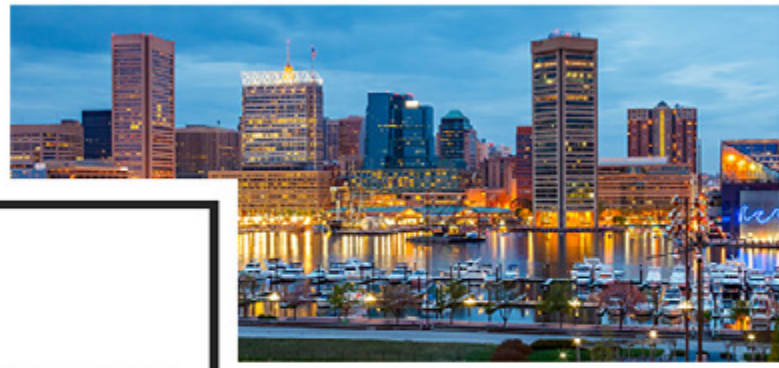




MARYLAND BOARD OF PUBLIC ACCOUNTANCY

January 2019



CONTINUING EDUCATION (CE) BASICS

An active CPA must earn a minimum of 80 qualifying hours of continuing education each license period to be eligible to renew the license. A licensee can complete continuing education in any of 23 subject matter areas. Four hours of CE in professional ethics must be completed each two-year period.

***** Please note: When you are reporting CE, you are ONLY allowed to claim CE earned up to the time that you submit your renewal application, regardless of whether or not you submit the application early! For instance, if your license expires on 1/1/2019 and you renew your license on 11/15/2018, you can only claim CE earned up until 11/15/2018. Any CE earned from 11/16/2018 through 1/1/2019 will NOT count towards that renewal. *****

REPORTING CONTINUING EDUCATION

Licensees report continuing education hours earned at the time of license renewal. The license renewal application prompts the licensee to indicate the number of hours of continuing education the licensee has earned since the previous renewal application date. Licensees may only report credit hours earned up to the date the renewal application is filed. Any credit hours a licensee earns after the application submittal date qualifies for the licensee's next renewal.

REPORTING CONTINUING EDUCATION ON A LICENSE REINSTATEMENT APPLICATION

Individuals who file license reinstatement applications may only report continuing education hours earned within two years of the date of filing the application. Note: License expiration dates are fixed and are not subject to change. Continuing education credit hours reported to reinstate a license cannot be applied to the 80 hours required to subsequently renew the license.

AMENDING CONTINUING EDUCATION REPORTED

Licensees may amend the continuing education hours reported within thirty days of the date an application is filed. The request must be made in writing. Documentation to support the original credit hours reported and any additional hours must be submitted with the request.



CARRY FORWARD TO NEXT LICENSE RENEWAL

Up to 80 CE hours in addition to the first 80 hours that a licensee reports are eligible to be credited for use the next time the licensee renews the license. Continuing education hours in ethics, in excess of the required four hours each license period, can be used as ordinary CE. Four hours of ethics CE must be earned in the license period immediately preceding the next renewal term.

AUDITS OF CONTINUING EDUCATION

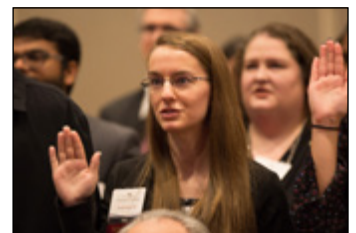
Continuing education hours that are reported are subject to audit by the Board. Licensees chosen for audit are required to submit an audit inventory sheet and documentation to support the number of credit hours reported in an application.

RETENTION OF EDUCATION CREDIT DOCUMENTATION

Licensees are required to retain documentation supporting the continuing education credits they have earned for four years.

CPA SWEARING-IN CEREMONY

On Thursday, November 8, 2018, the Maryland Association of CPAs hosted its annual ceremony to celebrate the CPA profession and newly-licensed CPAs. This event recognizes and commemorates the momentous achievement of becoming a fully-licensed CPA in the state of Maryland. This year, the ceremony was held at the Maryland Live! Hotel in Hanover, MD. The Honorable David A. McGlone, CPA, Deputy Secretary of the Maryland Department of Labor, Licensing and Regulation administered the official oath, pledging the new CPA's commitment to the public interest. Distinguished members of the Maryland State Board of Public Accountancy were in attendance.



NOTE FROM THE CHAIR

ETHICS IN OUR PROFESSION

Our profession is in a unique position in that so many business transactions are predicated on the assumption Certified Public Accountants (CPAs) perform their services in a professional and ethical manner. Without the attest function performed by CPAs, there would be no public markets, no lending transactions and no investing activities. CPAs act in the public trust and are the foundation of economic information that drives business transactions.



Arthur Flach

Over the past year, the Maryland State Board of Public Accountancy (the State Board) has received several referrals from the Public Company Accounting Oversight Board (PCAOB), the Securities and Exchange Commission (SEC) and the Department of Labor (DOL). Most of these referrals relate to either violations of professional or independence standards in connection with the actions of Maryland CPAs in the performance of attest engagements. If the State Board finds in such a referral that a Maryland CPA has violated the Maryland Public Accountancy Law, the State Board may impose sanctions. These sanctions

can be monetary in nature or result in licensure suspension or licensure revocation.

In addition, we have experienced an increase in the number of Continuing Education (CE) audit failures. When a CPA renews his or her license, their renewal is subject to audit in connection with meeting the CE requirements for Maryland licensure for the renewal period. Upon audit, we are seeing many CPAs who have not fulfilled their CE requirements and are subject to sanction by the State Board. These audit failures primarily center on failing to meet the required professional ethics (Ethics) requirement or the eighty (80) hour continuing education requirement. When a CPA renews his or her license, he or she does so under penalties of perjury. To submit the renewal under penalties of perjury and knowingly violate the continuing education and ethics requirements is extremely troubling.

I call upon all CPAs licensed in the state of Maryland to renew their commitment to abiding by professional and ethical standards during the upcoming year.

Arthur E. Flach, CPA
Chair

MEET THE BOARD MEMBERS

ARTHUR FLACH, CPA, CHAIR

Arthur Flach is licensed to practice as a CPA in the state of Maryland. He is a member of the American Institute of Certified Public Accountants and the Maryland Association of Certified Public Accountants. He is also a respected leader of the accounting profession who has been recognized as one of the top 100 CPAs in the state of Maryland by SmartCEO magazine on several occasions. Mr. Flach has spent approximately 60% of time in public accounting serving public companies in the audit of their tax provisions as well as the audit of the internal controls over the tax provision. He also redesigned a set of internal controls for a public real estate REIT to rectify a material weakness assertion by their

independent audit firm. He has significant experience in the tax aspects of mergers and acquisitions. Mr. Flach currently serves as an adjunct professor in taxation in the accounting department at the University of Baltimore as well as in the Masters of Taxation and the LLM programs in the School of Law. He is a current lecturer for the Business Learning Institute, a subsidiary of the Maryland Association of Certified Public Accountants, Inc., on tax related educational topics for CPAs, as well as a current lecturer for the Maryland Society of Accountants and Tax Preparers on tax related educational topics for accountants and tax preparers.

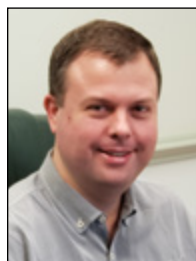
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Leslie Mostow



Phillip Korb



Edward Helmstetter



James Marshall



Mary Campbell



Macon Ware

MEET THE BOARD MEMBERS

LESLIE MOSTOW, CPA

Leslie Mostow retired as an Accounting, Tax and Business Consulting Principal at CohnReznick, LLP. Mr. Mostow has been in public accounting for over 50 years and is a life member of the American Institute of Certified Public Accountants. Presently, he serves as Adjunct Professor and Assistant Director, Master Program for Placement and Professional Issues in the Robert H. Smith School of Business at the University of Maryland. Mr. Mostow served on the Board of Examiners and on the State Board Committee of the American Institute of Certified Public Accountants. He is an active member of the National Association of State Boards of Accountancy and served on the Professional Regulatory Response Committee. Mr. Mostow was appointed by three Governors to the Maryland State Board of Public Accountancy and is a Past Chairman of the Board.

PHILLIP J. KORB, CPA

Phillip J. Korb is an Associate Professor in Accounting at the University of Baltimore in the Merrick School of Business. He currently serves as the chair of the Department of Accounting, Finance and Economics. Professor Korb is a Certified Public Accountant and a Chartered Global Management Accountant. He serves as the education member on the Maryland Board of Public Accountancy.

EDWARD J. HELMSTETTER, JR.

Edward J. Helmstetter, Jr. is a long time State of Maryland Resident. Born in Baltimore, MD, and raised in Linthicum, MD (currently still lives in Linthicum, MD), he is a full time purchasing agent for one of top publicly traded general contractor construction companies in the United States, where he has been for 20 years. Mr. Helmstetter is also the Executive Vice President of a landscaping company in Maryland that has been in business for 18 years.

Professionally, Mr. Helmstetter prides himself in his role as active member of the Maryland Public Board of Accountancy and in ensuring the integrity and competency of the accounting profession.

JAMES MARSHALL, CPA

James Marshall has over 25 years of experience as a CPA bringing valuable solutions to both large and small businesses in over 25 industries. Mr. Marshall began his career at Price Waterhouse LLP in September 1992 as a Staff Auditor in the Baltimore office. He was then selected to join the PricewaterhouseCoopers National Tax Office in Washington, DC, to focus on developing innovative tax and accounting planning strategies for large and small business – including the owners. Based upon his technical expertise, James later became the primary tax advisor for an Ultra Net Worth individual in the Washington DC area. In June 2008, Mr. Marshall left PwC to start J Marshall & Associates, a CPA firm focusing on small business. The primary mission of J Marshall & Associates is on assisting business owners with building and preserving their wealth. Mr. Marshall accomplishes this through his unique approach of integrating tax, accounting, investment, and insurance planning for the business and the business owner. Wealth accumulation and protection ensures the clients of J Marshall & Associates continue to grow and the business owners achieve their goals.

MARY CAMPBELL, ESQ.

Mary Campbell is an attorney licensed in Maryland and Pennsylvania. She has been practicing law for 23 years. Her solo practice is focused primarily in the area of elder law with a strong emphasis in guardianship litigation. She received her J.D. from the University of Pittsburgh School of Law and a B.S. in Economics from West Chester University.

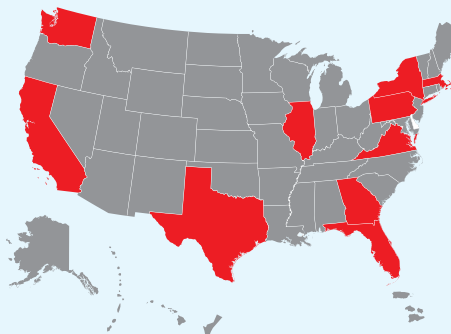
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MEET THE BOARD MEMBERS

MACON WARE, CPA

Macon Ware is a Managing Director in the McLean, VA office of Deloitte & Touche LLP. He joined Deloitte in 1983 after graduating with honors from the Howard University School of Business. With approximately 34 years of public accounting experience with Deloitte, Mr. Ware has demonstrated his ability to manage both large complex engagements as well as smaller engagements, all with significant emphasis on a proactive approach to delivering audit quality. In addition to financial statement audits, Macon has also worked on several engagements that involve specific compliance related audit work. His current industry focus includes not for profit, public sector, manufacturing, aerospace and defense (government contracting) and special purpose accounting. Mr. Ware is a member of the National Association of Black Accountants, the American Institute of Certified Public Accountants, the Maryland Association of CPAs, The Virginia Society of Certified Public Accountants and the Greater Washington Society of Certified Public Accountants. Macon is also a board member of the Maryland Board of Public Accountancy. Mr. Ware has also served as a board member and Treasurer of local professional, community-based organizations.

Top Jurisdictions most CPA Exam sections taken



Number of Sections Taken In ranking order

1. California – 31,695
2. New York – 30,123
3. Texas – 15,533
4. Illinois – 11,987
5. Pennsylvania – 8,029
6. Virginia – 7,813
7. Florida – 7,410
8. Massachusetts – 7,148
9. Georgia – 7,104
10. Washington – 6,840

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DISCIPLINARY ACTIONS FOR 2018

| | | | | |
|-----------|---------------|---------------|----------------------|---|
| 6/19/2018 | CPAS 17-0077A | Consent Order | \$1000 civil penalty | DLLR v. Goldstein, Zugman, Weinstein & Poole, LLC |
| 6/19/2018 | CPAS 17-0085 | Consent Order | \$500 civil penalty | DLLR v. Michael Lim |
| 6/19/2018 | CPAS 17-0094 | Consent Order | \$3000 civil penalty | DLLR v. Terrill Garrison |
| 6/19/2018 | CPAS 17-0098 | Consent Order | \$500 civil penalty | DLLR v. Maureen Brown |
| 6/19/2018 | CPAS 18-0035 | Consent Order | \$1500 civil penalty | DLLR v. William T. Bush |
| 8/9/2018 | CPAS 17-0036 | Consent Order | \$2000 civil penalty | DLLR v. Steven G. Hirshenson |
| 8/9/2018 | CPAS 17-0078 | Consent Order | \$1000 civil penalty | DLLR v. Maurice F. Wallace |
| 8/9/2018 | CPAS 17-0079B | Consent Order | \$2000 civil penalty | DLLR v. Charles E. Posey |
| 8/9/2018 | CPAS 18-0002 | Consent Order | \$2500 civil penalty | DLLR v. Louis A. Sigalas |
| 8/9/2018 | CPAS 18-0013 | Consent Order | \$1000 civil penalty | DLLR v. Jennifer Truong |
| 8/9/2018 | CPAS 18-0045 | Consent Order | \$2500 civil penalty | DLLR v. Steven F. Perry |