

STATE OF MARYLAND  
BOARD OF PUBLIC ACCOUNTANCY  
BUSINESS MEETING MINUTES  
August 7, 2018

**LOCATION:** 500 North Calvert Street  
Baltimore, Maryland 21202  
Third Floor Conference Room

**MEMBERS**

**IN ATTENDANCE:** Arthur E. Flach  
Leslie Mostow  
Macon M. Ware, III  
James E. Marshall, Jr.

**MEMBERS ABSENT:** Phillip J. Korb  
Edward J. Helmstetter, Jr  
Mary Campbell

**DLLR OFFICIALS/STAFF:** Shanai R. Jordan, Executive Director  
Christopher Dorsey, Asst. Executive Director  
Matthew Lawrence, Legal Counsel  
Norbert Fenwick, CE Consultant  
Linda L. Rhew, Administrative Officer  
Mason Land, Investigator

**OTHERS PRESENT:** Mary Beth Halpern, MACPA  
Alverta Steinwedel, MSATP  
Tom Bray, MSATP

The August 7, 2018, meeting of the Maryland Board of Public Accountancy was called to order at 9:00 AM by Chairman of the Board, Arthur E. Flach.

Upon a motion **(I)** by Mr. Mostow, and seconded by Mr. Marshall, the minutes of the June 19, 2018, meeting were approved with corrections.

**Chairman's Report**

Chairman Flach reported that Congressman Mike Conaway (R-Texas) has introduced the "Occupational Licensing Board Antitrust Damages Relief and Reform Act" ([H.R. 6515](#)). The purpose of this important legislation is to address the practical antitrust law implications for state professional and occupational licensing boards affected by the Supreme Court's 2015 decision in North Carolina State Board of Dental Examiners v. Federal Trade Commission.

"State licensing boards provide an invaluable service to the state," Rep. Conaway explained. "Individuals who serve on these boards should enjoy the same legal protections for working on behalf of the state as all other state officials do. Having served on the Texas State Board of Accountancy myself, I understand that serving on a licensing board is performing an important public service. This legislation ensures that members of state licensing boards will continue to serve the state without fear of personal liability."

The bill would shield state boards, board members and their staff members from damage awards stemming from private antitrust litigation. It would also allow both government enforcers and private plaintiffs to continue to sue for injunctive relief (and potentially recover attorneys' fees if successful). However, in order to obtain the liability relief, the bill states certain criteria must be met:

- For new occupational licenses, the state must have a sunrise review mechanism in place,
- For existing boards, a periodic sunset review is required unless the occupation is licensed in at least 40 states,
- Boards must also meet two compositional criteria; specifically, all board members must be selected by an officer of the state and the boards must have public representation.

Chairman Flach also reported that the alternate pathway to CPA as proposed by the AICPA and being considered by NASBA will be put on hold based upon feedback received.

Upon a motion **(II)** by Mr. Marshall, and seconded by Mr. Ware, the Board unanimously approved the Chairman's Report.

#### **Executive Director's Report**

Ms. Jordan introduced Christopher Dorsey as the Assistant Executive Director. She said Mr. Dorsey would be working on complaints. Ms. Jordan also said the Board was moving forward with the newsletter through NASBA and she asked the Board members to provide a picture and biography to be listed in the newsletter, as she would like to introduce the members of the Board for the first official newsletter.

Upon a motion **(III)** by Mr. Ware, and seconded by Mr. Marshall, the Board unanimously approved the Executive Director's Report.

#### **Exam Appeals**

There were no exam appeals.

#### **Education Report**

Mr. Mostow presented the Education Report in the absence of Mr. Korb. There were three (3) Transfer of Grades applications approved. There was one (1) Transfer of Grades denial for lacking three semester credit hours in ethics.

The Board reaffirmed per Chairman Flach's request that we do not accept credits earned through third party entities such as StraighterLine, even when accepted by a regionally accredited educational facility.

Upon a motion **(IV)** by Mr. Marshall, and seconded by Mr. Ware, the Board unanimously approved the Education Report.

### **Experience Report**

Mr. Marshall presented the Experience Report. There were fifteen (15) Reciprocal applications approved, zero (0) Reciprocal application denials. The fifteen reciprocal license applicants were licensed in the following states: VA-6, GA-1, NY-1, NJ-1, PA-2, NH-1, NC-1, TX-1, CO-1. There were forty-six (46) Maryland candidate license application approvals and zero (0) Maryland candidate application denials.

Upon a motion **(V)** by Mr. Mostow, and seconded by Mr. Ware, the Board unanimously approved the Experience Report.

### **Firm Permit Report**

Mr. Ware presented the Firm Permit Report. There were three (3) Maryland firm permit applications approved, as follows: MD-2, AL-1 and zero (0) firm applications closed and two (2) Administrative Closures.

Upon a motion **(VI)** by Mr. Marshall and seconded by Mr. Mostow, the Board unanimously approved the Firm Permit Report.

### **Peer Review Oversight Committee Report**

Chairman Flach stated there was nothing new to report on Peer Review at this time.

Upon a motion **(VII)** by Mr. Ware, and seconded by Mr. Marshall, the Board unanimously approved the Peer Review Permit Report.

### **New Business**

A) Mr. Lawrence informed the Board that the Secretary had requested all boards and commissions to promulgate a uniform regulation regarding responses to official communications. The uniform regulation would apply to applicants as well as licensees, require a response within 30 days of the communication, specify that first class mail notification is sufficient, and specify that a failure to respond within 30 days may lead to disciplinary action. Mr. Lawrence explained that the uniform regulation differs from the Board's existing regulation in that it applies to applicants as well as licensees and that it eliminates the requirement that communications must be sent by certified mail.

Upon a motion **(VIII)** by, Mr. Mostow, and seconded by Mr. Ware, the Board unanimously voted to adopt the above-described uniform regulation concerning responses to official communications.

B) The Board received one Late Fee Refund Request due to non-receipt of renewal notices. The Board discussed the number of notices they, as CPAs, receive reminding them of their upcoming renewal and determined the Board makes every effort to remind licensees of their upcoming renewal and that there was no credible reason to waive the late fee.

Upon a motion **(IX)** by, Mr. Ware, and seconded by Mr. Mostow, the Board unanimously denied the request for the late fee to be refunded.

C) The Board received one Peer Review Waiver Request. After discussion of the facts presented, the Board denied the peer review waiver request as it determined the requester had provided peer review mandated services during the peer review period.

Upon a motion **(X)** by, Mr. Mostow, and seconded by Mr. Marshall, the Board unanimously denied the request for the peer review to be waived.

D) The Board received two exam credit waiver requests from two candidates. After the Board reviewed the documents received, the Board denied both requests.

Upon a motion **(XI)** by, Mr. Mostow, and seconded by Mr. Marshall, the Board unanimously denied the two exam credit extension waiver requests.

E) The Board discussed that twenty-five (25) states have now passed firm mobility. The Board discussed whether firm mobility would have an impact on firms located in Maryland, as well as, the impact it will have on revenue in the state. The Board asked Ms. Jordan to obtain financial information surrounding the impact firm mobility would potentially have on the state's and the Board's revenue.

Upon a motion **(XII)** by, Mr. Mostow, and seconded by Mr. Marshall, the Board unanimously agreed to table the issue pending verification of the financial information provided.

### **Old Business**

There was no Old Business.

### **Correspondence**

There was no Correspondence.

### **Executive Session**

Upon a motion **(XIII)**, by Mr. Marshall, and seconded by Mr. Ware, the Board went into Executive Session in the 3rd Floor Conference Room, 500 N. Calvert Street, Baltimore, Maryland 21202 at 9:46 AM. The purpose of this session was to consult with counsel. This session is permitted to be closed pursuant to Section 3-305(b)(7) of the General Provisions Article, Maryland Annotated Code. It returned to the regular business meeting at 10:08 AM upon a motion **(XIV)**, by Mr. Mostow, and seconded by Mr. Ware.

### **Complaint Committee Report**

Mr. Marshall reported the complaint committee has closed eighteen (18) complaints, 7 audit failures and 11 consumer complaints. The Board currently has forty (40) open complaints; ten (10) CE Audit Failures, three (3) PCAOB complaints, and twenty-seven (27) consumer complaints.

Upon a motion **(XV)** by, Mr. Mostow, and seconded by Mr. Ware, the Board unanimously approved the Complaint Committee Report.

**Executive Session**

In EX A – 0818, upon a motion **(XVI)**, by Mr. Mostow, and seconded by Mr. Ware, the Board unanimously approved the extension of conditional credit for BEC until March 10, 2019.

In EX B – 0818, upon a motion **(XVII)**, by Mr. Mostow, and seconded by Mr. Ware, the Board unanimously approved the extension of conditional credits for REG and BEC until March 10, 2019.

In EX C – 0818, upon a motion **(XVIII)**, by Ms. Ware, and seconded by Mr. Marshall, the Board unanimously denied the extension of conditional credits for FAR and AUD.

In EX D – 0818, upon a motion **(XIX)**, by Mr. Marshall, and seconded by Mr. Mostow, the Board unanimously approved the extension of conditional credit for FAR until April 7, 2019.

Upon a motion **(XX)** by Mr. Marshall, and seconded by Mr. Mostow, the Board adjourned at 10:15 AM.

**NEXT MEETING** September 11, 2018, 500 North Calvert Street, Third Floor, 9:00 AM



With corrections

Without corrections

**SIGNATURE ON**  
**ORIGINAL DOCUMENT**  
Chairman

Date