



TEXAS STATE BOARD REPORT

APRIL, 1987

AUSTIN, TEXAS

VOL. 26

Board Establishes Constructive Enforcement Program

The Constructive Enforcement Program was officially adopted at the February 26, 1987, Board meeting. The program is based upon the utilization of volunteers from within the profession to serve as members of the Enforcement Advisory Committee under the general auspices of the Enforcement Committee.

These volunteers will assist the Board's Enforcement and Technical Standards Review Committees by investigating complaints and making recommendations to the committees; advising the Board's Enforcement Division of violations of *The Public Accountancy Act of 1979, as amended* and the *Rules of Professional Conduct*; following up on the status of compliance with *Board Orders* as requested by the committees, and reporting findings; communicating the Board's interpretation of *The Act* or *Rules of Professional Conduct* (opinions) to the public; and researching and preparing recommended opinions for Board committee review and Board action.

Advisory committee members are appointed from a list of volunteers by geographic area to reflect

the general makeup of the profession in the state. The Chairman has appointed the initial membership from the Dallas, Fort Worth, Houston, and San Antonio areas. A coordinator has been named from each area to serve as liaison between the committee members and Board committees.

Training sessions will be conducted annually, and more frequently if appropriate, by members of the Board staff, Board committees, and others designated by the Chairman or Executive Director. Topics to be covered in training sessions include opinions, due process, investigations/hearings, and procedures which will be utilized. These procedures are contained in the Board's *Complaints Manual*. It is anticipated that complaints relating to the following rules will be forwarded to the committee: 501.13, Commissions; 501.14, Contingent Fees; 501.21, Competence; 501.22, Professional Auditing Standards and Accounting 501.32, Records; 501.42, Acting Through Others; 501.43, Advertising; 501.44, Soliciting; 501.45, Competitive Bidding; 501.46, Form

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Below are the certified public accountants appointed by Chairman James F. Dunn Jr. at the February meeting. A list of volunteers is being maintained in the Board office, and as openings occur on the committee and as the committee expands its scope, new members will be drawn from the list.

DALLAS

- Barnes, Jo Frances
- Burch, William E. Jr.
- Clyde, Robert D. (area coordinator)
- Guest, J. Isaac
- Hoffman, Gary S.
- Jefferson, Dan E.
- Lorenz, Wanda Lee
- Pearson, Henry R.
- Vogel, Philip
- Winfrey, J. Wayne

FORT WORTH

- Esch, John B. (area coordinator)
- Hewatt, Michael W.
- Lawhon, William M.
- Walker, Emma Stokes
- Whitley, Benny Glen

HOUSTON

- Blakely, Pamela Higgitt
- Cathcart, Ann M.
- Clarke, Noel
- Cooner, Carol K. Bartlett
- Domaschk, Elwood Martin John
- Grigsby, George E.
- Latimer, S. Darleen
- Levine, Augusta F.
- Long, James V. (area coordinator)
- McGee, Milton B.
- Manuel, Michael D.
- Nguyen, Viet Ba
- Richey, Randy Lee
- Stoddard, Richard R.
- Suter, Carr Shelton
- Villegas, Hector V.
- Walters, Ronald V.

SAN ANTONIO

- Burnside, Floyde W. (area coordinator)
- Gardner, Lamar W. Jr.
- Goode, James L.
- Matthys, Robert E.
- Montgomery, B.J.

Comments on the Use of the "CPA" Designation in Texas

James F. Dunn Jr., CPA, Chairman

The First Amendment to the *Constitution of the United States* defines our right of freedom of speech. That right requires that a person be permitted to display a "CPA" designation, providing its display is neither false, fraudulent, deceptive, nor misleading. Therefore, everyone who holds a current, valid license from the Texas State Board of Public Accountancy (the Board) to practice as a CPA is entitled, in Texas, to display the fact that he is a CPA (herein "he," "him," and "his" are intended to include the masculine, the feminine, and the neuter).

The consequences of displaying the CPA designation are different, depending on relatively few factors:

1. The mere display of a CPA designation is not an offer to perform services in and of itself; however, if the CPA designation is displayed in connection with an offer to perform or the performance of services customarily performed by CPAs, the display is deemed to be "holding out" as a CPA, since, in doing so, it is presumed that the CPA is inviting others to rely on his expertise as a CPA. This makes him subject to *all* the Board's *Rules of Professional Conduct (The Rules)*.

EXCEPTION: A CPA/attorney who displays his CPA designation and who provides tax services as a part of his legal practice is not deemed to be holding out as a CPA. He simply is displaying his qualifications to carry on that tax practice in a profession (law) that is licensed to do so. Thus, he has not brought himself under the *The Rules*. However, a CPA/attorney practicing as a public accountant or carrying on separate legal and public accounting practices is subject to *The*

Rules with respect to the public accounting practice.

2. A CPA who is employed in industry, government, or academia may display the fact that he is a CPA on his employer's letterhead and on his employer's business card, and may display his CPA certificate in his office, providing neither he nor his employer uses the letterhead and/or business card in connection with the performance or offers of performance for the public of any of the services customarily performed by CPAs.

EXAMPLES:

- A CPA who is associated through ownership or employment with an organization engaged in financial planning (or other businesses engaged in activities customarily performed by CPAs) may not display his CPA designation without making these activities subject to all of *The Rules*. In addition, if he does display his CPA designation on an employer's business card or letterhead, and the employer's activities are being carried on through an organization that is not registered with the Board (as a sole proprietorship, partnership, or professional corporation), the employer's organization is in violation of Section 8 of *The Act*, since it is unlicensed and holding out to the public as being in the practice of public accounting.
- A government employee, such as a state, county, or city auditor, may display his

CPA designation on his employer's business card or on the letterhead of the government organization so long as the organization is engaged solely in carrying out its statutory function. In his capacity as a government employee, he is not subject to *The Rules* which apply to persons in public practice.

- The author of a book or published article may, without subjecting himself to *The Rules* that apply to persons in public practice, display his CPA designation in connection with the publication (to set forth his credentials) so long as the publication (or advertisement for the publication) does not contain an offer to perform professional services customarily performed by CPAs.
- A member of academia may, without subjecting himself to *The Rules* that apply to persons in public practice, display his CPA designation in academic publications (such as a college catalog, a business card or letterhead of the academic organization, or in advertisements of courses offered by the academic organization) so long as the publication does not contain an offer to perform professional services customarily performed by CPAs.

The foregoing is not intended to be all-encompassing, but rather as examples of specific situations concerning questions which are frequently raised. □

ENFORCEMENT ACTIVITY

DISCIPLINARY ACTIONS

Complaint No.: 86-04-25L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: November 21, 1986

Committee Recommendation: An informal conference committee determined that the Respondent had violated Sections 501.21 and 501.22 of *The Rules of Professional Conduct (The Rules)* during the course of an engagement. The Respondent agreed to accept a reprimand and to undertake a peer review.

Complaint No.: 86-04-26L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: November 21, 1986

Committee Recommendation: An informal conference committee determined that the Respondent had violated Sections 501.21 and 501.22 of *The Rules* during the course of an engagement. The Respondent agreed to accept a reprimand and to undertake a peer review.

Complaint No.: 86-04-23L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: November 21, 1986

Committee Recommendation: Following an informal conference before a panel, the Respondent agreed to accept a reprimand based upon a violation of Sections 501.21 and 501.22 of *The Rules*.

Complaint No.: 86-04-27L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: November 21, 1986

Committee Recommendation: An informal conference committee determined that the Respondent had violated Sections 501.21 and 501.22 of *The Rules* during the course of an engagement. The

Respondent agreed to accept a reprimand and to undertake a peer review.

Complaint No.: 86-10-06L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: January 30, 1987
Committee Recommendation: An informal conference committee determined that the Respondent had failed to respond to Board communications in a timely manner. The Respondent agreed to accept a reprimand based upon his violation of Section 501.48 of *The Rules*. Allegations concerning failure to return records were dismissed.

Complaint No.: 85-07-01L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: January 30, 1987
Committee Recommendation: An informal conference committee determined that the Respondent had violated Section 501.44 of *The Rules* by causing firm representatives to solicit business from an independent school district, the client of another firm of licensees. The Respondent agreed to accept a reprimand.

Complaint No.: 85-07-09L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: January 30, 1987
Committee Recommendation: An informal conference committee determined that the Respondent had violated Section 501.44 of *The Rules* by causing firm representatives to solicit business from an independent school district, the client of another firm of licensees. The Respondent agreed to accept a reprimand.

Complaint No.: 85-11-17L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: January 30, 1987
Committee Recommendation: The Enforcement Committee determined that the Respondent had

violated Section 501.42 of *The Rules*. The Respondent agreed to accept a reprimand.

Complaint No.: 85-11-04L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: February 27, 1987
Committee Recommendation: An informal conference committee found that the Respondent had violated Sections 501.44 and 501.47 of *The Rules*. The respondent agreed to accept a reprimand.

Complaint No.: 85-10-08L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: February 27, 1987
Committee Recommendation: An informal conference committee found that the Respondent had violated Section 501.41 of *The Rules*. The Respondent agreed to accept a reprimand.

Complaint No.: 85-12-07L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: February 27, 1987
Committee Recommendation: An informal conference committee found that the Respondent had violated Sections 501.21, 501.22, and 501.23 of *The Rules*. The respondent agreed to accept a reprimand and complete at least eight (8) hours of CPE in specified areas.

Complaint No.: 86-07-13L

Respondent: Unnamed by Board
Date of Ratification of Proposed Consent Order: February 27, 1987
Committee Recommendation: An informal conference committee found that the Respondent had violated Sections 501.22 and 501.45B of *The Rules*. The Respondent agreed to accept a reprimand and to complete at least sixteen (16) hours of CPE in specified areas.

Complaint No.: 86-06-28L

Respondent: Unnamed by Board

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Date of Ratification of Agreed Consent Order: November 21, 1986

Committee Recommendation: The complaint was initially reviewed by current members of the Board's Enforcement Committee. The Respondent agreed to accept a reprimand based upon a violation of Section 501.41 of *The Rules*.

Complaint No.: 86-06-26L

Respondent: Unnamed by Board
Date of Ratification of Agreed Consent Order: January 30, 1987
1986

Committee Recommendation: The complaint was initially reviewed by current members of the Board's Enforcement Committee. The Respondent agreed to accept

a reprimand based upon a violation of Section 501.41 of *The Rules*.

Complaint No.: 86-02-18L

Respondent: Unnamed by Board
Date of Ratification of Agreed Consent Order: January 30, 1987
Committee Recommendation: The Enforcement Committee determined that the Respondent had violated Sections 501.42 and 501.45B of *The Rules*. The Respondent agreed to accept a reprimand.

The Board, through its committees, also held fifteen informal conferences which resolved the matters under consideration through voluntary compliance, with no further sanctions deemed necessary, or by dismissal of the complaint for insufficient evidence of professional misconduct.

ADMINISTRATIVE ACTIONS

Complaint No.: 87-01-21L

Respondents: Three-year Non-payees of License Fees (see below)
Date of Ratification: January 30, 1987

Panel Recommendation: The panel found that the Respondents had failed for three consecutive years to renew their licenses and, as such, had violated Section 21b(9) of *The Public Accountancy Act of 1979, as amended*. The panel recommended that the certificates/registrations of the Respondents be administratively revoked. The Board ratified this action on January 30, 1987.

Abbot, Ronald Brian
Alt, Donald James
Anderson, George Hudson
Armes, Timothy Gordon
Atwood, Michael William
Austin, Barbara Gayle
Austin, Honali
Baker, William
Banner, Michael Paul
Barksdale, L. Don
Barton, S.R.
Bennett, Scot A.
Ber, Warren C.
Beran, Dennis Kevin
Bertolino, Margaret H.
Bhatia, Gobind V.
Bingham, C.C.
Bishop, David Matthew

Black, John M.
Black, Mariamil Pinson
Black, Patricia E.
Blake, William F.
Bogdan, Edward M.
Graswell, Gerald A.
Brinson, Charles Daniel
Brown, James Michael
Bujalski, June Marie
Burns, James A.
Busam, W. Joseph
Butler, Vernon R.
Callaway, E.A. Jr.
Campbell, Gregory Martin
Carman, William T.
Carroll, Howard Daniel
Chase, Janie McCally
Chase, Richard Mark
Chenevert, James G.
Chipman, Ralph Dean
Chiu, Gin-Phong Lin
Christensen, Charles L.
Chustz, Ralph B.
Clements, B.D.
Coker, Ara E.
Conner, Kenneth D.
Conway, Terrance J.
Coon, Maurice T.
Corwin, Gilbert Stanley
Currin, D. Banks
Daratony, John Michael
Dean, David E.
Dorosk, John C.
Dvorak, Frank J.
Dyer, Lynn Everette
Eaton, Ronald H.
Eddy, Lee Roy
Ehresman, Walter
Elliott, William J.
Evans, Jeanne Richards
Ezell, Jack
Fadgen, Jerome S.
Faris, L. Lee
Ferguson, David Lynn
Finley, J. Robert
Finn, J. Allen
Freasier, Robert H.
Futch, Nell B.
Gaines, J.B.
Gaudet, Henry O. Jr.
Gibboney, Frank M.
Gibbons, Louis D.
Gould, Jeffery S.
Greenberg, Cary
Grupsmith, Henry W.
Hainkel, Michael Bruce
Hambrick, Marvin K.
Hancock, Carl Lee
Hardcastle, Helena

ENFORCEMENT ACTIVITY

December 1, 1986 through
February 28, 1987

	Rules	Act	Total
Active files December 1, 1986	788	149	937
Files opened during period	48	14	62
	<hr/> 836	<hr/> 163	<hr/> 999
Files closed during period	367	6	373*
	<hr/> 469	<hr/> 157	<hr/> 626

*29 via voluntary compliance, 327 via Board action, and 17 otherwise (unlicensed individuals who have ceased doing business, cannot be located or died).

Harvill, L.D.
 Hassard, William C.
 Haugan, Peter R.
 Hawthorne, Phyllis A.
 Hayes, Phillip James
 Hebert, Wade David
 Heglund, Ronald Vincent
 Helfer, R. Scott
 Helms, Michael L.
 Henley, Kenneth Karl
 Herzog, Hugo
 Hickok, Richard Sanford
 Hinsey, Norris Bruce
 Holden, William J.
 Hope, Ralph Norman
 Hotchkiss, Douglas Graham*
 House, Robert M.
 Huene, Herbert A.
 Hull, Sarah Shank
 Imre, Thomas Michael
 Jones, Craig Robert
 Joslin, Terry Kimbrell
 Jungman, Robert Frank
 Keefer, Robert T. Jr.
 Keyes, Daniel Joseph
 King, James H.
 Kitain, Irving B.
 Klug, Gerard Darcy
 Kohli, Bhavjeet
 Komninos, Arthur A.
 Koval, Steven Edward
 Krupsky, Wayne E.
 Kuesel, Chas S.
 Lawson, Leonard L.
 Layman, Elizabeth L.
 Leigh, Robert Sidney
 Lemons, Ralph Duane
 Liepins, Marjorie P.
 Lindgren, Stanley O.
 Little, G(rover)
 Lott, Lee Ervin
 Lucas, Bradley A.
 Lucas, John Michael
 Lumpkins, David Bryan Dubis
 Lunghi, William Mario
 Lyon, Walter C.
 Main, David Dwight
 Mann, James C.
 Martin, Clarence A.
 Matson, Norman R.
 Matthews, Jerry Robert
 May, Harold M.
 McAnear, Alston T.
 McCluree, Arthur L.
 McCollum, Gordon A.
 McCormick, Edward J.
 McDonald, Marshall
 Metzinger, Michael Joseph
 Miah, Hassan
 Middleton, Roy P.

Miller, Christina M.
 Miller, John F. Jr.
 Moen, Donald P.
 Moffitt, Lester E.
 Moglovkin, Kenneth Joel
 Montgomery, Ernest F. Sr.
 Moran, Richard J.*
 Morrison, H. Carroll
 Nickerson, Charles A.
 Nitz, Beverly A.
 Nix, John Davis III
 Nolan, Margaret Mary Weidenbruch
 Nwokolo, Paul Ezenwa
 Otis, Maureen Elizabeth*
 Parker, John Charles II
 Pember, Bruce M. Jr.*
 Perrin, William Frank
 Phenix, Michael Robert
 Piner, James Arthur
 Pope, J. Bland
 Praisner, Jan Alexander
 Purkayastha, Arijit
 Rawn, Russell D.
 Raynal, Terrill Andre
 Reilly, Kathleen Marie
 Reyes, Cecilia Magsino
 Ritchey, Arthur P.
 Roscher, Emmitte W.
 Rossiter, Phil Edwin
 Ryan, Robert Whiting
 Ryan, Ronald Raymond
 Sanders, David William
 Sansom, Clinton L.
 Scanlan, Francis X.
 Schonwetter, Fred
 Seavey, Millard Oman
 Seitz, Thomas Ward
 Sheffield, Robert L.
 Shorstein, Michael Alan
 Silvey, Lynda Christine Ramsey
 Simmons, J. Everett
 Simonelli, Steven Allen
 Smith, Phyllis Bleifuss
 Snelling, Donald Everett
 Soderstrom, Edwin Morris Jr.
 Stadeager-Anderson, Nils Rolf
 Stanfill, S.E.G.
 Starkey, Robert Edward
 Stauffer, Christian William
 Steele, Robert B.
 Stewart, Gary Allan
 Stewart, Larry Glynn
 Stokes, Dianna L.
 Stone, Chester B. Jr.
 Strong, H. Raymond
 Sullivan, Mushell I.
 Sullivan, Robert Edward
 Talbot, Thomas P.
 Tellock, Harold L.
 Thoelken, Henry W.

Thomas, J. Earl
 Thompson, Larry T.
 Trekels, L.H.
 Trigg, Edwin L. Jr.**
 Tschirgi, F.H.
 Turner, Leroy E.
 Verdile, Silvio R.
 Viso, Robert C. Sr.
 Wales, Robert E.
 Walters, R.J.
 Warren, John Glassco
 Washington, Roosevelt
 Weeks, Elizabeth Covington
 Welch, N(ed)
 Wells, Alfred Hatcher
 Welsch, Julie Ann
 Wensinger, John Arthur
 White, Jay R.
 White, John David*
 Williams, Paul C.
 Wiltgen, Glen Allen
 Wolf, Frederick D.
 Wyckoff, Angus Macdona
 Yestranski, Joanne Louise
 Young, Dewayne L.
 Zacks, Hyman Joseph
 Zeleskey, Louis A.
 Zernott, Robert J.

*Application for reinstatement received

**Resignation in lieu of disciplinary action

CONTINUING EDUCATION DISCIPLINARY ACTIONS

RESPONDENTS: (see below)

DATE OF PANEL REPORT: January 30, 1987

PANEL RECOMMENDATION: The panel found that the Respondents had failed to obtain the mandatory CE hours for the 1986 licensing year. The Board ratified the panel's recommendation on January 30, 1987, that the Respondents named below be suspended for five years or until in compliance with CE requirements.

NAME	COMPLAINT NO.
Corder, Richard W.	86-10-003
Krivokapich, D.B.	86-10-009
May, Beverly M.	86-10-010
McBride, Gary M.	86-10-011
Morgan, Marvin D.	86-10-014
Nelson, John E.	86-10-015
Potts, Larry Keith	86-10-018
Swopes, Wesley D.	86-10-022
Vrbka, Timothy L.	86-10-124

□

New Continuing Education Sponsors

A.G. Edwards & Sons, Inc., Fort Worth, TX	02836	Federal Home Loan Bank, Irving, TX	02750	Mid Cities Estate Planning Council, Dallas, TX	02615
A. George Petrie, Ph.D., McAllen, TX	02664	Federal Reserve Bank of Dallas, Dallas, TX	02833	Milbern Ray & Company, Hurst, TX	02708
Advanced Training Seminars, Madison, WI	02759	Financial Managers Society, San Antonio, TX	02696	Milbern Ray & Company, CPA, Hurst, TX	02662
Alford, Doebbler & Company, San Antonio, TX	02658	First American Monetary Consultants, Fort Collins, CO	02646	Ministers Financial Service Association, Lubbock, TX	02783
Alliance of American Insurers, Schaumburg, IL	02663	Frank Phillips College, Borger, TX	02770	Ministry of Counseling & Enrichment, Abilene, TX	02727
Amer. Institute of Banking, Beaumont, TX	02791	Gibson, Melvin & Paddock, Austin, TX	02676	Mitem Development Partners, Cupertino, CA	02659
Amer. Woman's Society of CPAs, Austin, TX	02744	Government Employees Credit Union, San Antonio, TX	02789	Moss, McClure & Krenzke, Inc., Lake Jackson, TX	02628
American Institute of Banking, Austin, TX	02839	Governor's Commission for Women, Austin, TX	02749	Nacubo, Washington, DC	02824
American Mining Congress, Washington, DC	02835	Grant, Palma & Walker, CPA, Houston, TX	02719	National Association of Bank Women, El Paso, TX	02817
American PC'ers, Dallas, TX	02838	Greater San Antonio Chamber of Commerce, San Antonio, TX	02834	National Association of Life Companies, Washington, DC	02805
Amerman Enterprises, Inc., Stafford, TX	02748	Greg Braker and Associates, Austin, TX	02613	National Autobody Congress & Exposition, Bedford, TX	02734
Arkansas Society of Public Accountants, Newport, AR	02742	Gunn, Lee & Jackson, Houston, TX	02737	National Council of Farmer Cooperatives, Washington, DC	02842
Aspen, Incorporated, Dallas, TX	02780	GVNW Inc./Management, Colorado Springs, CO	02788	National Council of Savings Institutions, Washington, DC	02655
Association of Legal Administrators, San Francisco, CA	02798	Haden & Company, Houston, TX	02668	Neusse, Davis, Anderson & Ruggeberg, Arlington, TX	02785
Austin Industries, Inc., Dallas, TX	02782	Hancock and Lippert, CPA, Houston, TX	02754	New Mexico State University, Las Cruces, NM	02781
Automated Business Solutions, Mesquite, TX	02796	Harris County Precinct One, Houston, TX	02722	Northside School District, San Antonio, TX	02799
Baker Financial Group, Houston, TX	02643	Harry Weisbrod Associates, Inc., Dallas, TX	02795	Omega Performance, San Francisco, CA	02762
Bancworks, Austin, TX	02693	Hewitt Associates, Lincolnshire, IL	02695	Pacific Realty Corporation, Dallas, TX	02651
Bankamerica, Dallas, TX	02832	Hoffman, Raich, Fine & Company, Great Neck, NY	02763	Paul Jensen Jr., Austin, TX	02774
Baylor College of Medicine, Houston, TX	02812	Hollern & Metcalf, CPA, Fort Worth, TX	02629	PCtechniks, Inc., Houston, TX	02701
Becker CPA Review Course, LTD., Austin, TX	02700	Houston Area League of PC Users, Houston, TX	02654	Peat, Marwick, Mitchell & Co., El Paso, TX	02632
Bellsouth Services, Inc., Birmingham, AL	02771	Houston Cash Management Association, Houston, TX	02816	Peat, Marwick, Mitchell & Co., Albuquerque, NM	02712
Bennett & Sadler, Mexia, TX	02623	Houston Chamber of Commerce, Houston, TX	02715	Peebles & Hilburn, Dallas, TX	02637
Bird Professional Publications, Boise, ID	02647	Houston Industries, Incorporated, Houston, TX	02687	Pennington/Bass Companies, Inc., Lubbock, TX	02841
Brantley, Wagner & Associates, Stafford, TX	02741	Hunt Energy Corporation, Dallas, TX	02644	Performance Seminar Group, Wells River, VT	02806
Brevard & Brevard, Austin, TX	02671	Independent Accountants Association, Lansing, MI	02811	Personnel Diagnostics, San Francisco, CA	02807
Brice & Mankoff, Dallas, TX	02626	Indiana University, Bloomington, IN	02703	Phillips Petroleum Company, Bartlesville, OK	02736
Burdett F. Pulliam, CPA, Jasper, TX	02723	Infomart, Dallas, TX	02802	Prime Computer Education, Dallas, TX	02764
Canady & Canady, Houston, TX	02707	Information Systems of America, Inc., Atlanta, GA	02718	Priority Management Systems, Temple, TX	02804
Capital Planning Associates, San Antonio, TX	02729	Institute of Chartered Financial Analyst, Charlottesville, VA	02752	Professional Development Group, Dallas, TX	02801
Card & Company, Fort Stockton, TX	02761	Interfirst Bank Wichita Falls, N.A., Wichita Falls, TX	02681	Protection Mutual Insurance Company, Park Ridge, IL	02709
Carl E. Childers, CPA, Dallas, TX	02716	Investment Management & Research, Inc., Corsicana, TX	02653	Providence Memorial Hospital, El Paso, TX	02808
Carolyn Corbin, Inc., Dallas, TX	02682	Irefac & The Educational Institute, East Lansing, MI	02803	Prudential Insurance Company, Houston, TX	02669
Center for Professional Education, Ennis, TX	02775	J. K. Hobbs, CPA, Tomball, TX	02720	Purdue University, West Lafayette, IN	02814
Center for Public Management, Potomac, MD	02732	Jackman-Loftis Real Estate College, Dallas, TX	02630	Reed Phillips & Pressler, Lafayette, LA	02648
Cherry J. Hayden, CPA, Austin, TX	02787	James E. Kershaw, CPA, Dallas, TX	02620	Republic Bank Oak Cliff, Dallas, TX	02641
Chris Peterman, Austin, TX	02739	James N. Howard & Associates, P.C., Dallas, TX	02818	Rex W. Nolen, CPA, Abilene, TX	02678
Cisco Junior College, Abilene, TX	02776	Janet C. Hagy, CPA, Austin, TX	02667	Richard Burton Dicks, Houston, TX	02768
Clear Lake Motivation Associates, Seabrook, TX	02769	JC Penney Co., Inc., New York, NY	02819	Richard E. Autrey, CPA, Dallas, TX	02738
Computer Tech, Houston, TX	02745	Joe L. Gonzales, P.C., Houston, TX	02672	Rigos Professional Education Programs, Seattle, WA	02837
Computerland of Fort Worth, Hurst, TX	02831	Joe Miller & Assoc., Dallas, TX	02612	Robert G. Rose, Ph.D., Dallas, TX	02652
CPU Corporation, Houston, TX	02640	John H. Green & Associates, Inc., Bellevue, WA	02825	Sam Houston State University, Huntsville, TX	02706
Crowl, Ammerman & Company, Conroe, TX	02721	Johnson & Jones, El Paso, TX	02657	Savoy Medical Center, Inc., Mamou, LA	02710
CRR Publishing Company, Alexandria, VA	02684	Jones Brutsche' Hider Thoenig & Peele, Dallas, TX	02686	Schoenbaum, Curphy & Scanlan, San Antonio, TX	02624
Curry, Curry & Robinson, P.C., Lubbock, TX	02634	Judge Advocate Generals School, Charlottesville, VA	02779	Shearson, Lehman Brothers, Fort Worth, TX	02711
D.M. Rusty Moore & Associates, Dallas, TX	02697	Kirk & Richardson, CPAs, Fort Worth, TX	02756	Shepherd I.S.D., Shepherd, TX	02673
Darlene Davis, MA, Dallas, TX	02753	Kovar and Associates, Houston, TX	02822	SKK, Inc., Rosemont, IL	02691
Data Base Management Association, Waco, TX	02704	Letterkenny Army Depot, Chambersburg, PA	02810	Sklar Seminars, Burlingame, CA	02726
David Davis, P.C., Fort Worth, TX	02639	Lifework Seminars, Fairfield, CA	02679	Staffware, Inc., Houston, TX	02830
David McDonald, CPA, Richardson, TX	02751	Linscomb & Williams, Austin, TX	02773	Standard Chartered Bank, New York, NY	02717
Davis, Bourgeois & Co., P.C., Houston, TX	02792	Lockhart & Co., Fort Worth, TX	02677	State Board of CPAs of Louisiana, New Orleans, LA	02649
Davis, Tweedel & Weiher, Houston, TX	02758	Louisiana Hospital Association, Baton Rouge, LA	02728	Stephen A. Leake, CPA, Mesquite, TX	02713
Dean Witter Reynolds, San Antonio, TX	02690	Louisiana Society of CPAs, Lake Charles, LA	02618	Success Motivation Institute, Itasca, TX	02786
Dean Witter Reynolds, Albuquerque, NM	02699	Louisiana State Bar Association—Tax, Lake Charles, LA	02680	Tax Study CPAs, Dallas, TX	02790
Derrel R. Fitzgerald, CPA, Mesquite, TX	02793	Louisiana State University, Baton Rouge, LA	02766	Texaco, Inc., Houston, TX	02777
DFW Retail Financial Executives Assoc., Dallas, TX	02702	Loyd, Judson & Powell, Associates, San Antonio, TX	02731	Texas A&M Research Foundation, College Station, TX	02784
Drexel Burnham Lambert Co., Inc., Dallas, TX	02821	M. A. Wright, CPA, Denton, TX	02800	Texas A&M University, College Station, TX	02840
E.F. Hutton, Houston, TX	02733	Malek and Associates, P.C., Birmingham, MI	02772	Texas Banker Association, Austin, TX	02705
E.F. Hutton & Co., Inc., Houston, TX	02661	Mathews & Branscomb, San Antonio, TX	02645	Texas Department of Community Affairs, Austin, TX	02635
E.F. Hutton Consulting Group, Inc., Longview, TX	02778	Mattison & Riquelmy, Houston, TX	02692	Texas Retailers Association, Austin, TX	02636
Eccor Corporation, Midland, TX	02675	Mayer, Hoffman, McCann, Kansas City, MO	02725	Texas Savings & Loan League, Austin, TX	02747
Edward D. Jones & Co., Orange, TX	02611	McCollum, Reeves, Hesse, P.C., Houston, TX	02666	Thomas & Boren, P.C., Dallas, TX	02743
Edward D. Jones & Co., Gonzales, TX	02755	McElroy Quirk & Co., Lake Charles, LA	02617	Thomas E. Cannon, CPA, El Paso, TX	02660
Edward D. Jones & Co., Denison, TX	02815	McOrp, Dallas, TX	02616	Time Systems, Inc., Dallas, TX	02809
Edward D. Jones & Co., Burnet, TX	02826	MEI Corporation, Tulsa, OK	02765	TLS Co., Sta-Fed Computer Tax, Cedar Rapid, IA	02625
Edward D. Jones & Company, Angleton, TX	02642	Mellon Bank, Pittsburgh, PA	02760	Tommy J. Hooper, CPA, Rockwall, TX	02622
Edward D. Jones & Company, Uvalde, TX	02665	Merrill Lynch, Pierce, Fenner & Smith, Arlington, TX	02829	Transamerica Life Companies, Houston, TX	02813
Elcor Corporation, Midland, TX	02730	Merrill Lynch, Pierce, Fenner & Smith, Irving, TX	02797	Triple Check Income Tax Service, Burbank, CA	02650
Entre' Computer Center, Beaumont, TX	02714	Michael E. Singleton, CPA, Abilene, TX	02828	U-Haul International, Inc., Phoenix, AZ	02740
Eugene Cummins & Co., P.C., Andrews, TX	02794	Michael S. Haro, Ph.D., P.C., Houston, TX	02621	Univ. of Texas at Austin, Austin, TX	02724
Evaluation Research Corporation, Marlon, NJ	02827	Microcomputer Strategies, Inc., Denison, TX	02820	Univ. of Wisconsin, Oshkosh, WI	02757
				University of Texas at Austin, Austin, TX	02683
				Vacek & Lange, P.C., Houston, TX	02638
				Vernon Regional Junior College, Vernon, TX	02767

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Substantive Rules Summary

The following summaries reflect Board action on Substantive Rules since the last issue of the *Texas State Board Report* (December, 1986, Vol. 25). For the complete text, refer to the *Texas Register* page numbers.

EMERGENCY RULE

519.27, Hearings and Disciplinary Actions*

DATE OF BOARD ACTION: 2/26/87

EFFECTIVE DATE: 3/26/87

EXPIRATION DATE: 7/24/87

TEXAS REGISTER PAGE NO.: 1076

PROPOSED RULE

511.70, Processing of Suspected Irregularities Involving Candidates for the Uniform CPA Examination

DATE OF BOARD ACTION: 1/29/87

TEXAS REGISTER PAGE NO.: 459

ADOPTED RULES

523.2, Standards for CPE Program Development

DATE OF BOARD ACTION: 1/29/87

EFFECTIVE DATE: 2/25/87

TEXAS REGISTER PAGE NO.: 502

BOARD TO USE OPTICAL MARK READER

The Board is redesigning many of its forms and changing its procedures to more efficiently collect data by utilizing an optical scanner.

The forms contain "bubbles" which are filled in with a number-two pencil; they are then read by the scanning equipment. The 1988 *License Notice* will be the first such Board form to be processed using this improved technology.

Information on using the new forms will be provided in future issues.

525.1, Criminal Background Investigations

DATE OF BOARD ACTION: 1/29/87

EFFECTIVE DATE: 2/25/87

TEXAS REGISTER PAGE NO.: 502

513.2, Registration of CPAs of Other States and Persons Holding Similar Titles in Foreign Countries

DATE OF BOARD ACTION: 2/26/87

EFFECTIVE DATE: 3/27/87

TEXAS REGISTER PAGE NO.: 823

PROCTORS NEEDED

The Board is in need of proctors to assist with the May 6, 7, and 8 Uniform CPA Examination.

Individuals in the areas where the examination is given may contact the Texas Society of CPAs at the local chapter offices listed below. The number for the Dallas office is listed, as the Fort Worth site is proctored by licensees from both Fort Worth and Dallas.

AUSTIN	(512)	452-9439
EL PASO	(915)	595-0077
FORT WORTH	(817)	335-5055
DALLAS	(214)	960-8311
HOUSTON	(713)	622-7733
LUBBOCK	(806)	794-4657
SAN ANTONIO	(512)	455-3061

CE sponsors
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Vernon Savings & Loan, Dallas, TX	02823
Vicon Systems, Inc., Houston, TX	02670
Vista Quality Development, Houston, TX	02827
VMS Realty Partners, Arlington, TX	02688
W.P. Cantrell & Company, P.C., Houston, TX	02631
Waco Estate Planning Council, Waco, TX	02633
Washington Accounting Seminars, Bellevue, WA	02746
Wayne Davis Associates, Dallas, TX	02619
Wayne E. Collie, CPA, San Antonio, TX	02674
Weldon Aston & Co., Fort Worth, TX	02656
William C. Quinton, CPA, Corpus Christi, TX	02698
William E. Dollar & Associates, Inc., Richardson, TX	02694
Worldwide Triad Resources Corporation, Dallas, TX	02689
Wyatt Company, Dallas, TX	02614
Your Controller, Inc., Dallas, TX	02685

MAY, 1987

EXAMINATION SCHEDULE

The May, 1987, Uniform CPA Examination will be conducted at the following locations and times:

EXAMINATION SITES

Austin	Lester E. Palmer Auditorium
El Paso	UTEP Special Events Center
Fort Worth	Tarrant County Convention Center
Houston	Albert Thomas Convention Center*
Lubbock	Lubbock Civic Center
San Antonio	San Antonio Convention Center

EXAMINATION TIMES

May 6	1:30 p.m. - 6 p.m. Accounting Practice, Part I
May 7	8:30 a.m. - 12 Noon Auditing 1:30 p.m. - 6 p.m. Accounting Practice, Part II
May 8	8:30 a.m. - 12 Noon Business Law 1:30 p.m. - 5 p.m. Accounting Theory

The deadline for submission of applications to sit for the May, 1987, examination was February 28, 1987. Grades from the May, 1987, examination will be released August 3, 1987.

*The NOVEMBER, 1987, examination will be conducted at the George R. Brown Convention Center in Houston.

*Constructive Enforcement Program
continued from page 1*

of Practice; 501.47, Firm Names; and 501.48, Responses

The Board's Enforcement staff and representatives from the Attorney General's office will conduct training sessions to insure that committee members understand due process. This safeguard will prevent overturning Board actions by the courts on technicalities for failure to follow procedures.

Another training tool is the *Opinions Manual*, which contains all current Board opinions. The Board staff or committee members may communicate a current Board opinion exactly as it is stated in the *Opinions Manual* by forwarding an opinion letter to the requestor, with ratification action by the Board at its regularly scheduled meeting.

Such transmittal letter must clearly state that the opinion is not binding until Board ratification.

In an instance where an opinion does not exist or if the fact situation is not identical to that contained in the *Opinions Manual*, the committee will conduct an investigation and develop a recommended opinion. The committee member(s) assigned to research the request for an opinion will forward the recommendation to the Board's Enforcement staff for inclusion at the next Technical Standards Review Committee or Enforcement Committee meeting. Following committee approval, it will be brought to the full Board for ratification, at which time an opinion letter will be sent to the requestor and added to the Master Opinion File.

□

BOARD INSTALLS NEW TELEPHONE SYSTEM

The Board has installed a new telephone system which enhances the process for mailing examination applications and licensing forms, and for answering related questions.

One feature of the system is "voice messaging," which permits a caller to leave a request for applications, brochures, or other information. The system can also be used by individuals who wish to leave a message for an attorney regarding filing complaints or who have questions about *The Rules of Professional Conduct*. The 24-hour line is (512) 450-7070.

The only requirement of the caller is that a touchtone phone be used. A "menu" will be recited and instructions given at every step of the call. If at any point during normal business hours, a staff person is needed to answer a question not included in the menu, the caller may press "O."

□

TEXAS STATE BOARD REPORT

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GENERAL INQUIRIES

(512) 450-7070

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