



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

SHELLY EDGERTON  
DIRECTOR

## MICHIGAN BOARD OF ACCOUNTANCY OCTOBER 7, 2016 MEETING

### APPROVED MINUTES

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Michigan Board of Accountancy met on October 7, 2016, at the Ottawa Building, Conference Room 4, 611 West Ottawa Street, Lansing, Michigan 48933.

#### CALL TO ORDER

Matthew Howell, Chairperson, called the meeting to order at 9:05 AM.

#### ROLL CALL

**Members Present:** Matthew Howell, Chairperson, CPA  
Michael J. Swartz, Vice Chairperson, CPA  
James Bayson, CPA (left at 10:24 a.m.)  
Richard David, CPA  
Barbra Homier, Public Member (left at 10:43 a.m.)  
Kathleen Post, CPA  
Anna Seibold, Public Member

**Members Absent:** Jennifer Kluge, Public Member  
Ola M. Smith, Ph.D., CPA

**Staff:** Kim Gaedeke, Director, Bureau of Professional Licensing  
Andrew Brisbo, Director, Licensing Division  
Janielle Houston, Board Support, Boards and Committees Section  
Ron Hitzler, Board Analyst, Boards and Committees Section  
Kiran Parag, Analyst, Compliance Section  
Jon Campbell, Manager, Investigations & Inspections Division  
Stephanie Rosenthal, Manager, Regulations Section  
Stacie Bayes, Manager, Licensing Division  
Jennifer Fitzgerald, Assistant Attorney General

#### APPROVAL OF AGENDA

MOTION by David, seconded by Swartz, to approve the agenda.

A voice vote was taken.

MOTION PREVAILED

### **APPROVAL OF MINUTES**

MOTION by Bayson, seconded by Homier, to approve the minutes from May 26, 2016 as written.

A voice vote was taken.

MOTION PREVAILED

David abstained from the vote.

### **REGULATORY CONSIDERATIONS**

#### **Petitions**

#### **Tommy Joe Barrow – Reinstatement**

MOTION by Seibold, seconded by Homier, to approve the reinstatement for Tommy Joe Barrow.

Discussion was held.

A roll call vote was taken.

Yeas: Howell, Swartz, Bayson, David, Homier,  
Post, Seibold  
Nays: None

MOTION PREVAILED

#### **Stipulations**

#### **Dawn Lamsa-McAllister**

MOTION by Post, seconded by Swartz, to accept the Consent Order and Stipulation as prepared. Bayson recused himself from the vote.

Discussion was held.

A voice vote was taken.

MOTION PREVAILED

**Sobb Roberts, Inc.**

MOTION by Bayson, seconded by Seibold, to accept the Consent Order and Stipulation as prepared.

Discussion was held.

A voice vote was taken.

MOTION PREVAILED

**Sutton Frost Cary, LLP**

MOTION by Swartz, seconded by Bayson, to accept the Consent Order and Stipulation as prepared.

Discussion was held.

A voice vote was taken.

MOTION PREVAILED

**Wojeski & Company CPAS, PC**

MOTION by Seibold, seconded by Post, to accept the Consent Order and Stipulation as prepared.

A voice vote was taken.

MOTION PREVAILED

**OLD BUSINESS**

None

**NEW BUSINESS**

**Elections**

Hitzler ran the election for Chairperson.

MOTION by Howell, seconded by Bayson, to elect Michael Swartz as Chairperson.

A roll call vote was taken.

Yeas: Howell, Bayson, David, Homier, Post,  
Seibold

Nays: None  
Abstained: Swartz

MOTION PREVAILED

Swartz ran the election for Vice Chairperson.

MOTION by David, seconded by Swartz, to elect Matthew Howell as Vice Chairperson.

A roll call vote was taken.

Yeas: Swartz, Bayson, David, Homier, Post,  
Seibold  
Nays: None  
Abstained: Howell

MOTION PREVAILED

### **Amended list of Suggested Sanctions**

MOTION by Seibold, seconded by Homier, to approve the amended list of suggested sanctions with the removal of item 1c.

A voice vote was taken.

MOTION PREVAILED

### **Board Resolution**

MOTION by Swartz, seconded by David, to approve the resolution regarding preapproved continuing education sanctions. (See Addendum #1)

*A voice vote was taken.*

*MOTION PREVAILED*

### **Department Update**

Hitzler stated that there was a public hearing on September 30, 2016 for the rules and there were no comments made. The Joint Commission on Administrative Rules (JCAR) report is currently being drafted and should be signed before the end of the year.

Brisbo spoke with the Board about his conversation with the National Association of State Boards of Accountancy (NASBA) regarding the new regulation on the auditing of medical marijuana dispensaries. David stated that the American Institute of Certified Public Accountants were also looking into this new regulation under their ethics rules.

Jon Campbell passed out a report on CPA complaints to the Department. (See Addendum #2)

### **Michigan Association of Certified Public Accountants (MICPA)**

Peggy Dzierzawski, President and CEO of MICPA, discussed the 2016 MICPA Awards and announced this year's Chair's Service Award winners Mike Zimmer, Kim Gaedeke, Shelly Edgerton, and Andrew Brisbo. She expressed her appreciation to the Department in their partnership with the MICPA and their support with the implementation and administration of the CPE tracker. She also encouraged members to attend their workshops and communicate with students during a lunch. They are having workshops at Oakland University on November 9, 2016; Western Michigan on March 15, 2017; and Wayne State University on March 29, 2017. She also mentioned the Member Advisory Symposium on May 11, 2017

Dzierzawski stated that 5 Elijah Watt Sells Award recipients are from Michigan.

### **PUBLIC COMMENTS**

Tommy Joe Barrow thanked the Board for allowing his license to be reinstated and Seibold for her comments.

David thanked Matthew Howell for his service as Board Chair.

### **ANNOUNCEMENTS**

The next regularly scheduled meeting will be held January 27, 2017 at 9:00 a.m. at the Ottawa Building, 611 West Ottawa Street, Upper Level Conference Center (UL), Conference Room 3, Lansing, Michigan.

### **ADJOURNMENT**

Howell adjourned the meeting at 10:53 a.m.

Minutes approved by the Board on January 27, 2017.

Prepared by:

Janielle Houston, Board Support

Date: October 13, 2016

Addendum #1



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**BOARD OF ACCOUNTANCY**

**RESOLUTION REGARDING PREAPPROVED CONTINUING EDUCATION SANCTIONS**

At a regularly scheduled meeting of the Michigan Board of Accountancy (Board), held in Lansing, Michigan, the following resolution was adopted:

**WHEREAS:**

The Board is established under the Occupational Code, MCL 339.101, et seq. (Code), to assist the Department of Licensing and Regulatory Affairs (Department) in the implementation of the Code;

The Department is authorized by Section 209(1) of the Code to "perform managerial, administrative, and budgetary functions for each board;"

Pursuant to Section 729(1) of the Code, and "[a]s a condition of license renewal, an individual licensee shall complete at least 40 hours of continuing education for each year since the issuance of the original license or the last renewal;"

Pursuant to Mich Admin Code, R 338.5210(1), "[a] licensee shall earn qualifying hours annually within the continuing education period and shall attest to compliance biennially on a form prescribed by the department;"

Pursuant to Rule 338.5210(3), "[a] licensee is subject to audit under [Rule 338.5210] and may be required to submit the documentation as described by [Rule 338.5210(2)] upon request of the department;"

Pursuant to Section 604 of the Code, a person who violates one or more of the provisions of an article which regulates an occupation or who commits one or more of the grounds indicated under Section 604 of the Code shall be subject to the penalties prescribed in Section 602 of the Code;

In accordance with Section 508(1) of the Code, and following the issuance of a formal complaint, a licensee, then deemed a respondent, is afforded an opportunity to meet with the Department to negotiate a settlement of the matter; and

Under Section 508(3) of the Code, an informal conference may result in a settlement; however, a board may reject a settlement and require a contested case hearing.

THEREFORE:

IT IS RESOLVED that, to more efficiently adjudicate formal complaints alleging a violation of Section 604(h) of the Code, for failing to obtain continuing education credits required for license renewal under Section 729(1) of the Code, the Board, in consideration of the licensee's waiver of the right to a hearing, preapproves the following sanctions and agrees that the Director of the Department, or his/her designee, may execute a consent order, on behalf of the Board, imposing the same:

- 1) If the licensee is short 20%, or less, of the required 80 total hours – Fine of \$500 and placed on probation for 60 days while licensee provides proof that twice the deficient number of hours have been completed. Failure to pay the fine and complete the deficient hours within 60 days shall result in suspension of the license. The suspension shall be automatically lifted upon compliance with the consent order, provided that such compliance occurs prior to the time in which the license is set to expire. In the event Licensee fails to comply with the consent order within such time period, Licensee must apply for relicensure, in accordance with Section 411 of the Code.
- 2) If the licensee is short 21%-50% of the required 80 total hours - Fine of \$1,000 and placed on probation for 60 days while licensee provides proof that twice the deficient number of hours have been completed. Failure to pay the fine and complete the deficient hours within 60 days shall result in suspension of the license. The suspension shall be automatically lifted upon compliance with the consent order, provided that such compliance occurs prior to the time in which the license is set to expire. In the event Licensee fails to comply with the consent order within such time period, Licensee must apply for relicensure, in accordance with Section 411 of the Code.
- 3) If the licensee is short more than 50% of the required 80 total hours - Fine of \$2,000 and placed on probation for 60 days while licensee provides proof that twice the deficient number of hours have been completed. Failure to pay the fine and complete the deficient hours within 60 days shall result in suspension of the license. The suspension shall be automatically lifted upon compliance with the consent order, provided that such compliance occurs prior to the time in which the license is set to expire. In the event Licensee fails to comply with the consent order within such time period, Licensee must apply for relicensure, in accordance with Section 411 of the Code.

IT IS FURTHER RESOLVED that if, as a result of the audit process, it appears that the continuing education credits reported have been falsified, then the above-recommended sanctions shall no longer apply. Such matters shall then be assigned to a Board member for further evaluation with the understanding that depending on the facts and circumstances such sanctions could range from as low as the above-recommended sanctions to as high as the recommended sanctions for committing fraud on an application.

\_\_\_\_\_  
Chairperson  
Michigan Board of Accountancy

\_\_\_\_\_  
Date

Addendum #2

Complaint Number	Complaint Type	Number of Days	Status
328487	Fail to obtain peer-review	25	Formal Action
328992	Self-Report – Stip. Agreement	19	Closed
328533	Felony Conviction	91	Formal Action
328553	Out of State Practice	9	Closed
328584	Out of State Practice	15	Closed
328588	Self-Report Stip. Agreement	44	Formal Action
328622	Out of State Practice	23	Formal Action
328623	Out of State Practice	16	Formal Action
328624	Out of State Practice	12	Closed
328625	Out of State Practice	22	Formal Action
328755	Advertising / Misrepresentation	13	Closed
328756	Advertising / Misrepresentation	37	Closed
328965	Peer Review and Reporting	119*	Closed - Letter
328979	Advertising / Misrepresentation	2	Closed
329074	Peer Review and Reporting	111*	Closed - Letter
329076	Self-Report – Stip. Agreement	11	Closed
329077	Peer Review and Reporting	111*	Closed - Letter
329078	Peer Review and Reporting	111*	Closed - Letter
329082	Self-Report – Stip. Agreement	32	Closed
329083	Peer Review and Reporting	111*	Closed - Letter
329084	Self-Report – Stip. Agreement	8	Closed
329324	Fail to obtain Peer Review	1	Closed / no attest work
329660	Advertise / Misrepresentation	63	Formal Action
329661	Peer Review and Reporting	69	Closed - Letter
329699	Conduct discreditable to Prof.	99	Formal Action

**2016 Accountancy Complaint Update  
Completed Complaints**

**\*Required Board Action to Resolve Peer Review Complaints**

Prepared for closure – working on formal report..... 2

**Open Complaints:**

Moral Character..... 1  
Fail to return documents / business documents / tax returns..... 3  
Failure to complete required peer-review..... 2  
Filing False Tax Returns..... 1  
Advertising / Misrepresentation..... 1  
Fraudulent Business Activities..... 5

Fail to Complete Continuing Education Requirements..... 8

**Complaints Turned over to another Division:**

Fail to Complete Continuing Education Requirements..... 118  
Cases showing no reported continuing Education..... 37  
(6 of the 37 resolved by demonstrating compliance)