor.

PUBLIC COMMENT - None.

ADJOURN

Ms. Marien made a motion to adjourn the meeting at 12:02 P.M. Mr. Lyne seconded the motion. All present board members voted in favor.

Next scheduled meeting: Thursday, March 3, 2016 – 10:00 AM – 2nd Floor, 30 Trinity Street, Hartford, CT.

SBA-12 SUBCOMMITTEE MEETING

Meeting began at 12:05 pm. Members include Mr. Lyne and Ms. Marien. Members discussed the experience section under industry of the application, recommending further review of other state board experience requirements. The meeting was adjourned at 12:45p.m.