

TEXAS STATE BOARD REPORT



NOVEMBER, 1985

AUSTIN, TEXAS

VOL. 22

COMMITTEE APPOINTMENTS

Non-Board appointees to Board committees who have not previously been profiled in the **BOARD REPORT** are **Walter A. Bielstein** and **Fred J. Pearson**, Enforcement Committee; and **I. Lee Wilson** and **Curtis L. Frazier**, Long-range Planning Committee.



Walter A. Bielstein, CPA

Walter A. Bielstein, CPA of San Antonio, is currently serving as County Commissioner, Precinct 3, Bexar County. He has previously practiced public accounting as a sole practitioner and has been associated with several firms, including Arthur Young & Co.

A graduate of Trinity University, he has held various offices in the Texas Society of CPAs (TSCPA), including president, and has received that organization's Meritorious Service Award. In the American Institute of CPAs (AICPA), he is a Member of Council. He has also worked with programs of the National Conference of Christians and Jews, the United Way, the San Antonio Army and Air Force Community Councils, the San Antonio Symphony, the Greater San Antonio Chamber of Commerce, the Alamo Kiwanis Club, and the Bexar County Hospital District. He is married and has three children.

Fred J. Pearson, Houston CPA, is a retired shareholder of the Houston firm of Harper & Pearson Company, having been previously associated for eight years with Frank Wilcox and Rowland D. Pattillo in Waco. He was born in Nebraska, attended the University of Nebraska, and graduated from The University of Texas in 1948. He is an active member of St. George's Episcopal Church and the River Oaks Rotary Club. Pearson and his wife, the former Mary Manuel, have three grown children.

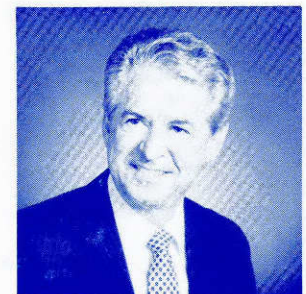
I. Lee Wilson, CPA of Dallas, a former IRS agent and special agent with the FBI, is a graduate of Southern



Fred J. Pearson, CPA



I. Lee Wilson, CPA



Curtis L. Frazier, CPA

Methodist University and has been a practicing CPA since 1962. He is a Member of Council of the AICPA and has served in numerous offices of the TSCPA, including that of president. He was selected by the Dallas Chapter of the TSCPA as the 1978 "CPA of the Year."

Curtis L. Frazier, CPA of Fort Worth, is president of the firm of Brantley, Frazier, Sipes & Company. He has served

Continued from page one

as a Member of Council of the AICPA and as president of the TSCPA. His affiliations include the Fort Worth Chamber of Commerce, the Junior Chamber of Commerce, the Fort Worth-Tarrant County Cancer Society, and the Fort Worth Ballet. He and his wife, Nan, are members of the First Presbyterian Church and have one daughter, Mrs. Jill Bolton.

(*Editor's note:* The August, 1985, **BOARD REPORT** erroneously listed Jarman Bass, CPA, as a member of the Long-range Planning Committee. Board members on the committee are Stanley J. Scott, CPA Chairman, and Dwight L. Kinard, CPA.)

LETTERS TO THE EDITOR

Dear Editor:

In recent issues of the **TEXAS STATE BOARD REPORT**, I have noticed that enforcement activities have included private reprimands without the naming of the respondent. Why do most enforcement actions involve private reprimands without stating the respondent's name? It seems to me that this only constitutes a "slap on the wrist." I believe a major deterrent to violation of the rules of professional conduct would be the threat of having one's name exposed to his peers (i.e. his competitors).

Very truly yours,
MITCHELL & TINSLEY, P.C.

/s/ **Reed Tinsley, CPA**
Houston, Texas

Editor's response: In 1981 the Board adopted—and has since been following—a "Constructive Enforcement Program." Several of the characteristics of this program read:

- The program shall be primarily remedial in approach, but punitive to the extent required by the public interest.
- The program shall be informational and educational, including issuance of advance, informal rulings and advice when appropriate in the judgment of the Board.

It is Board policy—in keeping with the spirit and intent of a constructive approach—to identify, by name, only those individuals or firms receiving revocation or suspension action.

Frequently individuals or firms are required by the Board to satisfy specific remedial or educational requirements even though license suspension or revocation action is not involved.

Since the policy of one Board does not bind a future Board (unless such policy is defined in the current Act, e.g., the Public Accountancy Act of 1979, as amended), present policy could change to include name publication in all instances, though such action is not presently contemplated.

(*Editor's note:* unsigned letters will not be considered for publication. Letters for inclusion in this column should be forwarded to the Board, ATTN: Jane I. Johnson, Editor, TEXAS STATE BOARD REPORT, 1033 La Posada, Suite 340, Austin, Texas 78752.)

From the Chairman . . .

Of continuing concern to the Board and to the profession as a whole are efforts by non-licensees and some regulatory agencies to dilute or eliminate many of the standards of professional conduct which have been sacred and which have been hallmarks of a respected and dedicated profession. There are, unfortunately, those who would like to characterize accounting as a homogenous product commonly dealt with in the market place at a unit price—those who would relegate CPAs to the status of tradesmen in the community.

It is because of these concerns that the remarks by the guest speaker at the most recent Swearing-in Ceremony were particularly timely and appreciated. **John L. Hill, Jr.**, Chief Justice of the Texas Supreme Court, stressed to the some 4,000 participants and guests that professional people must stand together to deal with those who would take away the self-regulatory prerogative. He specifically mentioned the F.T.C. and its efforts to erode self-regulation.

Citing a trip to Romania, he described the dismay experienced by professionals there when they realized the first thing to go as Romania lost its freedom was all "professions and professional status." The government, with a single stroke, eliminated independence and self-regulation. It could happen by erosion in this country—little by little.

Two years ago, also speaking at a November Swearing-in Ceremony, **Governor Mark White** pointed to the Texas State Board of Public Accountancy as a model to be followed by other professions because of its dedication to high standards in the profession. I appreciated his comments then, and they are still true. This Board is so dedicated. External regulation is not required.

Several other highlights of Chief Justice Hill's speech concerned success and dedication. He promised that every new CPA could anticipate "success" if truly dedicated and if he or she gave a good day's work every single day. "You can't just take," he said. "You must give back to the profession." He described public accountancy—like law—as a "people" profession, not a numbers business. He said it had been his experience that each generation must learn anew that you can't take your profession for granted. You must be dedicated, and if your profession becomes secondary, you should get out of it. He stressed the importance of sharing career endeavors with spouses: a demanding profession requires many hours of hard work and a joint effort. I have personally found this to be true, as, I'm sure, have many of you.

John Hill has been a personal friend of mine for many years, and it would have been a pleasure to welcome him regardless of the content of his speech. What he said, however, was so relevant to current issues that I was especially glad the 600-plus new CPAs present had an opportunity to hear him.

FRANK T. REA, CPA
Chairman

IN APPRECIATION

Because of the importance of proctor assistance in the successful conducting of the Uniform CPA Examination, the Board has asked those chapters of the Texas Society of CPAs (TSCPA) which furnish proctors to identify individuals who have assisted on a long-term basis. The Board is pleased to officially acknowledge the following members of the San Antonio Chapter of the TSCPA—and firms involved—for continued long-term assistance:

(Editor's note: the "count" of number of examinations began with the November, 1975, examination, which is the date record keeping of this nature began. If there are others who have also assisted for continuous periods prior to this date, the Board would be pleased to be so advised in order that appropriate recognition may be given.)

10 EXAMINATIONS:

Ruth H. Bullard-The University of Texas at San Antonio

Martin R. Harris-sole proprietor

Travis L. Martin-Martin and Miller, P.C.

9 EXAMINATIONS:

G. Lester Solt-Cundiff, Rogers & Solt

Karl E. Yelderman-Lange, Poteet & Co.

8 EXAMINATIONS:

James Langabeer-Southwest Texas State University

Otto E. (Herb) Phillip-M. Corp. Management Co.

7 EXAMINATIONS:

Chester A. Rose-King, Hahn, Small & Batto

As additional information is received from TSCPA chapters, special recognition will be printed in the **BOARD REPORT**.

LICENSE/CE REMINDERS

PAYMENT: Make checks payable to the "Texas State Board of Public Accountancy."

CONTINUING EDUCATION:

1986 License

Reporting period: Sept. 1, 1984 - Aug. 31, 1985

All licensees: must report CE hours accrued, even if zero.

Licensees in public practice, mandatory attendance:

- 40 hours - Sept. 1, 1984 - Aug. 31, 1985 . . . OR
- 80 hours - Sept. 1, 1982 - Aug. 31, 1985 . . . OR
- EXCEPTION: initial licensees, 3.33 hrs. per month

1987 License

Reporting period: Sept. 1, 1985 - Aug. 31, 1986

All licensees: must report CE hours accrued, even if zero.

Licensees in public practice, mandatory attendance:

- 40 hours - Sept. 1, 1985 - Aug. 31, 1986 . . . OR
- 120 hours - Sept. 1, 1983 - Aug. 31, 1986 . . . OR
- EXCEPTION: initial licensees, 3.33 hrs. per month

Licensees in Public Practice

Confusion continues to exist in the minds of some licensees regarding "licensees in public practice." Even though a licensee may not be actively engaged in public practice, offering to perform accounting services (listings in the yellow pages of a phone book or other holding-out) can constitute public practice. Exemptions, according to established guidelines, will be granted by the Board on an individual basis when requested by a licensee.

MAY, 1986 EXAM SCHEDULE

The May, 1986, Uniform CPA Examination will be conducted as follows:

Examination Sites

Austin	Lester E. Palmer Auditorium
Corpus Christi	Bayfront Plaza Convention Center
El Paso	University of Texas at El Paso Special Events Center
Fort Worth	Tarrant County Convention Center
Galveston	Moody Convention Center
Houston	Albert Thomas Convention Center
Lubbock	Lubbock Civic Center
San Antonio	San Antonio Convention Center

Examination Times

May 7	1:30 p.m. - 6:00 p.m. Accounting Practice, Part I
May 8	8:30 a.m. - 12:00 Noon Auditing 1:30 p.m. - 6:00 p.m. Accounting Practice, Part II
May 9	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, 1986, examination is February 28, 1986. Grades from the November, 1985, examination will be released February 3, 1986.

ENFORCEMENT TELEPHONE NUMBER

(512) 454-2392

1986 - MEETINGS

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

1033 La Posada, Suite 340, Austin, Texas

January 30-31	July 29-30
February 20-21	September 18-19
April 24-25	October 23-24
May 16-17	November 21-22

COMMITTEES

At the call of the committee chairman - usually several weeks prior to a scheduled Board meeting. Open meeting notices are published in the TEXAS REGISTER.

CPA SWEARING-IN CEREMONY

Erwin Special Events Center, Austin, Texas

May 17

November 22

UPDATE TO CE SPONSOR LIST. . .

The following sponsors of CE courses have been registered with the Board since publication of the last updated list in the August, 1985, **BOARD REPORT**:

AT&T Audit Education Center, Somerset, NJ	01854	Edward D. Jones & Co., Decatur, TX	01810
A. Lee Straughan & Associates, Albuquerque, NM	01801	Edward D. Jones & Co., Gainesville, TX	01819
Accountants Expansion System, San Diego, CA	01959	Edward D. Jones & Co., Denton, TX	01892
Accounting Publications, Inc., Gainesville, FL	01736	Edward D. Jones & Co., Sweetwater, TX	01909
Ace International, Inc., Lubbock, TX	01938	Edward D. Jones & Co., Alice, TX	01943
Adkins, Anderson & Johnson, CPAs, Richardson, TX	01896	Edward D. Jones & Co., Brownfield, TX	01947
Amer. Academy Matrimonial Lawyers, Houston, TX	01859	El Paso Community College, El Paso, TX	01815
Amer. Arbitration Association, Dallas, TX	01946	Ernst & Whinney, Glasgow, Scotland, U.K.	01932
Amer. General Life Insurance/Audit Dept., Houston, TX	01814	Evans Group, Dallas TX	01746
Amer. Institute, Madison, NJ	01787	Execucom Systems Corp., Austin, TX	01931
Amer. Institute Professional Education, Newark, NJ	01837	Executive Development Systems, Dallas, TX	01760
Amer. Medical International, Houston, TX	01804	Farzaroli & Davey Pension Services Corp., Fort Worth, TX	01821
Amer. Seminars, Inc., Houston, TX	01831	Federal Publications, Inc., Washington, DC	01891
Amer. Society Appraisers, Washington, DC	01770	Finalco, Inc., Dallas, TX	01922
Amer. Society Women Accountants, Montgomery, AL	01916	Financial Executives Institute So. TX, Boerne, TX	01824
Anchor National Financial Services, Inc., Austin, TX	01767	Financial Investments Group, Kingwood, TX	01857
Arthur S. Brandenburg, CPA, Granbury, TX	01957	First City Bancorporation/Human Resource, Houston, TX	01756
Arthur Young and Company, Atlanta, GA	01843	First Class, Inc., Providence, RI	01781
Bacharach-Woods, Inc., Dallas, TX	01816	Food Marketing Institute, Washington, DC	01834
Barber & Anderson, P.C., San Antonio, TX	01893	Forum Corp., Boston, MA	01786
Bishop College Dallas, Dallas, TX	01835	Foundation Properties, Inc., Dallas, TX	01823
Bott & Cywinski, CPA, Houston, TX	01739	Frank J. Leal & Associates, Inc., San Antonio, TX	01737
Brown, Henry & Co., Richardson, TX	01898	Frazer, Fox & Dodge, Little Rock, AR	01852
Business Resource Services, Seattle, WA	01911	Fred P. Schumm, Angleton, TX	01744
Butler & Binion, Houston, TX	01844	Funding Information Center, San Antonio, TX	01860
Cain & Johnson, PC, Irving, TX	01846	G.E. Software International, Andover, MA	01818
Call, Barrick, Ethridge, Webb & Co., Cushing, OK	01768	General Services Admin. Training Center, Arlington, VA	01945
Callaghan & Company, Wilmette, IL	01883	Gerald R. Hanlon, Bellaire, TX	01914
Callaway Pension Service, Arlington, TX	01850	Glaw, Brown & Company, P.C., Houston, TX	01941
Carl L. Ernst, CPA, Arlington, TX	01825	Golden Corridor Practice Management Grp., Dallas, TX	01939
Cascio School Computer Technology, Pleasanton, CA	01961	Gordon Day & Associates, Houston, TX	01869
Cavett, Turner & Co., CPA, Beaumont, TX	01853	Gorence, Adams & Co., P.C., Austin, TX	01862
CCH Computax, Inc., Niles, IL	01953	Great Plains Software, Fargo, ND	01742
Cecil Harvey Tallon, CPAs, Fort Worth, TX	00163	Gwendolyn A. Gibbs & Associates, Houston, TX	01955
Celanese Corporation, New York, NY	01851	H & R Block, Houston, TX	01793
Center Holistic Resource Management, Albuquerque, NM	01866	H & R Block, Denton, TX	01870
Certiflex Corporation, Dallas, TX	01928	H & R Block, Odessa, TX	01871
Cigna Healthplan, Inc., Dallas, TX	01920	H & R Block, Longview, TX	01872
CIS Equip, Leasing Corporation, San Francisco, CA	01780	H & R Block, Richardson, TX	01873
Collier Jackson, Inc., Tampa, FL	01830	H & R Block, Dallas, TX	01874
Commonwealth Virginia, Richmond, VA	01755	H & R Block, Tyler, TX	01875
Community Associations Institute, Houston, TX	01749	H & R Block, Fort Worth, TX	01876
Computer Solutions, Inc. Enid, Enid, OK	01757	H & R Block, Irving, TX	01878
Connecticut Mutual Company, San Antonio, TX	01769	H & R Block, Dallas, TX	01879
Control Data Institute, Houston, TX	01762	H & R Block, El Paso, TX	01880
Coopers & Lybrand, Honolulu, HI	01085	H & R Block, San Angelo, TX	01881
Council of Petroleum Accountants Soc., Midland, TX	01826	H & R Block, Wichita Falls, TX	01882
Crozier-Smith, Inc., Irving, TX	01774	H & R Block, Austin, TX	01902
Crystal Software, LTD., Dallas, TX	01895	H & R Block, Dallas, TX	01907
D. Brad Green, CPA, Lubbock, TX	01930	H & R Block, Abilene, TX	01908
Data Processing Management Assoc., Park Ridge, IL	01808	H. D. Vest Investment Securities, Inc., Irving, TX	01841
Deason Peters Stockton & Co., Roswell, NM	01842	Haass & Co., San Antonio, TX	01849
Development Dynamics, Austin TX	01788	Harvard Univ. Grad. School Bus. Admin, Boston, MA	01775
Development of Houston, Houston, TX	01792	Hawk Leadership Group, Wichita Falls, TX	01933
Edward D. Jones & Co., Houston, TX	01792	Healthcare Financial Management Assoc., Baton Rouge, LA	01865
Edward D. Jones & Co., Plainview, TX	01741	Housing Services Association, Tucson, AZ	01750
Edward D. Jones & Co., Tyler, TX	01772	Houston Baptist Univ. Coll. Bus. & Ecom., Houston, TX	01771

IBM Corporation, Corpus Christi, TX	01778	Renaissance Network, Inc. dba Microage, Beaumont, TX	01958
Independent American Saving Assoc., Irving, TX	01806	Robinson & Co., Lubbock, TX	01910
Independent Bankshares, Inc., Abilene, TX	01776	Rodas Haskell Associates, Houston, TX	01752
Institute Chartered Accts., Alberta, Canada	01807	Rononco International, Corsicana, TX	01913
Institute Property Taxation, Washington, DC	01812	S & B Engineers, Inc., Houston, TX	01942
InterFirst Bank Dallas N.A./Credit Analy., Dallas, TX	01797	S.M. Neider & Associates, Inc., Houston, TX	01839
International Federation Accountants, New York, NY	01848	San Antonio College Continuing Educ., San Antonio, TX	01820
Investment Company Institute, Washington, DC	01783	SCS/Compute, Inc., Phoenix, AZ	01948
Investment Training Institute, Inc., Tucker, GA	01950	Shearson Lehman Bros., Inc., Dallas, TX	01829
IRS-Houston, Houston, TX	01903	Sheshunoff & Company, Austin, TX	01785
J.D. Edwards & Company, Houston, TX	01889	Shirey Financial Services, Plano, TX	01937
James E. Rodgers & Company, P.C., Hamlin, TX	01766	Small Computer Administration, Houston, TX	01952
Jefferson-Pilot Pension, Austin, TX	01921	Smith, Moore & Lambright, P.C., Athens, TX	01789
John McLean & Associates, Inc., Houston, TX	01917	Smitherman-Williams & Co., P.C., Houston, TX	01809
John Nuveen & Co., Inc., Austin, TX	01827	Society Financial Examiners, Raleigh, NC	01763
Jon W. Young, CPA, Houston, TX	01956	Society Professional Business Consultant, Chicago, IL	01743
K Corporation, Houston, TX	01832	Software Spectrum, Dallas, TX	01919
Kahler Communications Incorporated, Austin, TX	01773	Southern California Tax & Estate Plan., San Diego, CA	01936
Lamar University-Orange, Orange, TX	01867	State Property Tax Board, Austin, TX	01884
Law & Business, Inc. (HBJ), Clifton, NJ	01817	Stephen A. Fugua, CPA, Dallas, TX	01894
Lawrence Blackburn Meek Maxey & Co., P.C. Beaumont, TX	01944	Stephen C. Fox, CPA, Houston, TX	01777
Leardata Info-Services, Dallas, TX	01745	Strategica, Inc., Washington, DC	01934
Leslie, Thompson, Lawrence & Co., Abilene, TX	01924	SunWest Bank Albuquerque, Albuquerque, NM	01836
Lewis Meers, P.C., CPA, Pampa, TX	01912	Tarrant County Mental Health Ment. Retard., Fort Worth, TX	01868
Libra Programming, Inc., Salt Lake City, UT	01887	Tennessee Gas Transmission, Houston, TX	01811
Life Investors Insurance Co. America, Cedar Rapids, IA	01753	Texas A & M Univ/Personnel Dept., College Station, TX	01794
Lincoln Graduate Center, San Antonio, TX	01897	Texas Assoc. of Realtors, Austin, TX	01795
Lincoln National Pension Company, San Antonio, TX	01847	Texas Cattle Feeders Assoc., Amarillo, TX	01905
Malcolm E. Walker, Jr., CPA, Richardson, TX	01759	Texas Department Health, Austin, TX	01861
Master Service Corp., Staunton, VA	01840	Texas Employment Commission, Austin, TX	01915
MBank Alamo, San Antonio, TX	01779	Texas General Land Office, Audit Div., Austin, TX	01940
Meridian Oil, El Paso, TX	01799	Texas Tech Univ/Internal Auditing Dept., Lubbock, TX	01761
Merrill Lynch, Austin, TX	01764	Trinity University/Cont. Educ. Center, San Antonio, TX	01754
Merrill Lynch, Pierce, Fenner & Smith, Dallas, TX	01803	TSC Investment Management, Inc., Houston, TX	01901
Metrotech Computers, Inc., Hurst, TX	01899	Tudor & Associates, P.C., Dallas, TX	01864
Microage/Dallas Central, Dallas, TX	01796	Turners Enterprises, Lancaster, TX	01935
Midwikis Rorie Granger, Austin, TX	01954	Unitax, Anaheim, CA	01791
Mobil Producing Texas & New Mexico, Houston, TX	01784	Univ. Dallas, Irving, TX	01960
MTECH/DATA Information Services, Dallas, TX	01790	Univ. Illinois, Urbana, IL	01888
National Asso. Independent Insurers, Des Plaines, IL	01890	Univ. Oklahoma/College of Law, Norman, OK	01798
National Association of Accountants, Brazil	01813	Universal Brokerage, Inc., Dallas, TX	01845
National Association of Accountants, El Paso, TX	01949	Urbach Kahn & Werlin, P.C., Albany, NY	01740
New Hampshire Society of CPAs, Manchester, NH	01886	Valcom Learning Center, San Antonio, TX	01800
North Carolina Assn. of CPAs-Charlotte, Charlotte, NC	01951	Vanderbilt University/Owen School, Nashville, TX	01765
Northern Telecom, Richardson, TX	01858	Watkins, Mesch, Henderson & Frantz, Arlington, TX	01877
Northwest Texas Hospitals, Amarillo, TX	01963	West & Weiss, Inc., Lubbock, TX	01758
Open Systems, Inc., Dallas TX	01822	Whipple & Company, Indianapolis, IN	01838
Option Education Services, Lubbock, TX	01927	Williams Adair Rogers & Co., P.C., Planview, TX	01900
Pace Applied Technology, Inc., Manassas, VA	01923	Wood & Wood, CPA, Garland, TX	01918
Pansophic Educational Systems, Oak Brook, IL	01833	Worldco Services Group, Inc., New York, NY	01856
Petcom Systems, Inc., Dallas, TX	01828	Yeager Enterprises, Tyler, TX	01925
Petrocomp Systems, Inc., Houston, TX	01855	Zig Ziglar Corporation, Carrollton, TX	01962
Petroleum Accountants Society, Fort Worth, TX	01926		
Petroleum Accountants Society, Tulsa, OK,	01929		
Planning Control International, Newport Beach, CA	01805		
Prentice Hall Information Network, New York, NY	01782		
Priority Management Systems (Harding), San Antonio, TX	01904		
Professional Resource Group, Houston, TX	01906		
Professional Tax Institutes, Inc., Longwood, FL	01802		
Prudential-Bache Securities, Oklahoma City, OK	01747		
Real Estate Education Center, Austin, TX	01748		
Real Estate Education, Inc., Beaumont, TX	01738		
Real Estate School, Houston, TX	01751		

SUBSTANTIVE RULES

(Editor's note: dashes through a word indicate deletions, underlining indicates additions)

• Amendments adopted on emergency basis (effective immediately): Section 511.21, Application

(a) All applications . . . shall also be in compliance with Board rules and with all applicable laws . . . (c) Each applicant shall submit with his initial application, and as instructed thereafter, character references from a minimum of three certified public accountants or substantial and representative business or professional individuals ~~residing in Texas~~ who can attest to applicant's moral character. The applicant must provide at least one character reference from each county in which the applicant was domiciled for as much as three months during the five years preceding the filing with the Board of the applicant's initial application for examination. Each reference (name and current mailing address) must be a person who: (1) resided in the same county as the applicant, and (2) was personally acquainted with the applicant during the period when the applicant was domiciled in that county. (d) Character references ~~shall~~ will not be ~~submitted~~ accepted by the Board ~~by~~ from the following individuals . . . (e) Responses to the Board inquiries of character references must be in English and must be received by the Board not less than 10 days prior to the applicant's initial examination otherwise that application will be deemed incomplete and will be denied. It is the responsibility of the applicants to inform their character references of these requirements and to take such measures as are appropriate to insure that their character references make prompt and timely responses to the Board's inquiries. (f) Applicants who are not citizens of the United States must provide all of the above documentation and, in addition, must provide evidence satisfactory to the Board that: (1) they are legally in the United States, and (2) either they have: (A) lived in Texas at least 90 days immediately preceding the date of submitting to the Board their initial application to take the written examination conducted by the Board for the purpose of granting a certificate of "Certified Public Accountant," or (B) maintained permanent legal residence in Texas for at least six months immediately preceding the date of submission to the Board of their initial application to take the written examination conducted by the Board for the purpose of granting a certificate of "Certified Public Accountant."

Initial adoption - new rule: Section 511.89, Examination Sites, and Board Policy on Documentation—The Board shall select examination sites in Texas suitable for conducting the examination. The Board will assign candidates to an examination site. Consideration will be given to a candidate's first and second preferences if at all possible. However, all candidates will be required to sit at a Texas site unless an exception is granted. Exceptions will be considered only in the following instances: 1. The candidate is temporarily out of Texas due to the candidate's military assignment

outside of the State of Texas or due to the candidate being a military dependent accompanying a military sponsor on a military assignment in a state other than Texas. 2. The candidate is temporarily out of Texas due to attending college or university in a state other than Texas. 3. The candidate is temporarily out of Texas due to a temporary job assignment in a state other than Texas. Each candidate desiring to be considered in one of the above-mentioned exceptions must provide documentation that supports, to the satisfaction of the Board, the requested exemption based upon the candidate's temporary out-of-state status. All required documentation must be received by the Board before a request can be processed and sent to the proctoring state board.

Documentation Requirements

A candidate on military assignment or who is a military dependent accompanying a military sponsor on a military assignment outside the state of Texas must provide the following documentation: (1) copies of the candidate's current driver's license and current voter registration, and (2) certification of current assignment outside of the state of Texas by the Unit Commander or military personnel office, or (3) other evidence acceptable to the Board. A candidate attending college or university in a state other than Texas must provide the following documentation: (1) copies of the candidate's current driver's license and voter registration, and (2) proof that the candidate is attending a college or university outside of the state of Texas, such as a letter from the Registrar's office attesting to the fact that the candidate is attending the college during the current semester, or (3) other evidence acceptable to the Board. A candidate on temporary job assignment in a state other than Texas must provide the following documentation: (1) copies of the candidate's current driver's license and current voter registration, and (2) an affidavit from the candidate's employer stating (a) the address where the candidate regularly is employed, and (b) the beginning and ending date of the temporary assignment, and (c) the location of the temporary assignment outside the state of Texas, and (d) that the temporary assignment precludes the candidate from returning to Texas to take the examination, or (3) other evidence acceptable to the Board.

Initial adoption: amendment to Section 511.76, Refund Policy

. . . (b) The Board will grant a refund of all but \$10 per part of the examination ~~of the total fee paid by the candidate~~ if (1) The applicant, because of extreme hardship, ~~withdraws after the filing deadline because of extreme hardship~~ or (2) The applicant submits an incomplete application for examination, does not remedy the deficiency, and as a result of the deficiency is not permitted to take the examination. (c) All requests for refunds based on extreme hardship must be in writing and provide documentation of the extreme hardship, ~~requiring withdrawal from the examination.~~

ENFORCEMENT . . . (512)454-2392

Reinstatements: None

Disciplinary Actions:

Respondents: *

Date of Panel Report: September 10 and 25, 1985

Committee Recommendation: A Panel of the Board found that Respondents failed to acquire 20 hours of mandatory continuing education for the 1985 license year, in violation of Section 501.25 of the Rules of Professional conduct. The Panel recommended that Respondents be suspended for a period of five years or until full compliance with the continuing education requirements is shown, whichever period is shorter. The Board ratified the Proposal for Decision on November 15, 1985.

***Respondents:**

Oliver M. Bakke, Jr.
 Charles E. Ballard
 Edward James Beazley
 Alvin W. Billo
 David Albert Boden
 Stephen A. Boone, Jr.
 Charles Wadsworth Branch
 John William Brimer
 William J. Burnham
 Michael John Butts – now in compliance
 Gene Thomas Callais
 James Wesley Campbell
 Cheryl Jan Carlson
 Roy Davis Coles
 Harold V. Crump
 Hedin Edward Daubenspeck
 Royce Glenn Davidson
 Kenneth M. Davis
 Ralph James Dreyer
 Billy Andrew Erskine
 Sharion Louise Fisher
 Joe H. Freeman
 Rebecca Frohnmayer
 James E. Gallien, Jr.
 Freddy Lee Gamble
 William Marsden Getchy
 T. Mitchell Gibson
 Stanley S. Gillis
 Wayne A. Gould
 Daryle Lynn Grounds
 Lynn Hamilton
 Robert S. Hamner
 Elizabeth Hanlon
 Barbara Dianne M. Hansen
 Jeffrey Todd Harfenish

James F. Harp
 Larry Haynes
 Charles Michael Hirlinger
 Francis V. Hurt
 Joseph M. Jackson
 Ned F. Jackson, Jr.
 L. Leon James, Jr.
 Karl M. Kemp
 Purna N. Kunda
 Oliver William Lee, Sr.
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ENFORCEMENT ACTIVITY

August 1, 1985–October 31, 1985

	Rules	Act	Total
Active Files			
August 1, 1985	235	313	548
Files opened during period	684*	5	689
	919	318	1237
Files closed during period	555	25	580**
	364	293	657

* Includes 650 CE cases

** 519 via voluntary compliance, 36 via Board action, and 25 otherwise (unlicensed individuals who have ceased doing business, cannot be located or died).

QUESTIONS AND ANSWERS

Q. I prepare only a few tax returns each year. Am I responsible for accruing CE?

A. Yes. Mandatory CE attendance is required of any licensee engaged to any degree in the practice of public accounting. If you perform only routine accounting services for clients, requiring less than an aggregate total of 40 hours per year, you *may* qualify for an exemption.

Q. How do I go about getting an exemption from CE?

A. Write the Board, stating that you want an exemption request form. The Board will send you an "Exemption for Continuing Education Form," which should be returned with supporting documents to the Board as soon as possible. The CE Committee will then grant or deny your exemption, based on the information submitted.

Q. I am full-time employee in industry and perform no accounting services "on the side." Do I have a CE requirement?

A. Yes. You must report your CE hours accrued, even if the total is zero. Additionally, insure that you check the appropriate response on the license renewal form indicating that you are not in public practice.

Q. What will happen if I return to public accounting after several years in industry?

A. If you decide at a future date to return to public accounting, you will be required to accrue the same number of CE hours required of any licensee during that license year. There is, however, no cumulative make-up for CE hours for past years.

Q. If I do not complete the 40-hour CE requirement for a license year and the August 31 deadline for accruing the hours has passed, what can I do?

A. Ninety-day extensions (from September 1 through November 30) are granted upon written request to the Board. The Affidavit for Continuing Education Grace Period (CE-1) should be attached to your license renewal form when you return it to the office. (License renewal notices are mailed by the Board to licensees in November of each year.)

TEXAS STATE BOARD REPORT

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