

BEFORE THE ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

IN THE MATTER OF)
THE COMPLAINT AGAINST:)
HOWELL D. VAUGHAN, CPA) CASE NO. 02-3
CERTIFICATE NO. 1747-R)
RESPONDENT.)

ORDER

COMES NOW the Alabama State Board of Public Accountancy (“the Board”), and, following a full and fair hearing before the Board on September 20, 2002, makes the following Findings of Fact and Conclusions of Law in the above styled case.

FINDINGS OF FACT

1. Respondent, Howell D. Vaughan, is a duly Certified Public Accountant in the State of Alabama, and was so registered at all times relevant to the complaint.
2. Vaughan is also a duly Certified Public Accountant in the State of Tennessee, and was so registered at all times relevant to this complaint.
3. Vaughan was provided notice of the hearing by certified mail; return receipt requested, and regular first class mail to the most recent address on file with the Board.
4. The certified mail receipt was signed and returned to the Board.
5. Vaughan attended the hearing, presented documentary evidence, and presented oral argument on his own behalf.
6. Documentary evidence designated as Boards’ Exhibits 1-6 and Respondents’ Exhibits 1-2 were admitted into evidence and published to the Board.
7. The evidence presented at the hearing established that Vaughan was employed by the accounting firm of Hardman Guess Frost & Cummings, P.C. at all times relevant to this complaint.

8. The evidence presented at the hearing established that in the Spring of 2000 the Tennessee State Board of Accountancy (TSBA) requested Vaughan's continuing professional education (CPE) records for audit for the years 1998 and 1999 and received no response from him. The evidence presented at the hearing also established that the TSBA mailed follow-up requests to Vaughan on April 17, 2001 and July 20, 2001 and received no response from him.

9. The evidence presented at the hearing established that on August 30, 2001 the TSBA filed a complaint by certified mail against Vaughan for failure to respond to the CPE audit notice and received no response from him.

10. The evidence presented at the hearing established that on December 6, 2001 the TSBA notified Vaughan and the Board that they had received no response to the complaint and that they were requesting the Board to service the complaint to Vaughan.

11. The evidence presented at the hearing established that on January 28, 2002 the Board notified Vaughan by certified mail of the complaint by the TSBA and received no response from him. The evidence presented at the hearing also established that on May 24, 2002 the Board mailed a complaint follow-up request to Vaughan by certified mail and received no response from him.

12. The evidence presented at the hearing established that on June 13, 2002 the Board requested Vaughan's CPE records for audit for the fiscal years ended September 30, 1998 and September 30, 1999 and received no response from him. The evidence presented at the hearing also established that the Board mailed a follow-up request to Vaughan on July 19, 2002 and received no response from him.

13. The evidence presented at the hearing established that Vaughan did satisfy the CPE requirements for the fiscal year ended September 30, 1998.

14. The evidence presented at the hearing established that Vaughan failed to satisfy the CPE requirements for the fiscal year ended September 30, 1999 by five CPE hours.

15. The Board finds that from the Spring of 2000, through and including August 2002, Vaughan failed to respond to lawful inquires by the TSBA and the Board. Vaughan's conduct, as described herein, constitutes sufficient evidence that he committed acts or engaged in conduct discreditable to the public accounting profession.

CONCLUSIONS OF LAW

The Board finds that the facts as established at the hearing as outlined above constitute a violation of Sections 34-1-1, et seq., Code of Alabama 1975, as follows:

1. The acts of Vaughan constitute a violation of the *Rules of Professional Conduct* established by the Board, specifically, Board Rule 30-X-6-.05(1), which is a cause for suspension under Section 34-1-12(a)(4), Code of Alabama 1975.

2. The acts of Vaughan constitute conduct discreditable to the public accounting profession, which is cause for suspension under Section 34-1-12(a)(11), Code of Alabama 1975.

CONCLUSION

Based on the Findings of Fact and Conclusions of Law set forth above, the Board finds that Vaughan is guilty of Count 1 of the Summons and Complaint and, thus, his certificate and permit to practice public accounting are due to be suspended on the charge.

It is therefore ORDERED, ADJUDGED and DECREED by this Board that the certificate and permit to practice of Vaughan is SUSPENDED for a period of three (3) months, that Vaughan is fined five hundred dollars (\$500.00), that Vaughan return the suspended Certified Public Accountant Certificate and permit to practice to the Board office within thirty (30) days of this Order, that Vaughan submit to the Board office documents evidencing completion of the five CPE hours not documented in the CPE audit for the fiscal year ended September 30, 1999, and that Vaughan submit to timely audits of his CPE for the fiscal years ended or ending on September 30, 2000, 2001, 2002, 2003, and 2004. Notwithstanding the completion of the CPE audits for the fiscal years ending September 30, 2003 and 2004, upon timely completion of all

other terms and conditions of this Order and submission of a completed 2002-2003 personal registration form and the annual personal registration fee the period of suspension imposed herein will be lifted and Vaughan's certificate shall be returned and his personal permit to practice shall be issued on or about December 20, 2002 without further action of the Board.

DONE this 20th day of September 2002.

ALABAMA STATE BOARD OF PUBLIC ACCOUNTANCY

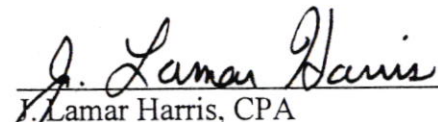
CONCUR:

MESSRS. KASSOUF, PATTERSON
AND WHITE

RECUSED:

MR. DELOACH

ATTEST:



J. Lamar Harris, CPA
Executive Director
October 17, 2002