

SOUTH CAROLINA DEPARTMENT OF LABOR, LICENSING AND
REGULATION

BEFORE THE SOUTH CAROLINA BOARD OF ACCOUNTANCY

OCTOBER 18, 2011

BOARD MEMBERS:

MARK T. HOBBS, CHAIRMAN

ROBERT W. BALDWIN, VICE CHAIRMAN

DONALD H. BURKETT

DAVID C. NICHOLS

MARK S. CROCKER

GARY F. FORTE

WENDELL E. LUNSFORD

TANYA G. GREENLEE

DEAN GRIGG, ADVICE COUNSEL

This meeting/hearing were held in room 204 at the South Carolina Department of Labor, Licensing and Regulation, The Kingstree Building, 110 Centerview Drive, Columbia, South Carolina, reported by Cecelia P. Englert, Verbatim Court Reporter and Notary Public in and for the State of South Carolina; said meeting/hearing being held on the 18th day of October, 2011, commencing at 9:06 a.m.

1 MR. HOBBS: I'd like to call the meeting to order. The
2 meeting is being held in accordance with the
3 Freedom of Information Act by notice mailed to The
4 State Newspaper, Associated Press, WIS-TV and all
5 other interested persons, organizations or news
6 media. In addition, the notice was posted on the
7 bulletin board at the main entrance of the
8 Kingstree Building. I'd like to ask Vice Chairman
9 Baldwin to lead us in a moment of silence and the
10 Pledge of Allegiance. Will you all please rise.

11 (Board members stand for a moment of
12 silence and reciting the Pledge.)

13 MR. HOBBS: We have a new board member today with us.
14 Tanya, we're so excited you're here with us. You
15 want to -- I know you may have met some board
16 members here earlier for breakfast, and I know you
17 met some last week at the orientation that Governor
18 Haley had. Would you like to make any comments
19 here today for your first meeting?

20 MS. GREENLEE: Sure. I am excited to be here with you
21 guys. It is a great day in South Carolina, I guess
22 as Governor Haley would say. But it is an exciting
23 time, and I'm really humbled to join this board. I
24 think it is truly something of great importance.
25 I've been a CPA for longer than I'd like to admit.

1 And I'm a WOLFORD Terrier, for those of you were
2 that were talking football this morning. We would
3 have loved to have beaten some of you. But I've
4 been in the state, basically my whole life. And
5 just humbled to be here, so.

6 MR. HOBBS: Well, we're glad you're here, and welcome.
7 And if anything we can do, I know Mark is veteran
8 man, sitting there beside you. He's got some --
9 he's got some veteran strips on him. But if
10 anything we can do for either one of you; I know
11 this is Mark's second meeting. But anything we can
12 do, any of the older or longer-serving board
13 members or the staff -- I wouldn't say older, maybe
14 -- but anything we can do to help you, if you have
15 any questions at all, please do not hesitate to
16 call me or anybody at any time. I think we'll be
17 glad to help you get oriented, so we can do our
18 job. But thank you for being here and thank you
19 for being here to serve the citizens of South
20 Carolina.

21 Consideration of excuses for absences of board
22 members.

23 MS. CUBITT: Mr. Chairman, I received a email and a
24 phone call from Malane Pike this morning and her
25 father-in-law had a heart attack about four o'clock

1 this morning, so they're tied up with that.

2 MR. HOBBS: Oh, my goodness.

3 MR. BURKETT: Can you keep us posted about that, please.

4 MS. CUBITT: I will.

5 MR. HOBBS: Do you know his name?

6 MS. CUBITT: It's Miller. His last name is Miller. Her
7 husband's name is Robert Miller. So if he's a
8 junior, it may be that. But I'm sorry, I don't
9 know. She told me "Mr. Miller."

10 MR. HOBBS: Mr. Miller. Well, I'm sorry to hear that.

11 Thank you for that report. Do I hear a motion that
12 we excuse Ms. Pike from this meeting?

13 MR. BURKETT: So moved.

14 MR. BALDWIN: Second.

15 MR. HOBBS: Any discussion?

16 (NO RESPONSE.)

17 MR. HOBBS: Hearing no discussion, all in favor, say
18 aye.

19 BOARD MEMBERS: Aye.

20 MR. HOBBS: Any opposed? Thank you very much. Our
21 agenda, as you heard in the introduction, our
22 agenda has been published, has been available at
23 the front steps of this building, or the front
24 glass doors. I would like to hear a motion that we
25 modify this agenda, since we have guests here for

1 some application hearings, and I know they have
2 some counsel representing at least one of those
3 parties. I would seek a motion from this board,
4 from somebody on this board, that we adopt to
5 change our agenda to move them up first.

6 MR. BALDWIN: I move that we change the agenda, to move
7 the parties present be heard first.

8 MR. BURKETT: Second.

9 MR. HOBBS: Thank you. And I have a motion by Mr.
10 Baldwin and a second by Mr. Burkett to do that.
11 Any discussion?

12 (NO RESPONSE.)

13 MR. HOBBS: All in favor, please say aye.

14 BOARD MEMBERS: Aye.

15 MR. HOBBS: Any opposed? All right. Thank you very
16 much.

17 *****

18 CHAD DANIEL NAGEL

19 MR. HOBBS: So we will start by our special appearances.
20 And Doris, you have a choice on who you would like
21 to go first on these application hearings.

22 MS. CUBITT: Mr. Nagel's here? Okay. He's the first
23 one.

24 THE WITNESS: Good morning.

25 MR. HOBBS: Morning, sir. Let me start with my little

1 thing here. This hearing is called to order. This
2 is the matter of Chad Nagel. The purpose of this
3 hearing is to determine whether the applicant is
4 eligible to apply as a South Carolina candidate for
5 the CPA exam. Everyone is reminded that these
6 proceedings are being recorded and that all
7 witnesses must be sworn before they testify. All
8 remarks should be directed to the chair.

9 Ms. Cubitt, is the information in question in
10 our materials?

11 MS. CUBITT: Yes, sir.

12 MR. HOBBS: Now at this point in time, I imagine we
13 should swear in -- well, first of all, excuse me.
14 What questions did the staff have concerning this
15 application?

16 MS. CUBITT: The staff had questions in that Mr. Nagel
17 did have a couple things on his criminal
18 background, and it's more than I could approve.
19 And he has gotten a pardon for one of them?

20 THE WITNESS: All of them.

21 MS. CUBITT: All of them? Okay. And so it's for you to
22 review that.

23 MR. HOBBS: Okay. And the applicant is present. And
24 Mr. Nagel, we're glad you're here with us. And
25 counsel, could you please give us your full name

1 and address for the record?

2 MR. MOSES: Thank you. My name is Marion Moses. And my
3 address is 2909 Devine Street in Columbia 29205.

4 MR. HOBBS: Are you with a firm?

5 MR. MOSES: My office is called The Law Office of Marion
6 M. Moses, LLC.

7 MR. HOBBS: Thank you, Counselor Moses. I'm going to --
8 would you like to present your position here?

9 MR. MOSES: Thank you. Good morning lady and -- I do
10 have some documents that I'd like to pass forward.
11 Would now be the appropriate time?

12 MR. HOBBS: Yes, it would.

13 MR. MOSES: Thanks.

14 (Papers are distributed.)

15 MR. MOSES: In the packet of information that I've just
16 passed forward, you'll see the first document at
17 the top is the Certificate of Pardon. And I can
18 summarize it or I can explain it, however you'd
19 like. But Chad Nagel, sitting right here to my
20 right, Chad has applied to take the exam. That's
21 why we're here today, to review and consider him
22 for an applicant, to be able to sit for the exam.

23 Chad has some prior criminal history that he
24 was convicted of in the '90s, Chad went through a
25 time in his youth where he had a substance abuse

1 problem. And since the '90s, he has addressed
2 that. In 2000, he went into an in-patient rehab
3 place. And in year 2000, he got clean, and he has
4 not looked back since. He has been a very
5 productive citizen since then. He has gotten
6 married since then. He's held steady employment
7 since then.

8 And he went back to school in 2008 and
9 completed his undergrad at the University of South
10 Carolina. And then he went to the College of
11 Charleston and completed his Masters in
12 Accountancy?

13 THE WITNESS: Yes.

14 MR. MOSES: Masters in Accountancy, 30 hours worth of
15 work requirements there. He graduated College of
16 Charleston in his master's program with a 4.0 GPA.
17 He graduated undergrad at Carolina with a 3.9 GPA.
18 Chad has turned his life around since the time
19 where he was convicted of these crimes.

20 Now, the reason I've put the pardon at the
21 beginning, Chad, he was convicted -- I've been
22 through his convictions real quickly. And I
23 believe that -- the reason I didn't put a copy of
24 his arrest record is because I was led to believe
25 that y'all already had a copy of that. Does

1 everybody have a copy of his arrest record?

2 MR. HOBBS: Yeah.

3 MR. MOSES: On the first page of his arrest record in
4 1994, he is convicted of driving under the
5 influence. In 1997, he is convicted of simple
6 possession of marijuana. In 1997, he is also
7 convicted of a fraudulent check charge. And then
8 in 2001, he was convicted of possession of a
9 controlled substance. And it was in 2001 or 2002
10 -- 2001 that he went to the in-house, in-patient
11 treatment for rehab.

12 If you look at the pardon, and I don't know
13 how familiar some of you may or may not be about
14 the pardon application and pardon requirements, but
15 it is a very extensive and intensive investigation
16 from the state Pardon and Parole Board. And he
17 applied for a pardon in 2010, and he was granted a
18 pardon from the state in 2011, just recently,
19 August of 2011, and actually September, September
20 7th, 2001, here just about a month ago, little over
21 a month ago, for all of his convictions, every
22 single one of them.

23 The Pardon and Parole Board does not look at
24 these things lightly. They do an intensive
25 investigation. They talk to all the employers.

1 They talk to the neighbors. They talk to just
2 about anybody who's ever known him. And they have
3 pardoned him for all of his transgressions,
4 legally. I think it's a testament to Chad for
5 someone who does have a substance abuse problem, to
6 address it, to take it by the horns and get control
7 of it, and that's exactly what he's done.

8 And for the past ten years, he has been a
9 substance-free, law-abiding citizen. Not only
10 that, he has gone back to school. He has not only
11 gone back to school, he has excelled in school.
12 He's excelled in his master's program. He's
13 focused. He wants to become an accountant, a CPA.
14 And he wants to sit for this board.

15 Let me explain the significance of the pardon
16 to you. The second page that I've attached gives
17 you a definition that our state legislature has
18 given to pardons. And it's Section 24-21-940. "A
19 pardon means that an individual is fully pardoned
20 from all the legal consequences of his crime and of
21 his conviction, direct and collateral, including
22 the punishment, whether of imprisonment, pecuniary
23 penalty or whatever else the law has provided."

24 And I emphasize "direct and collateral." When
25 you're convicted of a crime, oftentimes the only

1 penalty, the one that you see on the surface,
2 whether it's jail time or a fine or whatever,
3 that's your direct penalty of the crime. But
4 oftentimes, there's collateral consequence, such as
5 a loss of a driver's license or something like
6 that. And in this case, maybe the loss of the
7 opportunity to have a CPA license or some other
8 type of professional license.

9 In a pardon, the affect of the pardon is to
10 forgive him of all that and to restore his rights
11 and to restore him to a status of being eligible
12 for these licenses, being eligible and forgiving
13 him of all his direct and collateral consequences
14 of the crime. That's what this pardon has done.
15 The pardon has fully pardoned him from all of that.

16 The second page that you see I've attached is
17 Section 24-21-990, "Civil rights restored upon
18 pardon." And this is what our legislature has
19 defined as a consequence of a pardon as well. "A
20 pardon shall fully restore all civil rights lost as
21 a result of a conviction, which shall include the
22 right to" -- and if you'll go down to No. 7 -- "be
23 licensed for any occupation requiring a license."
24 So our legislature spelled it out in 24, 21 and 990
25 as well, that this pardon of his convictions have

1 restored his right to have a license, a license for
2 a professional -- a professional license; excuse
3 me.

4 The third page that I've attached is Section
5 40-2-140, affective prior criminal conviction on
6 authorizations and practice. This is in the
7 Accounting Code. And it states that "a person may
8 not be refused an authorization to practice, pursue
9 or engage in accounting, solely because of a prior
10 criminal conviction." And I think that was
11 important just because we're here telling you that,
12 hey, he's been convicted. And the application,
13 where on the application, it says "Have you ever
14 been convicted of a crime, other than a minor
15 traffic offense?" He answered, "Yes." He showed
16 the application process, yes, I have been convicted
17 of this. He's saying, I'm not trying to hide it;
18 I've been convicted. However, I've also been
19 pardoned. And so as far as the truthfulness or
20 anything, I don't think that's an issue. He's been
21 very truthful as far as what's going on here.

22 He's just here to ask for consideration and
23 forgiveness from the board, to allow him to sit for
24 the exam. I've attached a few other documents on
25 here. His resume, for one, just to state -- just

1 to show you in kind of a narrative that, you know,
2 he did have a 3.94 GPA from undergrad. He had a
3 4.0 GPA from his Master's of Science in
4 Accountancy. He is a certified internal auditor.
5 He is a certified fraud examiner. He is a
6 certified -- or he's in the process of getting his
7 certified information system's auditor, that CISA.
8 And so he's in the process of doing all these
9 things.

10 He's held gainful employment. He worked at
11 Verizon Wireless. He moved up in the company from
12 2004 until 2010 from a coordinator for customer
13 service, a supervisor to a coordinator for audit
14 analysts and compliance. So he's not out loafing.
15 He's out hustling and he's really turned his life
16 around.

17 He's married to a wonderful woman. They've
18 been married since 2005. No children. She's a
19 scientist down at MUSC, and I can't even begin to
20 tell you what kind of sciences.

21 MS. NAGEL: Biochemist.

22 MR. MOSES: A biochemist. Thank you. And they just --
23 they're ready to move forward with their life. He
24 wants to move forward with his professional life.
25 He's taken great steps over the past ten years to

1 do so. So his transcripts here showing his 4.0,
2 his transcript from undergrad showing 3.9.

3 I think that it's probably time for me to just
4 be quiet. And if Chad can address you, I think
5 Chad would like to address.

6 MR. HOBBS: Mr. Moses, if possible, can we swear the
7 witness in?

8 MR. MOSES: Yes, sir.

9 MR. HOBBS: Swear him in.

10 (The witness is sworn in.)

11 COURT REPORTER: Can you state your name for the record,
12 please.

13 THE WITNESS: Chad Daniel Nagel.

14 MR. HOBBS: Mr. Nagel, thank you for being here with us.
15 Do you have anything you'd like to add to what your
16 attorney has already said? And the board members
17 may have various questions for you. But if you'd
18 like to make some opening comments. Your attorney
19 has obviously offered some for you on your behalf.
20 If you'd like to add anything --

21 THE WITNESS: He has out of -- he -- he has given a
22 pretty complete record of the last ten years for
23 me. I feel like the last ten years have been
24 positively moving forward, little by little, in
25 order to reach this point. I've been trying to

1 reach this point for at least the last six years,
2 working full time and also going to school at night
3 and on weekends at Greenville Tech, then USC, and
4 then finally College of Charleston. So I hope that
5 when I leave here, I have authorization to sit for
6 the exam. Other than that, I think he covered all
7 the details.

8 MR. HOBBS: Do we have any questions from the board?

9 MR. BALDWIN: I have one question. Do I understand
10 correctly that -- I know you don't have any further
11 involvement with illegal substances. Are you
12 dealing with any alcohol issues?

13 THE WITNESS: No.

14 MR. BALDWIN: You don't drink.

15 THE WITNESS: I do drink responsibly.

16 MR. BALDWIN: Okay. Thank you.

17 MR. HOBBS: Any other questions? Mr. Nagel, one thing
18 on your resume, I noticed your resume. I'm going
19 to ask one. I don't have a whole lot of questions
20 because I think you did cover -- your opening
21 statement was very thorough, Mr. Moses. Your
22 experience on your resume at Verizon goes through
23 July 2010. Looking at your resume, looking at your
24 school, you've been pretty much in school since
25 then? You've been going full time back to school?

1 Is that what you've been doing?

2 THE WITNESS: Yes. At the end of my Verizon employment,
3 we moved to Charleston, so that my wife could work
4 at MUSC in her new position. At that time, I
5 applied to the College of Charleston Graduate
6 School and was accepted and went there full time
7 for a year. Since then, I do work for a public
8 firm in Charleston, South Carolina, since July.

9 MR. HOBBS: A CPA firm?

10 THE WITNESS: Yes, sir.

11 MR. HOBBS: Any other questions?

12 MR. MOSES: He's not being vague about the CPA firm that
13 he works for. He's just trying to -- because of
14 the situation with his prior criminal history and
15 everything, didn't want to embarrass the firm, if
16 that might be an embarrassment to them. But if
17 y'all would like to know who he's working for, be
18 glad to disclose that.

19 MR. HOBBS: Does anybody want to know that?

20 BOARD MEMBERS: (No audible response.)

21 MR. HOBBS: Anybody have any other questions?

22 (NO RESPONSE.)

23 MR. HOBBS: Hearing no other questions, do you have any
24 final remark, Mr. Nagel? or from your attorney?

25 THE WITNESS: Thank you for allowing me to come here and

1 plead my case.

2 MR. MOSES: My final remarks would be just to reiterate
3 briefly just the Certificate of Pardon and its
4 significance, and just to respectfully ask that
5 that's not given a negative affect to his
6 eligibility to sit for the exam. And to please
7 take into consideration the past ten years of his
8 life and the positive steps he's taken, and the
9 fact that he is eligible to sit for the exam, as
10 far as the other requirements that is put on
11 applicants as far as academics and that sort of
12 thing. He's eligible to sit, if the board sees fit
13 to allow him, based on the pardon and based on the
14 prior criminal history that he's got, that is
15 actually wiped away. It doesn't come off of your
16 record. It will always show on his record, but it
17 shows with a pardon. And the affect of it is that
18 it's wiped away. And I will also just point out
19 that all of the convictions that he is convicted of
20 are misdemeanors.

21 MR. HOBBS: Mr. Moses, Mr. Nagel, thank y'all so much
22 for being here today. We're going to consider your
23 case a little later today. We've got some other
24 hearings to have. Y'all are certainly welcome to
25 stay, or you can be excused and we'll contact you

1 once we make our decision. Hope that's acceptable
2 to you. Thank you so much for being here.

3 THE WITNESS: Thank you.

4 MR. BURKETT: Good luck.

5 MR. HOBBS: And Ms. Nagel, thank you for being here too.

6 MS. NAGEL: (No audible response.)

7 MR. BURKETT: We have a couple more to hear; is that
8 right?

9 MR. HOBBS: We do. We do.

10 MR. BURKETT: It may not be that long, though, right?

11 MR. HOBBS: It may not be very long.

12 MR. BURKETT: It may not be long.

13 MR. HOBBS: Mr. Nagel, it may not be that long before we
14 make a decision, if it makes any difference to you.

15 MR. BURKETT: We got two more to hear, but I don't think
16 it will be late this afternoon, if that's what
17 you're thinking.

18 THE WITNESS: Okay.

19 *****

20 BYRON DUREN

21 MR. HOBBS: Doris, we're getting ready for No. 2.

22 MS. CUBITT: Yes, sir. It's Byron Duren. He had to go
23 out of town for work and we're just going to
24 present his -- in his absence, we're going to go
25 ahead and go through it and let y'all -- we'll give

1 our statement and y'all can make a determination.

2 MR. HOBBS: Okay. The purpose of this hearing is to
3 determine whether Mr. Byron Duren is eligible to
4 apply as a South Carolina candidate for the CPA
5 exam. Mr. Duren has advised staff that he was
6 unable to make today's meeting, so staff is going
7 to present the evidence for this board to make a
8 decision on, in this situation.

9 Everyone is reminded that these proceedings
10 are being recorded and that all witnesses must be
11 sworn before they testify. And all remarks should
12 be directed to the chair.

13 Doris, I'm going to turn it over to you.

14 Well, I think I am.

15 MS. CUBITT: I'm sorry, Mr. Chairman.

16 MR. HOBBS: I said I'm going to turn it over to you. Do
17 you need to be sworn in?

18 COURT REPORTER: I don't think so.

19 MR. HOBBS: I don't think so either.

20 MS. CUBITT: July 30th, 2011, Mr. Duren was sitting for
21 the exam in Asheville, North Carolina, and he had
22 computer problems and it would not allow him to
23 finish the FAR section of the exam. He did call us
24 immediately afterwards, you know, was concerned.
25 There was some discussions back and forth with the

1 test provider. They went in and looked and did
2 determine that there was something unusual, and he
3 was given the opportunity to sit again. But his
4 other sections expired -- let me get this straight
5 -- July 31st of '11. And so he was testing on --
6 that was the last day that he could have tested for
7 those other grades to still remain good. And so he
8 did retest on August the 29th. He passed FAR on
9 that date. So he's just asking that the auditing
10 expiration date be extended to the August 29th
11 date, so he will have passed all four parts within
12 the 18 month requirement.

13 MR. HOBBS: Questions for Ms. Cubitt?

14 MR. BURKETT: But it was determined it was a problem
15 with the computer system. Is that what you said?

16 MS. CUBITT: Yes, sir. And they gave him a free retest
17 and --

18 MR. BURKETT: A free retest, okay.

19 MS. CUBITT: Uh-huh.

20 MR. HOBBS: Do you have any more information about the
21 extent of that problem, just for the board's
22 information?

23 MS. CUBITT: Not really. Any individual computer can
24 have a problem at times. And they didn't know
25 whether it didn't load correctly or what. But when

1 he was trying to bring it up, they would -- it
2 would be a real long time between questions and
3 before stuff would come up. And he ran out of time
4 with a significant amount yet to complete. And he
5 had always finished all three parts prior to the
6 time. He always had extra time. They did
7 determine it was something.

8 MR. HOBBS: Any other questions for Ms. Cubitt?

9 (NO RESPONSE.)

10 MR. HOBBS: Ms. Cubitt, I don't think the board has any
11 other questions on this matter. And that will end
12 -- unless you have anything else to present, that
13 will end the discussion on this and we'll take that
14 under advisement when we go into executive session.

15 MS. CUBITT: Okay.

16 *****

17 ANDREW PAUL DOBSON

18 MR. HOBBS: Mr. Dobson, Andrew Dobson. Good morning,
19 Mr. Dobson.

20 THE WITNESS: Good morning. How are you doing this
21 morning.

22 MR. HOBBS: Good, good. I'd like to call this hearing
23 to order. This is the matter of Andrew Dobson.
24 He's here with us today. And Mr. Dobson, we're
25 glad to have you here.

1 The purpose of this hearing is to determine
2 whether Mr. Dobson is eligible to apply as a South
3 Carolina candidate for the CPA exam. Everyone is
4 reminded that these proceedings are being recorded
5 and that all witnesses must be sworn before they
6 testify. All remarks should be directed to the
7 chair.

8 Ms. Cubitt, is the information in question in
9 our materials?

10 MS. CUBITT: Yes, sir.

11 MR. HOBBS: What questions did the staff have concerning
12 this application?

13 MS. CUBITT: Mr. Dodson is here today to ask for an
14 extension. He's passed -- correct me if I'm wrong
15 -- FAR B, E, C and Reg. And you still need to take
16 audit?

17 THE WITNESS: Yes, ma'am.

18 MS. CUBITT: And FAR is due to expire 10/31/11. And in
19 the past 18 months, Mr. Dobson has had a lot of
20 personal, family issues and, in fact, two of his
21 brothers have passed away in the last 18 months.

22 MR. HOBBS: Mr. Dobson, you're not represented by
23 counsel. You know you're entitled to have an
24 attorney present? Staff --

25 THE WITNESS: Yes.

1 MR. HOBBS: -- told you that. And you did understand
2 that?

3 THE WITNESS: Yes, sir.

4 MR. HOBBS: Okay. Very good. And you're electing to
5 waive that right --

6 MR. GRIGG: I'm sorry to interrupt, but did we have him
7 sworn in?

8 COURT REPORTER: No.

9 MR. GRIGG: Let's have him sworn in before you ask him
10 questions.

11 MR. HOBBS: All right. Thank you Mr. Advice Counsel.
12 It's my first hearing here, so I'm kind of a rookie
13 kid.

14 (The witness is sworn in.)

15 MR. HOBBS: Going back, Mr. Dobson, you were told that
16 you could have counsel today and you've elected not
17 to have it; is --

18 THE WITNESS: Yes.

19 MR. HOBBS: -- that correct? And you're representing
20 yourself.

21 THE WITNESS: Yes, sir.

22 MR. HOBBS: We're glad you're here. Would you please
23 give us your full name and your background and your
24 position, and tell us a little bit more about
25 what's happened to you.

1 THE WITNESS: All right. My name's Andrew Paul Dobson.
2 I have been working for about a year in a CPA's
3 firm, taking the exam since April of 2010. And in
4 October -- October 15th, actually -- extension
5 deadline date, so they're all kind of stressed -- I
6 found out that my oldest brother, Robert, who was
7 53 passed away from a heart attack suddenly and
8 unexpectedly. I had another brother, who I'll talk
9 about in a little bit, who we all thought would be
10 the first one to pass away and it wasn't. So this
11 one really caught us all by surprise. I'm one of
12 nine kids. So we're a very, very close family,
13 taking trips every year. The whole family goes,
14 all 23 of us. It's a chance for my dad to get
15 together with all his boys and really spend some
16 time and get to know my nieces and my brothers and
17 all of that.

18 He died on October 15th, 2010. At that point
19 in time, I was attempting to study. I had taken
20 all four parts of the exam and I was attempting to
21 study for parts that I had not passed. Because of
22 his death being so sudden and the toll it took on
23 my dad after I lost a sister approximately 20 years
24 ago, it kind of brought all that back. So I felt I
25 needed to be with my family. It also put a lot on

1 my little sister, who I'll talk about in a minute.
2 So I was unable to test, due to needing to be with
3 my family, for emotional reason, in the last
4 testing window of 2010.

5 On July 17th, 2011 -- the date in the letter
6 is actually wrong -- my other brother, the one who
7 had been sick, passed away. Although it was
8 sudden, he had complete liver and kidney failure
9 approximately two and a half years ago. But it had
10 since, in the last year, gotten onto state
11 disability and was having all his medications paid
12 for, as well as doing the best he had done in
13 years. I had never seen him that active. He would
14 just come by, swing by, say "Hey." And, I mean,
15 you know, we all thought, "Oh, well, he'll be the
16 first one to leave us." And on July 17th, he had a
17 massive heart attack and died.

18 After this, it took a really hard toll on my
19 little sister. We adopted my little sister from
20 Guatemala when she was seven years old. She went
21 from mother to grandmother to orphanage to us. So
22 she has severe connection issues and abandonment
23 issues, as well as post-traumatic stress disorder
24 syndrome, and she is severely suicidal. She
25 actually had to be arrested, taken by ambulance to

1 the Greenville County Hospital shortly after Mike's
2 passing, because she had attempted suicide by
3 overdose.

4 Due to all of this, I was -- our family is
5 very, very emotionally stressed at the time. And I
6 was set to take a section of the CPA exam two weeks
7 later. I had been studying for that section, and
8 so I had a little bit of -- of studying there. But
9 because of the suddenness of his death, I was
10 unable to study for the next section that I took a
11 month, six weeks after that.

12 I'm here today to ask for an extension on my
13 -- the rolling 18 month period that will end July
14 -- or October 31st of this year. In the letter
15 that I sent, that is all laid out there. Both of
16 the obituaries are attached. If you have any
17 questions --

18 MR. BALDWIN: I've got one.

19 MR. HOBBS: Mr. Baldwin.

20 MR. BALDWIN: Mr. Dodson, did you take an exam since the
21 death of your brothers?

22 THE WITNESS: I've taken two. And I've taken those two
23 -- one was two weeks after his funeral --

24 MR. BALDWIN: I was wondering. So you sold your dome
25 and tried.

1 THE WITNESS: Yeah. I did. I went ahead and did it the
2 best I could --

3 MR. BALDWIN: Thank you.

4 THE WITNESS: -- because I knew that --

5 MR. BALDWIN: No, you were being diligent.

6 THE WITNESS: Right.

7 MR. BALDWIN: Yeah. Thank you.

8 MR. BURKETT: How long of an extension are you asking
9 for? Are you asking for 30 days? 60 days? 90 days?
10 What are you asking for?

11 THE WITNESS: I would like an extension to the end of
12 this testing time.

13 MR. BURKETT: Which would be when? Just, Doris? Does
14 anybody --

15 THE WITNESS: It would be through November.

16 MS. CUBITT: Yeah, they'll test -- they test October and
17 November and it's closed in December.

18 THE WITNESS: Then I will just mention this, the next
19 section I will lose -- if -- if the October 31st,
20 I'll -- I'll lapse on FAR. January 31st, I will
21 lapse on BEC. So that's kind of a -- when I've
22 passed and where, everything.

23 MR. HOBBS: But you're seeking through like the end of
24 November.

25 THE WITNESS: Right.

1 MR. BURKETT: That's what you're asking.

2 THE WITNESS: Through the end of -- through the end of
3 -- just through the end of this testing window.

4 MR. BALDWIN: And you only need one more part?

5 THE WITNESS: One more. That's all.

6 MR. HOBBS: Any other questions?

7 (NO RESPONSE.)

8 MR. HOBBS: Hearing no other questions, do you have
9 anything else to say? We're sorry for all your
10 tragedy and very sorry to hear that. We will take
11 this information as presented to us under
12 advisement. Hopefully, we'll be making a decision
13 real soon. Thank you for being here.

14 MR. BALDWIN: Good luck.

15 THE WITNESS: Thank you.

16 MR. BURKETT: Is that the last one?

17 MR. HOBBS: That is the last one, and I'm seeking a
18 motion --

19 MR. BURKETT: I move we go into executive session.

20 MR. HOBBS: -- we go into executive session.

21 MR. BALDWIN: Second.

22 MR. HOBBS: There's a motion on the floor by Mr. Burkett
23 and a second by Mr. Baldwin to go into executive
24 session. Is there any discussion?

25 (NO RESPONSE.)

1 MR. HOBBS: All in favor, please say aye.

2 BOARD MEMBERS: Aye.

3 MR. HOBBS: Any opposed? All right. We will go into
4 executive session.

5 (Executive Session.)

6 MR. BALDWIN: Mr. Chairman, I make a motion we move out
7 of executive session.

8 MR. HOBBS: Do I hear a second?

9 MR. BURKETT: Second.

10 MR. HOBBS: Second by Mr. Burkett. Any discussion? All
11 in favor, please say aye.

12 BOARD MEMBERS: Aye.

13 MR. HOBBS: Any opposed?

14 (NO RESPONSE.)

15 MR. HOBBS: Motion's unanimous. It should be noted that
16 no votes were taken during executive session. Do I
17 hear a motion from anyone on cases that we heard
18 before executive session, on the first one, Mr.
19 Chad Nagel?

20 MR. BURKETT: I move that we allow him to sit for the
21 exam.

22 MR. HOBBS: A motion is made by Mr. Burkett to allow Mr.
23 Nagel to sit for the CPA exam. Do I hear a second?

24 MR. FORTE: Second.

25 MR. HOBBS: Second by Mr. Forte. Any discussion?

1 (NO RESPONSE.)

2 MR. HOBBS: All in favor, please say aye.

3 BOARD MEMBERS: Aye.

4 MR. HOBBS: Any opposed?

5 (NO RESPONSE.)

6 MR. HOBBS: Motion is unanimous.

7 MR. BALDWIN: Good luck.

8 MR. BURKETT: Good luck.

9 THE WITNESS: Thank y'all very much.

10 MR. HOBBS: Mr. Moses, Mr. Nagel, Ms. Nagel.

11 MR. MOSES: Thank you.

12 *****

13 MR. BALDWIN: Mr. Chairman, I would like to make a
14 motion that in the matter of Mr. Byron Duren, that
15 we extend the testing period through the time of
16 his taking the exam and passing the last part that
17 he took.

18 MR. BURKETT: Second.

19 MR. HOBBS: There's a motion on the floor by Mr.
20 Baldwin, to allow him an extension till he pass the
21 CPA exam, his final part. And I heard a second by
22 Mr. Burkett.

23 MR. BALDWIN: And to clarify that date.

24 MS. CUBITT: Yeah, you said "until he passed."

25 MR. BALDWIN: No. When he passed. He did pass.

1 MS. CUBITT: Okay. Okay.

2 MR. BALDWIN: In other words, what I'm saying is we
3 understood from you that he took the exam in --

4 MS. CUBITT: He did.

5 MR. BALDWIN: -- in November -- correction, was it
6 October?

7 MR. DUREN: Yeah.

8 MS. CUBITT: You're correct.

9 MR. BALDWIN: I just want to be clear. He has already
10 taken the exam and we are approving the taking to
11 replace the machine --

12 MS. CUBITT: Yeah, August 29th, '11 was the date.

13 MR. BALDWIN: Was the date. Through that date, he is
14 extended to.

15 MR. HOBBS: And that was a motion by Mr. Baldwin and
16 seconded by Mr. Burkett?

17 MR. BURKETT: Yes.

18 MR. HOBBS: Any discussion on that motion?

19 (NO RESPONSE.)

20 MR. HOBBS: All in favor, please say aye.

21 BOARD MEMBERS: Aye.

22 MR. HOBBS: Any opposed? It is unanimous.

23 *****

24 MR. HOBBS: Do I hear a motion on the matter of Mr.
25 Dobson? Or let's discuss Mr. Dobson.

1 MR. GRIGG: Mr. Chairman, if I can interrupt you for a
2 second on Mr. Dobson. During executive session, it
3 was brought to my attention that Mr. Crocker, I
4 believe, realized he had some relationship to Mr.
5 Dobson's family; is that correct, Mr. Crocker?

6 MR. CROCKER: Yes.

7 MR. GRIGG: And at this time, once you made me aware of
8 that, you did not participate any further in
9 executive session; is that correct?

10 MR. CROCKER: Correct.

11 MR. GRIGG: And you would like to recuse yourself at
12 this time from voting.

13 MR. CROCKER: Yes.

14 MR. GRIGG: Mr. Crocker will be recused, if it's all
15 right with you, Mr. Chairman.

16 MR. HOBBS: That is fine with me. That is fine. Do I
17 hear a motion on Mr. Dobson's request for his exam
18 to be extended through November 30th?

19 MR. LUNSFORD: Mr. Chairman, I so move that we grant Mr.
20 Dobson until November 30th.

21 MR. FORTE: So moved.

22 MR. HOBBS: A motion made by Mr. Lunsford. Is there a
23 second?

24 MR. FORTE: Second

25 MR. HOBBS: Second by Mr. Forte. Any discussion?

1 (NO RESPONSE.)

2 MR. HOBBS: Hearing no discussion, all in favor, please
3 say aye.

4 BOARD MEMBERS: Aye.

5 MR. HOBBS: Any opposed? And please let the record note
6 that Mr. Crocker did not vote in that matter.

7 BOARD MEMBERS: Good luck, Mr. Dobson.

8 THE WITNESS: Thank you very much.

9 MR. BALDWIN: One more chance to get it done, so get it
10 done.

11 *****

12 MR. HOBBS: Well, we are through with a lot of our
13 guests today. And I'm going to go back to our
14 agenda. And I don't think we have approved our
15 minutes from our meeting that was held on August
16 18th. Has everyone had a chance to read those
17 minutes? They were emailed to you or made
18 available to you.

19 MR. BURKETT: I move that they be accepted.

20 MR. HOBBS: Motion is made by Mr. Burkett --

21 MR. NICHOLS: Second.

22 MR. HOBBS: -- for those minutes to be accepted.

23 MR. CROCKER: Minor change. My name does not have a
24 Junior.

25 MR. BALDWIN: No Junior.

1 MR. HOBBS: No Junior.

2 MR. BALDWIN: Can I mark this original up, Ms. Doris?

3 Just want to replace the page?

4 MR. TEAGUE: I'll replace the page.

5 MR. BURKETT: No Junior.

6 MR. CROCKER: No Junior.

7 MR. HOBBS: Mr. Burkett, can we modify your motion to

8 allow that Junior coming off of there?

9 MR. BURKETT: No. Of course. Yes. I'll move that we

10 change it, unless he wants to change his name.

11 MR. CROCKER: No.

12 MR. HOBBS: Mr. Nichols has seconded that motion.

13 MR. NICHOLS: Second.

14 MR. HOBBS: Mr. Nichols has second it. Any discussion?

15 (NO RESPONSE.)

16 MR. HOBBS: All in favor, please say aye.

17 BOARD MEMBERS: Aye.

18 MR. HOBBS: Any opposed? Good. Motion passed,

19 unanimous.

20 *****

21 MR. HOBBS: Complaint and investigative activity. Mr.

22 Freshley usually joins us. Should we delay Mr.

23 Freshley's report? Or Doris, are you going to take

24 Mr. Freshley's report?

25 MS. CUBITT: I'll be Mr. Freshley today. Mr. Freshley

1 just retired, September 30th, I think.

2 MR. HOBBS: If you see him, give him our regard. We
3 miss him.

4 MS. CUBITT: They haven't had an IRC meeting, the last
5 meeting, so we don't have any cases to dismiss from
6 those formal complaints. Active investigations in
7 the investigation side is six; they've closed four.
8 We have one pending a board hearing and we have
9 another pending scheduling a hearing, for a total
10 of 15 cases there.

11 MR. HOBBS: Now, we've got some new board members. I
12 know, Mark, you may have seen this sheet last time.
13 Do y'all have any questions on how this sheet is
14 reflected, so you kind of -- tells you the number
15 of cases. And got some stuff on the back; tells
16 you the allegations. If you have any questions
17 about that, please don't hesitate.

18 Doris, would you mind commenting for the
19 benefit of the new board members about the IRC and
20 who's on it and how often y'all meet and the role
21 y'all have? And the fact that the board really is
22 not involved in the IRC's business.

23 MS. CUBITT: Once a complaint's filed, it goes up to
24 OIE, our million acronyms, which is the Office of
25 Investigations and Enforcement. And they open up

1 the case. They assign it to an investigator.
2 Normally, we have the same investigator, and we do
3 have a new investigator, and her name is Stella.
4 Mr. Bond who was doing our cases before has been
5 promoted to a chief investigator, so we are going
6 to be using her. She does have an accounting
7 degree from college. So at least she'll be
8 familiar with some of the things, which is good.
9 And we also have a CPA expert that we call on to
10 take care of technical issues and substandard work.
11 And he gives us an opinion on that and tells them
12 what else they need to ask for, because the
13 investigator won't be that familiar with all the
14 things that might be applicable.

15 Once they have a case ready to either dismiss
16 or bring it forward for formal charges, we have an
17 IRC meeting. And that's the Investigative Review
18 Committee. And I serve on the Investigative Review
19 Committee. We have a past board chair, who is
20 Austin Sheheen, who serves on that committee. We
21 have the chief investigator. We have the
22 prosecuting attorney and the investigator sits in
23 on it. And so we can -- if it's a dismissed case,
24 they tell us, you know, the facts behind it and why
25 they think it should be dismissed. If we don't

1 agree or we think it needs more information, we'll
2 go get whatever else and bring it to the next IRC.

3 If it's a case to go forward, we usually look
4 at it and say what's the board normally do for this
5 type of situation? And so we'll usually offer them
6 a consent agreement. And the consent agreement
7 will detail what they did wrong, and it will
8 usually have a fine involved with it. And we can
9 fine up to \$10,000 per violation. We have only had
10 a couple of \$10,000 violations, but we have had a
11 couple.

12 We can say that they have to have the extra
13 CPE in a certain area. We can put them on
14 probation. They can suspend their license. They
15 can revoke their license. But usually, if it's
16 going to be a suspension or revoke, they'll come
17 for a full hearing. If they don't -- if they chose
18 not to sign the consent agreement, then they would
19 come before a full board hearing.

20 MR. HOBBS: Thank you, Doris. Does that help explain it
21 a little bit about what is being reported?

22 MR. CROCKER: Does this list just involve individuals?
23 not firms?

24 MS. CUBITT: It would involve both.

25 MR. HOBBS: Do I hear a motion we accept this report?

1 MR. BURKETT: So moved.

2 MR. BALDWIN: Second.

3 MR. HOBBS: The motion by Mr. Burkett and a second by
4 Mr. Baldwin to accept this report. Any discussion?

5 (NO RESPONSE.)

6 MR. HOBBS: All in favor, please say aye.

7 BOARD MEMBERS: Aye.

8 MR. HOBBS: Any opposed? Unanimous. Thank you, Doris.

9 *****

10 MR. HOBBS: Administrator's report.

11 MS. CUBITT: I don't have a lot in that area at this
12 time. I think we've got our new board members set
13 up with what they need in order to participate in
14 an entire meeting. And both of the new members did
15 come to the LLR Board Member's Symposium. And I
16 think the symposium was beneficial. I hope y'all
17 got a lot out of it. It was a good, you know,
18 meeting. It lasted about half of a day.

19 We've got the annual meeting that's coming up
20 next week. And I think we've got two or three
21 board members that are going to that. I will be
22 attending that. So I'll bring back all the
23 materials and I'll bring back the stuff
24 electronically, so y'all can have all the materials
25 that I get at the meeting, to review. And, of

1 course, if you have any questions about anything, I
2 can do that and you could always ask me.

3 MR. BURKETT: And I'll be speaking at the meeting --
4 videotape --

5

6 MS. CUBITT: Yeah. The NASBA website puts some of that
7 stuff --

8 MR. BURKETT: It will be on there.

9 MS. CUBITT: Yeah. So we are getting ready to send out
10 an E-blast. I sent Mark a copy of the E-blast,
11 letting people know the board had decided that
12 starting this year, at the end of the renewal cycle
13 -- I'm sorry, at the end of the calendar year. And
14 then -- I just can't say it right today. We're
15 going back to a annual renewal.

16 LLR had and administration had us change to a
17 bi-annual renewal, but our staff sheets still said
18 that we would do it annually. And the board had
19 problems with that, that the law and what we were
20 doing didn't match. And so when the new
21 administration came in, the question was asked, you
22 know, what do we do? And they said that we could
23 follow our law. So we are going back to an annual
24 renewal.

25 And the position that the board has taken in

1 the past is that it's better to be in contact with
2 the people once a year and we don't lose all the
3 addresses and contact information. And so we do
4 have an opportunity to send email blasts. And so
5 we try and get everybody's email address, and we
6 ask them to update it, because a lot of things, you
7 know, we don't send out a huge mailer, but we send
8 out email blasts. And we try to make them short
9 and to the point.

10 So this one is letting people know that for
11 the calendar year '11, they should send us the CPE
12 report with documentation by February the 1st. And
13 then we don't renew this February, but we renew
14 February of '13. And then after that, it will be
15 February 1st of every year. So I think that will
16 be easier.

17 So we're going to have all those CPE reports
18 in-house, and that's going to be huge amount or
19 work.

20 MR. HOBBS: And we probably out to help get the word
21 out, if you talk to people. I've talked to five
22 older CPAs in the last two weeks that didn't think
23 they had to have any CPE till next year. And
24 they've told me they're not getting any CPE this
25 year because it's a two-year deal. It's amazing

1 how that two year -- we did two year one time, so
2 everybody's telling me they don't have to have any
3 CPE till next year. And then what they're going to
4 do next year is they're going to go emeritus, or
5 either they're going to turn in their certificate
6 by January of 2013.

7 So everybody's telling me that. And Doris
8 sent out a great blast, but really worries me, I
9 don't think a lot of these licensees may be getting
10 blasts. But there are a lot of CPAs out there that
11 are kind of clueless. Matter of fact, I talked to
12 one of them and they said, "Well, you know, I don't
13 have to get any CPE this year because it's next
14 year." And I'm saying, "I don't think you're
15 right. You're not right. You're not right." And
16 then I got the blast from Doris, and I forwarded it
17 on to them; I faxed it to them.

18 So we might need to -- I'm going to try to
19 talk about that at the annual meeting. I'm going
20 to be doing something, at a couple of chapter
21 events. I'm going to be bringing that up. We've
22 been talking about it at the professional issues
23 updates. I have done Columbia, Charleston and
24 Beaufort. And Amy -- Amy did a great job in Rock
25 Hill and --

1 MS. CUBITT: I did --

2 MR. HOBBS: -- you did --

3 MS. CUBITT: -- Florence and Myrtle Beach.

4 MR. HOBBS: -- Florence and Myrtle Beach. So we still
5 got Greenville and Spartanburg yet to come. But we
6 need to help pass -- get that word out.

7 MR. BALDWIN: Mr. Chairman, that would make a great
8 point. I mean, why don't we go to the expense of
9 sending a post card to every licensee and defending
10 this? If the confusion has been created by this
11 bi-annual mistake, why don't we pro-actively
12 communicate to reduce the confusion and hassle that
13 will come forward when people suddenly realize
14 they're in trouble? Or do you think it's too late,
15 Mark?

16 MR. HOBBS: You know, I tell you what, this last lady
17 that called me and talked to me about it, I said,
18 "You might as well go emeritus now. You might as
19 well go to emeritus this year, because you don't
20 want to get 40 hours CPE between now and December
21 31st." And she said, "I absolutely don't." So I'm
22 telling them all to go emeritus. So I printed out
23 the emeritus page and I sent them the emeritus
24 page, and that's what they're planning on doing.

25 MS. GREENLEE Can you talk a little bit about emeritus

1 because I got --

2 MR. BALDWIN: Oh, yeah, we definitely need to talk about
3 that.

4 MR. HOBBS: Have you looked at the blue book? Have you
5 seen a copy of the blue book? How did you get one?
6 Is that one of those we printed? I was picking at
7 Doris. I was just picking at Doris.

8 MS. GREENLEE: No, I was at the industry conference last
9 week. And I think it was Mr. Coleman was his last
10 name.

11 MR. BALDWIN: Clarence.

12 MS. GREENLEE: And he said "Your board is my problem."

13 MR. BALDWIN: Clarence said that?

14 MS. GREENLEE: And I said, "Well," I said, "what's the
15 problem?" And he said, you know, that the reason
16 he was at that CPE event was because he wanted to
17 -- so --

18 MR. BALDWIN: That's not a problem.

19 MR. BURKETT: It's real simple. Either you are a CPA or
20 you're not a CPA. And that's across the whole
21 nation.

22 MS. CUBITT: Right.

23 MR. HOBBS: Let's go back. Doris, can you talk about --

24 MR. BALDWIN: But I want to add a comment when she's
25 done about emeritus.

1 MS. CUBITT: Okay. We used to have an inactive status,
2 but you had to qualify to be inactive. And you
3 couldn't be doing anything for compensation using
4 skills --

5 MR. BALDWIN: There you go.

6 MS. CUBITT: -- that a CPA would use. So we did a
7 survey and found out that probably over three-
8 fourths of the people shouldn't have been in that
9 status. They were the CFO of the corporation, that
10 type of thing; they were the controller. You know,
11 they are using those skills for compensation. So
12 we did away with inactive status.

13 We have an emeritus status for people that's
14 for people that are actually retired. The only way
15 that you could be emeritus and still work is if you
16 totally change professions. And I have one
17 gentleman that became a pastor and, you know, he
18 wasn't going to do that anymore and so he wanted to
19 go emeritus. And that was fine. But they can't do
20 anything for compensation. And a lot of the older
21 CPAs --

22 MR. BALDWIN: There you go.

23 MS. CUBITT: -- are in their 70s and their 80s. And you
24 know the economy's not good and they might have to
25 work again. So if they don't want to give up and

1 be emeritus, and we let them keep their certificate
2 if they go emeritus and we give them a silver seal
3 that says "emeritus" to put on it. But they really
4 don't want to do that, so --

5 MR. BALDWIN: And that's the point, which is, they can't
6 work for any accounting firm whatsoever.

7 MR. HOBBS: Well, they can't use the credential.

8 MR. BALDWIN: They can't use the credential.

9 MR. HOBBS: They can't use the credential. I think they
10 might could help an accounting firm, but they just
11 can't sign anything as a CPA. They can't sign
12 anything as a CPA.

13 MR. BALDWIN: But you can't employ them because then
14 they're doing compensation.

15 MS. CUBITT: They're doing it for compensation and the
16 statute specifically --

17 MR. BALDWIN: I had this happen with the partner and a
18 party I brought into the firm. The other thing is
19 I quite frankly think, is I don't think your status
20 stands under Circular 230 as a CPA if you're
21 emeritus.

22 MS. CUBITT: That's a good point.

23 MR. BURKETT: We also canvas the United States. Some
24 companies have an inactive status. But nobody has
25 anything -- I mean, most states, either you are a

1 CPA and you abide by all the rules or you're not a
2 CPA. That's really what it amounts to. And I
3 really feel for some of the people who are older
4 and retired. But if they want to continue to work,
5 it was the feeling of the board when we passed the
6 law and we wrote the regs, very strongly that it is
7 no in-between. I mean, just so you understand,
8 it's no in-between.

9 And we've had a couple of older members -- I
10 mean, I got chewed out on a conference call a while
11 back about it. But, you know, and I told everybody
12 on the conference call, "I think that's great." Or
13 at the meeting -- was in a meeting in my office,
14 "I'm not going to try to change the law for two
15 people, two or three people. It's not worth it.
16 Either you are a CPA or you're not."

17 MR. BALDWIN: Either yes or no.

18 MS. CUBITT: And if they do work, just they do taxes for
19 some friends or whatever, or they have some old
20 clients that stayed with them and they've only got
21 five or six clients, they still need to be current.
22 If they are doing that for compensation --

23 MR. BALDWIN: That's right.

24 MS. CUBITT: -- they need to be current, so they need
25 the CPE, so --

1 MR. HOBBS: Doris, I've got a question for you.

2 MS. CUBITT: Okay.

3 MR. HOBBS: Let's say you've got an older CPA that's not
4 going to sign anymore and use the credential
5 anymore. But as part of their payout, they're
6 going to get compensation for helping those
7 relationships stay with the firm that's bought
8 their practice. So you're now telling that older
9 person that they have to maintain their
10 certificate, even though they're not practicing,
11 other than making sure that Johnny stays with that
12 firm.

13 MR. BALDWIN: I think that's true.

14 MR. HOBBS: Is that true?

15 MR. BURKETT: Yeah.

16 MR. BALDWIN: That true? Don't you?

17 MR. HOBBS: I don't know. If they're not using the --
18 if they're not using their credential, if they're
19 not signing anything, they're not signing, they're
20 not signing --

21 MS. CUBITT: But they're using their --

22 MR. BALDWIN: That's right.

23 MS. CUBITT: -- their thing as a CPA to get that person
24 to stay with that CPA firm.

25 MR. HOBBS: But they've retired, really.

1 MR. HOBBS: I don't know. I'm raising the question. I
2 don't know how you --

3 MS. CUBITT: Well, I hope I don't get it in real life.
4 It's a tough place. I mean, it really is. We've
5 told them that they can do volunteer work. If they
6 want be VIDA and help people, you know, with taxes
7 and stuff like that. If they're the treasurer at
8 the church for non-compensation, they can do that.

9 MR. HOBBS: Well, some of those compensation
10 arrangements may be based on a collection of fees
11 from those clients. And not really based on any of
12 their service responsibility. I don't know; just a
13 thought.

14 MS. CUBITT: Well, I think if they were given a fee --
15 if they're just getting a fee as part of their
16 retirement package from them, that you brought
17 these people in, and so you be entitled to a
18 certain percentage. You're not doing any work on
19 them anymore. You might go to a party and chat
20 them up and stuff. But if you're not actually
21 doing any work, I think they would be okay. But
22 that would be a decision y'all would make
23 ultimately.

24 MR. BALDWIN: Is it for compensation? If it's not for
25 compensation, that's one thing. If it's for

1 compensation, it's another.

2 MR. HOBBS: That's the question. Now, did you get your
3 question answered about emeritus?

4 MS. GREENLEE: Yes.

5 MR. HOBBS: Any other thoughts on emeritus? Emeritus
6 does get a lot of thought, a lot of discussion.

7 MR. BURKETT: Well, I mean, this board may think
8 differently, but it was pretty clear what other
9 boards thought.

10 MR. BALDWIN: I think it's the correct result.

11 MR. BURKETT: Yeah.

12 MR. HOBBS: Anything else, Doris, in your report?

13 MS. CUBITT: No, sir. That's all I have.

14 MR. HOBBS: Now, the reason we got some of the things
15 we've talked about already today coming up later on
16 in our agenda. So it's kind of nice, everything's
17 kind of fitting together.

18 MR. CROCKER: I have one more question for Doris.

19 MR. HOBBS: Yes, sir.

20 MR. CROCKER: On the renewal process on the form you
21 complete, is that an LLR form? Or is that a form
22 that we've tailored to meet our needs?

23 MS. CUBITT: It's an LLR form, but we can make some
24 modifications to it if you have something that --

25 MR. CROCKER: Has it been modified lately? I'm

1 wondering if it would be worth the board just
2 taking a look to see if it's gathering all the
3 information we want to have in our database. And
4 the reason I ask the question is Michael and I were
5 talking, and the question I had was could you tell
6 me how many in our firm are licensed? And you're
7 saying that we don't have that information. Or was
8 it a database question?

9 MR. TEAGUE: It's pretty much a database issue. Being
10 able to type -- because there is just one field in
11 there saying when they update their information,
12 who they actually work for. Now, if they've put
13 that information on the renewal when they renewed,
14 they might have.

15 MS. HOLLIMAN: And it depends on how they type it
16 because, I mean, some people write out -- for
17 instance, if you have "and," some people are
18 writing out "and," some use the ampersand. I mean,
19 you never --

20 MR. CROCKER: But other than that question, you think we
21 have everything in there --

22 MR. HOBBS: Mark --

23 MR. CROCKER: -- that we want, though?

24 MR. HOBBS: -- can I get you --

25 MS. CUBITT: You just volunteered for something.

1 MR. HOBBS: Can I get you to review our renewal
2 applications and our other applications and make a
3 report to us at our December meeting, maybe?

4 MR. CROCKER: Happy to.

5 MR. HOBBS: Would you mind doing that?

6 MR. BALDWIN: And I'll help you too, if you want.

7 MR. HOBBS: Well, you can get whoever you want to help
8 you. You can get wherever you want to help you.
9 The buck's going to stop with you.

10 MR. CROCKER: Okay.

11 MR. HOBBS: And if you want to get other people, you
12 can. You can get whoever you want; I'll help you
13 too. But you don't have to get me to help. But
14 anybody will help you. But can I get you to do
15 that? It's an excellent point.

16 MS. CUBITT: Well, it is. And it's a fresh set of eyes
17 looking at it. You know, we look at it so much and
18 think, "Oh, yeah." But yeah, that's a great idea.

19 MS. GREENLEE: Yeah, I have another question on that.
20 At that same conference, a person that I was
21 sitting with at lunch made the comment that she did
22 all self-study and she hoped she didn't get caught,
23 which was a funny comment.

24 MS. CUBITT: Oh, my gosh.

25 MR. BALDWIN: Did you jot that name down?

1 MS. GREENLEE: I know her first name, but I think I know
2 where she works. But it seemed to me that if it
3 was done electronically, she would fall out very
4 quickly, if there's a self-study --

5 MR. HOBBS: Code.

6 MS. GREENLEE: -- code.

7 MR. HOBBS: There is a code for self-study.

8 MS. CUBITT: Well, the problem in the past -- and if the
9 board decided to go back, we used to get every
10 report every year. And it's not a quick process;
11 we don't get it all done, you know, as soon as they
12 come in because you're looking at 5,000 reports.
13 But we divide them up and we slowly go through
14 them, so we eventually get to that point. And it's
15 kind of like a (inaudible) of it. And so if
16 they've listed "self-study" on it, yeah, we're
17 going to catch it.

18 We had gone to -- they just checked the box
19 and say "Yes, I did 40 hours, or I did 48, and this
20 is my carry-forward," and that's all we entered.
21 And we discovered that sometimes they don't mean to
22 put the wrong thing, but because they're not
23 actually having to fill out the form, they say,
24 "Oh, I went to so-and-so and so. Oh, yeah, I got
25 40 hours." Well, then, if you come to an audit or

1 make them look, they've only got 36 so that type
2 thing. So the board made the decision that the
3 (inaudible) were very beneficial and they wanted us
4 to do that. So we will catch that type of thing
5 that way.

6 MS. CUBITT: Did she know you were on the board?

7 MS. GREENLEE: She actually did. But she didn't know
8 what the board did, apparently.

9 MR. BALDWIN: Yeah. You'll see that coming up in some
10 of our ethics education; won't we?

11 MS. GREENLEE: Yeah.

12 MR. HOBBS: Doris, do you want to go ahead and -- I know
13 it may be under old business, even though it's not
14 listed as old business. Do you want to talk a
15 little bit about the CPE audits we did in July?
16 And what we found out maybe?

17 MS. CUBITT: Yes. I don't have my actual figures with
18 me, but I can give you --

19 MR. HOBBS: Just a ballpark.

20 MS. CUBITT: -- a rough idea. We did a CPE audit. We
21 did about 300, Michael?

22 MR. HOBBS: Two sixty-seven, I think.

23 MS. CUBITT: Two fifty. We did about 250. We had a
24 workshop day and all the board members came. And
25 we had gotten some staff from LLR to go through

1 them. And I did a mini-education for them on what
2 they're looking for. But, obviously, CPE is so
3 complicated. You can't expect a person at that
4 level to understand all that. But they did an
5 excellent job.

6 Byron Ray from here did most of it, and he did
7 an excellent job. And he'd highlight things that,
8 "Well, that doesn't quite sound right," or this.
9 And he told them to make sure that all the numbers
10 added up, so we didn't have to do that. And so we
11 had a big workshop and we all went through them.
12 And we had a small pile, a small tweaks and things.
13 And then the majority of them were good. The
14 number, 27 percent, sticks in my mind. So over 70
15 percent of them didn't have any problem with them.

16 And we did have somebody that had done all
17 self-study and we had to disallow, you know. And
18 so we're in a process of those letters going out to
19 people, telling them what -- and we waited to send
20 all the letters at one time, because we've learned,
21 there's 250 people. If we sent one letter out to
22 somebody saying -- like my first thought was, "Oh,
23 we'll just send a letter to the people that did
24 really good and they don't have any issues." We
25 can't do that because they tell another person and

1 it's like an explosion. And so then everybody
2 that's sent one is calling our office, "Well, what
3 about mine? What about mine?" Well, we couldn't
4 tell them yet because we hadn't gone through. And
5 so we held them all till now. But they're fixing
6 to all go out. Jim was helping me with those
7 letters since I had picked up some other stuff. So
8 he sent most of them back, I think.

9 MS. HOLLIMAN: I'm a little confused about what he was
10 doing with those. I emailed him an answer, but --

11 MR. HOBBS: But our goal is to try to get those letters
12 out by Halloween, right?

13 MS. CUBITT: Yes.

14 MS. HOLLIMAN: That would be lovely. But Jim is having
15 to go through the ones that maybe have any problem
16 at all. You really have to go through those one-
17 by-one. And even the notes, to go back and figure
18 out what they mean now.

19 MS. CUBITT: What did the note mean and trying to read
20 that person's handwriting that wrote it and --

21 MS. HOLLIMAN: And, David Nichols, you have the smallest
22 handwriting in the history of this board.

23 MR. HOBBS: That's for IRS purposes.

24 MS. HOLLIMAN: That's what Doris told me. I said,
25 "Well, I need a magnifying glass."

1 MR. NICHOLS: Put numbers in a little box.

2 MS. HOLLIMAN: It was very impressive.

3 MR. NICHOLS: Thank you.

4 MS. CUBITT: So we hope to have all the letters out
5 by --

6 MR. HOBBS: Halloween.

7 MS. CUBITT: -- Halloween.

8 MR. BURKETT: Yeah, but the reason for the self-study
9 just changed. We got people doing how many hours
10 in one day of self-study?

11 MS. CUBITT: Forty.

12 MR. BURKETT: Forty.

13 MS. CUBITT: And three different courses.

14 MR. BURKETT: But they take 40 hours of that a day,
15 meaning that they would probably choose a course
16 that did not ask any questions, so --

17 MR. HOBBS: Either that, or they submitted them all for
18 grading on the same day one.

19 MR. BURKETT: Well, yeah.

20 MS. CUBITT: That's their story.

21 MR. HOBBS: Well, I've seen that happen.

22 MR. BALDWIN: The problem that you're talking about is
23 the spirit of doing what we try to do. You're
24 supposed to be holding yourself out as confident.
25 You're supposed to be getting the education. When

1 people think they're beating the rules, and that's
2 actually a disrespect to the entire profession and
3 very sad.

4 MS. CUBITT: I was on the phone with somebody this week
5 who made a comment regarding taking CPE. And this
6 person was trying to find out if something was
7 going to count. And we don't pre-approve any CPE
8 or any sponsors because there's ten thousands of
9 things out there that they could do, and we just
10 don't have the manpower to do that. But the
11 comment was made, Well, what they wanted to take
12 was better than the rest of this junk they were
13 taking. And, of course, my comment to that was,
14 "the regulations under Continuing Professional
15 Education say that you must take CPE that promotes
16 your professional competency."

17 MR. BALDWIN: There you go.

18 MS. CUBITT: "Don't take a course to just be taking a
19 course. Take something that will help you in what
20 you do and that's beneficial," so.

21 MR. HOBBS: Anything else, Doris, in your report?

22 MS. CUBITT: No, sir.

23 MR. HOBBS: Mr. Bucky Glover, our representative from
24 NASBA, was supposed to be here today.

25 MS. CUBITT: I had a -- well, I didn't have a

1 conversation with him; we played phone tag. But
2 the NASBA meeting, because he sits on the board,
3 he's got to go, I think tomorrow.

4 MR. BURKETT: Yeah, we have to meet there.

5 MS. CUBITT: Yeah. And so he asked to please forgive
6 him, but he and I agreed that it would be okay if
7 he came at the December meeting.

8 MR. BALDWIN: Cool.

9 MR. HOBBS: Good. Well, I emailed him and he didn't
10 email me back. Good. Well, we will look forward
11 to hearing him in December.

12 What our schedule is, what we're going to do
13 just for a little bit of heads-up, let's try to
14 talk about the old business. And then we're going
15 to take a short break. We took care of -- if
16 you're looking at our agenda, we took care of
17 appearances and special exceptions this morning
18 first thing. And then what we need to talk about
19 after our little short break is the regulation and
20 legislative and peer review and PROC, kind of tie
21 all that together, and then D, E and F.

22 But right now, let's talk about -- before we
23 take a short, five minute break, let's talk about
24 old business. Let's talk about 8-A and B,
25 consideration of exceptions or accommodations to

1 CPE requirements. Let's talk about that one first.

2 Doris.

3 MS. CUBITT: Okay. The first one is Paul Vanaheer.

4 He's requesting that his CPE now and in the future

5 be also self study based on his medical condition.

6 He's been licensed on a reciprocal license since

7 April the 30th of '09. He has a home office in

8 Mount Pleasant that he has registered as a firm.

9 He completed all 80 hours of CPE as self-study in

10 both '09 and '10. He's a diabetic and disabled and

11 has several other medical condition that limits his

12 mobility severely. And he says that, when talking

13 to him, had introduced the subject of webcast and

14 he said scheduling webcast is not practical for

15 him, because depending on how he feels that day, he

16 may not be physically able to sit at the computer

17 for any length of time.

18 MR. BURKETT: Can I ask a question of advice counsel?

19 MR. HOBBS: Sure.

20 MR. BURKETT: I've been told that because of the

21 American Disabilities Act, we've got to kind of --

22 we've got to look at these things pretty seriously;

23 is that right?

24 MR. GRIGG: You do have to look at it pretty seriously.

25 And, again, I'm not one that has dealt with the

1 American Disabilities Act often. But I did look at
2 it for this. Doris and I have talked about it.
3 I've talked about it with some other lawyers here
4 in the agency. And I do think that the board has
5 an obligation to, within reason, but to work with
6 someone in this situation as best as practical and
7 try to accommodate under that act. Just so even if
8 he wouldn't be successful, you don't want to open
9 yourself up to any potential lawsuits that you have
10 to deal with, whether you won or lost.

11 MR. BURKETT: I got to make a motion we allow him to
12 have it based on --

13 MR. FORTE: Do we need any --

14 MR. HOBBS: Let's have a second first. I have a motion
15 that we approve his request. Is there a second?

16 MR. CROCKER: Second.

17 MR. HOBBS: Second. Now, Mr. Gary.

18 MR. FORTE: Yeah. Do we need any kind of medical
19 verification? Is there a letter stating that?

20 MR. HOBBS: I met him. I met him in person at the
21 Charleston Professional Issues Update. He showed
22 me his medicines. He showed me his stuff and I can
23 vouch that he is disabled.

24 MS. CUBITT: And there is a letter in your packet from
25 the doctor that says -- it actually says because of

1 these problems, he is totally disabled from all
2 work.

3 MR. HOBBS: I think he qualifies for us to grant this
4 exception, based on my interview with him, and it
5 lasted for about 15 minutes.

6 MR. BURKETT: Can you tell us what medicine he was
7 taking?

8 MR. HOBBS: No, I don't remember all that. But he told
9 me a good bit about it and showed them to me. So I
10 think this would be an exception that certainly has
11 merit.

12 MR. BALDWIN: I do think we need medical information.
13 What I saw in the file seemed to indicate that the
14 doctor thought that he did qualify, so.

15 MR. HOBBS: Anymore discussion on this motion?

16 MR. BURKETT: The thing that I'm trying to understand,
17 if he's not capable of -- I'm trying to understand
18 what he is actually doing within the profession,
19 and I see he's doing audits. So I presume that the
20 audits that he's performing, he's doing at his own
21 rate and pace, because it sounds like otherwise, he
22 cannot get out.

23 MS. CUBITT: In his letter, he does say he has a limited
24 practice and he prepares -- preparation of Form 990
25 for three clients, non-A-133 audits and Form 990

1 for two clients, and a program-specific audit for a
2 non-profit HUD project.

3 MR. BALDWIN: Is the gentlemen in our Peer Review
4 program.

5 MR. HOBBS: That's a good question.

6 MR. TEAGUE: He was having some problems that he mailed
7 us about.

8 MS. CUBITT: Yeah, I believe he signed up for Peer
9 Review, but I don't know that he's completed his
10 Peer Review. In fact, I don't think he has. But
11 those are really two separate issues.

12 MR. HOBBS: That's true. That's true.

13 MR. BALDWIN: And our regulations permit us to make this
14 waiver, correct? Mr. Counsel?

15 MR. GRIGG: Your regulations don't specifically speak to
16 it. But the ADA being a federal act trumps.

17 MR. BALDWIN: Trumps the reg. Very good.

18 (Talking over one another.)

19 MR. HOBBS: Do I hear a -- we got a motion on the floor
20 to approve his request. We've had questions; we've
21 had discussion. All in favor, say aye.

22 BOARD MEMBERS: Aye.

23 MR. HOBBS: Any opposed? It's unanimous.

24 *****

25 MR. HOBBS: Jerry Romaine, 8-B.

1 MS. CUBITT: You skipped Mr. Parish.

2 MR. HOBBS: I skipped Mr. Parish. Okay. Let's talk
3 about Mr. Parish.

4 MS. CUBITT: He was also an ADA. He requesting that all
5 future CPE be self-study, based on his medical
6 condition. He obtained a reciprocal license on
7 11/4/1971. He has registered a home office in
8 Spartanburg since '95. He has congenital rubella
9 syndrome and other visual disabilities that
10 prohibit him from obtaining CPE from seminars.
11 He's also recently been diagnosed with cataracts.
12 He has included a detailed list of his various
13 issues with his eyes. He has including some
14 information about the American Disabilities Act.
15 His practice is limited to some taxes; he doesn't
16 do taxes.

17 MR. BALDWIN: It would seem, based on the last case,
18 that we should make a motion to approve his --

19 MR. BURKETT: I've got to recuse myself from this
20 because somebody called me and started talking
21 about this before I knew about it.

22 MR. HOBBS: Do I hear, Mr. Baldwin is making a motion
23 that we --

24 MR. BALDWIN: Are you going to let him recuse himself
25 first?

1 MR. BURKETT: I am recusing myself.

2 MS. GREENLEE: I have one question. He talks about non-
3 QAS self-study in his letter.

4 MS. CUBITT: Well, he does. And we would let him do
5 self-study, but it would be -- that's a different
6 issue. And so the board says that all self-study
7 must be QAS. And as long as he can take it from
8 home and it's the same type as the other, he would
9 still have to comply with the QAS, right?

10 MR. GRIGG: I believe that's correct.

11 MS. GREENLEE: Okay.

12 MS. CUBITT: He did offer that as an alternative, but
13 that wasn't before the board, so.

14 MR. HOBBS: Do I hear a motion about this matter?

15 MR. BALDWIN: I move that we grant him a waiver of --
16 per his request for self-study under the ADA.

17 MR. FORTE: Second.

18 MR. HOBBS: There's a motion by Mr. Baldwin and a second
19 by Mr. Forte. Any further discussion? We've had
20 some. Anybody got any questions about Mr. Parish?

21 (NO RESPONSE.)

22 MR. HOBBS: Hearing no further discussion, all in favor,
23 please say aye.

24 BOARD MEMBERS: Aye.

25 MR. HOBBS: Any opposed? And let the record reflect,

1 Mr. Burkett recused himself and did not vote on
2 this matter.

3 *****

4 MR. HOBBS: Jerry Romaine.

5 MS. CUBITT: Mr. Romaine has requested for the board to
6 reinstate an inactive status. He obtained his
7 original license on 6/16/2004. He's opening a
8 business that is not related to the accounting
9 profession, and he wants to be able to maintain his
10 license in some sort of inactive status, so that he
11 does not need to complete CPE.

12 I explained to him that the board no longer
13 has an inactive status and that we didn't have that
14 option and that the board had looked at it
15 carefully, but he did not agree with me. And so
16 his option was to take it to the full board.

17 MR. BURKETT: I move that we do not grant him inactive
18 status, because there's no way we can.

19 MR. BALDWIN: I was going to say, there is no regulation
20 that has an inactive status. It doesn't exist.

21 MR. NICHOLS: Second.

22 MR. HOBBS: There's a motion made by Mr. Burkett that
23 there's no inactive status and we cannot consider
24 his request. A second was made by Mr. Nichols.
25 Any discussion?

1 (NO RESPONSE.)

2 MR. HOBBS: Hearing no discussion, all in favor, please
3 say aye.

4 BOARD MEMBERS: Aye.

5 MR. HOBBS: Any opposed? Motion carries unanimous.

6 Very good. Anything else, Doris, we need to cover
7 here before we --

8 MR. BURKETT: I have a question about old business.

9 MR. HOBBS: Old business.

10 MR. BURKETT: Are we going to get the update on the case
11 -- you were going to talk about the case with the
12 Francis Marion guy? I know we all got the email on
13 it. Is that anywhere on the agenda?

14 MS. CUBITT: It's not on the agenda, but I'll be glad
15 to --

16 MR. BURKETT: Maybe update the new board members.

17 MS. CUBITT: -- to address it. We've got a
18 communication in the last couple of weeks that --
19 y'all correct me if I say it wrong.

20 MR. HOBBS: You might want to give a little background.

21 MS. CUBITT: Okay. The Board of Accountancy, including
22 myself, and Randy Bryant, who used to be here, have
23 been sued by a professor from Francis Marion. And
24 he does not have a South Carolina license and this
25 is his principle place of business. And he's

1 licensed in --

2 MR. BURKETT: Oregon, I believe.

3 MS. CUBITT: Thank you. Oregon. And he held out here
4 as a CPA on some legal papers. So -- now I'm
5 wondering if this should be in executive session.

6 MR. BURKETT: I don't think we need -- I don't think --
7 I think if we're going to talk about this, we need
8 to be in executive session. That's why I was
9 asking. I don't mean to interrupt you.

10 MS. CUBITT: Yeah.

11 MR. HOBBS: Well, why don't we -- why don't we hear and
12 entertain a motion to go into executive session --

13 MS. CUBITT: For legal opinion.

14 MR. HOBBS: -- for a legal opinion from our advice
15 counsel. Do I hear that motion?

16 MR. BURKETT: I so move.

17 MR. BALDWIN: Second.

18 MR. HOBBS: Motion made by Mr. Burkett and second by Mr.
19 Baldwin. Any discussion?

20 (NO RESPONSE.)

21 MR. HOBBS: All in favor, please say aye.

22 BOARD MEMBERS: Aye.

23 MR. HOBBS: Any opposed? Let's go into a short
24 executive session, then we'll take a little short
25 break.

1 (Executive Session.)

2 MR. BALDWIN: I make a motion to come out of executive
3 session.

4 MR. HOBBS: I have a motion we come out of executive
5 session by Mr. Baldwin. Do I hear a second?

6 MR. BURKETT: Second.

7 MR. HOBBS: Second by Mr. Burkett. Any discussion? All
8 in favor, please say aye.

9 BOARD MEMBERS: Aye.

10 MR. HOBBS: Any opposed? Thank you very much. I'd like
11 the record to reflect no votes were taken during
12 executive session.

13 (Off-the-record discussion.)

14 MR. HOBBS: All right. Moving on down our agenda. We
15 were talking about Regulation and Legislative
16 Committee. And Mr. Burkett's been working on that
17 with Ms. Cubitt, our administrator. And I think
18 y'all want to talk about -- Doris, you want to lead
19 that discussion, what we want to work on?

20 MS. CUBITT: Yes. Y'all have received copies of the
21 updated things that we've worked on. And on Page 2
22 of that under the definitions in 20, we did add E,
23 which is "an engagement to be performed in
24 accordance with standards issued by the
25 International Accounting Standards Board." So that

1 will give us oversight over that, if something
2 issued that way.

3 On Page 4, which covers Section 35,
4 "requirements for a licensure to practice," we have
5 added the language starting in 5A, the top of the
6 page. This language gives us the ability to
7 require them to furnish -- it does require them to
8 furnish it, right, Dean?

9 MR. GRIGG: Yes.

10 MS. CUBITT: A criminal background check, an FBI check.
11 You have to have special language in your law to do
12 that. And we do a spot check on criminal
13 background checks. Some boards require everybody
14 to turn in one. And a lot of those boards, it says
15 "a SLED report." Well, if they -- in other
16 professions, you see sometimes -- activity,
17 criminal activity. And so if maybe they didn't
18 have anything here or maybe something minor, but
19 they went to Florida and they got caught hauling
20 drugs, and it was enough to be a felony. It's not
21 going to show up on your SLED report, because it
22 occurred in the other state.

23 MR. BURKETT: And most states are going to the FBI
24 check. Well, CPAs.

25 MS. CUBITT: So that language has been inserted that the

1 applicant has to pay the cost of it. And we have
2 to keep the information confidential, but it will
3 require the FBI check. And I think that's a good
4 thing. And I actually think we should be requiring
5 it on all applicants, but that could be decided at
6 a later date. This gives us the authority to do
7 that.

8 MR. BURKETT: Okay.

9 MS. CUBITT: Then Page 7 at 250 where the renewal of the
10 licenses, we also added the language that allows us
11 on renewal at a period determined by the board. So
12 you might say every ten years, we're going to do a
13 FBI check on everybody. And then they would have
14 to comply with that. And you don't have to do one.
15 You don't have to set a period. You could set a
16 period that you wanted, but you have the capability
17 to do it --

18 MR. BURKETT: We have the authority.

19 MS. CUBITT: -- if something arises.

20 MR. BURKETT: Right.

21 MS. CUBITT: And back up above that, and still on Page
22 7, No. G, with the new administration, we're being
23 real careful that your statute rules and your
24 regulations should only flesh out or give more
25 direction or instruction as to what's in the

1 statute. And so at Regulation 110-D is where we
2 had it about that you couldn't employ or associate
3 with someone whose license had been suspended or
4 revoked. We didn't really have anything in the
5 statute to back that up. So we are adding that as
6 Item G there. And it's basically the same
7 language, but it gives y'all the authority for the
8 regulation.

9 MR. HOBBS: While we're on that section, should we
10 include or should we consider including something
11 about the employ of people with criminal records,
12 with knowing? Is that overreaching?

13 MR. GRIGG: It could be. What would you be interested
14 in it saying? What would be -- I mean, I don't
15 think you could just simply say "you can't do it."

16 MR. HOBBS: In other words, I'm trying to encourage
17 firms doing background checks on their employees,
18 not to have someone that might be a white collared
19 criminal working in their firm. This is protecting
20 the public. If it's overreaching, that's fine;
21 I'll hush.

22 MR. GRIGG: Yeah, I'm just sitting here trying to think
23 of a way you could do it that wouldn't be. And I
24 don't think you can -- one, I don't know that the
25 board wants to get into regulating --

1 MR. HOBBS: Releasing that?

2 MR. GRIGG: -- how a firm --

3 MR. HOBBS: I agree.

4 MR. BALDWIN: Let's roll.

5 MR. HOBBS: Let's roll.

6 MS. CUBITT: And the flip side to that is, as the
7 manager of that firm, if you have hired somebody
8 that has a problem and they do take somebody's
9 funds or whatever --

10 MR. BALDWIN: You're dealing with it.

11 MS. CUBITT: -- it comes back to you as the manager. So
12 we do have an avenue to discipline --

13 MR. HOBBS: You're right.

14 MS. CUBITT: -- the firm for that.

15 MR. HOBBS: I'm good.

16 MS. CUBITT: So that was G, 250-B(4) is the SLED check
17 renewal. Down in D, we made a correction to make
18 our renewal period match up with what we're doing.
19 It did say January. We're changing it to February.
20 And we worked on this together, and I guess I have
21 a question there, Dean. If we struck through
22 "continued practice," shouldn't we have just struck
23 through and changed it to "February the 15th, must
24 be sanctioned as the unlicensed practice of
25 accounting"?

1 MR. GRIGG: Just change it from January to February
2 15th?

3 MS. CUBITT: Yeah.

4 MR. GRIGG: Yeah.

5 MS. CUBITT: Yeah, y'all tell me. I mean, that's what
6 y'all had in there before, that if they practice
7 after the renewal period, they must be sanctioned
8 for unlicensed practice. Is that still --

9 MR. GRIGG: I guess my question is, I'm trying to
10 remember why we crossed through it to begin with.

11 MR. BALDWIN: Well, don't you think the problem is, if
12 we fix it by March, now you've got a month and a
13 half that everybody's automatically out of
14 compliance. Do we want more flexibility there? I
15 mean, if its an inadvertent failure, do we want to
16 must sanction them? or may sanction them?

17 MS. CUBITT: Well, now that might be a good point to
18 change it to February 15th and say "may be
19 sanctioned"?

20 MR. BALDWIN: May. Because if we must, then frankly,
21 that's an issue --

22 MR. HOBBS: I like that.

23 MR. BALDWIN: Michael, you saw that come up in some of
24 our reinstatements with me recently, that the
25 statute says we must sanction people who have

1 practiced during the intervening period, which even
2 if it's inadvertent, you really raise that
3 question, if that's not overkill.

4 MS. CUBITT: Right.

5 MR. BALDWIN: I would like "may."

6 MR. HOBBS: May be accompanied?

7 MR. BALDWIN: I think Malane would agree with that point
8 too.

9 MR. HOBBS: Well, if you're saying "may," do you need to
10 have the second sentence about the discretion?

11 MS. CUBITT: Now, it is considered revoked, which
12 really, should it say "lapsed" there? Sharon had
13 put that in as "revoked," but in our actual, a
14 licensee lookup --

15 MR. BALDWIN: Says "lapse."

16 MS. CUBITT: -- to most states, revoked -- the thing.
17 And so we're actually changing them to "lapsed" in
18 the computer system for licensing lookup.

19 MR. GRIGG: I'm trying to see where you are.

20 MS. CUBITT: Oh, I'm sorry. D, 250-D, a license not
21 renewed --

22 MR. BURKETT: I think lapsed.

23 MR. HOBBS: I like lapsed.

24 MR. GRIGG: Okay. I was reading it, I just missed
25 "revoked" several times. Okay.

1 MS. CUBITT: You think that should be "lapsed" instead
2 of "revoked"?

3 MR. GRIGG: Absolutely.

4 MR. BALDWIN: Your point is paragraph 1?

5 MR. HOBBS: I'm coming down where it says --

6 MR. BALDWIN: Well, one is the fee.

7 MR. HOBBS: -- "must be accompanied by the fee." Must.

8 But then the next thing would give us a way out.

9 At the board's discretion, we may waive it. Should
10 we just say "may," and then we don't have --

11 MR. BALDWIN: Well, here's my point. The reinstatement
12 fee is required, unless we waive it. The sanction
13 is a penalty for practice, separate from the
14 lapsing of the license, is what I'm suggesting.
15 Because what's supposed to happen is when you're
16 unlicensed, you're supposed to cease all practice
17 until such time as a license is renewed. So, my
18 point is, the way I read the sanction language is
19 we're supposed to find and penalize them, not get
20 them to pay a reinstatement fee. That's how I read
21 it.

22 MS. CUBITT: What we've done in the past is, you know,
23 during that short, the window, that month, we just
24 let them file the reinstatement and pay the \$500.

25 MR. BALDWIN: I know. But we need to follow our own

1 statutes, Doris. If the statutes say we "must
2 sanction," that's affirmative language, not an
3 option --

4 MS. CUBITT: Right.

5 MR. BALDWIN: -- of the administrator to do that, quite
6 frankly, if it must be sanctioned. Now, maybe the
7 sanction's one dollar. But the statute reads "must
8 be sanctioned."

9 MR. HOBBS: Well, we took it out, though, didn't we?

10 MR. BALDWIN: Yeah, we just fixed it, yeah. I'm just
11 sharing with her. I know what's happened in
12 practice --

13 MS. CUBITT: Well, now where did we actually change it?

14 MR. HOBBS: It's over there in 1(D).

15 MR. BALDWIN: Dean gets it.

16 MR. HOBBS: Dean he just got it and took it out.

17 MS. CUBITT: Oh, okay. Okay.

18 MR. GRIGG: We're good; we're good.

19 MS. CUBITT: They say "may."

20 MR. GRIGG: We're going to change it to February 15th.

21 Do you see what I'm saying?

22 MR. HOBBS: I do.

23 MS. CUBITT: Okay. I had it written down right.

24 MR. BALDWIN: You had it right. That's all I'm trying
25 to -- and going back to what you're saying, you're

1 trying to make conformance between the regulations
2 and then the laws. And then quite frankly, in
3 practice.

4 MS. CUBITT: Right.

5 MR. BALDWIN: We want to be consistent.

6 MS. CUBITT: Right.

7 MR. HOBBS: Yes, ma'am.

8 COURT REPORTER: I'm so sorry. Y'all have got to let
9 the other one finish before your jumping in because
10 I'm kind of losing you.

11 MR. HOBBS: Oh, I apologize.

12 COURT REPORTER: That's okay. Just let somebody finish
13 before you start talking because I can't quite get
14 it.

15 MR. HOBBS: I'm sorry, Doris. We interrupt you again?

16 MS. CUBITT: No. You're fine. We did add in one --

17 MR. BALDWIN: There we go.

18 MS. CUBITT: -- at the top of the page -- it was "at the
19 board's discretion, a reinstatement fee may be
20 reduced or waived, depending on extenuating
21 circumstances." Y'all have asked for that.

22 MR. HOBBS: Uh-huh.

23 MS. CUBITT: In 255-A, we've got it annually, and we
24 changed it to February 1st date. That's also where
25 we talk about peer reviews. And under C-4, we

1 added, "the registrant must participate in the
2 facilitated state board access." So that way, they
3 can't opt out, and we will have the ability to look
4 at their reports.

5 MR. GRIGG: Can I back you up a second?

6 MS. CUBITT: Uh-huh.

7 MR. GRIGG: 255-A, "the registrant shall file an
8 application for renewal annually on or before
9 February 1st." Why did we -- I'm not remembering
10 why we took out the calendar year. Is there a
11 reason we didn't want that in there because that
12 reads better to me.

13 MS. CUBITT: It does read better to me too.

14 MR. HOBBS: I think it needs to say "each calendar
15 year."

16 MR. GRIGG: I think it does too. Okay. I just didn't
17 remember if we took it out for a reason.

18 MS. CUBITT: 565 talks about the renewal and
19 reinstatement of the lapped license. I think in D
20 there, again it says "A license not renewed on or
21 before February 1st is considered revoked." I
22 think that word needs to be changed to "lapsed."
23 And this is allowing us to reinstate the accounting
24 practitioners.

25 And then when you get to No. 2, we struck out

1 a lot there because accounting practitioners don't
2 have an experience requirement. So we need to
3 modify that to say "three or more years, the
4 license may be reinstated upon completion of 120
5 hours of continuing professional education,
6 period." And I think that will take care of that
7 for them.

8 MR. BALDWIN: Question.

9 MS. CUBITT: Yes.

10 MR. BALDWIN: In Paragraph E above, should we also have
11 in that last sentence, if we're changing "revoked"
12 in D, shouldn't it be "a person may not practice on
13 a lapsed license," so the language is consistent?

14 MS. CUBITT: Yes, it should.

15 MS. GREENLEE: And I would almost think that you would
16 want to search for the word "revoked" to make
17 sure --

18 MR. BALDWIN: I thought about the F7 -- or not the F7
19 key, but the search key, yeah. Be consistent in
20 your language.

21 MS. CUBITT: During this period --

22 MR. BALDWIN: Your last sentence would be -- because
23 you've got "inactive" in F. I mean, "lapsed."

24 MS. CUBITT: And we should --

25 MR. HOBBS: Well, we say a period of revocation --

1 MS. CUBITT: -- strike "inactive," because we don't have
2 inactive anymore. So we really should strike the
3 word "active."

4 MR. BALDWIN: Well done, Yeah.

5 MS. CUBITT: So "whose licensed has been lapsed."

6 MR. BALDWIN: Period, right. Lapsed for.

7 MR. GRIGG: Doris, give me that language on F2 one more
8 time, make sure I have it all.

9 MS. CUBITT: "Three or more years, the license may be
10 reinstated upon completion of 120 hours of
11 continuing professional education."

12 MR. GRIGG: Okay. All right.

13 MS. CUBITT: And yes, we'll do a word search for
14 "revoke." That got the statute changes. Let's
15 see --

16 MR. BURKETT: Doris, are you going to send out a copy of
17 that soon as you get all that changed, so we can
18 look at it one more time?

19 MS. CUBITT: Yes, sir. It will go out probably tomorrow
20 or the next day.

21 MR. HOBBS: Do we want to go ahead and approve those
22 statute changes? or consider approving those? Do I
23 hear a --

24 MR. NICHOLS: Mr. Chairman.

25 MR. HOBBS: -- hear a motion on the floor?

1 MR. NICHOLS: Are we going to take care of the Section
2 40-2-340, the disclaimer?

3 MS. CUBITT: Yes.

4 MR. NICHOLS: To change the --

5 MR. HOBBS: Good. Were you going to go over that,
6 include that in there?

7 MS. CUBITT: Yeah, I do. Thank you for -- it wasn't at
8 the --

9 MR. HOBBS: That's the only other thing I see that we
10 probably need to change from the law.

11 MS. CUBITT: In Section 40-2-340, it says "disclaimer."
12 We are going to purpose that you want to --

13 MR. HOBBS: Put a period.

14 MS. CUBITT: -- put a period after "review services,"
15 and strike "provided the following disclaimer is
16 used." And then remove the disclaimer there.

17 MR. BALDWIN: That's correct.

18 MR. BURKETT: That's correct.

19 MR. HOBBS: I think that's all the law changes. Due to
20 the timing of these changes --

21 MR. BALDWIN: Yes.

22 MR. HOBBS: -- what we'd like to do is consider a motion
23 that staff be directed to prepare these changes and
24 provide it to us for review. Can we get a motion
25 to approve these changes today?

1 MR. NICHOLS: So moved.

2 MR. HOBBS: Motion made by Mr. Nichols.

3 MR. BURKETT: Second.

4 MR. HOBBS: Is there a second? Second by Mr. Burkett.

5 Any discussion on the motion and the second?

6 MR. GRIGG: Mr. Chairman, if I can ask one thing of --
7 again, due to the timing, my understanding is
8 probably what we need to do is not only a motion to
9 approve these changes, but if it's the will of the
10 board, that once those changes are made, we're
11 moving forward to submit these things ultimately to
12 the legislature.

13 MR. HOBBS: Mr. Nichols, is it all right if your motion
14 is modified to reflect that?

15 MR. NICHOLS: So moved.

16 MR. HOBBS: And Mr. Burkett?

17 MR. BURKETT: Yes.

18 MR. HOBBS: Does that second stand by that? So Mr.

19 Nichols and Mr. Burkett agrees with that
20 recommendation that once these changes are made,
21 that the bill can be moved forward for submission
22 for the public information. We got any discussion
23 on that change?

24 (NO RESPONSE.)

25 MR. HOBBS: Hearing none, all in favor, please say aye.

1 BOARD MEMBERS: Aye.

2 MR. HOBBS: Any opposed? It's unanimous. And we want
3 to talk about the regulations? Okay. Thank you
4 very much.

5 MS. CUBITT: In the regulations, we make the following
6 changes: Regulation 103 dealt with practice
7 privileges, and based on the information you
8 provided, that was struck completely because it's
9 no longer applicable, since mobility was enacted.

10 MR. BALDWIN: Check.

11 MS. CUBITT: So that's correct. Below that is 108,
12 continuing education. And 2E, we added the ethics
13 requirement that y'all wanted in there. It was of
14 the required hours over a three year period. Six
15 of the hours must be in ethics and at least two of
16 those hours must be in South Carolina Rules and
17 Regulations.

18 In professional standards at 110-D, we had had
19 -- the board had had some questions from some of
20 the larger firms that have offices in many states,
21 and they were concerned about not being able to
22 employ or associate. That was clarified by adding
23 "in South Carolina" in two places there, so that if
24 they chose to employ those persons at a office
25 outside this state and they weren't doing -- that

1 person doesn't do any work in this state, they're
2 okay. And that's, I believe, all the changes we
3 made in the reg.

4 MR. HOBBS: Like due to the timing that we consider a
5 motion approving those changes from the board.

6 MR. BURKETT: With the same stipulation that once they
7 -- as we did in the law, that once they get them
8 done, they can move forward with them?

9 MR. HOBBS: Yes.

10 MR. BURKETT: I so move.

11 MR. HOBBS: There's a motion made by Mr. Burkett that we
12 approve these with that same stipulation that they
13 be authorized to proceed.

14 MR. NICHOLS: Second.

15 MR. HOBBS: Second by Mr. Nichols. Any discussion?

16 (NO RESPONSE.)

17 MR. HOBBS: All in favor, please say aye.

18 BOARD MEMBERS: Aye.

19 MR. HOBBS: Any opposed? Unanimous. Yes.

20 MR. GRIGG: Chairman, can I get y'all to reopen the
21 conversation on the actual bill for a second, the
22 practice act? I believe there's one thing that --
23 it's my office's oversight and I apologize. It was
24 included at the board's request in a previous draft
25 and was not in the draft that y'all were just

1 looking at. And that would be a section that was
2 added 40-2-15, defense and indemnification of
3 employees.

4 MR. BALDWIN: That would be nice.

5 MR. GRIGG: I'm sorry?

6 MR. BALDWIN: That would be nice, please.

7 MR. GRIGG: Oh, okay. That had been added in and was in
8 a previous draft that was prepared by my office.
9 But for some reason, at least I don't see it on my
10 most recent draft that I was following with y'all
11 just now, I don't see a dash two, dash fifteen in
12 there.

13 So that language had been added. I can read
14 to you exactly what had been added, if you want.
15 Like I said Section 40-2-15, "defense and
16 indemnification of employees, officers and members
17 of the board, the state shall defend employees,
18 officers and members of the board against liability
19 arising out of their actions and the scope of their
20 employment and indemnify them from resulting loss
21 when they are sued in their official or individual
22 capacities or both."

23 That was language that at the board's request
24 at the last meeting had been taken -- similar
25 language from a different practice act and added

1 in. If it be the board's pleasure, you may want to
2 consider reopening that vote and that motion and
3 approving it with that change as well.

4 MR. BALDWIN: Who made the original motion?

5 MR. GRIGG: You can move to amend your own motion.

6 MR. NICHOLS: I'll amend my motion to include --

7 MR. HOBBS: Include the protection and defense fund, the
8 state's defense for employees and board members?

9 MR. NICHOLS: Yes, sir.

10 MR. HOBBS: And Mr. Nichols is voting for that to be
11 included in his previous motion?

12 MR. BURKETT: And I second it.

13 MR. HOBBS: And Burkett is again approving that. We
14 felt that was included in there. I thought that
15 was in there. And thank you for catching that.
16 There's a motion and a second for changing that
17 other motion. I got a motion, a second. Any
18 discussion?

19 (NO RESPONSE.)

20 MR. HOBBS: All in favor, please say aye.

21 BOARD MEMBERS: Aye.

22 MR. HOBBS: Any opposed? Good. Thank you very much.

23 MR. GRIGG: Thank you.

24 MR. HOBBS: And for other board member's edification,
25 the language we're using from that statute that he

1 just read is from the -- from my understanding,
2 it's from the Tax Commission or Department of
3 Revenue, for their employees and their issues. And
4 we think we ought to have the same protection here
5 in our board. And I'm glad y'all caught that.

6 MR. BURKETT: When we were sued by the Francis Marion
7 professor, we were sued in one part of the law
8 which I think, that was not covered under the
9 insurance policy that we had.

10 MR. BALDWIN: Correct.

11 MR. BURKETT: So we just want to make sure everybody's
12 protected.

13 MS. CUBITT: Y'all did raise the issue about there was
14 an errors and omission's insurance. And Katherine,
15 I believe, addressed that at the Board Member
16 Symposium, that the Budget and Control Board would
17 not allow that.

18 MR. BALDWIN: It was under the personal liability
19 umbrella.

20 MS. CUBITT: Uh-huh.

21 MR. HOBBS: Do we have anything else in regulation and
22 legislative that we need to discuss?

23 MR. BURKETT: That was all I had.

24 MR. HOBBS: Doris?

25 MS. CUBITT: That's all I have at the moment.

1 MR. HOBBS: We've got under here, under B-3, the PROC,
2 the Peer Review Oversight Committee, but I think
3 we'll discuss that in the peer review area, because
4 the IRC really isn't discussed too much. So I
5 reckon we're going to just kind of leave that out
6 of our law because it's still kind of fresh.

7 Let's move on to Peer Review and Comminations
8 Committee. And let me just kind of give you an
9 update on that, what we think is going on. At our
10 August meeting, you may have heard us discuss the
11 fact that we thought we had some firms that had not
12 been in the peer review program. Doris and I met
13 last week and we think there's probably 80 or 90
14 firms that may be subject to peer review that
15 aren't compliant.

16 And what I've agreed to do is to write a
17 letter, and I imagine the letter is going to go out
18 under Doris' signature. But I'm going to write a
19 letter that we're going to send to those firms.
20 And it's going to be kind of a friendly reminder,
21 asking them to provide us a copy of their peer
22 review report. It's going to be a nice, general
23 letter, asking them to send it to us. So we think
24 there will be some more firms that will joined in
25 the peer review roles.

1 If you think about registration, we really
2 need to get all this resolved by our next renewal,
3 which is January of 2013. So we're going to
4 hopefully get that letter out. We're going to
5 hopefully get that letter out within the next
6 couple weeks and we will see what kind of happens
7 from that letter. We're going to ask these firms
8 to get in touch with us. And if you don't get in
9 touch with us within about 30 days, somebody from
10 our office will be contacting you to discuss it.
11 That's for these 80 or 90 firms that we think might
12 have missed the peer review roles.

13 In the communications area, on the PROC, we
14 talked about the PROC a little bit at the last
15 meeting, and I sent some information out on it. I
16 wanted to maybe have a little general discussion on
17 what y'all think about the Peer Review Oversight
18 Committee. Other states are doing it. A past
19 chairman that I think would be good on the Peer
20 Review Oversight Committee is Chuck Talbert. I
21 haven't talked to Chuck about it in any detail, but
22 I think he'd be a good person to help oversight
23 peer review. I don't know whether -- have y'all
24 given any thought to establishing a Peer Review
25 Oversight Committee, kind of like the IRC, to help

1 overview the peer review? Or what do y'all think
2 on that? We got some other things on our plate
3 right there. And should we table it for a little
4 bit until we get this law passed? Or what is your
5 pleasure? What are your thoughts?

6 MR. BURKETT: Why do you think we should table it?

7 MR. HOBBS: Well, I'm open for -- do we need -- how fast
8 do we want to move on it? How fast are y'all
9 wanting to move with establishing Peer Review
10 Oversight? How many people feel comfortable having
11 a discussion with it yet? Do you need more
12 information on it? Do we need to know more about
13 it? Do I need to at the next meeting present some
14 of the information we got from Charleston again?

15 Basically, what Peer Review Oversight, what we
16 felt we were doing with Peer Review Oversight was
17 using our expert, Jim Holloway, to sit in the peer
18 review meetings, their acceptance meetings, and
19 we're being told that that's not sufficient, that's
20 not adequate. We need to be communicating with
21 firms that are having repeat findings from peer
22 review to peer review, we should be considering
23 opening complaints against those firms that are not
24 correcting problems in their quality review system,
25 their quality control system.

1 In other words, it's almost a whole different
2 animal from IRC focused on the peer review. And
3 this is something that NASBA is pushing. And, like
4 I said, if you'll recall, on August 16th, I was
5 down there for a day with like 23 states. And we
6 were looking at a sitting board member shouldn't be
7 on the PROC, just like a sitting board member
8 shouldn't be on the IRC. My pick for probably the
9 chair of the PROC is Chuck Talbert.

10 MR. BALDWIN: That's a good pick.

11 MR. HOBBS: He's my pick.

12 MR. BALDWIN: He's a good pick.

13 MR. BALDWIN: But that's just me. But I know I'm
14 probably -- I'm as knowledgeable as anybody for
15 peer review, and I don't know how much y'all need
16 and how much information y'all want about it. I
17 mean, I want to just open it up and hear what you
18 think.

19 I mentioned it to Chuck at a CPE I was with
20 him at, if he had any interest, and he said he'd
21 like to know more about it, so.

22 MR. CROCKER: Is that a volunteer position?

23 MR. HOBBS: It would be a volunteer position, yes.

24 MR. BALDWIN: I think Chuck would be an excellent
25 choice.

1 MR. NICHOLS: I was going to say that if he will do it.

2 MR. BURKETT: Yeah, we pay the guy on the --

3 MR. HOBBS: It is. But most PROC committees are
4 volunteer, kind of like the IRC.

5 MR. BURKETT: That's what I'm asking.

6 MR. HOBBS: Yeah. Most of them, we might have to have
7 some expense money in there --

8 MS. CUBITT: Well, most of them are three member -- some
9 of them are more than three, but the average is a
10 three-member committee. And they divide the things
11 up that they do. And we would be able to give
12 them, if it's an official committee of the board,
13 they can get mileage to come, you know, do. And I
14 think they get their per diem too, which is \$35 a
15 day, which --

16 MR. CROCKER: And that being a volunteer position,
17 that's not staffed; is it? They actually have to
18 dig in and use their professional skills.

19 MS. CUBITT: Yes.

20 MR. CROCKER: I mean, to me, that's different than us
21 serving as volunteers on the board.

22 MR. HOBBS: It's almost like a Peer Review Committee for
23 SCACPA.

24 MR. CROCKER: But they have to actually do the work.

25 MR. HOBBS: They don't actually have to do the work.

1 They oversight. What their role would be, to
2 evaluate and open up complaints, or suggest
3 complaints to be opened to the IRC for firms that
4 aren't taking action on peer review. They would be
5 evaluating SCACPA, to make sure SCACPA's peer
6 review program is functioning properly. Making
7 sure their peer reviewers and it's being
8 administered properly. The AICPA has oversight
9 every other year to SCACPA, so they would be
10 involved with talking to the AICPA oversight
11 person.

12 There is a time commitment. And I reckon from
13 my standpoint of it, if it was -- most states are
14 saying it could be a volunteer for the people that
15 -- it would be a volunteer capacity. And that may
16 save our board money because right now we're
17 compensating someone to go to those meetings. And
18 in essence, they would be rotating it. There are
19 four or five meetings a year. If you got three or
20 four people on this PROC, they would rotate going
21 to these committee meetings on behalf of the state
22 board.

23 MS. CUBITT: Mr. Chairman, I serve on the national
24 committee for that, for NASBA, and in most states,
25 those three positions are volunteer, and there is a

1 good bit of work that they do. They attend the
2 meetings. They also check the reviewer's
3 qualifications, to see if the reviewer was
4 qualified to do that kind of audit and that type
5 thing. And there are a few states that pay them.
6 Texas pays pretty well; has a number of people on
7 it. But it's on a state-by-state issue, you know,
8 what they can afford to do.

9 MR. CROCKER: I mean, I guess it boils down to whether
10 we believe it's going to limit the quality of
11 person we can get for that large of a time
12 investment, when they're probably making a living
13 otherwise -- trying to make a living. But that
14 needs to be considered. This is critical.

15 MR. HOBBS: Well, do I hear -- do I hear some type of
16 feeling that -- would it be appropriate for me to
17 discuss with Chuck about --

18 MR. BALDWIN: Yeah.

19 MR. HOBBS: -- taking that role?

20 MR. BURKETT: Absolutely.

21 MR. HOBBS: And maybe thinking about some other people
22 that he could serve and maybe think about doing
23 that as a volunteer?

24 MR. BALDWIN: Let's bring it up at the next meeting
25 then.

1 MR. HOBBS: I didn't want to talk with him too much. If
2 it's all right -- if it's all right with this
3 board, I'll have an official meeting with him --

4 MR. BALDWIN: Please do.

5 MR. HOBBS: -- see if he would -- if he would consider
6 being in that role. All right. I'll do it. And
7 I'll have a report at the December 3rd meeting.

8 Communications update. We talked about the
9 professional issues update already. Doris, did you
10 have something you wanted to add?

11 MS. CUBITT: Well, before we kind of got away from that,
12 Regulation 109 is where we talk about peer review.
13 And the AICPA Peer Review Program has changed. And
14 in our actual language, it's on Page 64 and 65 and
15 66. We talk about the letter of caution, the
16 letter of response, adverse and modified reports.
17 They're no longer using that language. So could we
18 have a vote to change that language to mirror what
19 the actual reports say? And we could go ahead and
20 change that at the same time?

21 MR. BALDWIN: We need to.

22 MS. CUBITT: I just need to call SCACPA and get the --
23 because now it's a pass/fail --

24 MR. BALDWIN: That's good.

25 MR. CROCKER: Well, my question about that is to change

1 that to where, in three years from now they change
2 it, we don't have to change the regulation.

3 MR. BALDWIN: Yeah, yeah.

4 MR. HOBBS: Yeah, let's just say it has to be the
5 reporting guidelines of the AIC of the peer review
6 program.

7 MR. BALDWIN: Of the peer review --

8 MR. HOBBS: Of the peer review program. Let's don't get
9 into defining that. We'll just say a copy -- since
10 we're going from board-facilitated access with no
11 opt out, we're going to have access to their
12 information. So let's don't get into the -- they
13 may change paths to something else in two years.

14 MS. CUBITT: Okay. All right.

15 MR. HOBBS: And since we're going to board-facilitated,
16 nobody can opt out, you should have access to
17 whatever they issue.

18 MS. CUBITT: Okay.

19 MR. HOBBS: Probably do need that on the record. Do I
20 hear a motion that we change that peer view
21 language to conform to the -- to the peer review
22 program?

23 MR. BURKETT: Yes.

24 MR. HOBBS: Peer review program?

25 MR. BURKETT: I make a motion that it conform to the

1 peer review program, now and in any future changes
2 to the peer review program, however that can be
3 worded.

4 MR. BALDWIN: I'll second.

5 MR. HOBBS: Motion and a second. Any discussion?

6 (NO RESPONSE.)

7 MR. HOBBS: All in favor, please say aye.

8 BOARD MEMBERS: Aye.

9 MR. HOBBS: Any opposed? None opposed. All right.

10 Doris, you want to talk about personal development
11 CPE?

12 MS. CUBITT: Yes, sir. The association had written us a
13 letter and had some concerns about -- I think our
14 frequently asked questions and some of the things
15 we have listed as personal development. The board
16 in the past have looked at the issue. We'd
17 received some guidance in order to develop those
18 frequently-asked questions. Their letter goes into
19 detail about the administrative practice.

20 Where the board was at before, they'd
21 expressed the opinion that most anything can be
22 personal development: time management, you know,
23 other topics, general computer courses, things like
24 that can be personal development, which is limited
25 to eight hours. And the way our questions are

1 worded, if a CPA is taking how to grow his
2 practice, the board has looked at that, that that's
3 personal development. He's growing his practice.
4 That's not technical knowledge to supply to the
5 candidates -- I'm sorry, to the clients. I get my
6 market mixed up there.

7 So it really had to be looked at in a case-by-
8 case basis. And, of course, we tell everybody that
9 their CPE must promote their professional
10 competency. And when they question me about
11 courses sometimes, I tell them, "If you can defend
12 it to the board and make a good argument for it and
13 you think that the board will -- your argument's
14 strong enough that they would approve it," then
15 that's what they've got to go by.

16 But we had listed management advisory
17 service --

18 MR. BURKETT: Well see -- well, go ahead.

19 MS. CUBITT: There are just different things in there,
20 and I guess I just need a feel for how y'all feel
21 about it.

22 MR. HOBBS: Let me kind of hit the crux of the problem.

23 MR. BURKETT: Yeah.

24 MR. HOBBS: The crux of the problem us in this answer,
25 we're more narrowly -- we're saying a lot more

1 things can count as personal development than the
2 South Carolina Association of CPAs based their CPE
3 on. Okay? For example, specialized knowledge and
4 applications. See right there? We're saying
5 that's personal development. They take the
6 position that that's not personal development.

7 MR. BURKETT: I don't think it is personal development.

8 MR. HOBBS: So what I'm saying is -- so what I said was,
9 when Doris and I visited about this, I said,
10 "Doris, I really don't want to be class -- I don't
11 want to be in the job of classifying CPE. And what
12 I would like to do is just adopt NASBA's
13 classifications, if at all possible." And that's
14 kind of how I left it. But that's kind of how I
15 think we ought to do it. I kind of think we ought
16 to just adopt NASBA. I don't want to be in -- I
17 don't want to be deciding whether some of these
18 things are -- I think somebody else does that
19 better than I do.

20 MR. BURKETT: Can you pull up -- do you have NASBA, if
21 you can pull it up?

22 MR. HOBBS: But the big issue is, SCACPA did their CPE
23 course kind of based on the national, and ours are
24 messing up, because a lot of people are going to
25 have their CPE wrong because they're taking a lot

1 of classes that SCACPA says counts, and now we're
2 saying doesn't count. Said limited to eight hours.
3 PD is limited to eight hours per years.

4 MR. BALDWIN: Oh, but Doris is not saying that those
5 classes don't count.

6 MR. HOBBS: Eight hours. Eight hours count a year, if
7 it's personal development.

8 MR. BALDWIN: No, no. But what I mean by that is it a
9 facts and circumstances situation. And just as you
10 explained earlier, what I heard you say is, just
11 because SCACPA marks it as specialized knowledge
12 does not in and of itself make it personal
13 development. It's still a facts and circumstances
14 on each situation, is what I heard you say.

15 MS. CUBITT: Yeah, yeah.

16 MR. BALDWIN: But worrying about something to your
17 point, I mean, clearly, financial planning
18 education is professional not personal development.

19 MR. BURKETT: Yeah.

20 MR. BALDWIN: I'm happy with where you're going. I'm
21 just saying, what I hear you saying, it's not as
22 big a problem as they think it is.

23 MR. HOBBS: Well, we're not really going out there
24 chasing all these people for professional
25 development.

1 MR. BALDWIN: That's right.

2 MR. HOBBS: What we're worried about is that SCACPA view
3 the response to the Q&A is not consistent with what
4 they're telling their members their CPE is counting
5 for.

6 MR. BURKETT: And it's not just SCACPA; it's any other
7 state.

8 MR. HOBBS: It's any other state.

9 MR. BURKETT: But most states will go with what NASBA
10 says.

11 MR. BALDWIN: Let's just change it to NASBA.

12 MR. HOBBS: Well, I think what we'd like to do is go
13 back to what pretty much follow a NASBA approach to
14 classification, because I don't think we want to --
15 that's just what I think.

16 MR. BURKETT: Well, quite frankly --

17 MS. CUBITT: Had that report been changed? Isn't there
18 a new white paper out on the CPE?

19 MR. TEAGUE: Statements of standards.

20 MS. CUBITT: Yeah, a statement of standard from CPE with
21 some modifications to it? Can you pull it up? And
22 I guess it boils down to, like management advisory
23 services, we list it as personal development. But
24 covers topics such as advanced cash and treasury
25 management and cost accounting. And I agree that

1 those things are detailed, technical things that
2 should be regular CPE. But if it was how to market
3 your firm or how to grow your firm, could be
4 management advisory services also. And that really
5 should be limited to personal development, so --

6 MR. BALDWIN: Actually, it may be more of a term of art.
7 The truth is, management services normally mean
8 management consulting practice --

9 MR. HOBBS: That's what I think.

10 MR. BALDWIN: -- service, right? It's practice is
11 what you're looking for.

12 MS. CUBITT: It could be the terminology.

13 MR. BALDWIN: It's not management advisory services it's
14 practice advisory service, I think or along that
15 line.

16 MR. BURKETT: I'm going to ask a question, Doris. When
17 you get a course that NASBA is QAS qualified, they
18 tell you what classification it is, right?

19 MS. CUBITT: On the self-study for QAS, yes.

20 MR. BURKETT: On the self-study. So we shouldn't have
21 anything different than what they say because we're
22 going by what -- whatever that is.

23 MR. HOBBS: This is viewed as a SCACPA issue because
24 SCACPA's CPE records are not consistent with our
25 state Q&A. They are afraid it's not.

1 MR. BURKETT: But I think South Carolina Association
2 goes along with what NASBA says, I believe.

3 MR. BALDWIN: That's right. Q&A.

4 MR. BURKETT: Is that --

5 MR. HOBBS: Yeah. They're trying to --

6 MR. BURKETT: And I think that's what we need to do
7 because if a -- NASBA's job is to go through it and
8 make sure they know what the content is, make sure
9 it qualifies. And they're better served doing that
10 than we are, possibly. Do you disagree with that,
11 Doris?

12 MS. CUBITT: No, I don't. And I think if you maybe
13 adopted the CPE professional standards and then,
14 you know, you still can add a statement to it that
15 says, if it's marketing, if it's marketing your
16 client, then, you know, you have a big marketing
17 area in your firm, that could be just regular CPE.
18 But if it's related to growing your personal firm
19 or your practice -- if it's practice issues, then
20 it would be personal development. Because all
21 those topics --

22 MR. BURKETT: Or what you're saying, if I have somebody
23 in my CPA firm who's a CPA and all they do is
24 market our firm, and they take a marketing program,
25 is that person development? Or is that -- does

1 that qualify -- is that or is that not personal
2 development?

3 MS. CUBITT: That would be personal development. I
4 mean, it's marketing your firm. Now, if it --

5 MR. BURKETT: Wait a minute. And that's where we get --
6 their entire job is to market the firm. I don't
7 have anyone in that position.

8 MS. CUBITT: Right. Right.

9 MR. BURKETT: But the same thing with somebody whose
10 entire job as CPA is to work on the computer, and
11 they take an Excel course, and they work on Excel
12 day-in and day-out, we're saying that's personal
13 development. When, in fact, that may be something
14 that qualifies them to do a better job; that's what
15 I'm asking.

16 MR. HOBBS: See, that's where I get in --

17 MR. BURKETT: That's where I get confused.

18 MS. CUBITT: In the past, we've allowed all of the
19 Excel, because as regular CPE because that's
20 something you deal with constantly.

21 MR. BURKETT: But when I looked at the list, I thought
22 -- I was trying to pick out something that's on our
23 list that looked like to me could have been
24 qualified -- well, but if your job is to market,
25 and that's your job and you're a CPA, then is that

1 personal development? Or are you -- are you
2 enhancing your job? That's my question. Because
3 quite frankly, if I've got somebody marketing in my
4 firm, I don't want them taking anything except for
5 marketing courses for 40 hours. I'm being
6 argumentative for the sake of being argumentative,
7 but I'm giving you an example.

8 MS. CUBITT: That's okay. Well, if your firm -- now
9 this is just what I've heard in the past. I'm glad
10 to do it, you know, any way y'all decide is the
11 right way to do it. But as a full-service firm and
12 you're helping your client with different things
13 and you're helping them with the IT part of it and
14 you've got a computer part of it, and you're
15 helping them with their marketing, then I think it
16 should count as regular CPE.

17 MR. BURKETT: That's what I thought. Because when we
18 were going through the CPE reports, depending on
19 what somebody's job was, was whether I considered
20 it to be personal development or not, when we were
21 here that day.

22 MS. CUBITT: Right.

23 MR. BURKETT: You know, if somebody's job was to work on
24 a computer full time, and I didn't consider
25 computer courses to be personal development.

1 MS. CUBITT: Right. I agree with that statement.

2 MR. HOBBS: Well, you know what bothers me about that,
3 though, because a CPA's job is not to market. I
4 take exception to what y'all just --

5 MR. BURKETT: Well, that's --

6 MR. HOBBS: Yeah, I know. I know.

7 MR. BURKETT: But that way, if NASBA makes the
8 qualification, we don't need to deal with that.

9 MR. HOBBS: But what I think is, the big crux is, some
10 members who are getting CPE credit for attending
11 SCACPA's courses, now compare that to the Q&A that
12 we've issued and say that now that courses that
13 SCACPA has told them qualifies for regular CPE is
14 now PD and they can only get eight hours worth, and
15 they're going to two days worth.

16 MR. BURKETT: They need to stop looking at our Q&A.

17 MR. HOBBS: So what I urge, if you're getting a --
18 unless somebody disagrees with us, Doris, I think
19 what we're trying to say is, we think that Q&A
20 should be changed, that answer should be changed to
21 be more consistent with the way NASBA and SCACPA
22 has viewed those classes. And if you've still got
23 questions with it, we can talk about it.

24 MS. CUBITT: I think the appropriate thing probably is
25 for y'all to vote or have a motion, if that's what

1 you're going to adopt. And if you're --

2 MR. HOBBS: What are we going to adopt?

3 MS. CUBITT: The CPE standards that have been issued by
4 NASBA.

5 MR. HOBBS: Okay. Where does that say what the courses
6 are? Where does that answer the -- where does that
7 respond to the answer on the Q&A?

8 MS. CUBITT: Well, we'll have to change our Q&As to
9 match --

10 MR. HOBBS: That's all I want you to do. I want you to
11 change your Q&A to be consistent with NASBA's
12 interpretation.

13 MS. CUBITT: And so you want to adopt those as our self-
14 study standard -- I mean, not self-study, CPE
15 standards.

16 MR. HOBBS: Well, can we pull that up, just so we can
17 just look at it?

18 MR. BURKETT: It's pretty complicated, but he pulled it
19 up earlier.

20 MR. HOBBS: It's complicated?

21 MR. BURKETT: I think the point is, if NASBA says it's
22 self-study --

23 MR. HOBBS: Now, it's not a question of self-study.

24 It's whether it's

25 MR. BURKETT: PD.

1 MR. HOBBS: --PD or --

2 MR. BURKETT: I understand. Personal development. Not
3 self-study; I meant personal development.

4 MS. CUBITT: There it is.

5 MR. BURKETT: Yeah, that's 21 pages, though. Why don't
6 we do this: Why don't we have somebody look at it
7 and make a recommendation at the next meeting?

8 MR. BALDWIN: That's good.

9 MR. HOBBS: All right.

10 MS. GREENLEE: Would you like me to do that?

11 MR. HOBBS: Would you mind doing that?

12 MR. BALDWIN: Welcome aboard.

13 MR. HOBBS: I would appreciate you doing that and may be
14 we can have a report at the December 3rd meeting
15 and we could get that resolved.

16 MR. BALDWIN: It's perfect after that discussion, right?

17 MR. HOBBS: Thank you very much. Thank you very much.
18 And I tell you one thing, if you would too, if you
19 would, as part of your process, talk to Reva
20 Breenan at SCACPA and maybe visit with her. Make
21 sure we're all on the same page about it, and that
22 would be great. Thank you so much for agreeing to
23 do that.

24 Firm name, DBA clarification. We're about
25 done. We're getting close to the short rows.

1 Doris, I know we had some emails with you, dialogue
2 about that. And it goes back a few years, when we
3 voted on someone having a DBA name and whether
4 their firm name should be the Secretary of State.
5 And there was an issue about that, and now we've
6 got some requests about that.

7 MS. CUBITT: Yes, sir.

8 MR. HOBBS: And I know that's our issue.

9 MS. CUBITT: We had told them that they had to -- I
10 forget that actual --

11 MR. HOBBS: There it is on the board.

12 MR. BALDWIN: It's on the board.

13 MS. CUBITT: Okay. We had not allowed DBAs in the past.
14 At the June of '06 meeting, they decided to allow
15 DBAs. And it has to be what's actually registered
16 with the Secretary of State. But the Secretary of
17 State --

18 MR. BALDWIN: Doesn't do it; does he?

19 MS. CUBITT: -- doesn't do it. And the concern that the
20 board members were expressing at that time, if they
21 were doing a DBA and the client was having problems
22 with them, and they're trying to track them back,
23 they wanted to be able to find them. And I know
24 that's hard for y'all to imagine, but there are
25 people that just close their office and then they

1 can't find them and --

2 MR. BALDWIN: Well, if they know who the licensee is,
3 theoretically, we have the address here, right?

4 MR. HOBBS: Well, see, what I thought solved that is I
5 thought you need letterhead. You should have your
6 legal name and your DBA name somewhere on the
7 letterhead. Is that not practical?

8 MS. CUBITT: That may be practical, but we haven't ever
9 told them that. So if we need to tell them that --

10 MR. HOBBS: Well, that's what I think solves it. I
11 think their letterhead should communicate both
12 their legal name and their DBA name, if they're
13 operating under two names. That would be my
14 solution.

15 MR. BURKETT: When you're getting into letterhead,
16 you're getting into business cards, you're getting
17 everything they give out. And I'll just give you
18 an example. North Carolina, they're getting ready
19 to change this. But the name of my firm is
20 Burkett, Burkett and Burkett, Certified Public
21 Accountants, P.A. Until they changed the law, I
22 couldn't get out a hat that said BB&B, CPA, P.A.
23 It had to be Burkett, Burkett and Burkett,
24 Certified Public Accountants, P.A. You couldn't
25 even market anything that didn't have the exact

1 name on it.

2 MS. CUBITT: Okay.

3 MR. BURKETT: And like they were saying, they were doing
4 that to protect the public. And they're getting
5 ready to lessen that a little bit, I think, talking
6 to people in North Carolina. So the issue is here,
7 you know, and I think Doris deals with this is, are
8 we going to let people use DBA names? Or they got
9 to use the name that's registered with the
10 Secretary of State? That way, you can track them
11 back down. Is that the issue?

12 MS. CUBITT: Yes, sir.

13 MR. BURKETT: I mean, you know, to me, when we voted on
14 it, it looks like to me, we said as long as it was
15 at the Secretary of State, they could use it. But
16 I'm not sure -- I don't remember this meeting.

17 MR. HOBBS: I remember that meeting. The attorney from
18 Greenville promoted that. Remember Jamie?

19 MR. BURKETT: Yeah.

20 MR. HOBBS: Jamie was the one -- what was Jamie's last
21 name?

22 MR. BURKETT: Yeah, I don't remember.

23 MS. CUBITT: Hines?

24 MR. HOBBS: Jamie Hines said that -- and he said from a
25 legal standpoint, we had to stick with the

1 Secretary of State's name. He was the one --

2 MR. BALDWIN: Ask a question of counsel. There is a
3 provision in the Secretary of State for the
4 registration of trademarks or service marks. Does
5 that have any applicability here in this
6 discussion, you think, where they are online with
7 the Secretary of State?

8 MR. BURKETT: That's a good idea.

9 MR. GRIGG: I don't think so, just off the top of my
10 head. I'd have to research it to give you a
11 definitive answer, but no, I mean --

12 MR. BALDWIN: I guess the point I'm getting, is if
13 you're going to do a DBA, then you're actually
14 creating a business name and entity, and therefore
15 should -- to prevent confusion for the public,
16 should you have at least registered it as a
17 trademark or a service mark? So --

18 MR. HOBBS: Secretary of State does license trademarks.
19 Why wouldn't we let that be their DBA? That way,
20 we could track them that way.

21 MR. BALDWIN: Maybe he should research it.

22 MR. GRIGG: We can look into it. I mean, I don't off
23 the top of my head know a definitive answer. My
24 concern with it is if it's that they aren't
25 concerned with DBAs, that they don't require those

1 to be licensed and registered with them. So if
2 somebody comes to you, Dean Grigg, DBA, whatever, I
3 don't know how we could require them to have a
4 trademark or something -- follow them if they're
5 not required to do anything as a DBA under the
6 Secretary of State.

7 MR. BALDWIN: I see your point.

8 MR. GRIGG: Maybe there is a way we could do it there; I
9 don't know. But that would be my concern. But we
10 can look into it and maybe try to have something
11 for you by the next meeting.

12 MR. BURKETT: Yeah, why won't you do that. And look at
13 the -- NASBA has got a position on that, don't
14 they, Doris, on the firm names? I'm trying to --

15 MS. CUBITT: They have a position on firm name --

16 MR. BURKETT: The whole point is is that when I go to
17 these national meetings, there are people
18 throughout the United States using DBAs who really
19 shouldn't -- you know, most states want you to have
20 the actual name of the firm, so you know who you're
21 dealing with.

22 MS. CUBITT: Right.

23 MR. BALDWIN: Right. Exactly. For the public good.

24 MR. BURKETT: Public good. And even like -- and even
25 North Carolina is going to the national firms can't

1 be -- some national organizations can't be there
2 but you've got to have somebody working for you and
3 that type stuff. It's more complicated than that.
4 But I'm concerned about somebody using a DBA and
5 just change that DBA and moving on, moving --

6 MR. BALDWIN: Right, exactly, exactly.

7 MR. BURKETT: So I don't know how to answer the
8 question, but I think there needs to be some more
9 research on it.

10 MR. HOBBS: I think we ought to take -- I think we need
11 some more information too, to make the decision.
12 That's a good idea. Maybe we can do that December
13 meeting?

14 MR. BALDWIN: yeah.

15 MR. GRIGG: We can have something ready by then.

16 MR. BURKETT: That would be in the old business?

17 MR. HOBBS: Approval of the CPA exam grades.

18 MR. BURKETT: I think there's a couple I don't want to
19 approve in there. I move we approve the exam
20 grades.

21 MR. BALDWIN: Second.

22 MR. HOBBS: There's a motion on the floor to approve the
23 exam grades and second by Mr. Baldwin. The motion
24 was made by Mr. Burkett, second by Mr. Baldwin.
25 Any discussion on the exam grades?

1 (NO RESPONSE.)

2 MR. HOBBS: Hearing no discussion, all in favor, say
3 aye.

4 BOARD MEMBERS: Aye.

5 MR. HOBBS: Any opposed?

6 MR. BURKETT: And for the new members, we have to vote
7 on that each time. I always say I want to kick
8 somebody out, just to see what happens, but they
9 don't let me. It's in the law, right, Doris?

10 MR. BALDWIN: He's just being difficult.

11 MR. HOBBS: The hearings we had scheduled were
12 postponed, Item 11. Hoping we'll get them
13 scheduled soon.

14 MR. BURKETT: Did we get any consent orders signed? Or
15 just got postponed?

16 MS. CUBITT: We have one consent order who that couldn't
17 be presented at this meeting. We didn't get it
18 back in the mail.

19 MR. BURKETT: So we still got two cases, is what you're
20 telling --

21 MS. CUBITT: Yes. One was postponed. Well, both were
22 postponed. Because there's another case that isn't
23 here because it was already postponed. And then
24 Mr. Smith postponed to the next meeting.

25 MR. HOBBS: Public comment, Mr. Gale Bell.

1 MR. BELL: No comment, sir.

2 MR. HOBBS: Any other business we got to consider here
3 today? I appreciate everybody going over a little
4 bit past our lunch. Our break for lunch was
5 supposed to be at 12. But I think we got a lot of
6 business done today. We had a full meeting. Any
7 other business?

8 (NO RESPONSE.)

9 MR. HOBBS: Hearing no other business, do I hear a
10 motion that we adjourn?

11 MR. BURKETT: I so move.

12 MR. HOBBS: Motion made by Mr. Burkett to adjourn. Is
13 there a second?

14 MR. FORTE: Second.

15 MR. NICHOLS: Second.

16 MR. HOBBS: Second by multiple people. Everybody
17 seconded it. Everybody, Mr. Fore and Mr. Nichols.
18 Any discussion? All in favor, please say aye.

19 BOARD MEMBERS: Aye.

20 MR. HOBBS: Any opposed? Unanimous. Thank everyone.

21

22

(Whereupon, the meeting/hearing were
adjourned at 12:25 p.m.)

23

24

25

1 CERTIFICATE OF REPORTER

2 I, CECELIA P. ENGLERT, COURT REPORTER AND NOTARY
3 PUBLIC IN AND FOR THE STATE OF SOUTH CAROLINA AT LARGE,
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18 CAROLINA, WHO WILL RETAIN THIS SEALED ORIGINAL
19 TRANSCRIPT.

20 IN WITNESS WHEREOF, I HAVE SET MY HAND AND SEAL
21 THIS 22ND DAY OF NOVEMBER, 2011.

22 _____
23 CECELIA P. ENGLERT, COURT REPORTER
24 MY COMMISSION EXPIRES JUNE 03, 2018

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