

Minutes of the South Carolina Board of Accountancy
Wednesday, January 26, 2005, at 9:00 A.M. in Meeting Room 108
Synergy Office Park, Kingstree Building, 110 Centerview Drive
Columbia, South Carolina

Debra A. Turner, Chairman, called the meeting of the South Carolina Board of Accountancy to order at 9:00 a.m. with a quorum present. Other Board members present: Charles L. Talbert, III, Vice-Chairman, Donald H. Burkett, Secretary, K. Brodie Brigman, Jr., Joseph S. Cone, Robert T. Foster, Jamison W. Hinds, and H. McRoy Skipper, Jr.

All Board Members were present. One Board Member position is legally vacant at the present time awaiting appointment by the Governor.

Staff members participating during the meeting included: Doris E. Cubitt, Administrator; Sharon Dantzler, Chief Deputy General Counsel, and Geoffrey Bonham, Assistant General Counsel, LLR-Office of General Counsel; Kathy Prince, Investigator; Margery McWhorter, Administrative Assistant and Michael Teague, Administrative Specialist.

The Chairman announced the meeting was being held in accordance with section 30-4-80 of the South Carolina Freedom of Information Act by notice mailed to The State Newspaper, Associated Press, WIS-TV and all other requesting persons, organizations, or news media. In addition, notice was posted on the bulletin board at the main entrance of the Kingstree Building.

A moment of silence was observed after which Brodie Brigman led all present in the Pledge of Allegiance to the Flag of Our Country.

1. On motion by Charles Talbert, seconded by Robert Foster, and unanimously passed, an agenda was adopted for the meeting.
2. On motion by McRoy Skipper, seconded by Robert Foster, and unanimously passed, the minutes of the meeting held on Thursday, October 28, 2004, were approved.
3. A hearing was conducted based on the complaint against Gary Aaron Fruechtenicht, holder of CPA Certificate No. 3660 (revoked), Case No. 57-1253. The Board was represented by Geoffrey R. Bonham, Esq., Shannon Till Poteat, Esq., was Advice Counsel to the Chairman and Mr. Fruechtenicht was represented by R. Davis Howser, Esq.

After the testimony of witnesses and the arguments were presented by counsel, on motion by Charles Talbert, seconded by Robert Foster, and unanimously passed, the Board went into executive session to receive legal counsel. On coming out of executive session on motion by Brodie Brigman, seconded by Robert Foster, and unanimously passed, the Chairman announced that no vote had been taken.

On motion by Charles Talbot, seconded by McRoy Skipper, and unanimously passed, the Board found as follows:

Item #3 Hearing on complaint against Gary Aaron Fruechtenicht, continued –

The Respondent has violated S.C. Code Ann. §40-2-290(A)(8), §40-2-290(A)(9), §40-1-110(f), §40-1-110(k) §40-2-290(5) and regulation promulgated by the board under Article 1 of Chapters 1 and 2 of Title 40 of the Code of Laws of South Carolina 1976, as amended, specifically S. C. Code Regs. 1-21(A). The Board, therefore, revokes his CPA license. An order will be prepared within 30 days by the Board's attorney.

4. A hearing was conducted based on a Memorandum of Agreement and Stipulations against, Henry F. Specht, Jr., holder of CPA Certificate No. 1988, Case No. 57-1286. The Board was represented by Geoffrey R. Bonham, Esq., Shannon Till Poteat, Esq., was Advice Counsel to the Chairman and Mr. Specht was represented by Gary McCoy, Esq., and Michael Munden, Esq.

After the testimony of witnesses and the arguments were presented by counsel, on motion by Jamison Hinds, seconded by Charles Talbert, and unanimously passed, the Board went into executive session to receive legal counsel. On coming out of executive session on motion by Jamison Hinds, seconded by Donald Burkett, and unanimously passed, the Chairman announced that no vote had been taken

On motion by Charles Talbert, seconded by McRoy Skipper, and passed by a majority with 1 no vote, the board suspended Mr. Specht's license for 120 days, charged him a \$500 fine and he is to take 8 hours of additional CPE in ethics. The fine and suspension will be completed before the suspension will be lifted.

5. Executive Session:
On motion by Charles Talbert, seconded by Jamison Hinds, and unanimously passed, the Board went into executive session to receive legal advice. Upon coming out of executive session on motion by Donald Burkett, seconded by McRoy Skipper, and unanimously passed, the chairman announced that no vote had been taken
6. Complaint/Investigative Activity:
 - A. The Board took action as follows:
 1. Herbert Hucks, CPA Certificate No. 577, Case No. 2004-12. On motion by Brodie Brigman, seconded by Donald Burkett, and unanimously passed, the Consent Order was approved as presented. A copy is attached to these minutes and will be made part of the public record.
 2. Alberta Wasden, Accounting Practitioner Permit No. 437, Case No. 57-1285. The motion by Jamison Hinds, seconded by Robert Foster to accept the consent order was denied with 4 no votes and Donald Burkett abstained. The Consent Order was denied as presented and will be returned to the IRC.

Item #6. Complaint/Investigation Activity: continued

3. Mark D. Midkiff, CPA Certificate No. 6056, Case No.2004-6. On motion by Charles Talbert, seconded by Donald Burkett, and unanimously passed, the Consent Order as presented was denied, and sent back to Investigation to obtain additional information.
4. Robbin A. Johnson, CPA Certificate No. 4448, Case No. 57-1073. On motion by Brodie Brigman, seconded by Jamison Hinds, and unanimously passed, the Consent Order was approved as presented. A copy is attached to these minutes and will be made part of the public record.
5. Jeffrey D. Harmon, CPA Certificate No. 3569, Case No. 20044. On motion by Brodie Brigman, seconded by Donald Burkett, and unanimously passed, the Consent Order was approved as presented. A copy is attached to these minutes and will be made part of the public record.
6. Dana Buckles Peele, holder of SC CPA certificate No. 3709, lapsed in 1994, Case No. 2004-9. On motion by Brodie Brigman, seconded by Donald Burkett, and unanimously passed, the Consent Order was approved as presented. A copy is attached to these minutes and will be made part of the public record.

B. On motion by McRoy Skipper, seconded by Donald Burkett, and unanimously passed the IRC Recommendations to dismiss Case Nos. 57-1052, 57-1405, 57-1420, 2004-8, and 57-1499 were approved.

The Board asked that they be given a report by investigation showing all open cases and their status at all board meetings. Also by consensus the board stated that all matters to be considered at a regularly scheduled meeting by the board should be in the board office 15 business days before the set board meeting date. Any requests for consideration received after that date will be taken up at the next scheduled board meeting.

7. Information Update:

- A. There were no remarks by the Chairman.
- B. There were no advisory opinions.
- C. Legislative update. No report.
- D. The Administrator's report was received as information and contained the following:
 1. The Confidentiality Agreement with PCAOB was signed and returned. One report has been received by our attorney and will be reviewed by the Administrator who will give a report at the April board meeting.

Item #7. Information Update: D. Administrator's report: continued –

2. In response to a request to use the firm name Jones, Jones & Jones 5500 Tax Group was approved by consensus.
3. The financial report was received as information.

8. Old business. There was no old business.

9. New Business:

A. Qualifications for Licensure Committee: On motion by McRoy Skipper, seconded by Chuck Talbert, and unanimously passed CPA Certificates issued October 29, 2004, through January 26, 2004, were approved. (Attachments #1, 1a and 1b)

The application of Heyward H. Harden for CPA Certificate was approved on motion by McRoy Skipper, seconded by Robert Foster, and unanimously passed.

B. Experience/Education Committee: On motion by Jamison Hinds, seconded by Donald Burkett, and unanimously passed, the request of Laura LaMontagne to be able to license under the old law was approved, provided the exam is passed and two years work experience will be completed by July 22, 2006.

C. CPE/Renewal Committee: The Committee met by conference call and recommended that the Board adopt the AICPA Statement on Standards for Continuing Professional Education Programs, excluding Standard No. 5 which is Independent Study. Self-study courses must be approved by QAS. One half hour CPE credit increments (equal to 25 minutes) are permitted only after the first one-hour of credit has been earned in a given learning activity. The requirement of 40 hours per year remains the same, 20 hours is the maximum carryover to the next year. Personal Development courses will remain at a maximum of 8 hours per year with no carryover. Self-study or any in-house courses that deal with how to manage your operation will not qualify for CPE. To qualify, a licensee should take CPE that would enhance their professional competency. The standards refer to credit vs. hours. A credit is equal to a 50 minute hour. A complete report will be made available on the board website. On motion by Brodie Brigman, seconded by McRoy Skipper, and unanimously passed, the report was adopted as policy.

On motion by Jamison Hinds, seconded by Charles Talbert, and unanimously passed, additional time was granted to Harry L. Parker, CPA, to complete his CPE. The CPE for 2003 and 2004 must be completed by June 30, 2005. The extension was based on extreme medical problems.

D. Regulation/Legislative Review Committee: The staff has begun identifying areas where we need regulations. Drafting of some of the regulations has been started and the committee will meet after tax season.

Item #9. New Business: continued

E. Position Response Committee: McRoy Skipper reported he has summarized some NASBA and several quick polls and the responses have been sent.

F. Examination Committee: On motion by Joseph Cone, seconded by McRoy Skipper, and unanimously passed, the grades for the October/November 2004 testing window were approved as submitted by NASBA.

The initial examination application of Catherine L. Moseley was approved on motion by Donald Burkett, seconded by Charles Talbert, and unanimously passed.

G. Character and Fitness Committee: The Chairman appointed Jay Jashinsky, CPA, as the third member of the committee. The committee has met twice. The consent order in Case No. 2004-9 heard earlier by the Board was a recommendation of this committee.

H. By consensus, the following applications and forms were approved to comply with the new law which was ratified July 22, 2004: Accounting Practitioner Licensing Application, Accounting Practitioner License Application Instructions, and Reinstatement Application. As the new regulations are approved, the forms will be changed accordingly. The Board by consensus also approved the requirement of a 2 x 2 photo on applications for reinstatement and applications for certificate.

I. By consensus the June Board meeting was been changed to June 14, 2005, and will meet in room 111.

J. The use of the silver seal for "Emeritus" status was approved. The Board also reiterated the statute is clear that doing any work normally done by a CPA disqualifies someone to request "Emeritus" status even though that work is being done in an office other than a CPA firm.

K. The Board approved a six month period in which a renewal fee would not be charged for license renewal. Licensees will be notified in May that there will be no renewal fee due for the period 7/1/05 through 12/31/05. The next renewal fee will be due by 12/31/05. The renewals will then be on a calendar year, the same as CPE. A letter will be sent to all licensees with a new license card to cover the six-month period.

10. Public Comment: There was no public comment.

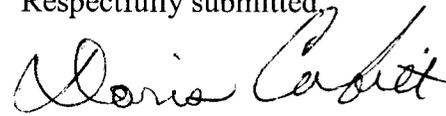
11. The next meeting dates are as follows:

For the year 2005: February – no meeting; March – no meeting; Thursday, April 28, Room 108; May – no meeting; Tuesday, June 14, Room 111; July – no meeting; Thursday, August 25, Room 108; September – no meeting; Thursday, October 27, Room 108; November – no meeting; Thursday, December 8, Room 108.

Members are to reserve the afternoon before each meeting in the event a hearing is scheduled.

12. The meeting was adjourned at 2:10 pm by the Chairman.

Respectfully submitted,

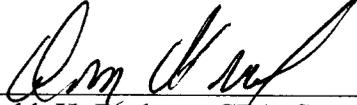


Doris Cubitt, Administrator

Approved at the 4-28- 2005 Board Meeting.



Debra A. Turner, CPA, Chairman



Donald H. Burkett, CPA, Secretary