



TEXAS STATE BOARD REPORT

NOVEMBER, 1983
FEBRUARY, 1984

AUSTIN, TEXAS

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15

DAVIS, DUNN, KAY, AND SHIMAITIS APPOINTED

Walter D. Davis III



Barbara Shimaitis



James F. Dunn, Jr.



Joel P. Kay

On January 18, 1984, Governor White appointed four new members to the Texas State Board of Public Accountancy.

Walter D. Davis III, CPA, replacing **Brooks Wilson, CPA**, is president of Davis, Graves and Company, Houston. He holds a B.B.A. from Baylor University, where he was selected as one of twelve outstanding senior men in 1973. Mr. Davis is active in the Texas Society of CPAs (TSCPA), the American Institute of CPAs (AICPA), the Houston Chamber of Commerce, the NAACP, and, as a board member in the National Assoc. of Black Accountants, Baylor University Alumni Club, National Business League, Houston Business and Professional Men's Club, Houston Urban League, South Union Baptist Church, Baylor University Black Alumni Club, and People's Workshop for the Arts. He is married to an attorney, Orvis O. Davis, and has two daughters.

James F. Dunn, Jr., CPA, is a partner in the Houston office of Deloitte Haskins & Sells. He has been active both with the AICPA and the TSCPA, receiving the latter's Continuing Professional Education Award and the Houston Chapter's Professional Development Award. During World War II and the Korean Conflict, he served as an officer in the Marine Corps, receiving the Silver Star and Purple Heart. He is founding director and president of the Houston Foundation for Continuing Education (for the benefit of the University of Houston) and is director and treasurer of the Meyerland Club. He and his wife, Josephine, have six children. Mr. Dunn replaces **Oscar E.**

Reeder, CPA of Fort Worth.

Joel P. Kay, Attorney, replaces **Eleazar S. Lucio** as a public member of the Board. He has been in private practice with Sheinfeld, Maley and Kay in Houston since 1969, having worked prior to that time as a trial attorney with the Department of Justice, and as assistant U.S. attorney, Southern District of Texas. He holds a B.S. in economics from the University of Pennsylvania Wharton School, an LL.B. from the University of Texas School of Law, and an LL.M. in taxation from Georgetown University School of Law. He has served as director and chairman of the Board of the State Bar of Texas and is currently a trustee of the Texas Bar Foundation. He and his wife, Marilyn, have a son and two daughters.

Barbara Shimaitis of Katy, Texas, replaces **James J. Pendergast, Jr.** as a public member of the Board. She holds a B.S. in business education from the University of Houston and is currently working on an M.A. in occupational education. Ms. Shimaitis is an accounting teacher at Taylor High School and is active in the Texas State Teachers Association, Katy Education Association, Business Education Association, and Pi Omega Pi, a business education honor sorority of which she is a past president. She and her husband, Richard, have three children. Ms. Shimaitis is the second woman to be appointed to the Board.

Terms of Messrs. Davis and Dunn and Ms. Shimaitis will expire January 31, 1989. Mr. Kay will serve the remainder of Mr. Lucio's term (until January 31, 1985).

From The Chairman...

Growth in numbers of examination candidates and licensees has been reviewed on several occasions. The impact of this growth pattern, however, cannot be overstressed, particularly from the standpoint of the Board.

Using a professionally-prepared statistical analysis, the Board anticipates that candidates sitting for an examination by 1990 will more than double (for 18,848 per examination). It will be impossible to meet this demand with the examination staff of five, budget limitations, and current computer capabilities and exam sites.

As the number of candidates grows and as the population and per capita income in Texas increase, the number of licensees will also escalate. Currently there are 29,103 licensees. This number is expected to reach 53,058 by 1990. As with the examination section, the present licensing staff of four (also limited in equipment and funding) cannot tolerate such an increase. One of the Board's licensing staff is assigned primarily to CE, which has proven to be inadequate even with the relatively simple CE program currently in effect.

The Board has foreseen the current critical situation and has requested adequate staffing and funds. Unfortunately, the Board's funding is a part of the state appropriation process, which frequently leaves many justifiable needs unsatisfied.

For this reason, one of the most important goals of my term has been to find a way to realistically meet the present and anticipated growth-related funding, staffing, and equipment needs. I have thus established a new Board committee—the Long-range Planning Committee—with its primary concern being to address these and other types of long-range problem areas and to recommend appropriate action to the Board. To the committee I have appointed Board members **Frank T. Rea, CPA**, Chair-

man; **Robert S. Driegert, CPA**; and **Stanley J. Scott, CPA**. Additionally, I have appointed three individuals to the committee who are not members of the Board: **Paul W. Hillier, Jr., CPA**; **Robert E. Knox, Jr., CPA**; and **Lloyd J. Weaver, CPA**.

The total of six committee members comprise the Long-range Planning Committee *per se*. The first three members—the Board members—comprise the internal subcommittee who may properly address such internal areas, as staffing, equipment, and budgetary requirements.

The committee held its initial meeting in mid-December to identify specific topics for study. The internal committee will meet again in the near future to address problem areas I have reviewed and, specifically, develop a plan for obtaining adequate funding and staffing for fiscal years 1986 and 1987, which appropriation request is due for submission in early summer, 1984.

Other topics identified for study by the committee include two-step licensing, an increased education requirement to sit for the examination (which would lower the projected number of examination candidates), reciprocity, and public awareness of the profession. Of necessity, certain changes to the Act will be considered and recommended on a periodic basis, with the end goal being to insure that the profession maintains the high standards of expertise and ethics the public has come to admire and expect.

I am confident that with the continued efforts of the Board—and the profession as a whole—toward this goal, the year 1990 will find that public accountancy in the State of Texas is still a profession to which the public can look with total confidence.

James D. Ingram, CPA, Chairman

COMMITTEE APPOINTMENTS

CE – Robert S. Driegert, CPA, Chairman; William H. Quimby; Frank T. Rea, CPA; Tom R. Locke, CPA; Tommie E. Roddy, Jr., CPA

Enforcement – Earl C. Lairson, CPA, Chairman; Walter D. Davis III, CPA; Joel P. Kay, Attorney

Entry and Reentry Screening – Robert S. Driegert, CPA, Chairman; Sue W. Briscoe, CPA; William H. Quimby

Examinations – Frank T. Rea, CPA, Chairman; James F. Dunn, Jr., CPA; Miller Montag, CPA; Barbara Shimaitis

Long-range Planning – Frank T. Rea, CPA, Chairman; Robert S. Driegert, CPA; Stanley J. Scott, CPA; Paul W. Hillier, Jr., CPA; Robert E. Knox, Jr., CPA; Lloyd J. Weaver, CPA

Technical Standards Review – Stanley J. Scott, CPA, Chairman; Sheila W. Clark, CPA; Herschel Mann, Ph.D., CPA; Jim A. Smith, CPA

Executive – James D. Ingram, CPA, Chairman; Stanley J. Scott, CPA; Frank T. Rea, CPA; Board secretary (to be elected at February meeting)

HISTORY OF BOARD TO BE PUBLISHED

A history of the Board, covering the period of 1915-1981, has been written by James A. Tinsley, Texas Gulf Coast Historical Society, and the final draft is being reviewed by the Board's History Committee. Included are discussions regarding: the Public Accountancy Acts of 1945 and 1979, and amendments thereto; the Rules of Professional Conduct; initial participation in uniform testing programs; early licensing waivers; various litigation and its implications; Sunset Review; evolution of staff functions; and other topics of interest. Photographs of individuals and groups will also be included.

Publication date, purchase costs, and ordering instructions will be printed in the May BOARD REPORT.

LONG-RANGE PLANNING COMMITTEE APPOINTED

The three non-Board members named to the committee on Long-range Planning are **Paul W. Hillier, Jr., CPA** of Dallas; **Robert E. Knox, Jr., CPA** of Tyler; and **Lloyd J. Weaver, CPA** of Fort Worth. (Board members appointed to the committee are **Frank T. Rea, CPA**, Chairman, **Robert S. Drieger, CPA**, and **Stanley J. Scott, CPA**.)

Mr. Hillier is an audit partner in the Dallas Office of Price Waterhouse. He graduated with honors from the University of Pittsburgh, and has worked as a CPA in New Mexico and Oklahoma, as well as Texas. He has contributed considerable expertise toward the CE program of the Texas Society of CPAs (TSCPA) and has served that organization as director, vice-president, and president. Mr. Hillier is a member and former council member of the American Institute of CPAs (AICPA), a member of the Petroleum Accountants Society of Dallas, trustee of the Dallas Symphony Association, former trustee and chairman of the Executive Committee of St. Mark's School of Texas, and is active on committees of the Highland Park Presbyterian Church. He and his wife, Marjorie, have three sons.



Mr. Knox is executive vice-president and treasurer of Lake Ronel Oil Company. He holds a B.A. from Rice University and an M.B.A. from the Harvard Graduate School of Business. A past president of the TSCPA, he also served on numerous Society boards and committees and was awarded that organization's Meritorious Service Award for 1980-81. At the national level, he served as a member of the Council of the AICPA 1967-68 and 1970-74; and as a member of the Editorial Advisory Board of the *Journal of Accountancy*. Mr. Knox presently holds directorships in Lake Ronel Oil Company, Lake Ronel Exploration Company, American Fidelity Savings Association, The Sportster, Inc., and East Heidelberg Salt Water Disposal Company. He and his wife, Betty, have five children and five grandchildren.



Mr. Weaver is a graduate of Texas Christian University and is a past chairman of the Texas State Board of Public Accountancy. He is currently managing partner of Weaver and Tidwell. Active in both professional and civic areas, he is past president of the Fort Worth Chapter of the TSCPA and has received the Society's Distinguished Public Service and Meritorious Service to Profession Awards, and been named TSCPA Honorary Fellow. Mr. Weaver is director and president-elect of the Fort Worth Rotary Club and director of a number of other civic organizations. He is married and has two sons and one grandson.



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MAY, 1984 EXAM SCHEDULE

The May, 1984, Uniform CPA Examination will be conducted as follows:

Examination Sites

Austin	Lester E. Palmer Auditorium
El Paso	University of Texas at El Paso Special Events Center
Fort Worth	Tarrant County Convention Center Sites I and II
Galveston	Moody Convention Center
Houston	Albert Thomas Convention Center
Lubbock	Lubbock Civic Center
San Antonio	San Antonio Convention Center
Temple	Mayborn Civic and Convention Center

Examination Times

May 2	1:30 p.m. – 6:00 p.m. Accounting Practice, Part I
May 3	8:30 a.m. – 12:00 Noon Auditing 1:30 p.m. – 6:00 p.m. Accounting Practice, Part II
May 4	8:30 a.m. – 12:00 Noon Business Law 1:30 p.m. – 5:00 p.m. Accounting Theory

The deadline for submission of applications to sit for the May, 1984, examination is February 29, 1984. Grades from the November, 1983, examination were released January 30, 1984.

MEETINGS

Texas State Board of Public Accountancy

February 23-25, 1984	
April 19-21, 1984	Annual Meeting
May 11-12, 1984	
July 26-28, 1984	
September 27-29, 1984	
October 25-27, 1984	
November 16-17, 1984	

CPA Swearing-in Ceremony

May 12, 1984
November 17, 1984

National Association of State Boards of Accountancy (NASBA)

June 3-5, 1984	Southwest Region
September 16-19, 1984	Annual Meeting

STATISTICS

CE STATISTICS

The 1983 license year has recently concluded, and the Board has completed a statistical compilation of CE credit hours accrued during the reporting period of September 1, 1981, through August 31, 1982. During the 1983 reporting period, CE attendance was not mandatory, though reporting of the number of hours accrued—even if zero—was required. Overall, the statistics indicate that a large majority of licensees accrued and reported sufficient CE hours to meet the Board's current requirement, even though no mandatory attendance was then in effect.

Of the 28,971 CPAs reporting, those licensees working full time in public practice accrued an average of 50.8 CE hours; industry, 21.5 hours; government, 46.5 hours; and education, 59.2 hours. Those indicating public accounting as a part-time work area claimed an average of 32.2 hours, a figure which is still above the 1985 requirement.

The 1983 statistics include courses and hours considered by licensees to be qualifying for CE credit, but reflect no quality control measures by the Board. Every effort was made, however, to provide licensees with the Board's definitions of "acceptable courses." For the 1984 license year (reporting period of 9-1-82 through 8-31-83), similar groundrules apply.

In order to receive a 1985 license, however, all CE courses claimed for the reporting period of 9-1-83 through 8-31-84 must have been conducted by a sponsor registered with the Board. Individuals in full-time public practice will be required to both attend and report for the 1985 license, as will those in part-time public practice unless a waiver of the CE requirement has been submitted to and approved by the Board. Of some concern, therefore, are the 1,441 licensees in public practice who reported no CE credit hours, the 1,512 who reported less than 20 hours, and the licensees in part-time public practice who also reported fewer than the 1985 requirement.

By age, individuals under 30 averaged a greater number of CE hours than those over 30; females averaged slightly more CE hours than males.

Overall, Public Accountants averaged fewer hours than CPAs. Those Public Accountants indicating full-time public accounting work averaged 14.5 CE hours; industry, 0.6 hours; government, 6.2 hours; and education, 0 hours. Public Accountants practicing public accounting on a part-time basis averaged 5.5 hours. Public Accountants are required to meet the same CE requirements as CPAs.

CPAs who are in full-time public accounting and who are employees of a firm rather than partners, sole proprietors, etc. accumulated almost half of the total CE hours shown by CPAs in public practice. Of the CPAs in part-time public accounting, however, sole proprietors led in CE hours, with 63.8 percent of the total. CPAs working both full time and part time in industry showed considerably higher CE-hour totals than those in government or education.

To date, trends in data received on the 1984 license renewal forms point toward a continuation of relatively high numbers of CE hours accumulated on a voluntary basis. The Board continues to hold a position of encouraging attendance at appropriate CE courses, whether or not the attendance is mandated by the Board.

The following statistical breakdowns were prepared using data from the 1983 license renewal forms:

1983 CE STATISTICS - CPAs			
Full Time Area of Practice	Number	Total Hrs.	Average Hrs.
Public Accounting			
Partner - Texas	1,777	75,032	42.2
Partner - not Texas	756	46,245	61.2
Incorporator	1,130	42,370	37.5
Sole Proprietor	1,956	56,591	28.9
Employee	5,207	332,744	63.9
Unknown	236	9,019	38.2
SUB TOTAL	11,062	562,001	50.8
Industry	11,227	241,211	21.5
Government	1,126	52,359	46.5
Education	675	39,949	59.2
Retired	277	2,025	7.3
Other	1,305	32,946	25.2
Not reported	3,299	87,064	26.4
SUB TOTAL	17,909	455,554	25.4
TOTAL	28,971	1,017,555	35.1

1983 CE STATISTICS - PUBLIC ACCOUNTANTS			
Full Time Area of Practice	Number	Total Hrs.	Average Hrs.
Public Accounting			
Partner - Texas	8	171	21.4
Partner - not TX	0	0	0
Incorporator	7	81	11.6
Sole Proprietor	70	907	13.0
Employee	5	140	28.0
Unknown	14	206	14.7
SUB TOTAL	104	1,505	14.5
Industry	21	12	0.6
Government	11	68	6.2
Education	0	0	0
Retired	24	0	0
Other	9	112	12.4
Not reported	162	772	4.8
SUB TOTAL	227	964	4.2
TOTAL	331	2,469	7.5

LICENSE STATISTICS AS OF FEBRUARY 22, 1984

- 22,445 male and 5,426 female CPAs (plus 613 retirees)
- 240 male and 26 female Public Accountants (plus 267 retirees)
- 74 male and 11 female Section 14 registrants (plus one retiree)
- 576 partnerships
- 730 corporations

UPDATE TO CE SPONSOR LIST

The November, 1983, issue of the BOARD REPORT listed CE sponsors registered with the Board to that date. The following list includes CE sponsors registered from November, 1983, to date of publication (prior listings will not be reprinted, but updates will be included in the next BOARD REPORT):

NEW CONTINUING EDUCATION SPONSORS

- ACCT Burroughs Assoc. Computer Users Soc.; Greenville, NC
Achievers, Dallas, TX
Acute, Inc., Indianapolis, IN
Adami, Keller & Company, Sherman, TX
Alabama Society of CPAs, Montgomery, AL
Alan B. Shouse & Company CPAS's P.C., Midland, TX
Alaska Society of CPAs, Anchorage, AK
Alexander & Rogers, Inc., Lufkin, TX
Alford, Doebller, Jungman & Co., San Antonio, TX
Amber University, Garland, TX
Amer. Association of Hispanic CPAs, Houston, TX
Amer. Gas Association, Arlington, VA
Amer. Inst. for Prop and Liab Underwrts., Malvern, PA
Amer. Society Military Comptrollers, San Antonio, TX
Amer. Society of Women Accountants, Austin, TX
Amer. Society of Women Accountants, Fort Worth, TX
Anderson, Anderson & Vestal, PC, Synder, TX
Angelo State University, San Angelo, TX
Aramco Services Co-Training/Development, Houston, TX
Arendale, Young and O., Houston, TX
Arizona Society of CPA's, Tempe, AZ
Arms, Jeffers & Co., Tyler, TX
Arnold & Company, Houston, TX
Arnold n Ablon & Co., Dallas, TX
Arthur Andersen & Co., Denver, CO
Arthur Andersen & Co., New York, NY
Arthur Andersen & Co., Austin, TX
Arthur Andersen & Co., Salt Lake City, UT
Arthur Young & Compnany, Dallas, TX
Aspen Systems Corporation, Rockville, MD
Assn. of Records Mgrs. & Administrators, Austin, TX
Automatic Data Processing, San Antonio, TX
Axley & Rode, Lufkin, TX
Baker Communications Inc., Houston, TX
Baldwin & Haspel, New Orleans, LA
Ballard, Griggs & Co., Dallas, TX
Barineau & Company, Houston, TX
Bay Area Tax Forum, Houston, TX
Baylor Univ. - Continuing Education, Waco, TX
Benton and Company, Inc., Burnet, TX
Bixler, Carlton, Pittenger & Co., Inc., El Paso, TX
Booke & Company, Winston-Salem, NC
Borden Duffel, Inc., CPA., P.C., Abilene, TX
Bowie, Craig & Co., P.C., El Paso, TX
Brammer, Begnaud & Lattimore, Port Arthur, TX
Brazos Valley Chapter of TSCPA, Bryan, TX
Brookhaven College, Farmers Branch, TX
C. C. Miller & Co., Inc., Lewisville, TX
Calif. State Univ. Buss Services/Research, Northridge, CA
California CPA Foundation, Palo Alto, CA
California State Univ-Office of CE, Los Angeles, CA
Camco Inc., Houston, TX
Caraway, Spikes, & McMahon, Lubbock, TX
Carolina Power & Light Co., Raleigh, NC
Case, Minirth, Meier, Inc., Richardson, TX
Cecily A. Raiborn, Ph.D., CPA, Dallas, TX
Central Texas Study Group, New Braunfels, TX
Chamberlain, Hrdlicka, White, Johnson, Houston, TX
Champlin Petroleum Company, Fort Worth, TX
Chaney and Company, Houston, TX
Charles E. Reed & Associates, P.C., Port Arthur, TX
Cheatham & Lansford, Stephenville, TX
Church Management Inc., Austin, TX
City of Austin Internal Audit Dept., Austin, TX
Cobb & Cox, Inc., San Antonio, TX
Cocke Williford & Eddins, Wichita Falls, TX
Colorado Society of CPAs, Englewood, CO
Computer Language Research Inc., Fast-Tax, Carrollton, TX
Conklin Hruzek & Co., P.C., Houston, TX
Connecticut Society of CPAs, Hartford, CT
Conoco, Inc., Houston, TX
Construction & Financial Management Assn., Dallas, TX
Continental Bank, Houston, TX
Cook, Johnson & Co., Houston, TX
Cooper Industries Inc., Houston, TX
Corn, Janda & Co., P.C., Austin, TX
Corpus Christi Chapter TSCPA, Corpus Christi, TX
Courtenay Thompson & Associates, Dallas, TX
CPA Associates Inc., New York, NY
Creative Communicators, Inc., Dallas, TX
Creative Management Systems, Austin, TX
Crim & Petty, P.C., Tyler, TX
Cross Timbers Association of CPA's, Stephenville, TX
Cunningham Northington Boynton & Cook, Dallas, TX
Curtis Blakely & Co., Inc., Longview, TX
Custom Benefit Services Inc., Austin, TX
Dale Carnegie & Associates, Inc., Garden City, NY
Dallas Chap-Institute of Internal Audit, Dallas, TX
Dallas Chapter TSCPA, CPE Corp., Dallas, TX
Dallas County Community College Dist., Dallas, TX
Dallas Womens Society of CPA's, Dallas, TX
Davis Kinard & Co., Abilene, TX
Dennis R. Gann, CPA, Houston, TX
Department of Defense USA, Monterey, CA
DFW State Tax Association, Dallas, TX
Diocesan Fiscal Management Conference, Camden, NH
District of Columbia Institute of CPA's, Washington, DC
Doug Proffitt, P.C., Dimmitt, TX
Durst Wood Milberger & Associates, Bryan, TX
E. F. Hutton & Co., Inc., Dallas, TX
Eagle Tech Systems, Inc., Dallas, TX
East Central Oklahoma State University, Ada, OK
EDP Auditor's Association-Houston Chap., Houston, TX
Educational Foundation of Texas Society, Dallas, TX
Edward J. Walsh and Associates, Galveston, TX
El Paso Chapter TSCPA, El Paso, TX
Elms, Faris & Company, CPAS's, Midland, TX
Enserch Corp. Internal Audit Dept., Dallas, TX
Ernst & Whinney-Dallas/Ft. Worth Office, Dallas, TX
Estate Funding Specialist, Inc., El Paso, TX
F. D. Systems, Inc., Houston, TX
First Benefit Trust Company of Texas, Dallas TX
**First City Bancorporation of Texas Inc., Houston, TX
Fitts, Roberts & Co., Inc., P.C., Houston, TX
Florida Institute of CPAs, Tallahassee, FL
Floyd Peavler, Fort Worth, TX
Frederick Knapp Associates, New York, NY
Freemon, Shapard & Storey, Wichita Falls, TX
Fulton Financial Services Inc., Dallas, TX
Funchess Hamby White & Beal, Beaumont, TX
Geosource Inc., Training Department, Houston, TX
Gerhardt & Puckett, CPA's, Amarillo, TX
Getty Oil Company, Los Angeles, CA
Gibson Johnson and Co., Austin, TX
Glass & Co., CPA's, Austin, TX
Graduate School, USDA, Washington, DC
Greenspoint Tax Forum, Houston, TX
H. V. Robertson & Company, Amarillo, TX
Hardin-Simmons University, Abilene, TX
Harding Univ-School of Business, Searcy, AR
Harper & Pearson Company, Houston, TX
Harrell, Rader & Bonner, Palestine, TX
Harris, Williams & May, Sweetwater, TX
Harrison, Waldrop & Uherek, Victoria, TX
Hart-Wood, Austin, TX
Havard & Batte, Houston, TX
Hawaii Society of CPAs, Honolulu, HI
Home Builders Institute, Washington, DC
Houston Baptist University, Houston, TX
Houston Natural Gas Corporation, Houston, TX
Howard W. McElroy, P.C., New Braunfels, TX
HUD Office of Regional IG for Audit, Fort Worth, TX
Hupp, Thompson & Co., A Professional Corp., Wichita Falls, TX
Institute of Certified Financial Planner, Denver, CO
Institute of Real Estate Management, Chicago, IL
Insurance Accounting & Systems Assoc., Durham, NC
Insurance Institute of America, Malvern, PA
Integrated Financial of Texas, Inc., Dallas, TX
Integrated Resources Equity Corp., Houston, TX
Internal Revenue Service-Regional Train, Dallas, TX
International Foodservice Dist. Assn., Falls Church, VA
International Risk Management Institute, Dallas, TX
Intl. Affiliation of Indep. Acct. Firms, Miami, FL
Iowa Society of CPAs, West Des Moines, IA
IRS International Exam, Houston, TX
J. Keith Fellille, CPA, Marshall, TX
James Teague and Company, Lubbock, TX
John W. McCoy Jr., CPA, Paris, TX
Johnston, Reinhardt and Associates, Houston, TX
Judd Thomas Beasley & Smith, P.C., Dallas, TX
Juncker McMillian & Bennett, Beaumont, TX
Kenneth Leventhal & Company, Houston, TX
Kentucky Society of CPAs, Louisville, KY
La Quinta Motor Inns, Inc., San Antonio, TX
Lamar University at Port Arthur, Port Arthur, TX
Lane, Gorman, Trubitt & Company, Dallas, TX
Lanier Locke & Ritter, Austin, TX
Larry M. Walther, Arlington, TX
Lauterbach, Borschow & Company, P.C., El Paso, TX
Leadership Development Corporation, Fort Worth, TX
Liberal Arts Continuing Education, College Station, TX
Lightfoot Kidd & Co., P.C., Dallas, TX
Lods, Lewis & Co., P.C., Houston, TX
Long Chilton Payte & Hardin, Brownsville, TX
Longenecker, Thomas & Company, Pasadena, TX
Lubbock Chapter TSCPA, Lubbock, TX
M. Michael Smith & Co., Corpus Christi, TX
M. A. Morgan & Associates, Inc., Lubbock, TX
Machinery and Allied Products Institute, Washington, DC
Main Hurdman, Denver, CO

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- **Main Hurdman, New York, NY
Main Hurdman, Fort Worth, TX
Main Hurdman, Houston, TX
Main Hurdman, Lubbock, TX
Maine Society of CPAs, Portland, ME
Malow Cohen & Co., Houston, TX
Management Group, Dallas, TX
Map of West Texas, Plainview, TX
Marathon Oil Company, Findlay, OH
Martin Slovacek and Thompson, P.C., Bryan, TX
Martin W. Cohen & Co., Dallas, TX
McClanahan and Holmes, Paris, TX
McElroy, Mueller & White, PC, Seguin, TX
McGuire & McGuire PC., Mt. Pleasant, TX
McLelland and Smith, Harlingen, TX
Melton & Melton CPA's, Houston, TX
Merrill Lynch, Dallas, TX
Micro Time Corporation, San Antonio, TX
MIS Training Institute Inc., Framingham, MA
Mississippi Society of CPA's, Jackson, MS
Missouri Society of CPAs, St. Louis, MO
Montana Society of CPAs, Helena, MT
Mosher, Seifert & Company, Pasadena, TX
National Assn of Coll Univ Buss Off, Washington, DC
National Assoc. of Accountants, Miami, FL
National Assoc. of Accountants, San Antonio, TX
**National Assoc. of Acct Chapters, Houston, TX
National Center for Tax Educ. & Research, Avon, CT
National Retail Merchants Association, New York, NY
Nevada CPA Foundation, Reno, NV
New Jersey Society of CPA's, Roseland, NJ
New Mexico Society of CPAs, Albuquerque, NM
New York University Scs, Law & Taxation, New York, NY
NL Industries Inc., Houston, TX
North Dakota Society of CPAs, Grand Forks, ND
North Texas State Univ., Denton, TX
North Texas State Univ-Dept. Accounting, Denton, TX
Odessa College, Odessa, TX
Ohio Society of CPAs, Dublin, OH
Okla. State Univ. Business Extension Off., Stillwater, OK
Oppenheim, Appel, Dixon and Co., Los Angeles, CA
Oppenheim, Appel, Dixon and Co., Chicago, IL
Oppenheim, Appel, Dixon and Co., New York, NY
Oppenheim, Appel, Dixon and Co., Dallas, TX
**Oppenheim, Appel, Dixon and Co., Houston, TX
Oregon Society of CPAs, Beaverton, OR
Oscar Nipper & Co., Houston, TX
Panhandle Chapter TSCPA, Amarillo, TX
Paris Junior College, Paris, TX
Patillo, Brown and Hill, Waco, TX
Paul J. Ellenburg Corp., El Paso, TX
Peat Marwick Mitchell & Co., Austin, TX
Peat Marwick Mitchell & Co., Fort Worth, TX
Peat Marwick Mitchell & Co., Corpus Christi, TX
Pennsylvania Institute of CPAs, Philadelphia, PA
Permian Basin Chapter TSCPA, Midland, TX
Peter B. Shannon CPA, Dallas, TX
Pool Company, Houston, TX
Price Waterhouse, Lima 1, Peru
Profess Military Comp. Sch-Maxwell AFB, Montgomery, AL
Professional Development Seminars, Inc., Houston, TX
Public Utilities Reports Inc., Arlington, VA
R. David King PC, CPA, Houston, TX
Raef-Roush & Co., PC, Amarillo, TX
Reserve Life Insurance, Co., Dallas, TX
Restaurant Seminar Institute, Inc., Seattle, WA
Reynolds & Lawson, CPA's, Austin, TX
Rhode Island Society of CPAs, Providence, RI
Rice Univ-Continuing Studies & Special, Houston, TX
Rice Univ-Jones Graduate School, Houston, TX
Richard J. Caldwell, PC, Houston, TX
Ronnie H. Randolph, MS (Taxation), Lubbock, TX
Rosewood Corporation, Dallas, TX
Roy M. Huffington, Inc., Houston, TX
S. Kenneth Bell, CPA, Richardson, TX
Sam Houston State Univ-Dept. of Acct., Huntsville, TX
San Angelo Chapter, TSCPA, San Angelo, TX
Saville Dodgen & Company, Dallas, TX
Schuette & Taylor, Paducah, KY
Schultz Financial Planning Systems Inc., Houston, TX
Scoggins McKelvey Almon & Meadows, Harlingen, TX
Seidel, Schroeder & Co., CPA's, Brenham, TX
Seidman and Seidman, Dallas, TX
Seitz & Demarco, P.C., Houston, TX
Sellers, Sellers, Jackson & Co., PC, Houston, TX
Shell Oil Company, Houston, TX
Shepherd & Stagg, CPA's, P.C., Alvin, TX
Smith Barney Harris Upham & Co., Inc., Dallas, TX
Sohio Petroleum Company, Houston, TX
Sol Schwartz & Associates, San Antonio, TX
South Carolina Association of CPAs, West Columbia, SC
South Dakota Society of CPAs, Inc., Rapid City, SD
South Plains Trust and Estate Council, Lubbock, TX
Southeast Texas Chapter TSCPA, Beaumont, TX
Southern Association Accounting Firms, Jackson, MS
Southern Methodist Univ-Dept of Account, Dallas, TX
Southern Method Univ-School of CE, Dallas, TX
Southwest Pension Conference, Dallas, TX
Southwestern Legal Foundation, Richardson, TX
Sproles-Woodard & Company, Fort Worth, TX
Standard Oil Company, Cleveland, OH
Stephen D. Rogers, CLU, Houston, TX
Stephen E. Mosher & Associates, Houston, TX
Stephen R. Wood & Co., P.C., Austin, TX
Storms, Werlein & Harris, Inc., Houston, TX
Sul Ross State Univ. Business Admin., Alpine, TX
Sun Co-Sun Institute, Radnor, PA
Superior Oil MIS & Client Training, Houston, TX
Tarleton State Univ-Sch. of Business, Stephenville, TX
Tarrant County Junior College, Fort Worth, TX
Tax Executive Institute-Houston Chapter, Houston, TX
Tax Executives Institute Inc., Arlington, VA
Taxlogic Corp., Richardson, TX
Tenneco Inc., Houston, TX
Tennessee Society of CPAs, Nashville, TN
Texas Association of Bank Counsel, Austin, TX
Texas Axxoc School Business Officials, San Antonio, TX
Texas Christian Univ-Neeley Sch. of Buss., Fort Worth, TX
Texas Credit Union League, Dallas, TX
Texas Eastern Transmission Corporation, Houston, TX
Texas Management Group, Austin, TX
Texas Oil & Gas Corp., Dallas, TX
Texas Society of CPA's, Dallas, TX
Texas State Business School, Inc., San Antonio, TX
Texas Woman's Univ-Business Economics, Denton, TX
Thomas H. Minor & Co., P.C., Houston, TX
Thomson McKinnon Securities, Inc., Memphis, TN
Touche Ross & Co., Houston, TX
Touche Ross & Co., Austin, TX
Trammel Crow Co., Dallas, TX
Tuggle Burton & Co., Dallas, TX
Tulane Univ-Sch. of Buss-Alumni Forum, New Orleans, LA
Tyler Williamson Tuffly & Co., Houston, TX
Tymshare, Wichita, KS
United Energy Resources, Inc., Houston, TX
United Methodist Publishing House, Nashville, TN
Univ. Denver Cntr. Management Development, Denver, CO
Univ. Houston - Law Foundation, Houston, TX
Univ. Illinois Dept. of Accounting, Chicago, IL
Univ. Kentucky-Coll. of Medicine-Dpt. Psy., Lexington, KY
Univ. of St. Thomas, Houston, TX
Univ. Texas - Business Administration, Tyler, TX
Univ. Texas - Data Processing Div., Austin, TX
Univ. Texas Accounting Alumni Assoc., Arlington, TX
Univ. Texas System-Office Comptroller, Austin, TX
Univ. Texas-Cntr. Professional DV., El Paso, TX
Univ. Texas-Grad. Sch. Library/INF/ Science, Austin, TX
Univ. Texas-LBJ Sch. of Public Affairs, Austin, TX
Univ. Texas-Permian Basin, Odessa, TX
Univ. Texas-Sch. of Management Accounting, Richardson, TX
US Army Corps of Engineers, Washington, DC
US Home Corp., Internal Audit Dept., Houston, TX
US Insurance Group, Basking Ridge, NJ
Utah Association of CPAs, Salt Lake City, UT
Valero Energy Corporation, San Antonio, TX
Vermont Society of CPAs-Educ. Foundation, Montpelier, VT
Victoria Chapter TSCPA's, Victoria, TX
Virginia Society of CPAs, Richmond, VA
Volkswagen of America, Inc-Training Dept., Troy, MI
Wadkins & Steed PC., Houston, TX
Wallingford Flavin Fox & Co., Houston, TX
Ward, George & Company, Palestine, TX
Washington College of Law American Univ., Washington, DC
Washington Society of CPAs, Bellevue, WA
Wathen De Shong & Company, Beaumont, TX
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Weinberg, Scauzillo & Kaufman, P.C., Dallas, TX
Weinstein Spira & Company, Houston, TX
Wells & Bedard CPA's, Houston, TX
West Virginia Society of CPA's, Charleston, WV
White, Petrov & McHone, CPAs, Houston, TX
Wichita Falls Chapter TSCPA, Wichita Falls, TX
William Oncken Co. of the Southwest, Richardson, TX
Winthrop Securities Co., Inc., Houston, TX
Wisconsin Institute of CPAs, Brookfield, WI
Wood Michie & Co., Dallas, TX
Wyoming Society of CPAs, Cheyenne, WY
Xerox Corporation, Stamford, CT

1984/1985 CE REQUIREMENTS

1984 License Year

Reporting Period: 9-1-82 thru 8-31-83

Mandatory Reporting: All persons licensed or registered by the Board at time of initial licensing or at license renewal.

Mandatory Attendance: Not mandatory

1985 License Year

Reporting Period: 9-1-83 thru 8-31-84

Mandatory Reporting: Same as 1984 (see above)

Mandatory Attendance: Persons in public practice must accrue and report a minimum of 20 CE credit hours during reporting period . . . or . . . a minimum of 40 hours during 1984/1985 reporting periods. **Course sponsors must be registered with the Board.**

ENFORCEMENT

Reinstatements — None

Disciplinary Actions

Respondent: David Michael Hagen—Certificate No. 25363

Date of Panel Hearing: October 11, 1983

Panel Ruling: The Panel found that Respondent had converted some \$13,000 plus in funds of his employer, an overseas oil drilling company, to his own use. Subsequently, when confronted, Respondent issued a promissory note in the said amount, but has failed to respond to Board correspondence. The actions on the part of the Respondent were found to violate Sec. 501.41 (former Rule 401) Discreditable Acts, and Sec. 501.48 (former Rule 408) Failure to Respond to Board Communication of the Rules of Professional Conduct. These actions constitute a violation of Sec. 21 of the Public Accountancy Act, as amended. The Panel recommended that Respondent's license be suspended for two (2) years with publication in the TEXAS STATE BOARD REPORT to include the name of the Respondent. The Board approved the Panel's recommendation.

Respondent: Unnamed by Board Order (Cases A & B)

Date of Panel Hearing: January 26, 1984

Panel Ruling: The Panel found Respondent had failed to report continuing professional education in his 1983 license renewal form as required by Sec. 501.25 and Sec. 523.63 of the Rules. Further, the Panel found that the Respondent had failed to respond to two letters from the Board regarding his reporting failure, in violation of Sec. 501.48 of the Rules of Professional Conduct.

The Panel recommended that the Respondent be reprimanded and that such action be published in the TEXAS STATE BOARD REPORT without using Respondent's name. The Board approved the panel recommendation on January 26, 1984, and required Respondent to complete 20 hours of Continuing Professional Education in addition to the base CE requirement.

Respondent: Unnamed by Board Order (144 Cases)

Date of Panel Hearing: January 26, 1984

Panel Ruling: The Panel found that the 144 Respondents had failed to renew their licenses during the three (3) year period ending December 31, 1983. This action is in violation of Sec. 21(9) of the Public Accountancy Act of 1979, as amended. The Panel recommended that the licenses of the 144 licensees be revoked. The Board approved the recommendation of the Panel.

ENFORCEMENT ACTIVITY November 1, 1983 – January 31, 1984

	Rules	Act	Total
Active Files November 1, 1983	119	242	361
Files opened during period	+ 39 158	+ 48 290	+ 87 448
Files closed during period	- 28 130	- 23 267	- 51* 397

*19 via voluntary compliance, 10 via Board action, and 22 otherwise (unlicensed individuals who have ceased doing business cannot be located or died)

SUBSTANTIVE RULES

Final approval:

- **Section 503.1, Definitions (3) Client** – amended to add “for a fee”: “Client. A person or entity which retains a licensee for the performance of professional services *for a fee*.”
- **Section 501.1, Definitions (9), Practice of Public Accountancy** – amended to replace “person” with “client”: “Practice of Public Accountancy. Performing or offering to perform for a **client** one or more types of services.”
- **Section 523.63, Mandatory CE Attendance – (f)(1)** amended to replace “66” with “65”: “If a licensee elects to pay the license fee for ‘retired status’ and signs a certificate on the annual renewal notice indicating an age of **65** or older . . .”; **(f)(5)** amended to add examples of exemptions: “for example, preparation and signing of routine income tax returns or the performance of routine accounting services for clients requiring less than a total of 40 hours a year will be considered the basis for an exemption; preparation of a financial statement for a client is specifically excluded for this exemption.”

Returned to committee for further study:

- **511.57, Definition of Accounting Courses (4)**

REINSTATEMENT POLICY

Licensees whose licenses are revoked for non-payment of fees for a period of three years and who wish to be reinstated must:

- Apply to the Board and complete necessary paperwork
- Complete 120 hours of CE credit hours during the three-year period immediately preceding the date of application for reinstatement
- Pay all back fees and penalties (in no instance may the Board waive the payment of fees and penalties)

Questions should be referred to the Licensing Section, (512) 451-6576.

QUESTIONS AND ANSWERS

- Q. What constraints are placed on licensees listed in telephone directory yellow pages under Certified Public Accountants?
- A. In addition to complying with the provisions of Sec. 501.43, Advertising, of the Rules of Professional Conduct, the licensee must be in good standing with the Board, have paid all license renewal fees, and met all continuing education attendance and reporting requirements for the duration of the listing.
- Q. What format should be used when requesting an informal opinion of the Board?
- A. It is recommended that whenever possible, the question, or questions, advanced by licensees in a request for informal opinion be phrased so as to allow for a YES or a NO answer by the Board on each question. Further, it is recommended that requestors offer an answer believed appropriate, as well as an indication of the rule or section from the Public Accountancy Act or Rules of Professional Conduct which supports the proposed answer. Such critiques by inquirers, coupled with the YES/NO format, will reduce response time by the Board and insure that the desired questions have been considered fully.
- Q. Is it important to advise the Board of address changes?
- A. Yes, the Board fulfills all legal requirements when mailing mandatory notices (such as license renewals and Notices of Public Hearing) to the last known address, whether or not it is current. Thus, it is in the interest of the licensee to provide address changes.
- Q. What is a public communication under the Rules of Professional Conduct?
- A. "Public Communication. A message transmitted orally or by any written or electronic medium to multiple per-

sons which is recorded, transcribed, or otherwise preserved for later review. The message must be in *identical form*. In the case of transmissions in written form, the names, addresses, and salutations inside the communication are considered a part of the message and must be in identical form. The postal or other outside address is not considered a part of the message and is not required to be in identical form."

TEXAS STATE BOARD REPORT

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