A History of the Certified Public Accounting Profession in Louisiana.

Daniel Louie Butler Jr
Louisiana State University and Agricultural & Mechanical College

Follow this and additional works at: https://digitalcommons.lsu.edu/gradschool_disstheses

Recommended Citation
https://digitalcommons.lsu.edu/gradschool_disstheses/2911

This Dissertation is brought to you for free and open access by the Graduate School at LSU Digital Commons. It has been accepted for inclusion in LSU Historical Dissertations and Theses by an authorized administrator of LSU Digital Commons. For more information, please contact gradetd@lsu.edu.
INFORMATION TO USERS

This material was produced from a microfilm copy of the original document. While the most advanced technological means to photograph and reproduce this document have been used, the quality is heavily dependent upon the quality of the original submitted.

The following explanation of techniques is provided to help you understand markings or patterns which may appear on this reproduction.

1. The sign or "target" for pages apparently lacking from the document photographed is "Missing Page(s)". If it was possible to obtain the missing page(s) or section, they are spliced into the film along with adjacent pages. This may have necessitated cutting thru an image and duplicating adjacent pages to insure you complete continuity.

2. When an image on the film is obliterated with a large round black mark, it is an indication that the photographer suspected that the copy may have moved during exposure and thus cause a blurred image. You will find a good image of the page in the adjacent frame.

3. When a map, drawing or chart, etc., was part of the material being photographed the photographer followed a definite method in "sectioning" the material. It is customary to begin photoing at the upper left hand corner of a large sheet and to continue photoing from left to right in equal sections with a small overlap. If necessary, sectioning is continued again — beginning below the first row and continuing on until complete.

4. The majority of users indicate that the textual content is of greatest value, however, a somewhat higher quality reproduction could be made from "photographs" if essential to the understanding of the dissertation. Silver prints of "photographs" may be ordered at additional charge by writing the Order Department, giving the catalog number, title, author and specific pages you wish reproduced.

5. PLEASE NOTE: Some pages may have indistinct print. Filmed as received.

Xerox University Microfilms
300 North Zeeb Road
Ann Arbor, Michigan 48106
BUTLER, Daniel Louie, Jr., 1936-
A HISTORY OF THE CERTIFIED PUBLIC ACCOUNTING PROFESSION IN LOUISIANA.
The Louisiana State University and Agricultural and Mechanical College, Ph.D., 1976
Accounting

Xerox University Microfilms, Ann Arbor, Michigan 48106

© 1976

DANIEL LOUIE BUTLER, JR.

ALL RIGHTS RESERVED
A HISTORY OF THE CERTIFIED PUBLIC ACCOUNTING PROFESSION IN LOUISIANA

A Dissertation

Submitted to the Graduate Faculty of the Louisiana State University and Agricultural and Mechanical College in partial fulfillment of the requirements for the degree of Doctor of Philosophy

in

The Department of Accounting

by

Daniel Louie Butler, Jr.
B. S., Louisiana Tech University
M. S., Louisiana State University
May, 1976
ACKNOWLEDGMENTS

The author wishes to express his appreciation to Dr. C. Willard Elliott for his constructive advice in the preparation of this dissertation. Gratitude is also extended to Dr. William Swyers whose helpful advice contributed to the completion of this work. Thanks are also due Dr. Lloyd F. Morrison and Dr. Ed Gray for contributing to the author's development and serving on the examining committee.

The author expresses gratitude to the State Board of Certified Public Accountants of Louisiana, the Society of Louisiana Certified Public Accountants, and many individual Certified Public Accountants who provided numerous ideas and suggestions.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGEMENTS</td>
</tr>
<tr>
<td>ABSTRACT</td>
</tr>
</tbody>
</table>

## CHAPTER

1. INTRODUCTION | 1
- PURPOSE OF STUDY | 2
- IMPORTANCE OF THE STUDY | 2
- APPROACH TO THE STUDY | 3
- LIMITATIONS OF THE STUDY | 3

2. GENERAL HISTORY | 5
- EVIDENCE OF EARLY RECORD KEEPING | 6
- ACCOUNTING IN ENGLAND | 8
- DEVELOPMENT OF ACCOUNTING IN THE UNITED STATES | 9

3. DEVELOPMENT OF THE PROFESSION | 12
- EARLY ACCOUNTANTS | 12
- ESTABLISHMENT OF THE CERTIFIED PUBLIC ACCOUNTANT | 13
  - Passage of the First CPA Law | 14
  - Initial Growth | 15
- ORGANIZATION OF THE PRESENT STATE SOCIETY | 16
- CHARTER AND ITS OBJECTIVES | 17
- EARLY GROWTH PRIOR TO 1925 | 18
  - Opposition to Act 247 of 1912 | 20
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important Developments From 1913 to 1915</td>
<td>21</td>
</tr>
<tr>
<td>State Society and the Reorganization of the American Association</td>
<td>22</td>
</tr>
<tr>
<td>Society and the Tulane School of Commerce</td>
<td>23</td>
</tr>
<tr>
<td>Events of 1918</td>
<td>23</td>
</tr>
<tr>
<td>1922 Amendments to By-laws</td>
<td>24</td>
</tr>
<tr>
<td>Constitutionality of the CPA Law of 1908</td>
<td>24</td>
</tr>
<tr>
<td>Efforts of the Society in 1924</td>
<td>25</td>
</tr>
<tr>
<td>IMPORTANT EVENTS FROM 1925 to 1950</td>
<td>27</td>
</tr>
<tr>
<td>Example of the Society's Contribution to the Profession</td>
<td>27</td>
</tr>
<tr>
<td>Cooperation with the New Orleans Clearing House Association</td>
<td>28</td>
</tr>
<tr>
<td>Vocational Opportunities</td>
<td>29</td>
</tr>
<tr>
<td>Arbitration Act of 1926</td>
<td>31</td>
</tr>
<tr>
<td>Four States Convention in 1931</td>
<td>32</td>
</tr>
<tr>
<td>Visit from the Commissioner of Internal Revenue.</td>
<td>34</td>
</tr>
<tr>
<td>Merger of the National Accounting Organizations.</td>
<td>35</td>
</tr>
<tr>
<td>Annual Report of 1932-33</td>
<td>36</td>
</tr>
<tr>
<td>Annual Report of 1933-34</td>
<td>38</td>
</tr>
<tr>
<td>Annual Report of 1934-35</td>
<td>39</td>
</tr>
<tr>
<td>Annual Report of 1935-36</td>
<td>40</td>
</tr>
<tr>
<td>Annual Report of 1936-38</td>
<td>40</td>
</tr>
<tr>
<td>Annual Report of 1939-40</td>
<td>41</td>
</tr>
<tr>
<td>Annual Report of 1940-41</td>
<td>42</td>
</tr>
<tr>
<td>Annual Report of 1941-42</td>
<td>43</td>
</tr>
<tr>
<td>Chapter</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>Annual Report of 1942-43</td>
<td>44</td>
</tr>
<tr>
<td>Annual Report of 1943-45</td>
<td>45</td>
</tr>
<tr>
<td>Annual Report of 1945-46</td>
<td>46</td>
</tr>
<tr>
<td>Annual Report of 1946-47</td>
<td>47</td>
</tr>
<tr>
<td>Annual Report of 1947-48</td>
<td>47</td>
</tr>
<tr>
<td>Annual Report of 1948-49</td>
<td>48</td>
</tr>
<tr>
<td>Annual Report of 1949-50</td>
<td>49</td>
</tr>
<tr>
<td>4. REVIEW OF ACCOUNTING LEGISLATION</td>
<td>51</td>
</tr>
<tr>
<td>INITIAL LEGISLATION ESTABLISHING THE CPA</td>
<td>51</td>
</tr>
<tr>
<td>The New York Law</td>
<td>52</td>
</tr>
<tr>
<td>Early Legislative Acts in Other States</td>
<td>53</td>
</tr>
<tr>
<td>FIRST STATE LEGISLATION OF 1908</td>
<td>54</td>
</tr>
<tr>
<td>The Louisiana State Board of Accountants</td>
<td>55</td>
</tr>
<tr>
<td>Reciprocal Agreements</td>
<td>56</td>
</tr>
<tr>
<td>Waiver Provision</td>
<td>57</td>
</tr>
<tr>
<td>Three Methods of Acquiring a CPA Certificate</td>
<td>59</td>
</tr>
<tr>
<td>AMENDMENTS OF 1912</td>
<td>59</td>
</tr>
<tr>
<td>COMPLETE REVISIONS OF 1924</td>
<td>60</td>
</tr>
<tr>
<td>Title Amended</td>
<td>61</td>
</tr>
<tr>
<td>Public Accountants Defined</td>
<td>61</td>
</tr>
<tr>
<td>Expansion of the State Board</td>
<td>62</td>
</tr>
<tr>
<td>Provisions Affecting Examination and Candidates</td>
<td>63</td>
</tr>
<tr>
<td>Certificates to Accountants from other States</td>
<td>63</td>
</tr>
<tr>
<td>Revocation of Certificates</td>
<td>64</td>
</tr>
<tr>
<td>Chapter</td>
<td>Page</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Penalties.</td>
<td>64</td>
</tr>
<tr>
<td>REVISED STATUTES OF 1950</td>
<td>64</td>
</tr>
<tr>
<td>SIGNIFICANT AMENDMENTS TO THE REVISED STATUTES OF 1950</td>
<td>65</td>
</tr>
<tr>
<td>Act 497 of 1950.</td>
<td>65</td>
</tr>
<tr>
<td>Act 76 of 1968.</td>
<td>66</td>
</tr>
<tr>
<td>PROFESSIONAL CORPORATION ACT OF 1970</td>
<td>69</td>
</tr>
<tr>
<td>Stock Certificates.</td>
<td>69</td>
</tr>
<tr>
<td>Liability of Shareholder</td>
<td>70</td>
</tr>
<tr>
<td>Specific Requirements.</td>
<td>70</td>
</tr>
<tr>
<td>5. ADMINISTRATION OF THE LAW BY THE STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANTS OF LOUISIANA.</td>
<td>71</td>
</tr>
<tr>
<td>DISTINCTION BETWEEN THE STATE BOARD AND THE SOCIETY.</td>
<td>71</td>
</tr>
<tr>
<td>OFFICIAL TITLE ESTABLISHED</td>
<td>72</td>
</tr>
<tr>
<td>REVIEW OF THE RULES, REGULATIONS, AND BY-LAWS OF THE STATE BOARD</td>
<td>72</td>
</tr>
<tr>
<td>Officers</td>
<td>73</td>
</tr>
<tr>
<td>Meetings</td>
<td>74</td>
</tr>
<tr>
<td>Rules of Professional Conduct.</td>
<td>74</td>
</tr>
<tr>
<td>Examinations</td>
<td>77</td>
</tr>
<tr>
<td>Educational Requirements</td>
<td>79</td>
</tr>
<tr>
<td>Experience Requirements</td>
<td>80</td>
</tr>
<tr>
<td>Reciprocal Certificates</td>
<td>81</td>
</tr>
<tr>
<td>Revoked Certificates</td>
<td>82</td>
</tr>
<tr>
<td>Renewal Certificates</td>
<td>83</td>
</tr>
</tbody>
</table>
### Chapter 6: FORMATION AND GROWTH OF LOCAL CHAPTERS OF THE STATE SOCIETY

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEED FOR LOCAL CHAPTERS</td>
<td>86</td>
</tr>
<tr>
<td>AMENDMENTS PASSED TO FORM CHAPTERS</td>
<td>86</td>
</tr>
<tr>
<td>REORGANIZATION OF THE SOCIETY TO 100% CHAPTER MEMBERSHIP</td>
<td>88</td>
</tr>
<tr>
<td>FORMATION OF THE CHAPTERS</td>
<td>91</td>
</tr>
<tr>
<td>Shreveport Chapter</td>
<td>92</td>
</tr>
<tr>
<td>Baton Rouge Chapter</td>
<td>94</td>
</tr>
<tr>
<td>Monroe Chapter</td>
<td>94</td>
</tr>
<tr>
<td>New Orleans Chapter</td>
<td>95</td>
</tr>
<tr>
<td>Lafayette Chapter</td>
<td>97</td>
</tr>
<tr>
<td>Alexandria Chapter</td>
<td>97</td>
</tr>
<tr>
<td>Lake Charles Chapter</td>
<td>98</td>
</tr>
</tbody>
</table>

### Chapter 7: SUMMARY

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIBLIOGRAPHY</td>
<td>104</td>
</tr>
<tr>
<td>APPENDIXES</td>
<td>108</td>
</tr>
</tbody>
</table>

#### Appendixes

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. ACCOUNTANTS LISTED IN THE NEW ORLEANS CITY DIRECTORY IN 1909</td>
<td>109</td>
</tr>
<tr>
<td>B. MINUTES OF THE ORGANIZATIONAL MEETING OF THE SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS</td>
<td>110</td>
</tr>
<tr>
<td>C. OFFICERS OF THE SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS</td>
<td>112</td>
</tr>
<tr>
<td>D. 1912 RULES OF PROFESSIONAL ETHICS</td>
<td>115</td>
</tr>
<tr>
<td>E. TESTIMONY PRESENTED TO GEORGE A. TREADWELL BY THE SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS</td>
<td>116</td>
</tr>
<tr>
<td>Chapter</td>
<td>Page</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>F. 1908 LAW ESTABLISHING THE CERTIFIED PUBLIC ACCOUNTANT IN LOUISIANA</td>
<td>117</td>
</tr>
<tr>
<td>G. A FORM OF THE RECIPROCAL CERTIFICATE ISSUED BY THE STATE BOARD AS</td>
<td>121</td>
</tr>
<tr>
<td>EFFECTIVE JANUARY 1, 1938.</td>
<td></td>
</tr>
<tr>
<td>H. 1936 REVISION OF BY-LAWS, RULES AND REGULATIONS OF THE STATE BOARD</td>
<td>122</td>
</tr>
<tr>
<td>I. STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANTS OF LOUISIANA</td>
<td>124</td>
</tr>
<tr>
<td>J. EDUCATION REQUIREMENTS TO TAKE THE CPA EXAMINATION</td>
<td>126</td>
</tr>
<tr>
<td>K. ARTICLE VI OF THE BY-LAWS OF THE SOCIETY ESTABLISHING 100%</td>
<td>128</td>
</tr>
<tr>
<td>CHAPTER MEMBERSHIP</td>
<td></td>
</tr>
<tr>
<td>L. LIST OF PERSONAL INTERVIEWS</td>
<td>130</td>
</tr>
<tr>
<td>VITA</td>
<td>131</td>
</tr>
</tbody>
</table>
The Certified Public Accounting profession began in Louisiana when the first CPA law was passed by the state legislature in 1908. Prior to this time services were provided by bookkeepers and accountants, but they had no official title. The first CPA law was passed in New York in 1896. This law served as the basis for the Louisiana law as well as other states. The CPA law officially established the title "Certified Public Accountant" and provided the requirements for issuance of certificates.

The accountants of the state of Louisiana organized their professional society in 1900. The purpose of this organization was to formulate plans for passage of the first CPA law. Since then the Society of Louisiana Certified Public Accountants has worked to establish the profession through the regulation of its membership. The work and dedication of the members of this organization has developed the profession to its present status.

The first CPA law in Louisiana provided for three methods for obtaining a CPA certificate. The first method was by examination and was expected to be the most frequently used. The law required the candidate to show proficiency in four specific areas. The second method was by reciprocity. A CPA from another state could practice in Louisiana if certain conditions were satisfied. Lastly, a person already practicing as an accountant in the state could receive a certificate without examination within ninety days after the passage
of the law. This section was known as the waiver clause and provided for certification upon application. At present certification can be obtained only through examination and reciprocity.

The first CPA law was amended by Act 247 of 1912. Then in 1924 the law was completely revised. At that time individuals already practicing accounting were registered without examination as Public Accountants, but after that time no Public Accountants were allowed to be registered. In 1950, the Louisiana legislature adopted the Revised Statutes which codified all existing laws. The law was again amended in 1968 and in 1970.

The CPA law in Louisiana established a board to administer the law. This board, appointed by the governor, is responsible for giving examinations, issuing and revoking certificates, granting reciprocal certificates, and investigating violations. The board is designated the State Board of Certified Public Accountants of Louisiana. The CPA law is used as a basis for the rules, regulations, and by-laws of the State Board.

The result of all these developments has been the recognition of the competence of the Certified Public Accountant in the areas of auditing, data processing systems, taxation, and business consultation. Proof of the development and acceptance of the profession is exemplified by the engagement of Certified Public Accountants on every major business problem. It is the objective of the profession to continually serve the needs of the business and industrial community.
Chapter 1

INTRODUCTION

In 1896 the first CPA law was passed in New York. Since that time the profession has developed in all fifty states. Initially, accountants were little more than bookkeepers for clients. Today, in contrast, accounting services are so varied and valuable that any organization can profit from an accountant's expertise.

There are a number of factors that have contributed to the growth of the profession. Governmental reporting has created the need for accountants. The revenue and securities acts have caused accounting systems to be changed or modified in order to comply with the specific law. For example, the revenue acts require specific bookkeeping procedures for tax reports. The securities acts passed in the 1930's established the Securities and Exchange Commission and required that audited financial statements accompany registration statements. Additionally, the corporation with its separation of ownership and management requires financial disclosure of information. With the help of accountants, owners who do not enter into management of a corporation have information available for evaluation and analysis. And modern management must have accounting information before undertaking business planning. As businesses have grown, so has the need for more sophisticated accounting systems and information.
While operating in a complex environment of rapidly changing demands, accountants have improved their services through organization. Organization has assisted in developing new ideas and improving accounting services. The history of accounting is a study which cannot be presented without referring to the organizations binding this profession together. The profession and its growth can be appreciated only if one understands the cooperative effort which has taken place on a local and state basis.

PURPOSE OF STUDY

The purposes of this study are the following: (1) to integrate and combine, in one volume, the available information on the growth of the Certified Public Accounting profession in Louisiana to 1950; (2) to analyze the problems that have faced the profession in its development; and (3) to provide information on the development of the profession for accountants and other interested persons.

IMPORTANCE OF THE STUDY

This study should serve as a source of information and an evaluative reference for people interested in accounting. It also provides for the members of the profession a review of the development, growth, and organization of the profession. In addition, this document can serve as a foundation for future research and will be extended at some future date.
APPORACH TO THE STUDY

This study is based on an investigation of the documents and legislation pertaining to the Certified Public Accountant in Louisiana. Two principal sources of information were available to the investigator: minutes of meetings and laws passed by the state legislature.

Efforts were made in 1902, 1904, and 1906 to pass a CPA law in the Louisiana state legislature. In 1908 the first law was passed. This law established the professional title Certified Public Accountant and set up the Louisiana State Board of Accountants to regulate the profession. The minutes of the State Board and all revisions of the 1908 CPA law have been extensively examined.

The minutes of the Society of Louisiana Certified Public Accountants have also been reviewed. Beginning with a small group of nine dedicated members, this Society has become a most significant force in professional development throughout the state and has provided important self-regulation.

LIMITATIONS OF THE STUDY

This study is limited to the development of Certified Public Accounting in Louisiana. It considers the events that have brought the profession to its present status. Particular attention has been given to individuals who were instrumental in promoting the profession. The study traces the progress of the Certified Public Accountant only to 1950 since by this time the profession was well
established in the state and most of the chapters of the Society had been established. However, all the laws establishing and regulating the profession have been thoroughly reviewed.

No attempt has been made to include a comprehensive history of accounting on a national level or developments in other states. Furthermore, the area of non-certified public accounting has been excluded in this report.
Chapter 2

GENERAL HISTORY

Man is continuously looking back into the past in order to think and reflect upon the present and ultimately the future. Through this type of study one cannot only learn how man has organized himself into a feasible society, but also more fully understand how man has managed to bring about a certain degree of order in that society. Man has an insatiable desire to satisfy his curiosity about life and its meanings. This desire leads him, therefore, to explore, examine, and uncover. Every man, consequently, should be interested in the history of his profession and what has occurred to bring about the organization of a working or professional group of similar interests.

Accounting has evolved as has law, medicine, and other fields to meet the economic and social needs of people in an organized society. The study of accounting throws light on how men succeed financially and how nations improve economically. The history of accounting as it has evolved in the economic system is a fascinating study in itself.¹

EVIDENCE OF EARLY RECORD KEEPING

The first evidence of accounting can be traced to the Babylonian Empire. Babylonians were familiar with the recording of business and money transactions. The products of both the farms and businesses were traded within the empires, and these transactions were recorded on clay tablets. These tablets do not resemble modern accounting, but they are commercial records and constitute evidence that record keeping began in that civilization.2

The ancient Romans, geniuses of organization and administration, had many procedures connected with the recording of funds. There were laws to guard the revenue and disbursement of funds; there were certain preparations of budgets for the government; and there were elaborate instructions for the management of estates.

It was not, however, until the close of the fifteenth century that we have what is known as our present double-entry system of accounting. Luca Pacioli, a Roman monk, was the man who really brought double-entry record keeping to prominence. This young man was a tutor in the home of a Venice merchant. He was a learned man who had also studied religion, art, and the sciences. It was his purpose to make successful merchants out of his pupils. He was convinced that a certain procedure had to be followed if one was to be a good bookkeeper.

His principle consisted of keeping an accurate listing of all items possessed. This included real estate, land under cultivation, and funds. "Even if there be one thousand items, a good merchant will recall all the facts, for things are never too clear for a merchant because of the unforeseen incidents that may occur."³

These items went together to make a "memorole" or memorandum book. From this book the items were transferred to a journal in chronological order. The debits were on one side and the credits on another side. The sides were totaled and corrected if necessary. The loss was debited or the gain was credited to the capital account. This in essence was the Italian's double-entry system of record keeping.⁴

The development of accounting continued. The requirements for entry into the profession in the early 1600's in Venice were as follows: an apprenticeship of six years in the office with a public accountant; appearance before a commission of forty-five persons of whom thirty were accountants; approval of two-thirds of the commission; and submission to a similar examination before the Controllers of Accountants and five learned merchants. Along with these requirements was the requirement that the applicant have a knowledge of Latin and arithmetic. Fulfilling these requirements would allow a person to obtain a certificate of admission to the "College," which was his professional organization.⁵

---

⁴Battelle, p. 6.
⁵Battelle, p. 7.
ACCOUNTING IN ENGLAND

Accounting in England may be found about the year 1100 in Anglo-Saxon history. At this time the English Exchequer or Treasury was formed. This consisted of a simple cloth with lines or columns which provided a narrative of revenues due the kings, and a summary of payments toward these debts. Such terms as "and this is equal" or "and they are quit" (both meaning the same) were used at the end of the entries. These early accountants were usually men of high character and greatly respected by their townsmen. They were not only known for their ability to keep good records, but also for their ability to reveal discrepancies through audits. All record keeping was done with care and according to accurate systems.

The vast economic expansion of England can be traced to the fifteenth century when her ships explored the world for new markets. Her exploration of the world led to an accumulation of wealth and the Industrial Revolution. By the middle of the nineteenth century England became the financial center of the world. Men with experience in bookkeeping or a liking for this type of work had emerged as accountants. As early as 1799 there were eleven practicing accountants in London. Less than fifty years later there were 200 accountants listed in London.6

The earliest professional organization of accountants came in 1854 in Scotland when a society was organized in Edinburgh under a

---

royal charter. Then in 1870 a society was formed in England. Later all the societies in England under a charter approved by Queen Victoria on May 11, 1880, were joined to form the "Institute of Chartered Accountants in England and Wales." These society members were entitled "chartered accountants." 7

DEVELOPMENT OF ACCOUNTING IN THE UNITED STATES

The history of accounting as well as other business customs in the United States can be traced back to England. As early as 1600 King James I ordered in the charter of the Virginia Company that an auditor be chosen to handle the funds of the lotteries (money raised by England to support the colonies). Also that year the first Auditor General of Virginia was chosen. But this was only the beginning.

With the natural growth of the colonies came the cultivation of good business procedures. Many individuals were performing both legal and record-keeping services. Those persons known as chartered accountants were sent from England and Scotland by foreign stockholders. They, in turn, took Americans on their staff and trained them in the procedures they knew. One of the first English firms in the United States was Barrow, Wade, Guthrie & Company. The next firm to establish in the United States was Jones & Caesar, agents of Price, Waterhouse and Company. In 1895 the first American firm was founded. It was Haskins and Sells.

7Carey, pp. 19-20
Soon the number of bookkeepers and accountants grew. The need for education, literature, and the protection of the profession was evident. Out of this need came the development of the first accounting organization. It was the Institute of Accountants and Bookkeepers of the City of New York, incorporated July 28, 1882. This was also the earliest effort to provide educational opportunities for the profession in America.8

Among the group of practicing accountants in the United States were a few individuals who soon became interested in forming a more professional group of expert accountants. They desired not only higher standards but legal recognition. In England the profession was highly recognized. Firms, corporations, banks, railroads, and other commercial entities were seeking the services of accountants in all phases of activities. The group in America, also desiring that type of recognition, organized into the American Association of Public Accountants.9

It was not, however, until almost eight years later in 1896, that the needed legislation was enacted to create the professional designation "Certified Public Accountant." This bill was passed in the state of New York and set down definite requirements for becoming a Certified Public Accountant. A person had to be twenty-five years

9Carey, p. 38.
old with three years of experience and had to complete examinations under the auspices of the New York Board of Regents. Soon other states followed, and by 1913 there were thirty-one states with laws governing accountants.\textsuperscript{10} Thus the status and prestige of the profession had begun.

\textsuperscript{10}Edwards, pp. 69-72.
Chapter 3

DEVELOPMENT OF THE PROFESSION

Around the turn of the twentieth century the accounting profession in Louisiana became publicly known and accepted as a service business. At this time the New Orleans City Directory listed the first accountants, their addresses, and services provided.

New Orleans was the first city of known size in the state and was fast becoming one of the great ports of the world. Lying on the Mississippi, New Orleans served as a commercial link between the Mississippi River and Atlantic Ocean. As trade developed, the need arose for records of debts and accounts receivable.

EARLY ACCOUNTANTS

In 1900 the accounting firm of Chappuis and Rapier was listed in the New Orleans City Directory. Two years later two firms were listed under the name of E. L. Chappuis and August Salaun, Jr. The profession continued to expand in 1903, as twelve were listed:

E. L. Chappuis
Coats and Burchard
W. D. Cowling
Fisk and Donellan
Gustave A. Llambias
James McElroy
Frederick A. Ober
Rigley A. Randall
Rapier and Lloyd
During the next five years, the number of practicing accountants grew to twenty-three. In 1908 the state legislature enacted the first public accounting law in Louisiana. It was also during this time that the title Certified Public Accountant first appeared. In 1907, for example, of the sixteen accountants listed, only the American Audit Company was found under the caption "Certified Public Accountants," and the firm of Lloyd and Rapier was found under "Certified Accountants." Additionally, it is interesting to note that these firms not only practiced accounting but also served as appraisers, real estate agents, auctioneers, cashiers, and clerks. As in the early stages of most professions, specialization was absent.

ESTABLISHMENT OF THE CERTIFIED PUBLIC ACCOUNTANT

The organization of Louisiana accountants dates back to 1900. The Society of Public Accountants was formed with nine members. Their purpose was to promote the enactment of a CPA law. In 1902 a bill patterned after the first CPA law, the New York Bill of 1896, was introduced in the state legislature; but the bill was not passed. Again in 1904 and in 1906 other unsuccessful attempts were made to get this important and needed legislation passed. Officers during

this time were P. W. Sherwood, President; E. S. Rapier, Vice-President; R. C. Lloyd, Secretary; and John W. Watson, Treasurer.

Passage of the First CPA Law

In 1908 the small Louisiana Society under the leadership of its new officers began promoting a new bill. The officers were Emile Bienvenu, President; R. C. Lloyd, Vice-President; Charles E. Wermuth, Secretary; and M. S. Senton, Treasurer. Mr. Bienvenu served as chairman of a committee in charge of legislation. Also on that committee were E. S. Rapier, A. M. Benedic, and Charles W. Wermuth.

The Society belonged to the American Association of Public Accountants. Mr. Bienvenu, as state president, also served as vice-president of the national organization. It was through his close contact with E. W. Sells, president of the American Association, that the new CPA bill was prepared. Mr. Sells advised the Louisiana Society to accept the amendments made by the House committee rather than withdraw the bill. And so this great American accountant had his place in the accounting profession in Louisiana. In the words of George Treadwell, an early historian and Secretary-Emeritus of the Society, concerning the leadership of Mr. Sells, "The older generation knew this [the value of his contribution to the profession]--the newer should know it too."12

The Society was successful at last. The first bill in Louisiana establishing the title Certified Public Accountant was

---

approved and signed as law by Governor Jared Y. Sanders on July 2, 1908, and became Act 125 of 1908. This was the culmination of almost ten years of work by this early group.

Under the provisions of Act 125 of 1908, the Louisiana State Board of Accountants was established to administer the CPA law. The Board was empowered to issue certificates after examination and regulate the accounting profession in the state. The act provided, however, that for ninety days after passage of the bill, all examinations were waived for two classes of accountants; first, those individuals who had been actively employed as accountants or bookkeepers for not less than five years; and secondly, those applicants practicing in Louisiana as public accountants for three consecutive years. The second proviso was in the original bill and was supported by the Society, but the first was added by the House Committee during the passage of the bill. Under the waiver clause, one hundred sixty-four certificates were issued without examination.

Initial Growth

In 1909 with the CPA law in effect, there were twenty-five accountants and twenty-seven Certified Public Accountants listed in the New Orleans City Directory. (This listing is found in Appendix A.) There were also accountants in the Shreveport area and probably in other parts of the state as well.
ORGANIZATION OF THE PRESENT STATE SOCIETY

Soon after the passage of Act 125 of 1908, the Society of Public Accountants again became active. A charter was issued on March 18, 1909, to the Louisiana Society of Certified Public Accountants. Its officers and directors were Emile Bienvenu, President; H. J. Jumonville, Vice-President; George A. Turner, Secretary; Albert Coyle, Treasurer; Alexander Hart, David Dees (of Shreveport) and A. J. Edmonds, Directors. The charter consisted of a set of by-laws regulating the members and establishing committees, dues, and meetings. No record can be found of the activities of this society. However, the wording of Article III of their charter is repeated word for word in the present charter.13

The birth of the Society as it is known today came on December 9, 1910. A group assembled for the purpose of organizing a permanent state society. Some of those present were members of the group chartered in 1909. The meeting was held in the quarters of the Associated Accountants of New Orleans, an organization to which any clerk or bookkeeper could belong. Officers were elected, and a committee was appointed to draft a charter and present it at a later meeting. The officers were Henry Daspit, President; P. W. Sherwood, Vice-President; Edmond F. Mielly, Secretary; Robert C. Lloyd, Treasurer. The charter committee consisted of Emile Bienvenu, G. V. W. Lyman, and W. G. Taylor. (A copy of the minutes of this first meeting is included in Appendix B.)

13Treadwell, Part II, p. 29.
The new society held its second meeting on December 22, 1910, and the charter committee presented its recommendations. Changes were made and a resolution was passed to adopt the charter. Finally on March 4, 1911, the charter was officially adopted and still stands as the Charter of the Society of Louisiana Certified Public Accountants.

CHARTER AND ITS OBJECTIVES

The main objective of the group as stated in the Charter of the Society is the following:

... unite duly qualified Certified Public Accountants under Act 125 of 1908, into an association for their mutual improvements, professionally and scientifically, by providing facilities for the encouragement and attainment of a higher standard of professional efficiency.14

The original charter established an Executive Board of five members, three constituting a quorum, to be elected from those members recognized as fellows. According to this document, the charter could be dissolved by a vote of three-fourths of the membership, and amended by a vote of two-thirds of the fellows, but a fellow is not clearly defined in the charter.

However, the by-laws of the Society did contain rules for establishing the membership. It divided the membership into three classes: Fellows, Associates, and Honorary. Fellows were Certified Public Accountants or Public Accountants who were in the practice of public accounting. Associates were those members who did not

---

14 The Society of Louisiana Certified Public Accountants, Charter, March 4, 1911. From the records of the Society of Louisiana Certified Public Accountants, New Orleans, Louisiana.
maintain accounting offices or who were not employed in the office of a practicing accountant but were interested in the profession. They had no voting rights or office-holding privileges. Honorary members were granted membership because of service rendered to the profession.

The standing committees each of which consisted of three members were Admission, Legislation, Complaints, Meetings, and Library. Annual dues were set at twelve dollars for Fellows and six dollars for Associates. Meetings were held monthly with the annual meeting on the second Tuesday in December. (A list of the officers of the Society of Louisiana Certified Accountants from 1910 through 1950 appears in Appendix C.)

EARLY GROWTH PRIOR TO 1925

The next meeting was a special meeting on March 21, 1911, for the purpose of making application to the American Association of Public Accountants. The president and five members were present. President Daspit had drafted the application and it read as follows:

Resolved, that, Henry Daspit, President, and E. F. Mielly, Secretary, are hereby authorized, empowered and directed, to make formal application to the American Association of Public Accountants, for Society membership in said Association, with power to bind this Society to a strict observance of the Constitution and By-Laws of the said American Association of Public Accountants.15

15The Society of Louisiana Certified Public Accountants' minutes of a special meeting, March 21, 1911, Minute Books of 1911-22. From the files of the Society of Louisiana Certified Public Accountants, New Orleans, Louisiana.
At this special meeting a committee was appointed to confer with the publishers of Soard's City Directory of New Orleans to induce them to carry Public Accounting under one classification instead of several. A motion was also adopted to make arrangements with the Associated Accountants of New Orleans to request continued use of their quarters for the Society meetings.

The Executive Board had its first meeting on November 14, 1911. Dues for fourteen Fellows at five dollars a year were paid to the American Association and two persons were elected to the Society as Fellows.

With the organization of the Society behind them, the small executive group went ahead to make the necessary changes and adjustments as needed year by year. It was the aim of the organization and its officers to be ever mindful of the interest of the membership and do what was necessary for their benefit. For example, as early as 1912, a resolution was adopted protesting the appointment to the State Board of Certified Public Accountants of Louisiana anyone who did not maintain an office and who did not devote his entire time to the practice of public accounting.

On February 16, 1921, the Society amended its by-laws to include the first rules of professional ethics. These rules established standards of conduct for the members in their relationship with other members and the laity. The CPA law had not provided the State Board with the authority to establish rules of professional conduct. Therefore, these rules passed by the Society applied only to the members of the Society and not to all Certified Public Accountants in
the state. A member found in violation of these rules was expelled from the Society for a period not to exceed two years. These rules were important to the profession and the development of the Certified Public Accountant because they provided certain standards that had to be met by the membership and thereby provided for some regulation of the members. (The Rules of Professional Ethics as passed by the Society in 1912 are included in Appendix D.)

Opposition to Act 247 of 1912

In 1912 Act 247 amending Act 125 of 1908 was passed by the state legislature. It waived the examination for anyone who had been actively employed as a bookkeeper for not less than five years prior to application. The intent of this change was to allow the bookkeeping corps of Louisiana to become Certified Public Accountants without demonstrating their proficiency in theory on the examination. This act was looked upon unfavorably by the Society. On September 10, 1912, Secretary G. V. W. Lyman reported to the Society that an injunction had been secured restraining the State Board from issuing any certificates under this act. In October the American Association resolved that it would not accept for membership Certified Public Accountants of Louisiana or any other state that had similar conditions for membership as provided by Act 247 of 1912. At the regular meeting of the state Society on March 11, 1912, President Daspit reported that he had signed the necessary bond to appeal the injunction. The matter of the injunction was left with counsel; and after almost two years, a letter from their attorney, A. J. Peters,
was read at a meeting on August 12, 1914, stating that a perpetual injunction had been obtained annulling Act 247 of 1912.

**Important Developments From 1913 to 1915**

On January 27, 1913, A. P. Richardson, secretary of the American Association of Public Accountants, paid an important visit to the Louisiana Society. It was a gala event which included a trip to Baton Rouge for a visit with the governor. On March 3, 1914, Mr. Richardson again visited Louisiana. At this time the president of the Society, G. V. W. Lyman, stated that Mr. Richardson was especially interested in helping the Society promote new legislation.

During this period a court decision was passed in the state which was of importance to the accounting profession in Louisiana. It was the case of Marwick, Mitchell & Company against the receivers of the Bluefield Steamship Company. The defendant was asking the court to establish a fixed fee for services rendered by accountants. However, the court held that there could be no fixed compensation for professional services of an accountant.

At the regular meeting of the Society on November 11, 1915, several amendments to the by-laws of the Society were adopted. They provided that no officer could be elected to succeed himself, and only those who had attended at least three meetings during the preceding year were eligible for office.

On December 8, 1915, the Society met and instructed the secretary to write to the Associated Accountants of New Orleans and also to the State Board of Accountants to devise ways and means for
a coordinated effort in dealing with any legislation on accounting
that might be proposed in the state legislature. As the profession
grew, there was an increasing need for laws that would insure
professional standards. In response to this need, almost every
session of the legislature introduced some type of bill concerning
the accounting profession. To have a voice in the development of such
legislation, the small society had to organize its energies as
effectively as possible.

State Society and the Reorganization of the American Association

By 1916 there were only twelve members of the Society, but it
was soon to expand as a result of a national reorganization. As a
member of the Louisiana Society one automatically became a member of
the American Association of Public Accountants. Because of the
variety of examinations and qualifications of the different states,
a new national organization was formed; no longer were members of a
state organization accepted automatically, but they had to pass
national standards and meet national criteria. The original membershipe of the new organization, however, would consist of previous
members of the American Association. Eleven Certified Public Account-
ants of New Orleans, in order to be accepted into the newly formed
association without examination, either joined the Louisiana Society
or renewed their membership, thereby increasing the membership of the
Society to twenty-three.16

16Treadwell, Part III, p. 15.
The American Association was then renamed the American Institute of Accountants of the United States. George A. Treadwell represented Louisiana at the national meeting held in New York City. Officers elected were W. Sanders Davis, President; A. P. Richardson, Secretary. R. C. Lloyd and G. V. W. Lyman of Louisiana were appointed to committees. All members of the Louisiana Society were given automatic membership to the Institute.

Society and the Tulane School of Commerce

The Society was helpful in the establishment of a school of commerce at Tulane University in New Orleans. At a regular meeting on May 14, 1914, a committee was appointed to confer with the Association of Commerce of New Orleans to help form the Tulane College of Commerce and Business Administration. Also a committee from the Society was appointed to review the accounting courses in order to offer suggestions for improvement in the curriculum.

Events of 1918

President Davis of the American Institute made a visit to the state in May, 1918. During this meeting he sketched the growth of the profession on a national level since 1890, the year that he entered the accounting profession. He stated that in 1890 there were only six practicing firms in New York and two in Philadelphia. He went into considerable detail as to the services accountants have given the country many times without compensation.17

17Treadwell, Part V, p. 6.
On August 8, 1918, George A. Treadwell was elected president of the Society. This was only the beginning of many years of devotion and service given the Society before his retirement in 1950. During his administration the national firm of Haskins and Sells was welcomed to the city of New Orleans.

1922 Amendments to By-Laws

In 1922 there were several major changes made in the by-laws of the Society. They were as follows: (1) an increase in the Executive Board from five to seven members; (2) election of a member by unanimous vote of the Executive Board instead of a majority; (3) the deletion of a list of standing committees and their duties; (4) a reduction of meetings from once a month to quarterly; and (5) amendment to the rules of conduct forbidding any member to directly or indirectly offer employment to an employee of a fellow member without first informing said member of his intent. However, this last rule was not meant to inhibit negotiation with anyone who of his own initiative or in response to public advertisement was seeking employment with a fellow member.

Constitutionality of the CPA Law of 1908

In the latter part of 1922 in a matter heard before Judge Richard Dowling, a demurrer was made upon the following grounds:

(1) Act 125 of 1908 violates Article 155 of the Constitution of 1908 in that it does not grade the offense;
(2) that said contravenes Section 4 of Article 4 of the Constitution of 1921, in that it is a special law regarding labor, and discriminates against all except certain people of a given class, and gives to certain persons arbitrary power, permitting them to collect fees for their own benefit, which are not paid into the state treasury; and

(3) that it deprives defendant of his liberty without due process of law.18

On December 22, 1922, the Executive Board of the Society employed an attorney, J. Y. Sanders, to represent the Society in conjunction with the Attorney General who was also the legal advisor for the State Board. J. Y. Sanders was the governor at the time Act 125 of 1908 (the first CPA law) became law. On February 23, 1923, the Louisiana Supreme Court rendered its decision, and Act 125 of 1908 was ruled constitutional, thereby setting aside the earlier ruling of the lower court.

Efforts of the Society in 1924

Not entirely satisfied with Act 125 of 1908, the Society went to work in 1923 to promote the passage of a new CPA law. The bill provided for complete revision of the law; and through the work of the Society, it was signed by the governor as law on July 12, 1924.

At the annual meeting of 1924 there were twelve members present out of a total membership of fifty: forty fellows, seven associates, and three honoraries. Emile Bienvenu was elected president. It was during that year that the first advertisement of the Society appeared in the Times-Picayune in New Orleans. The advertisement read as follows:

18Minute Books of 1922-26, Annual meeting of 1924.
The Louisiana CPA law provides that no person shall practice public accounting in this state unless that person has qualified as a Certified Public Accountant before a state board of five Certified Public Accountants or was practicing as a public accountant prior to July 30, 1924.19

At a quarterly meeting on November 13, 1924, one of the rules and regulations of the State Board, Rule 10, came under attack by the Society. This rule provided that in marking examination papers, eighty points would be given for correct answers, and twenty points given for experience. Many accountants felt these points should not be given for experience. Thomas A. Williams presented a communication that had already been sent to the State Board asking that the rule be rescinded. In the discussion that followed, H. J. Miller presented a five-page letter that he had sent to the State Board pointing out the difficulty in determining what constituted experience and the fact that the rule lowered standards by discouraging study. He pointed out that experience gave a double advantage by reducing the points necessary to make on the written examination in reaching a passing grade. Attention was called to the fact that Act 136 stipulated that the test shall be by written examination and that the allowance of twenty points violated that provision. Later the State Board did rescind Rule 10, and the experience requirement was not involved in the grading of the examination beginning in November of 1924.20

19Minute Books of 1922-26, Annual Meeting of 1924.

20Minute Books of 1922-26, Meeting on November 13, 1924.
IM P O R TA N T E V E N T S F R O M 1925 T O 1950

The Society was a growing organization that was constantly involved with the activities of the Certified Public Accounting profession on the local as well as the national level. The group became more refined and professional. Their meetings included not only the regular discussion of business but also speakers on current topics. Papers were presented by members and there were reports from officers and State Board representatives. The profession became well established during this period, and many dedicated members contributed their time and resources to the development of accounting through the Society and its work.

Example of the Society's Contribution to the Profession

The Society's concern for the profession is shown by the following example. On March 24, 1925, a circular signed by the secretary, George Treadwell, was distributed to all members concerning the increase in the license fee for Certified Public Accountants. At that time if an individual was a member of a recognized profession in Louisiana, he only had to pay one-half of the renewal fee for a license to practice that profession. The attorneys for the City of New Orleans and the state tax collectors ruled that public accountants were not entitled to the benefit of the exemption because public accounting could not be classified as a profession.

Reacting to this discrimination, the Society authorized a representative of its own along with a representative from the State
Board to investigate this matter. The Society and the State Board felt that they should be considered a profession and be allowed to receive this reduction in the fee for their license. This committee representing the accountants in the state presented to the authorities a review of the statement made by the Louisiana Supreme Court when the constitutionality of the CPA law was questioned in 1922. In this review of the statement by the Supreme Court, reference was made to the wording of the decision of the court when describing the profession as "the highly skilled and technical profession of Public Accounting." After this investigation the tax officials reclassified accounting as a profession, and accountants were again required to pay only one-half of the renewal fee for a license to practice in the state. The favorable decision was described by George Treadwell as he ended the correspondence to the members; "The above is called to your attention because of its importance and enormous savings to public accountants and shows that the State Society and the State Board are ever alert where the interest of Public Accounting is at stake."21

Cooperation with the New Orleans Clearing House Association

Another letter sent to the membership during this period concerned the cooperation of the Society with the New Orleans Clearing House Association. On November 12, 1924, the Committee of Management of the Clearing House Association passed a rule that public accountants' statements furnished to the banks by their customers would have to

21Minute Books of 1922-26, March 25, 1925.
bear a customer certificate endorsed by the signing officer of the firm or corporation. The certificate read as follows:

The undersigned has examined the foregoing Financial Statement, knows its contents, and hereby certifies that it is a true and correct statement of said business as of the date it bears, and is hereby made to ________ Bank for the purpose of procuring credit and/or funds for the use and benefit of said business.22

The president and secretary of the Society met in conference with the Committee of Management to discuss this matter. The attorney for the Clearing House Association explained that when a financial statement was furnished to a bank by a customer for the purpose of procuring credit, the certification of the public accountant was not sufficient to hold the customer liable under law. Therefore, the attorney felt that it was necessary that the customer certify to the correctness of the report. The officers of the Society passed a resolution to cooperate with the banks in this matter, and a letter, dated March 24, 1925, was sent to each member of the Society advising him that a customer certificate should be affixed to every financial statement.

Vocational Opportunities

The opportunities in public accounting were becoming more evident. A report made about this time revealed that as more firms began to see the value of systematized record keeping, the opportunities for the accountant to find employment were increasing. The

22Minute Books of 1922-26, March 24, 1925.
report, financed by the Society, was prepared in cooperation with the Orleans Parish School Board. This report included a broad view of the professional opportunities and also explored the requirements for becoming a CPA. The report prepared by the secretary of the High School Scholarship Association alluded to the fact that there were only two women among the one hundred Certified Public Accountants in New Orleans. And it stated that only a few women demanded the confidence needed to hold the position of a Certified Public Accountant. It suggested that a person interested in this career should like arithmetic and problem solving, be aware of the causes of events, have good handwriting, and be willing to work at night. Starting salaries were in the one-hundred-dollars-per-month range, while experienced accountants could command around four hundred dollars per month. The report pointed out that partners in large firms made from twenty thousand to one hundred thousand per year. To qualify as a CPA, an individual had to be a high school graduate, be twenty-one years old, and have one year of office experience as a junior accountant.23

As the opportunities for accountants developed, the Society was aware that a more formal educational program was needed to assure that competent young men would enter the profession. Bookkeeping and accounting were being offered on a college level, but there was not a specific degree offered in accounting. At a meeting of the Society on May 2, 1925, the Society discussed the fact that a degree in

23 Minute Books of 1911-22, minutes of 1920.
accounting comparable to the LL.B. for lawyers needed to be offered. After some discussion the members voted in favor of colleges offering a degree equivalent to the LL.B.

Arbitration Act of 1926

For several years the Society had shown an interest in promoting a legislative bill for legal arbitration, and they employed the assistance of the Louisiana Bar Association to help get this bill passed. The Bar Association had referred the matter to their Jurisprudence and Lay Reform Committee. This committee had voted against the promotion of an arbitration act at that time. Consequently, the Society had appealed to the New Orleans Association of Commerce to organize an act of arbitration. It was the opinion of the Society and the Association of Commerce that there was a need for laws that would settle business disputes out of court. These laws would not only save time and expense but also promote goodwill among business men.

In 1926 Bill Number 226 was proposed in the Louisiana State Legislature replacing thirty-four articles of the Civil Code of Louisiana. This bill was backed by the New Orleans Board of Trade, the New Orleans Bankers' Clearing House, the New Orleans Credit Men's Association, the National Association of Motion Picture Concerns, and the State Society. The bill was presented but was defeated by a vote of 45 to 35.
In spite of the defeat of this bill, the arbitration committee of the Society continued to feel that this arbitration movement was an important one. In their opinion arbitration would someday be used in settling business disputes leaving the courts free for other matters. In the words of the committee: "Therefore, let Louisiana and Louisiana CPA's be remembered as foremost in crystallizing this progressive movement into law and universal practice."24

Four-States Convention in 1931

In November, 1931, the societies of Certified Public Accountants from Arkansas, Louisiana, Oklahoma, and Texas held a joint meeting in Shreveport. The principal speaker was Henry Miller, president of the American Society of Certified Public Accountants—a national organization of Certified Public Accountants formed in 1921. This was the first meeting held jointly by delegates from these states. As a result of the meeting, a committee was chosen to formulate plans for organizing a Southern Congress of Accountants. Such an organization was needed to influence uniform legislation and regulatory measures in states throughout the South.

In his address President Miller recognized public accounting as a young profession which had made considerable progress during the last thirty years by giving economic counsel to all types of businesses, educational institutions, and government agencies.

Of interest to the group was a paper given by Emile Bienvenu, secretary of the Louisiana Society, on "The Louisiana Regulatory Accountancy Law." Louisiana was one of only ten states with this type of law. As mentioned earlier, the CPA law of Louisiana required that a person meet certain qualifications as well as successfully pass an examination before being issued a certificate. This meant that only those persons meeting all these requirements could legally practice as a Certified Public Accountant. While all the states at this time had a CPA law and issued a CPA certificate, only ten states required an examination before certification. Considerable interest was shown by members of other states in adopting this regulatory law.

Because of the required examination, a question was whether or not accountants from other states who had not satisfied the requirements of the Louisiana CPA law had a legal right to practice in Louisiana. According to Mr. Bienvenu, the opinion of the Attorney General of the state was that one must first comply with the law before practicing public accounting in Louisiana. The Attorney General's view was upheld in a case involving a claim of compensation for services rendered in Louisiana by a CPA from another state. The result was that the plaintiff could not recover compensation for services rendered in Louisiana, because he was not licensed under the law of 1924 to practice in Louisiana.

Mr. Bienvenu further indicated that although it appeared that the question of the constitutionality of the law of 1924 had been resolved, the bigger problems of the profession could not be solved
unless there was one class of practitioners instead of the existing two classes of accountants. One class held certificates upon passing an examination and the other had received certificates without an examination. This created a double standard which was confusing not only to the general public but also to practitioners as well.

It was his opinion that the professional status of the state society would eventually assume prestige similar to that of the bar association. Any Certified Public Accountant who was not a member of his society would be viewed with question even though he might possess all the requirements for membership but refused to affiliate with his society.25

**Visit from the Commissioner of Internal Revenue**

A special meeting was called on June 27, 1932, for the purpose of having members of the Society as well as other professional and business people hear an address by the Honorable David Burnet, Commissioner of Internal Revenue. The Society had asked that he include in his talk a comment on the New Revenue Act that had just been enacted in federal law.

In his address he pointed out that since the inception of the first Income Tax Law of 1913, some seventy million returns involving some forty-seven billion dollars had been filed by taxpayers. The Commissioner said that only seven thousand of these returns still awaited final audit and disposition by his department. He also

---

25 *The Shreveport Times*, November 17, 1931, p. 14, cols. 2-5.
indicated that present plans were to audit returns as soon as they were filed to prevent the inconvenience of a taxpayer having to pay additional tax four or five years after he had filed the return.

Additionally, Mr. Burnet discussed the new federal tax on luxury items. This tax had been levied on consumers by the Revenue Act of 1932. In his opinion an economic emergency faced the nation, and the American people ought to support rather than resist this tax as some individuals had done. He concluded with the request that citizens not restrict their buying because of the new tax.26

Merger of the National Accounting Organizations

A very significant event during this period was the merger of the American Institute of Accountants and the American Society of Certified Public Accountants. The American Association of Public Accountants was reorganized in 1916 as the American Institute. The American Society was formed in 1921 by members of the American Institute who held different viewpoints concerning membership policies. Then in 1924 accountants who were opposed to having two national organizations attempted to effect a merger, but lack of sufficient interest in the merger caused it to fail. The next attempt occurred in 1934 when the New York Society of Certified Public Accountants initiated a plan to have committees from both organizations meet to reconsider the merger. The result was a formal plan

26Minute Books of 1927-36, Minutes of a Special Meeting, June 27, 1932.
which could be accepted by both national organizations. This plan was submitted to the various state societies, including the one in Louisiana, for their consideration. Out of 2,835 members eligible to vote, there were 1,571 for and only 70 against the merger. In 1936 the merger took place, and the American Institute of Accountants operated under that name until it was changed to the American Institute of Certified Public Accountants in 1957.27

**Annual Report of 1932-33**

Since 1932 the annual reports of the Society have been used to sum up the significant activities of each year. Incorporated in the annual report is the President's message, which presents the opportunity for the immediate past president to indicate the course of action he had taken with respect to the problems of his administration. These reports provide the membership with a permanent record for their information and future reference.

The President of the Society in 1932 was Thomas A. Williams. In his annual report he praised the Society and its members for their handling of the crucial responsibilities of this particular time in the history of our country. During this administration our country had gone through a harrowing peace time experience, the great depression which began in 1929. Only a short time before, the largest banks had been closed and business in Louisiana bordered on chaos and

despair. In the words of President Williams concerning the efforts of the Society, "... our Society was founded by a group of men who believed on a whole that the practice of public accountancy constituted a definite social responsibility, and that our Society had accepted and still accepts this responsibility." 28

Important activities sponsored by the Society were radio broadcasts and newspaper publicity informing the public about public accounting.

A committee was established to develop a professional library to be housed in a special section of the New Orleans Public Library. One of the Society's objectives, according to Article III of the Charter, was the accumulation of books and other literary materials for use by the Society membership. And President Williams hoped to provide a library for this purpose. It would serve members, as well as non-members, business executives, comptrollers, students, and others interested in accounting. It was hoped that over a period of time the library would obtain many vital publications on accountancy, business law, economics, and taxation.

In order to disseminate information among the members of the Society, President Williams established the "President's Bulletin." Copies were sent to members, other state societies, and the secretaries of national organizations in order to publicize activities of the Louisiana Society.

---

28 Minute Books of 1927-36, August 10, 1933.
The incoming president was Louis H. Pilie', educator, practitioner, historian, and a leader of accountants in Louisiana. He concentrated his efforts on a small number of significant matters which he felt were stepping stones of professional progress. The steps calculated to lift professional standards were as follows: (1) to prohibit competitive bidding among members; (2) to adopt a minimum fee schedule with rates commensurate with services rendered; (3) to develop uniformity in accounting practice; and, (4) to initiate a study to adequately verify inventories.

In his annual report, President Pilie' considered the matter of inventory verification to be the most difficult but the most important of his objectives. A committee was appointed to cooperate with bankers in developing a specific procedure for inventory verification, but the time proved to be inopportune for such action. However, the Society was encouraged to develop a plan that would increase the value of reporting inventories.

The Society amended its by-laws to make bidding by one member against another a violation of ethics. Competitive bidding was declared to be inconsistent with the practice of a profession. In addition, a committee was appointed to research the idea of establishing a minimum rate schedule. As a result, a schedule was developed and recommended by the Society for its members.

Concerning the question of uniformity of accounting services, the Society unanimously adopted a document which clearly defined
duties with respect to various professional services. This guide would furnish a better basis of judgment when such services or reports were questioned.

Annual Report of 1934-35

The close of 1935 brought about the end of the Society's first twenty-five years of existence. At that time there were one hundred sixteen members with George E. Conroy as their president.

A committee had worked with the Homestead Clearing House Association of New Orleans to revise the wording of a printed form accountants filled out for submission to the State Banking Department. Building and loan companies were required to submit this form, known as a "homestead statement." The terminology of the statement was improved to reflect current terminology, and mortgage notes receivable and loans were not described as secured. These changes permitted accountants to fill out the form without attesting to the fact that the notes and loans were secured by certain property.

The by-laws which were adopted in the previous administration prohibited competitive bidding. A problem resulted because the Emergency Relief Administration of Louisiana requested bids from several accounting firms for an audit of its financial statements. This necessitated several meetings of the Executive Board to evaluate the by-laws, and the result was an amendment permitting firms to submit proposed fees based upon an estimate of time required to complete the audit.
Annual Report of 1935-36

A meeting of national interest, held in Atlantic City, was called by the New York State Society of Certified Public Accountants. Representing the Louisiana Society was its current president, August A. Wegmann. It provided the opportunity for representatives from the state societies to express their opinions on organizational matters. The result was the consolidation of both national bodies into one, the American Institute of Accountants.

Another milestone was the invitation of wives to attend the annual banquet, which up until that time had been attended only by members and male guests.

Annual Report of 1936-38

Frank Youngman, the next president, served twenty months because of a change in the fiscal year of the Society. During his term the New Orleans Bar Association and a committee from the Society held joint meetings to discuss the relationship between lawyers and accountants.

Special recognition was given the Homestead Committee and its chairman, Thomas A. Williams. The problem of auditing building and loan associations was due to expanded construction activities and the extension of federally insured loans to homeowners. Since the loans were administered by the Federal Home Loan Bank Board, this Board began setting requirements for audits of the local building and loan
associations. The Society urged the Board and the State of Louisiana to cooperate in codifying laws supervising audits of Louisiana associations.

In a resolution the Society reaffirmed the leadership of the American Institute of Accountants as being representative of the entire profession and asked that the federal government communicate with it in matters affecting the profession and its interest.

Annual Report of 1939-40

In 1939 the president of the Society was Edward S. Rittler. Through the efforts of the Society's legislative committee, action was taken to prevent the passage of a bill in the state legislature which, in effect, would have prevented Certified Public Accountants from filing tax protests or engaging in conferences on behalf of persons accused of violating a tax law. The proposed bill was designed to prevent anyone but lawyers to advise, counsel, and represent anyone accused of a violation. After considerable discussion and debate, the bill was withdrawn.

The first meeting of delegates of accounting firms of the southern states was held in Memphis, Tennessee. This was primarily a preliminary conference to determine if a convention of this type was desirable, and if so, when and where it should be held. The American Institute of Accountants had already approved a meeting and offered to assist in planning for it. The proposal to have the convention was accepted by the delegates, and the first meeting was held in
New Orleans in 1940. The purpose was for state societies to meet and discuss their common problems and possible solutions.

Annual Report of 1940-41

During this term, while John A. Peyroux, Jr., was president of the Society, the second annual Southern States Conference of Accountants was held in New Orleans. The attendance was the largest of any regional meeting held up until that time in the United States.

In 1940 there was an attempt by the Louisiana government to classify public accounting under the registration and jurisdiction of the Bureau of Occupational Standards. This bill, known as the Griffenhagen Bill, would have placed the profession under a political board which controlled various trades. However, through the efforts of members of the Society, the Certified Public Accountants were able to keep their own state board.

The now famous McKesson-Robbins case had created concern within the accounting profession because of its impact upon the business world. This case involved the understatement of approximately nineteen million dollars in inventories and accounts receivable of McKesson-Robbins, Inc. The auditors had not verified the physical existence of the inventory and no reconciliation had been made to the records. Also, the accounts receivable had not been confirmed at the end of the year. Immediately, steps were taken by the American Institute to correct the inadequate auditing procedures by issuing a procedural pamphlet entitled "Extensions of Auditing Procedures." It recommended that the auditor make a physical inspection of the
inventories and verify accounts receivable which were presented in the financial statements. The ultimate responsibility, however, remained with the independent Certified Public Accountants to adopt such procedures which in their professional judgment appeared to be appropriate. This pamphlet was turned over to a special committee on auditing procedures. It was not accepted by the Society at this time, but the organization did distribute to bankers, lawyers, civic clubs, and businessmen throughout the state a booklet by John L. Carey entitled "Accounting and Your Pocketbook." It contained an accurate image of the Certified Public Accountant and described the ways in which he served the public.

One of the objectives of the Society, as already stated, was the establishment of an accounting library. In response to this objective, a collection had already been placed in the New Orleans Public Library. But as of 1940 the members had shown little interest in its destiny. The Library Committee made a recommendation that the library be moved to the College of Commerce and Business Administration of Tulane University. At the same time Tulane granted to the Society and its members use of its business library for reference and withdrawal purposes. This proposal was approved by the Society on June 10, 1940, and the library was moved to Tulane.

Annual Report of 1941-42

In order to keep the membership informed of the business of the Society, a news bulletin was published and sent to the membership
just prior to the quarterly meetings. The vice-president was responsible for the editing, publishing, and distribution of the bulletin.

In 1941 the Society successfully opposed legislation which would have taken the control of the examining and licensing of Certified Public Accountants from the State Board and placed it under the jurisdiction of a board made up of members not in the profession. Proper amendments to the CPA law were then proposed which would prevent this transfer of authority.

It was during this term of Harry Williams, elected president in 1940, that conflict overseas caused the President of the United States to declare that the safety of our country was in peril. In fact, a state of war was approaching this country which, in effect, would bring about more government control over business and industry. It was the hope of the Society's president that all members would be prepared to give more assistance and advice needed by clients at this particular time. As president of the Society, Mr. Williams was appointed to the Committee of War Stamps and Bonds.

Annual Report of 1942-43

The public accounting profession had never before been confronted with so many problems. Many accountants had left to serve in the armed forces or work in war industries. Wage and price controls, renegotiation of contracts, rationing, and numerous amendments to the Internal Revenue Code were but a few obstacles facing the Society and its president, Otis J. Chamberlain.
During that year the Society passed a rule of professional conduct stating that members should not advertise their services. However, one could present a business card to interested persons.

The Committee on Unauthorized Practice of the Law of the New Orleans Bar Association corresponded and met with a Society committee for the purpose of settling the question raised by the Bar Association of whether or not Certified Public Accountants could engage in the unauthorized practice of law particularly in their tax practice. Since federal tax practice is regulated by the United States Treasury Department, the Society believed that any questions regarding services by attorneys and accountants should be a topic of joint discussion by the American Bar Association and the American Institute of Accountants. It was the opinion of the Society that this question was one of national significance and should be answered with the best interests of the client in mind. Therefore, the Society concluded that all matters relating to federal tax practice should be referred to the national professional societies for evaluation, and only specific complaints by the local bar association would be considered by the state society.

Annual Report of 1943-45

From 1943-1945 there was a noticeable lack of qualified accountants because many were still serving with the armed forces. In addition, changes in the tax laws were compounding the problem by placing an even heavier burden on practicing accountants.
Several members of the Society attended the annual meeting of the American Institute in New York City. The program was filled with a discussion of war problems. Included were such subjects as contract renegotiations, financial statements in war time, war economy and post-war financing, and wage and job stabilization.

However, during this long and trouble-filled term of John F. Hartmann as president, the Monroe Chapter was founded. There were now three local chapters in the state: Shreveport, Baton Rouge, and Monroe.

Annual Report of 1945-46

One of the objectives of the president Ed. H. Deverges was to stress the importance of committee work by establishing a diversified program of activities and appointment of many young men to committee work. Also, various speakers on technical subjects addressed the Society at each quarterly meeting. These papers were then presented at local chapters in order to give benefit to members outside the New Orleans area.

A joint study was made between members of the State Board and the Executive Committee of the Society to evaluate the possibility of filing charges against persons who were practicing as accountants and auditors without certificates. From the study it was determined that unless the violation was unquestionable, conviction of illegal practitioners would be difficult. The matter was filed for further consideration.
The president of this year was William B. Jones. At a meeting held in Atlantic City on September 30, 1946, a plan was adopted by the Advisory Council of the state society presidents to exchange information between societies. The intent of this relationship was to create a more uniform procedure for exchanging information among the societies. The American Institute conducted the survey, and the result was to classify various state societies according to membership. The Louisiana society was classified within the two hundred fifty to five hundred member range. Approximately thirty societies charged dues between ten and fifteen dollars per annum. The state societies who employed a full-time secretary charged dues from fifteen to twenty-five dollars per annum and had at least six hundred members. They were New York, Illinois, California, Massachusetts, and New Jersey. A great majority of states increased their membership approximately eleven per cent during the fiscal year, with only Oklahoma, Arkansas, Tennessee, and Hawaii having an increase of over twenty per cent. It was determined that the best method of increasing membership was through personal contact combined with a follow-up of correspondence.

In the past the eight educational institutions in the state had shown interest in the establishment of training for a professional public accounting career. Under the administration of H. H. Herring,
the Society formally announced that it would make a concerted effort to encourage a formal program in one or all of the schools. The result was a two-day accounting forum held at Louisiana Polytechnic Institute in Ruston, Louisiana. But it was not until 1949 that the State Board required candidates to have completed courses in higher accountancy.

It was recommended that a list of applicants sitting for the CPA examination be sent to the membership of the Society. The members could then notify the State Board if they felt someone was not qualified.

Approximately one-half of the Society membership resided in New Orleans in 1948, but New Orleans still did not have a local chapter. It was the general opinion of the members from New Orleans that since the state office of the Society was located there, it was unnecessary to have an individual chapter.

Annual Report of 1948-49

The president was Robert B. Hawthorne. Other state societies were receiving potential legislative threats that would relax the requirements for admission to the profession. To assist other societies in defeating unwanted legislation, the Louisiana Society began communicating with other states. For example, there was a bill before the legislature in California that would lower standards for certification. The Louisiana Society informed the California State Legislature that the reciprocal arrangement for registering California Certified Public Accountants in Louisiana would be discontinued if
the legislation became law. This, in effect, helped the society of California defeat a bill not considered in the best interests of public accounting.

Again interest was shown in the movement to train accountants at the college level. It was recommended that serious consideration be given to the idea of requiring those applying for certification to complete a formal education. Thus, candidates could be better prepared to take the examination.

Annual Report of 1949-50

The president was Walter S. Savage. One of the most significant events was the resignation of George A. Treadwell. Except for one year, 1940, he had served as secretary of the Society since 1921 and had made an outstanding contribution to the profession. In honor of his efforts a testimony to him was written by Louis Pilie' and presented to him at the time of his resignation. This testimony beautifully expresses what he meant to the accounting profession in Louisiana. (This testimony is found in Appendix E.)

One of the highlights of the year was the second annual Louisiana Accounting Conference held at Louisiana Polytechnic Institute. The Society was one of the sponsors and provided the meeting with speakers and papers on current topics. Other sponsors were the American Institute and Louisiana Polytechnic Institute.

This period saw another milestone in the development of the profession in Louisiana, the formation of a chapter in New Orleans in 1949. This formation marked the beginning of the organization of
the Society as it is known today. By establishing a chapter in New Orleans, the Society was then completely separated into local chapters. On August 27, 1949, amendments to the by-laws were passed providing for the reorganization of the Society to be operated under a plan of 100% chapter membership. Under this plan, individual chapters would be concerned with local development, and the Society would serve the membership throughout the state.
Chapter 4

REVIEW OF ACCOUNTING LEGISLATION

The first step taken to establish the accounting profession in the United States was to obtain the necessary legislation that would recognize accountancy as a profession. The early accountants knew that legal recognition would be required to insure the growth and development of the profession. Also, laws were needed to provide certain standards that would regulate the profession and admit only those who were qualified.

INITIAL LEGISLATION ESTABLISHING THE CPA

Prior to 1896 there was no legislation in the United States regulating accountants. The American Association of Public Accountants (the first national organization) had energetically worked for the passage of a CPA law. The members of the Association were impatient for wider opportunities for service, and for public respect which they felt they deserved. A serious attempt was made in the New York State Legislature in 1894 to enact a CPA law, but the bill was defeated. However, in 1896 a law was passed in New York and became the first CPA law in the United States.29

The New York Law

This law resulted from the defeat of two bills that were presented to the New York legislature in 1894. One bill was restrictive and limited the practice of accounting to Certified Public Accountants. The other bill was permissive and provided for the issuance of Certified Public Accountant certificates but did not restrict the practice to persons who obtained this title. 30

As a compromise, accountants united together behind a bill in 1896 which deleted the restrictive provisions of the former bill and were successful in getting a CPA law passed. The passage of this law marked the beginning of an accredited profession of accounting in the United States. 31 Giving legal recognition to the title "Certified Public Accountant," the law stated the following:

Chapter 312. Laws of 1896

Passed Assembly 3 April 1896; Passed Senate 7 April 1896.
Signed by Governor 17 April 1896. State of New York.
An Act to Regulate the Profession of Public Accountants.

The people of the State of New York, represented in the Senate and Assembly, do enact as follows:

Section 1. Any citizen of the United States, or person who has duly declared his intention of becoming such a citizen, residing or having a place for the regular transaction of business in the State of New York, being over the age of twenty-one years and of good moral character, and who shall have received from the Regents of the University a certificate of his qualifications to practice as a public expert accountant as hereinafter provided, shall be styled and known as a Certified Public Accountant; and no other person shall assume such title,

30 Carey, p. 44.
31 Carey, p. 44.
or use the abbreviation C. P. A. or any other word, letters or figures, to indicate that the person using the same is such Certified Public Accountant.

Section 2. The Regents of the University shall make rules for examination of persons applying for certificates under this act, and may appoint a board of three examiners for the purpose, which board shall, after the year eighteen hundred and ninety-seven, be composed of Certified Public Accountants. The Regents shall charge for examination and certificates such fee as may be necessary to meet the actual expenses of such examination, and they shall report annually their receipts and expenses under the provision of this Act to the State Comptroller, and pay the balance of receipts over expenditures to the State Treasurer. The Regents may revoke any such certificate for sufficient cause after written notice to the holder thereof and a hearing thereon.

Section 3. The Regents may, in their discretion, waive the examination of any person possessing the qualifications mentioned in Section 1 who shall have been for more than one year before the passage of this Act, practicing in this State on his own account, as a public accountant, and who shall apply in writing for such certificate within one year after the passage of this Act.

Section 4. Any violation of this Act shall be a misdemeanor.

Section 5. This Act shall take effect immediately.

Early Legislative Act in Other States

Three years later Pennsylvania became the second state to pass accounting legislation in 1899. Then in 1900 Maryland followed with its accountancy law, followed by California in 1901. During the next

---

twelve years a number of states gradually became active in passing accounting legislation, and by the end of 1913, thirty states had passed laws affecting the accounting profession.\textsuperscript{33}

**FIRST STATE LEGISLATION OF 1908**

On July 2, 1908, the first CPA law of Louisiana was signed into law by Governor J. Y. Sanders. The purpose of this Act was set forth as follows:

To regulate the practice of public accounting by establishing a State Board of Accountants, fixing its fees and emoluments; to prohibit the unlawful use of words, letters or other means of identification, by unauthorized persons, as certified public accountants under this Act, and to provide penalties for the violation of its provisions.\textsuperscript{34}

This law resulted from the combined efforts of the Society of Louisiana Certified Public Accountants and the American Association of Public Accountants. When an amendment was added by the House Committee of the Louisiana State Legislature to accept bookkeepers who had been employed for not less than five years, the Society was in favor of the withdrawal of the bill. However, the American Association advised the Society to leave the bill as amended rather than have the whole bill defeated. A defeat of the bill would have left the state


\textsuperscript{34}Acts Passed by the General Assembly of the State of Louisiana at the Regular Session of 1908 (Baton Rouge: Daily State Publishing Co., 1908), p. 182.
of Louisiana without a CPA law. (The first CPA law of the state of Louisiana can be found in Appendix F.)

The passage of this law established the title "Certified Public Accountant." In order to receive this title, an individual had to meet certain requirements. A person had to be a citizen of the United States residing in Louisiana and had to be over twenty-one years old. He had to receive from the Louisiana State Board of Accountants a certificate of his qualifications to practice as an expert. Therefore, anyone who claimed to be a Certified Public Accountant without a certificate was in violation of the law.

The Louisiana State Board of Accountants

Section 2 of the 1908 CPA law established the mechanics for administration of the law. This section established the Louisiana State Board of Accountants and set forth the terms and qualifications of office. It also empowered the governor of the state of Louisiana to appoint three persons in public accounting practice to terms of two, four, and six years, respectively. These three accountants would constitute the State Board. Biennially, thereafter, one new member would be appointed to the State Board by the Governor for a term of six years. Any vacancies arising from the death or resignation of a Board member would be appointed by the Governor for the unexpired term. With the exception of the first Board, all new members were required to be holders of certificates. All members were required to take an oath to faithfully and impartially perform their duties. Members of the first State Board were E. L. Chappius,
Elkin Moses, and Charles E. Wermuth. E. L. Chappius was one of the first accountants listed in the New Orleans City Directory in 1900. The efforts of all these men in establishing the profession in the state can be found in the early records of the Society.

The State Board was given the following duties: (1) to adopt the rules and regulations involving issuance of the CPA certificate; (2) to evaluate qualifications of persons applying for certificates; and (3) to hold examinations at least once a year. All applicants would be tested in "Theory of Accounts," "Practical Accounting," "Auditing," and "Commercial Law as Affecting Accountancy."

The charge to take the examination was set at twenty-five dollars. However, for those applicants filing within ninety days of this Act, the fee was only ten dollars. Under this Act these fees were to compensate Board members for their expenses. Total compensation, including mileage, could not exceed fifteen dollars per day. Since this was to be a self-supporting Board, no expenses were to be charged to the state.

Reciprocal Agreements

Under Section 5 of Act 125 of 1908, a person holding a CPA certificate from another state could also receive a certificate from the state of Louisiana. This "reciprocal" arrangement provided that the Board, using its discretion, could register Certified Public Accountants from other states. The main criteria used by the Board to determine whether or not to issue a certificate by reciprocity were the following: (1) the applicant had to be a lawful holder of a
certificate issued under the laws of another state, and (2) the state which had issued the original certificate had to be willing to provide reciprocal certificates to Certified Public Accountants from Louisiana. Review of the records reveals that much of the activity of the Board was concerned with reciprocal agreements. One problem arising with applicants from other states was how to deal with public accountants. The law plainly stated that only Certified Public Accountants, not public accountants, had the right to reciprocal certificates. Minutes of the State Board reveal considerable communication between the states concerning certificates, cancellation, and applications for reciprocal certificates.

Waiver Provision

Under the waiver provision of Act 125 of 1908 the State Board of Louisiana was given the power to issue certificates without examination to those meeting certain requirements. This amendment provided that within ninety days after the passage of the Act, examinations would be waived for any applicant who "for not less than five years had been actively employed as an accountant or bookkeeper," or who "for more than three consecutive years before the passage of this act shall have been practicing in this state on his own account as a public accountant."35 During the passage of this bill, this section was perhaps the most controversial and the most debated. The original bill contained the second proviso, but the first proviso was

35Acts Passed by the State of Louisiana in 1908, p. 184.
added by the House Committee. The Society of Louisiana Certified Public Accountants and the backers of the bill were against the broadness of the first amendment; but rather than have the bill defeated, agreement was made to pass the bill as amended.

Section 6 of the Act clearly stated the steps to be taken to obtain a certificate by waiver. The applicant had to apply in writing to the State Board within ninety days after passage of the Act. He also had to provide an affidavit stating the names of the corporations, companies, or firms by whom he had been employed for the past five years. Due to the liberality of the waiver clause, 164 certificates were issued without any examination being given.

The law further indicated that a certificate could be revoked or canceled. Section 7 stated that the Board had the right to revoke a certificate for "unprofessional conduct of the holder of such certificate, or for other causes provided that written notice shall be mailed to the holder of such certificate twenty days before any hearing thereon . . . ." 36

The law permitted duly qualified and registered persons to entitle themselves as Certified Public Accountants. Any registered accountant assuming practice as a Certified Public Accountant, or using the abbreviation CPA, was deemed guilty of a misdemeanor and could be fined one hundred dollars or sentenced to serve three months in jail for each offense.

36Acts Passed by the State of Louisiana in 1908, p. 184.
Three Methods of Acquiring a CPA Certificate

In summary, under Act 125 of 1908 there were three distinct approaches available for one to be registered as a Certified Public Accountant. In Section 3 the first method discussed was by examination, and it was expected that examination would be the one most frequently used. In addition to the examination, certain age, citizenship, and character requirements were spelled out. Secondly, one might qualify for a certificate by reciprocity. Persons receiving certificates from other states might be admitted to practice in Louisiana under certain conditions. Lastly, persons already in the practice of accounting were given ninety days to apply for a certificate without examination. This was known as the waiver clause and permitted many accountants to be certified upon application.

AMENDMENTS OF 1912

In 1912 Act 247 amended the first CPA law of 1908. Section 3 was changed to provide for two examinations a year rather than just one. And notice of the examinations was to be publicized in both the New Orleans and Shreveport newspapers. Furthermore, any citizen was eligible regardless of previous occupation.

The most significant change resulted in the extension of the waiver clause. The 1912 amendments again waived examination thereby permitting registration of bookkeepers and accountants who met citizenship, age, and residency requirements, and who had actively practiced accounting not less than five years previous to their application.
In fact, the amended waiver clause would have permitted the State Board to certify persons with mere bookkeeping skills.

The waiver clause again became a subject of controversy. The Society of Louisiana Certified Public Accountants immediately filed and then received a temporary restraining order preventing the State Board from issuing certificates under Act 247 of 1912. This case was taken to the Supreme Court, but the Society was able to secure a perpetual injunction that restrained the Board from issuing certificates under the waiver clause of this act.

The Society feared the waiver clause for many reasons. In the first place persons trained only in bookkeeping would have been accepted without qualification. Secondly, the standards of certification would be lowered by the elimination of the examination. Last, the waiver clause would be injurious to the future objectives of the Society. One objective in particular was to establish the Certified Public Accountant as an authority who met demanding standards in order to practice as an expert.

COMPLETE REVISIONS OF 1924

The Society of Louisiana Certified Public Accountants retained the law firm of Sanders, Baldwin, Viosca, and Haspel of New Orleans to prepare a proper bill for the revisions of the CPA act of 1908. This bill became law as Act 136 of 1924. The introduction of this Act read as follows:

An Act to regulate the practice of Public Accounting by establishing a State Board of Accountants, fixing its fees, emoluments; to prohibit the unlawful use of words,
letters, or other means of identifications, by unauthorized persons, as Certified Public Accountants under this Act, and to provide penalties for the violation of its provisions . . . .37

This new act contained seven pages of expansion on the 1908 law and gave adequate attention to problems of definition while expanding the rules under which the State Board operates. It also repealed all laws in conflict with this Act, particularly Act No. 247 of 1912.

Title Amended

In 1908 the State Board was officially known as the Louisiana State Board of Accountants. The amendments of 1912 also referred to the Board using this title. It was not until Act 136 of 1924 that the title was amended to read "State Board of Certified Public Accountants of Louisiana." And this is the official title under which the Board operates today.

Public Accountants Defined

Up until this time a group known as Public Accountants who were not registered as Certified Public Accountants were practicing in the state. Since by the Act of 1908 only Certified Public Accountants were regulated by the State Board, the necessity for more extensive regulation was evident. Therefore, the terms of the revisions of 1924 set down the identification of each practitioner and extended

regulation to both Public Accountants and Certified Public Accountants. Requirements Public Accountants had to meet before being registered with the State Board were as follows: (1) continuous practice for not less than three years; (2) satisfaction by the State Board as to the applicant's character and professional experience; and (3) application for registration as a Public Accountant within sixty days after the passage of this act. These accountants would not be recognized as certified, but the intent of the law was to bring their practice under the rules and regulations of the State Board. According to a paper furnished to the Society, there were 138 Public Accountants registered under Act 136 of 1924.38

Expansion of the State Board

The number of Board members had previously been limited to three persons appointed by the governor. Within sixty days after the passage of Act 136 of 1924, five persons were appointed to the State Board. Not less than three members were to be from New Orleans with the other members selected from elsewhere in the state. The domicile of the Board was set in New Orleans.

The terms of office were changed to one, two, three, four, and five years with each appointee being selected for the term by the governor. Thereafter, the governor was to appoint one member yearly for a five-year term.

38Emile Bienvenu, "Memo re the Accounting Profession in Louisiana" (paper furnished to George Treadwell, Secretary of the Society of Louisiana Certified Public Accountants as found in the minutes of the Society, November 16, 1944, New Orleans, Louisiana.)
The CPA law of 1924 also gave broader powers to the State Board in order to govern its proceedings and conduct examinations. Section 3 of the act explicitly authorized the State Board to adopt rules, regulations, and by-laws necessary to register and examine candidates.

Provisions Affecting Examination and Candidates

The procedure of conducting examinations was left to the discretion of the Board but it was mandatory that the examinations be in writing and be held in New Orleans at least once a year. However, the examinations could be given at an additional location if there were a sufficient number of applicants. Candidates desiring to sit for the examination were required to possess at least a high school diploma or the equivalent. Three votes were needed to pass or reject a candidate. The fee for taking the examination was not to exceed fifteen dollars.

Certificates to Accountants from other States

Certified Public Accountants from other states could receive certificates from the State Board of Louisiana provided the state issuing the original certificate granted similar privileges to Certified Public Accountants from Louisiana. This law plainly stated that only Certified Public Accountants, nor Public Accountants, could have the rights to reciprocity. The fee for such registration should not exceed twenty-five dollars. (See Appendix G for the form of a reciprocal certificate used by the State Board as of January 1, 1938.)
Revocation of Certificates

The State Board was also given the power to revoke or suspend a certificate if the holder was found guilty of unprofessional conduct. The procedure called for a hearing date, a summoning of witnesses, and a notification to the holder within twenty days of the hearing. In the event that the offense was not serious enough to necessitate revocation, the period of suspension could not be for more than one year. During this time the holder could not use the title of Certified Public Accountant. In cases of lesser violations, the Board merely censured the holder. In dealing with violations, the Board acted not only as judge but also as investigator to look into all charges brought before it. Four votes were needed for revocation, while only three were required for a suspension or censure. Rights of appeal to a court of competent jurisdiction were available to the holder.

Penalties

Section 8 of this act stated that any unregistered person using the abbreviation CPA or similar words was guilty of a misdemeanor. Punishment included a fine of not less than one hundred dollars or a sentence of three months in jail or both.

REVISED STATUTES OF 1950

The original law governing public accountancy was Act 125 of 1908 and was amended by Act 247 of 1912. The law was then completely
revised by Act 126 of 1924. This latter act contained certain provisions for registering those persons known as Public Accountants without examination. Since this act there have been no provisions made in the law for the registering of Public Accountants. The present CPA law was incorporated into the Revised Statutes of 1950, substantially as enacted in 1924.

In 1950 the State of Louisiana adopted the Revised Statutes with Title 37, Chapter 12, Occupations and Professions, regulating the accounting profession. These Revised Statutes were merely a codification of the existing laws of the state. Subsequently, Act 497 of 1950 was passed to amend and reenact the Revised Statutes with principal changes only in fees for examination and renewal. Further amendments to Chapter 12 of the Revised Statutes were made by Act 76 of 1968. These changes were concerned primarily with minimal educational requirements and the granting of injunctive relief.

SIGNIFICANT AMENDMENTS TO THE REVISED STATUTES OF 1950

Act 497 of 1950

This act raised the fee to an amount not to exceed thirty-five dollars. After a certificate has been issued, the holder must renew his certificate each year with the State Board before December 31 by applying for renewal and paying a fee not in excess of seven dollars and fifty cents.

A Certified Public Accountant or Public Accountant failing to renew his registration with the State Board by December 31 is to be
given notice of such default by registered mail. If he still does not pay the required fee by March 1, his certificate is suspended until he has registered again and paid the renewal fee.

Act 76 of 1968

One major amendment of this act provides the following stipulation for appointing members to the Board: the State Board shall consist of five members nominated by the Society and appointed by the Governor. Each member is to be chosen from a list of three nominees who are Certified Public Accountants of Louisiana, and at least three of the members shall be residents of an area consisting of Orleans, Jefferson, St. Bernard, and St. Tammany parishes. Overlapping terms will always be maintained, and a Board member having served a term of three years shall not succeed himself.

Before this act the Governor of Louisiana could appoint anyone who was a Certified Public Accountant to the Board. Since the amendment requires that the members be chosen from a list of names submitted by the Society, the Society has been given influential power over the Governor's choice. According to the Society, the purpose of the amendment "... is to insure the appointment of persons who, in the judgment of their peers, are best qualified for such positions of authority by reason of their interest and experience in the affairs and problems of the profession."^39

While the Revised Statutes of 1950 requires candidates to reside or have a place of business within the state of Louisiana, Act 76 of 1968 specified that "candidates for examination must have maintained continuous residence in the State of Louisiana for one year immediately prior to the date of the examination before being allowed to sit for the examination." However, if a candidate has been a resident of the state for not less than one year and moves from the state, he will have a period of one year after moving to qualify to sit for the examination.

In an attempt to provide even higher standards for the profession, further requirements of this Act became effective September 1, 1975. The significant additions effective on this date are as stated:

(a) All applicants for CPA examination shall possess a Bachelor's degree, conferred by a college or university recognized by the Board;

(b) Such degree shall carry with it adequate concentration in the area of accounting, as may be prescribed by the Board. If the degree does not carry with it such concentration, the candidate must complete a course in higher accountancy as prescribed by Board regulations;

(c) The Board shall have the authority to prescribe such educational standards and regulations as it may deem necessary and appropriate to qualify Bachelor degree candidates to sit for the CPA examination.

---


Generally, an applicant met the education requirements prior to September 1, 1975, if (1) courses in higher accountancy had been completed or were being taken and were expected to be successfully completed; (2) if the candidate was a Public Accountant registered under Act 136 of 1924, and (3) if the applicant was a senior accountant who had worked three continuous years for a Public Accountant or Certified Public Accountant of Louisiana.

Effective with Act 76 of 1968 are certain amendments increasing the reciprocal and renewal fees. While the statutes applying to renewal and reciprocal certificates remain unchanged from the Revised Statutes of 1950, the maximum fee for a reciprocal certificate was raised to fifty dollars, and the maximum fee for renewal of certificates was raised to fifteen dollars.

The penalty for any person not registered with the State Board who assumes practice as a CPA or uses the letters behind his name remains a misdemeanor. The fine was increased from not more than one hundred dollars to not more than five hundred dollars and the violator may also be imprisoned for six months instead of three.

The authority of the Board was expanded by the amendments of 1968 to allow it to seek injunctive relief by asking for a temporary restraining order from a district court. For example, if an individual represents himself as a Certified Public Accountant and does not cease from doing so after being issued a warning from the Board, the Board may ask for a temporary restraining order. After a hearing a permanent injunction can be issued.
PROFESSIONAL CORPORATION ACT OF 1970

Act Number 191 of 1970 gave Certified Public Accountants in Louisiana the right to incorporate their practices. One or more persons licensed to practice in the state may form a corporation bearing the title, "A Professional Accounting Corporation," "A Professional Corporation," or "A Corporation of Certified Public Accountants." Although the corporation may hold property for investment, it cannot engage in any activity other than public accounting.

Stock Certificates

Stock certificates issued to shareholders contain the corporation's full name and the following statement:

Except when held in his own right by a natural person, duly licensed to practice accounting in the State of Louisiana, the shares represented by this certificate are not entitled to be voted or to participate in the earnings of the corporation and the holder is not entitled to participate in the management of, or in the rendition of accounting services by, the corporation, or to have access to any records or communications pertaining to accounting services rendered by, or any other affairs of, the corporation.42

This law makes it clear that persons possessing stock certificates who are not Certified Public Accountants cannot vote the shares of stock, participate in earnings or management of the corporation, or render accounting services. Therefore, it is important that agreements be made between shareholders in the event of death or exchanges of stock.

Liability of Shareholder

The shareholders of the professional corporation are required to carry professional liability insurance in an amount that is fixed by the State Board. Therefore, the acts of the shareholders are not shielded from liability because of the corporation.

Specific Requirements

The law explicitly states that only voting shareholders may be directors or officers, and only Certified Public Accountants can be voting shareholders. The apparent intent of the law is to enforce the rule that the corporation be formed to practice accounting.

Additionally, only professional accounting corporations may be merged into or consolidated with other professional accounting corporations. This precludes the combination of public accounting and other business activities.
Chapter 5

ADMINISTRATION OF THE LAW BY THE STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANTS OF LOUISIANA

The first CPA law of 1908 established the State Board to regulate the practice of public accounting. This law serves as a basis for the Rules, Regulations, and By-Laws of the Board. Members of the Board are appointed by the Governor of the state of Louisiana upon recommendation by the Society of Louisiana Certified Public Accountants.

DISTINCTION BETWEEN THE STATE BOARD AND THE SOCIETY

The Society of Louisiana Certified Public Accountants functions as a voluntary organization made up of the Certified Public Accountants of the state. The main purpose of its formation in the early 1900's was to effect enactment of a law establishing the Certified Public Accountant. After the first CPA law was enacted, the Society worked toward unifying the Certified Public Accountants for the purpose of mutual improvement and professional development.

On the other hand, the State Board, as an appointed body, consists of only five Certified Public Accountants. The Board is responsible to the state legislature to administer the CPA law through its rules and regulations. The Board is solely responsible for giving examinations, issuing certificates, granting reciprocal certificates,
investigating violations, establishing penalties, and revoking certificates. However, the State Board and the Society do work together for the mutual interest of the profession.

OFFICIAL TITLE ESTABLISHED

The State Board was officially titled the "Louisiana State Board of Accountants" by Act 125 of 1908. The title remained in effect until Act 136 of 1924 when it was given its present title, the "State Board of Certified Public Accountants of Louisiana."

REVIEW OF THE RULES, REGULATIONS AND BY-LAWS OF THE STATE BOARD

The State Board is responsible for adopting and enforcing the necessary rules and regulations to discipline the public accounting profession. While the initial regulations are stated in the CPA law, the State Board takes this law and expands it into rules that establish the Board's procedures. Over the years the rules of the State Board have been altered at the discretion of the Board to meet the revisions made in the CPA law.

The early records of the State Board cannot be found; thus a copy of the rules as they were first adopted is not available. However, minutes of the State Board indicate that the rules were revised in 1936. (A copy of these revised rules and regulations can be found in Appendix H.) Since 1936 the rules have been revised and published by the State Board as follows:
<table>
<thead>
<tr>
<th>Publication Date</th>
<th>Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949</td>
<td>Act 136 of 1924</td>
</tr>
<tr>
<td>1955</td>
<td>Revised Statutes of 1950</td>
</tr>
<tr>
<td></td>
<td>Act 497 of 1950</td>
</tr>
<tr>
<td>1969</td>
<td>Revised Statutes of 1950</td>
</tr>
<tr>
<td></td>
<td>Act 76 of 1968</td>
</tr>
<tr>
<td>1974</td>
<td>Revised Statutes of 1950</td>
</tr>
<tr>
<td></td>
<td>Act 76 of 1968</td>
</tr>
<tr>
<td></td>
<td>Corporation Act of 1970</td>
</tr>
</tbody>
</table>

**Officers**

While the membership of the Board consisted originally of three Certified Public Accountants appointed by the Governor, Act Number 136 of 1924 increased the number of Board members from three to five. Then in 1968, Amendment Number 76 provided that the Governor appoint this Board from a list of names submitted by the Society. Presently, each member of the Board is appointed to a five-year term.

Prior to the State Board revisions published in 1969, the election procedure for officers was not listed in the rules and by-laws. However, Section 75 of the Revisions of 1969, entitled "Powers of the Board," states that the first duty of the appointees is to elect a president, secretary and treasurer. In July at the annual meeting of the Board, the officers are elected from the five members and serve until the next annual meeting.

The president shall preside over all meetings of the Board and has the usual duties of that office. Responsibilities of the secretary are (1) evaluation of information concerning persons hoping to establish prerequisites for registration or certification; (2) submission of a list of persons to the Board that have been approved for
certification; (3) preparation of a list of persons whose certificates have been revoked or reinstated; and (4) updating the record of the official register. The treasurer keeps the books and prepares an annual financial report. (A list of the officers and members of the Board from 1908 until 1950 are in Appendix I.)

Meetings

Before the rules were revised in 1974, only three Board members were required for a quorum to transact any business. Effective in 1974, the rules were changed to require a quorum of four members when considering the revocation of a certificate. In addition to the annual meeting, the president or any two Board members may request a meeting with the time and location set by the Board.

Rules of Professional Conduct

The State Board had no code of ethics until the revision of the rules of the Board in 1969. However, Act 76 of 1968 gave the following power to the Board:

The Board shall adopt and enforce all necessary rules, regulations, and by-laws, rules of professional conduct, not in conflict with any law or provision of this Chapter . . . . 43

The Society of Louisiana Certified Public Accountants, on the other hand, has had rules of professional ethics in its by-laws since 1911. These, of course, only govern members of the Society since not

all Certified Public Accountants in the state belong to the Society. Consequently, the State Board established the Rules of Professional Conduct in the 1969 revisions, and all Louisiana Certified Public Accountants became subject to professional ethics for the first time.

The 1969 Rules of Professional Conduct were broken down into the following divisions: (1) Relations with Clients and Public; (2) Technical Standards; (3) Promotional Practices; (4) Operating Practices; and (5) Relations with Other Certified Public Accountants.

The first division, "Relations with Clients and Public," served notice that a CPA could not express an opinion on financial statements unless he and his firm were independent with respect to an enterprise. Other considerations were the non-disclosure of the confidential information of a client and the non-acceptance of contingent fees based upon results.

The rules on Technical Standards did not permit a CPA to express an opinion on financial statements unless material facts, material items, and material departures from generally accepted accounting principles had been properly disclosed and evaluated. A CPA could not express an opinion on a forecast nor vouch for the accuracy of such expected results.

The rules on Promotional Practices have upheld professionalism by not permitting Certified Public Accountants to advertise their services to the public. A listing in a directory was permissible, but classified advertising in a newspaper, for example, was prohibited. Also prohibited were promotional fees, such as the splitting of fees with the laity for a referral of services.
According to the rules on Operating Practices, a CPA or Public Accountant could not permit someone to practice in his name unless there was an employment or partnership relationship. Any CPA rendering professional services is to follow the rules and regulations of the State Board.

Lastly, in regard to the rules on Relations with Other Certified Public Accountants, a Certified Public Accountant or Public Accountant may furnish services as requested, but he must not encroach upon the practice of another Certified Public Accountant or Public Accountant.

The 1974 revisions of the Rules of Professional Conduct, when compared to the rules of 1969, reveal no basic changes. The areas, previously described, have been rearranged to form fifteen separate rules of conduct. However, the new rules of 1974 give a more practical explanation. For example, one rule states that if a CPA prepares a forecast of future transactions, he must clearly state his degree of responsibility. Previously, the CPA could not permit his name to be used in conjunction with any forecast of future transactions.

The other areas of revision deal with encroachment and form of practice. The encroachment violation rules were altered so that now a CPA receiving a referral engagement cannot extend his services beyond the specific engagement without consulting the referring CPA. Also, a CPA must indicate whether he is an individual practicing in his own name or as a partnership with partners, or as an accounting corporation. In other words, the form of practice must be stated. For example, the
words "and Company" or "and Associates" are to be used by partnerships and corporations to represent the unnamed members of the accounting practice.

Examinations

Since no rules and by-laws of the State Board prior to 1936 could be located, the early CPA laws served as a reference for the type of examination that was given. The first law stated that the examination should be held once a year. Neither the testing location nor the specific qualifications for examinees were mentioned. The Board was given the power to conduct the examination at its discretion as long as it was given at least once a year.

The CPA laws did name the specific areas to be covered by the examination. The Acts of 1908, 1912, and 1924 list the four parts as (1) Theory of Accounts, (2) Practical Accounting, (3) Auditing, and (4) Commercial Law as Affecting Accountancy.

The revisions of 1936 combined Accounting Theory and Practice into one part and added Income Tax Procedure and Practice. The revisions of 1949 merged Income Tax with Accounting Practice and separated Accounting Theory into a separate part of the examination. Thus the four parts emerged as (1) Accounting Practice, (2) Accounting Theory, (3) Commercial Law as Affecting Accountancy, and (4) Auditing. Today these are the official areas of examination.

Beginning in 1969 the rules were amended to state that all questions would be taken from the uniform four-subject Certified Public Accountant examination of the American Institute of Certified Public
Accountants. However, the American Institute had been involved with the examination of applicants in Louisiana before this time. There is evidence that as early as 1932 the American Institute was presiding over the grading of the examinations. The instance that follows is an answer from the Secretary of the American Institute to an inquiry by the State Board in 1932 concerning the grading of an examination:

With reference to your letter of November 18, I have to advise that the Institute's board of examiners will not penalize the Louisiana candidate who wrote his examination in pencil. The only penalty in a case of this kind is that which may be suffered by the examiner's inability to read all the answers. This is why we require all papers to be written in ink.44

The original law did not provide for the location of the examination, but the examination was given in New Orleans until 1924. At that time Act 136 of 1924 provided an additional location if there were enough applicants to justify an examination in another area. The examinations are presently given in the months of May and November at different locations in the state.

To successfully pass the examination, a candidate must pass all four parts of the examination. A candidate passing two or three parts of the examination is considered conditioned in the remaining subjects but may remove the condition in any of the next four examinations.

The fee for examination has always been limited by the provisions of the CPA laws. It is the responsibility of the State Board,

44A letter from John L. Carey, Secretary of the American Institute of Accountants, to the State Board of Certified Public Accountants of Louisiana, dated December 7, 1932. From the files of the State Board of Certified Public Accountants of Louisiana, New Orleans, La.
therefore, to establish the fee according to these limitations. The first CPA law of 1908 stated that the amount should not exceed twenty-five dollars. However, in order to encourage accountants to apply for certificates, the first law stipulated that for ninety days after the passage of the law, the fee for examination was not to exceed ten dollars. Presently, the fee for taking the examination is thirty-five dollars. This amount is in line with the limitation set by Act 497 of 1950. This fee has always been due when the application is filed with the State Board.

**Educational Requirements**

The first attempt to establish educational requirements was recorded in Act 136 of 1924. Candidates were required to have at least a high school education or its equivalent. There were no educational requirements in the first CPA law of 1908.

Educational requirements were established with the hope that the results of the examinations would improve. If a candidate had at least a high school education, he should have a better chance of passing the examination. According to James Don Edwards in his study of accounting in the United States, candidates throughout the country often did poorly on the CPA examination in the early days of accountancy. New York, in an attempt to revise its educational requirements, passed the first law as follows:

... on or after January 1, 1938, every candidate for examination for the C. P. A. certificate must be a graduate of an approved course of study at the college
level, following completion of an approved four-year high school course.

In 1949 the Louisiana State Board revised its by-laws to require candidates to complete a course in higher accountancy at a university, college or school recognized by the Board. Considered as having an equivalent to the course in higher accountancy were public accountants registered under Act 136 of 1924, or senior accountants on the staff of a practicing CPA or Public Accountant who had worked continuously for three years at that capacity.

The 1969 rules of the State Board extended the higher accountancy requirements to include students enrolled in accounting courses at a college who were expected to complete the courses within forty-five days after the first day of the examination. The Board specified the courses considered to be higher accountancy.

As of September 1, 1975, according to the rules of the State Board of 1974, all applicants must have a college degree. In addition, if the degree does not include an adequate concentration in the area of accounting, the applicant must have completed the courses in higher accountancy prescribed in the rules. (See Appendix J for educational requirements of the State Board prior to and after September 1, 1975.)

Experience Requirements

Certificates are issued to successful candidates only if the experience requirements have been met. In 1949 the rules of the Board

required one year of accounting experience before receiving a certificate. The Board could use its own discretion when evaluating experience. An addition was made in 1950 requiring full-time employment on the staff of a Certified Public Accountant or a registered Public Accountant. Recognized as having equivalent experience were persons with the Internal Revenue with a grade of GS 7 or higher and with experience in the area of income tax. Credit was also given to persons with experience in teaching.

The present experience requirements were established in the revision of the rules and regulations of the State Board in 1969. The 1969 revisions contain all the previous requirements and made only minor adjustments in equivalent experience. The equivalence allowances were changed to include not only Internal Revenue agents but also field agents in the General Accounting Office with a grade of GS 9 or higher. Persons using teaching as equivalent experience are required to teach at least 30 hours as a full-time teacher of advanced accounting.

Reciprocal Certificates

The first CPA law of 1908 established the mode for registering Certified Public Accountants from other states. Originally, the basic consideration was whether or not the state issuing the original certificate reciprocated by registering Certified Public Accountants from Louisiana. However, in 1936 the State Board rules were changed so that every applicant would be considered on his own merit regardless of residency. The applicants were instructed to apply in the state where their original certificates were issued. To be considered was
whether or not the state applying for the reciprocal certificate had an examination and method of grading similar to Louisiana.

In 1969 the Board set down the following steps in order for a candidate to receive a reciprocal certificate. First, the applicant must request a certificate by filing on prescribed forms of the Board and paying a fee with the application. Second, all applicants are required to take an oath which is signed and filed with the Board. No longer does the applicant have to be a resident of Louisiana or have a business in the state. The rules for reciprocal certificates have not changed since 1969.

**Revoked Certificates**

The rule for revoking a certificate was established in the first CPA law and states that a certificate will be revoked by the State Board for unprofessional conduct. The holder has to be notified at least twenty days before the hearing is set by the Board. In 1924 the Board was given power to suspend a CPA or PA if the gravity of the offense does not warrant revocation, or the Board can merely censure a certificate holder. The period for suspension cannot be more than one year. Four votes of the Board are required to revoke a certificate and three votes are needed for a suspension or a censure. All hearings are public, and the alleged violator has a right to appeal. In 1969 the rules of the State Board specified the following procedure. The charges alleging misconduct must be filed in writing with the Board; each case is to be considered individually with sworn
evidence, and if the defendant is found guilty, his certificate may be revoked or suspended.

Renewal of Certificates

The Revised Statutes of 1950 require every CPA or PA to register annually with the State Board by December 31 to renew his certificate. Upon filing the prescribed form and paying the required fee, the certificate holder becomes eligible to practice accounting for the following year. In the event a certificate holder does not register on time, he becomes delinquent and his certificate is suspended on March 1. Until the renewal requirements are met, the delinquent party cannot practice in the state.

The Board rules of 1969 also established a delinquent penalty if the certificate is not renewed prior to February 1. And if the certificate is not renewed before March 1, an additional reinstatement fee is assessed. If the certificate is allowed to lapse for a year or more, annual registration fees for all years of suspension must accompany a current registration fee for the year. Therefore, one who has been suspended must pay a delinquent penalty, a reinstatement fee, and registration fees for the past years before being reinstated.

Accounting practitioners are required to present certain information on an annual basis. The Board requires notarized statements of every Certified Public Accountant and Public Accountant in practice. Firms practicing as partnerships must name their partners. In 1970 an additional rule had to be met by accounting corporations.
Shareholders' names must be furnished to the Board along with an insurance certificate for professional liability in the amount of $50,000 for each shareholder and CPA employed to a maximum of $2,000,000. The information from those in practice provides the Board with names of owners and employees, thereby, preventing licensed practitioners from merging with non-licensed individuals as a partner or shareholder.
Chapter 6

FORMATION AND GROWTH OF LOCAL CHAPTERS OF THE STATE SOCIETY

The accounting profession in Louisiana has made remarkable progress since its inception in the early 1900's. Since that time it has developed into one of the leading professions in the state.

The economic growth of the state as well as that of other states has brought about the need for persons trained in accounting. A combination of services in addition to bookkeeping were offered by the early accountants practicing in the state. Later the demand for accounting services increased and many accountants discontinued offering a combination of services.

The passing of laws establishing the Certified Public Accountant and regulating the profession were the first important step in progress for the professional accountants. The word "certified" in the title designation meant that the person was given the right by law to practice as a Certified Public Accountant. Those applicants who were issued certificates met the qualification requirements set down by law, or they were required to take an examination. Therefore, the title "Certified Public Accountant" means that the man or woman holding the title has been formally trained in the arts and skills of accounting, has met experience requirements, has passed a written examination, and has met all requirements as enacted by the CPA laws of the state of Louisiana.

85
The laws alone did not develop the profession. The organization of the state society for self-regulation and enrichment was the next step in the development and progress of accountancy. Since 1900 there has been an active society representing the profession in the state. One of the objectives has been the attainment of a higher standard of professional competence for its membership.

NEED FOR LOCAL CHAPTERS

The Society began in New Orleans with only a few dedicated members. At first, activities of the Society were centered in and around the New Orleans area. After the passage of the CPA law, the profession grew rapidly involving members from all over the state. Soon it became apparent that local chapters were needed in order for the Society to benefit all the membership. Since meetings were held in New Orleans, many members from other parts of the state had little communication with the Society. Also, there was no opportunity for persons in a local area to meet to discuss mutual problems. Therefore, local chapters were formed to provide members with a link between the membership and the Society. But more important, the local chapter would allow an interchange of ideas and a coordination of mutual objectives between members in local areas.

AMENDMENTS PASSED TO FORM CHAPTERS

The original by-laws of the Society did not provide for the establishment of chapters. But as early as 1929, the Executive Board recommended to the Society that a new article be added to the by-laws
to provide for chapters in the state. This recommendation was made because members in the Shreveport area desired to form a local chapter.

On November 14, 1929, at the regular quarterly meeting of the Society, Article VI of the by-laws was added as follows:

Section 1. Local chapters may be organized at the request of not less than seven members of the society which shall have the power to provide for and elect its own officers. One-half the amount of dues actually paid the society by those who are members of a chapter shall be returned to the chapter for its use.

Section 2. Members ceasing to be members of the society shall automatically cease to be members of chapters. The secretary of the society shall notify the secretary of a chapter of all members of the chapter who are dropped from membership in the society. The secretary of a chapter shall notify the secretary of the society of all members of the society who have become members of the chapter.46

Under this new article, it is significant to note that chapters must be formed by local Society members. Therefore, only those persons who are already members of the Society can be members of the chapter. If an individual ceases to be a member of the Society, he automatically terminates his membership in the chapter. Also, the article provides for financial support of the chapter through the regular dues paid for Society membership. One-half of the Society dues are returned to the chapter for their use. Consequently, no additional dues are required for chapter membership.

In addition to the new article, it was necessary to amend the existing by-laws of the Society. The changes are as follows:

46The Society of Louisiana Certified Public Accountants' minutes of the quarterly meeting, November 14, 1929. Minute Books of 1927-36. From the files of the Society of Louisiana Certified Public Accountants, New Orleans, Louisiana.
Amend Section 1 of Article II of the by-laws by changing the first paragraph which now reads "there shall be an Executive Board, to consist of the President, Vice-President, Secretary, Treasurer, and three other members" to read, "there shall be an Executive Board, to consist of the President, Vice-President, Secretary, Treasurer, the chairmen or presidents of local chapters of the Society, and three other members."

Amend Section 2 of Article II of the by-laws by inserting in the second line between the words "Society" and "and" the phrase "with the exception of the chairmen or presidents of local chapters," so that the amended section will read, "they shall be balloted for at the annual meeting of the Society with the exception of the chairmen or presidents of local chapters and shall hold office for one year and until their successors shall have been elected and have qualified."^47

The amendments were passed so that the presidents of the individual chapters could be added to the Executive Board of the Society. The presidents of the chapters were elected by the membership of the local chapters.

In 1946 the Society amended Article VI. This new section, Section 2, provided for the reading of chapter reports at the annual meetings of the Society. These reports were to be submitted by the chapters and would contain information about the activities of the chapters.

REORGANIZATION OF THE SOCIETY TO 100% CHAPTER MEMBERSHIP

At the annual meeting of 1949, the By-Laws Committee of the Society submitted a report concerning reorganization of the Society to 100% Chapter Membership. This term "100% Chapter Membership" meant all members of the Society would become members of a local chapter.

---

^47Minute Books of 1927-36, November 14, 1929.
The By-laws Committee had been instructed by the Secretary of the Society in a letter dated July 10, 1948, to prepare and present to the Executive Board amendments to Article VI which would establish 100% Chapter Membership. R. J. Voorhies, a member of the Executive Board, had furnished the committee with copies of by-laws from various states. Some by-laws did not provide for chapters, but others had provisions for chapters or 100% Chapter Membership. This analysis of the by-laws from other states revealed the following information:

<table>
<thead>
<tr>
<th>State</th>
<th>No Chapters</th>
<th>Chapters</th>
<th>100% Chapter Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td></td>
<td>New York</td>
<td>Georgia</td>
</tr>
<tr>
<td>Maryland</td>
<td></td>
<td>Oklahoma</td>
<td>Kansas</td>
</tr>
<tr>
<td>Illinois</td>
<td></td>
<td>Pennsylvania</td>
<td>Ohio</td>
</tr>
<tr>
<td>Massachusetts</td>
<td></td>
<td></td>
<td>Texas48</td>
</tr>
<tr>
<td>Kentucky</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It was the opinion of the By-laws Committee that passage of the amendments should be deferred until the membership of the Society could decide if this type of organization was desirable.

When the Society met in 1949, the members passed the following resolution accepting 100% Chapter Membership:

Whereas, Societies of Certified Public Accountants in certain other states in the United States are and have been conducting their affairs under a form of organization which provides for 100% chapter membership in the State Society; and,

Whereas, for some time past the operations of State Societies have been under study by members of the Society of Louisiana Certified Public Accountants; and,

---

Whereas, it has been felt that the Society of Louisiana Certified Public Accountants would be benefited by being operated under the plan of 100% chapter membership; and,
Whereas, the charter and by-laws of the Society of Louisiana Certified Public Accountants would have to be amended to make provision for such 100% chapter membership;
BE IT RESOLVED, that a committee be instructed to draw up and submit to the Society such amendments to the charter and by-laws as will be necessary to provide for a 100% chapter membership.49

Now that 100% Chapter Membership had been accepted, the Society had to amend its by-laws. At the annual meeting, the following committee had been appointed to prepare these by-laws:

A. A. Wegman, Chairman John L. Favaloro
Louis H. Pilie' Louis A. Giraud
Max Neumaier E. S. Rittler
John L. Donahue Irving B. Cohen

In July, 1949, at the regular meeting of the Society, a report was informally submitted by this committee. The consensus of the members present was that (1) the unity and centralized interest of the state Society should be preserved regardless of the type of chapter organization adopted, (2) the quarterly business meetings of the Society should be continued, (3) some revision for the procedure of refunding one-half the dues to the local chapters should be made in order to avoid depleting the Society Treasury, and (4) a limitation should be placed on the authority of local chapters to pass on auditing procedures and publicize same without approval of the entire society.

At the regular meeting of the Society on September 29, 1949, amendments to Article VI establishing 100% Chapter Membership were presented. These amendments had been publicized in a notice to the

members dated August 27, 1949, informing them that the proposed amendments would be presented for action at the meeting on September 29. The amendments were accepted by the membership, and the organization of the Society as it exists today was established. (Article VI of the by-laws as amended on September 29, 1949, can be found in Appendix K.)

In addition to the original sections of Article VI, the new revisions passed in 1949 provided for additional regulations of the chapters. The newly revised Section I provides for the creation of chapters but in addition it limits the number of chapters in the state to eight. The new amendments give the Executive Board the authority to issue charters, which established the duties and responsibilities of the individual chapters. The original article provided that one-half of the dues be returned to the chapter; however, under the new provision the percentage of dues returned to the chapter is determined by the size of the chapter. The newly revised article further establishes that the chapters shall be governed by a set of by-laws drafted and administered by one member of the chapter, four members of the Society, and the vice-president of the Society. The chapter by-laws and amendments are also subject to the approval of the Society. As stated originally in Article VI passed in 1929, members of the chapters were still required to belong to the state Society.

FORMATION OF THE CHAPTERS

In June, 1974, there were seven chapters of the Society throughout the state. However, at that time application had been made for an eighth chapter to be located in the south central part of the state.
Local chapters provide the members with an opportunity to meet and discuss mutual problems that arise in their practices. One of the primary activities of the local chapters is the engagement of speakers from business, government, and universities. The chapter also provides activities that serve to coordinate the social and business relationship among the members. All the chapters in the state are active and have grown in proportion to the population and business growth of each area.

**Shreveport Chapter**

In 1929 members of the Society in Shreveport began corresponding with the Society stating their desire to establish a chapter in their area. At the annual meeting of 1929, a letter from Buford D. Battle of Shreveport was read which requested the Society to authorize a local chapter in Shreveport. Previous to the annual meeting, the Executive Board had prepared Article VI, amending the by-laws of the Society, to provide for local chapters. These amendments were passed by the Society on November 14, 1929.

One year later, Darby Sere, president of the Society, and H. J. Miller were authorized to go to Shreveport for the purpose of establishing a chapter there. Formation of the chapter was completed that year. Archie Smith, president of the State Board, had visited Shreveport on State Board business and had assisted the members in the Shreveport area in completing the organization of their chapter.50

---

This chapter was officially designated the "North Louisiana Chapter" of the Society.

No record can be found of the early minutes of this chapter. However, it was the forerunner of the present Shreveport chapter.

On March 24, 1940, the secretary of the Society, Frank Youngman, wrote to the chapter in Shreveport requesting reorganization of the local chapter. In response to this request, twenty members present at a meeting on June 7, 1940, met and reorganized the North Louisiana Chapter.

The North Louisiana Chapter had four officers, three members of the Executive Board of the chapter, and twelve members on committees. Membership was open to Certified Public Accountants who were members of the Society in North Louisiana, including Alexandria and Monroe. The officers of the reorganized chapter were Harry L. Viser, Sr., President; Fred R. Hettler, Vice-President; and Luther B. Griffith, Secretary-Treasurer. The 1940 members of the chapter were as follows:

R. J. Hughes          F. R. Hettler
H. L. Viser, Sr.       L. B. Griffith
W. L. Ellis            R. R. Dickson
P. M. Cowen            Henry Goodrich
H. H. Herring          B. B. Battle
S. B. Heard            C. L. Brooke
R. B. Eglin           A. L. Tillotson
H. D. Wade            H. G. Frazer
C. M. Pasquier        C. C. North
W. R. Savage           Sol Weil

In December, 1945, the name of the North Louisiana Chapter was changed to the Shreveport Chapter of the Society of Louisiana Certified Public Accountants. This change in the name was required because of
the organization of other chapters in the northern part of the state. The Ladies Auxiliary to the Shreveport Chapter was organized in May, 1957.51

**Baton Rouge Chapter**

The second chapter formed in the state was in Baton Rouge on August 3, 1943. At an Executive Board meeting of the Society on August 26, 1943, the group heard a letter from Robert E. Opferkuch, Secretary of the Baton Rouge Chapter, announcing the chapter's organization. The Executive Board recognized this chapter and approved its formation.

The first officers of the chapter were Dr. Earl A. Saliers, President; R. B. Hawthorn, Vice-President; and R. E. Opferkuch, Secretary-Treasurer. The charter members were the following:

- Basil M. Lee
- Jerome Hayes
- R. B. Hawthorn
- Arthur M. Hayes
- R. E. Opferkuch
- John W. Gladson
- John T. Waymouth
- Dr. E. A. Saliers
- Joseph J. Coerver
- Hannie T. Bourgeois
- James C. Lockwood, Jr.

**Monroe Chapter**

Until the Monroe Chapter was formed in 1944, the members in that area were served by the North Louisiana Chapter, which met in Shreveport. The charter members of the Monroe Chapter were the following:

---

51C. L. Brooke, "History of Shreveport Chapter" (from the Directory of Members, Shreveport Chapter of the Society of Louisiana Certified Public Accountants, March 1, 1968, Shreveport, Louisiana).

52Minute Books of 1942-48, August 26, 1943.
There is no record of the first officers of this chapter in Monroe except the first president, who was Harry Fraser, Sr. Walter Savage, a charter member of the Monroe Chapter, was also a charter member of the North Louisiana Chapter.

**New Orleans Chapter**

In 1948 approximately one-half of the Society members resided in New Orleans, but there was no chapter located in the city. On April 28, 1949, a letter from members in New Orleans was addressed to the Executive Board of the Society stating that a chapter had been formed in New Orleans in accordance with Article VI, Section 1 of the by-laws as amended October 1, 1946. The following twelve Certified Public Accountants formed a chapter known as the "Greater New Orleans Chapter of the Society of Louisiana Certified Public Accountants":

- John L. Donahue
- Albert J. Derbes, Jr.
- Rufus M. Carimi
- J. W. LeBlanc, Jr.
- John L. Favaloro
- C. J. Grimader
- Moses Brener
- David L. Goldstein
- A. L. Schenck
- Morris Campbell
- Max Neumaier
- Thomas L. Hollis

---

53Statement by Harry Fraser, Sr., personal interview, March 10, 1975.

The Executive Board felt that this chapter should not be accepted until the members of the Society had an opportunity to express their opinions as to whether or not New Orleans needed a chapter.

This opportunity came at the Society meeting on July 8, 1949. Since the Society office had always been located in New Orleans, many of the local members felt it was unnecessary to create a local chapter. These members thought that the objectives of the proposed chapter could be carried out within the existing framework of the Society. However, the members who supported the organization of the New Orleans chapter pointed out that the amendments to the by-laws of the Society stated that a chapter could be formed there. The amendments provided for a local chapter and in their opinion, "local" could mean New Orleans as well as any other locality.55

On July 9, 1949, the Society approved the formation of the New Orleans Chapter. There are no records available of the early meetings of the Greater New Orleans Chapter. However, because of the problems involved in obtaining approval of the chapter by the Society, it appears that considerable work was done by the first officers and other charter members of the chapter. The first officers of the New Orleans chapter were Walter Frank, President; Carlos Grimader, Vice-President; and Moses Brener, Secretary-Treasurer.56

56Statement by Moses Brener, personal interview, June 7, 1974, New Orleans, Louisiana.
Lafayette Chapter

The Society members from the Lafayette area who desired to form a chapter there petitioned the Executive Board of the Society on December 18, 1950. This area consisted of the parishes of Acadia, St. Landry, Lafayette, Iberia, St. Martin, St. Mary, and Vermillion. The petitioning members were the following:

David Hearne - New Iberia
Robert Broadhurst - Crowley
John Dowling - Opelousas
Eugene H. Darnell - Lafayette
Carl Bellard - Opelousas
Paul W. Burnam - Lafayette
Raynald J. Voorhies - Lafayette

In January, 1951, the Executive Board of the Society approved the formation of the Lafayette Chapter. The first organizational meeting of the chapter was held on April 5, 1951. The following persons were added to charter membership: A. B. Seegars, Roland Breaux, and John P. Donohue. The first president of the Lafayette Chapter was Raynald J. Voorhies.

Alexandria Chapter

On May 17, 1956, seven members of the Society sent a letter to the Executive Board of the Society requesting permission to organize a chapter in Alexandria. The request was approved and the final organizational meeting of the Alexandria Chapter was held on July 16, 1956, in the offices of Payne, Moore and Herrington. The by-laws


which had been prepared by a special committee were read and approved. The regular monthly meeting dates were set on the last Monday of each month, and the types of programs for these meetings were discussed. Finally, the officers were elected as follows: E. V. Moore, President; O. W. Melton, Vice-President; H. Payne, Jr., Secretary; and Walter L. LaCroux, Jr., Treasurer. The Charter members were the following:

E. V. Moore                  George M. Pias
O. W. Melton                 Herbert W. Kraushaar
H. Payne, Jr.                Walter L. LaCroux, Jr.  
P. A. Waring

**Lake Charles Chapter**

The Executive Board of the Society received a letter from Charles P. Quirk requesting that a chapter be formed in the Lake Charles area. On November 13, 1956, the Executive Board unanimously approved the formation of this chapter. The charter members and officers were as follows:

Victor Canfield, President  
Newton North, Vice-President  
Charles P. Quirk, Secretary-Treasurer  
A. C. Kirkpatrick  
Norman Anderson  
Charles McElroy  
J. T. Wooten

The organizational meeting was held on January 15, 1957, at which time, the chapter was officially named "Lake Charles Area

---

59 The Alexandria Chapter of the Society of Louisiana Certified Public Accountants' minutes of July 16, 1956. From the files of the Alexandria Chapter of the Society of Louisiana Certified Public Accountants, Alexandria, Louisiana.

60 Statement by Charles Quirk, personal interview, March 10, 1975.
Chapter of the Society of Louisiana Certified Public Accountants."
It was reported to the Executive Board of the Society that the
potential membership of the chapter would be fifteen members.61

The formation of the Ladies Auxiliary of the various
chapters is credited to Charles P. Quirk, a charter member of the
Lake Charles Chapter and their first secretary. These clubs are made
up of the wives of the members of the chapters. The main objective
of these groups is to foster a better relationship between the wives
of the members and to support the social functions of the chapters.
There is no main state organization, and each chapter auxiliary
functions as an independent organization.

Chapter 7

SUMMARY

Accounting began as a simple system of record keeping. As early as the Babylonian Empire, records of law and arithmetic have been found on tablets dating to 3000 B.C. The Romans also devised various procedures for the recording of funds as well as the preparation of budgets. As economic growth continued, more sophisticated systems were developed. The decimal number system, which spread throughout Europe after 1200 A.D., provided an easier method of recording transactions.

The present system of double-entry bookkeeping was introduced in the fifteenth century by Luca Pacioli, an Italian monk. This was an important discovery, because it provided business with a coordinated system of recording transactions. For the first time it was possible to systematically measure profits and losses.

The early Anglo-Saxon accountants were men of good character and were respected by their townsmen. They were known for their ability to keep good records and to find discrepancies through audits. One of the earliest systems used by these accountants consisted of a simple cloth with columns for the recording of entries. The development of accounting in England progressed rapidly, and
accountants soon organized their society. Also laws were passed recognizing the profession. By 1870 there were 139 accountants in Liverpool.

The accounting procedures in England were brought to America with the development of the colonies. Thus the accounting profession in America grew out of the English system. English businessmen would send accountants to America who would train Americans in their procedures. The first accounting firms in America were agents of English companies.

Since in England the profession was well organized and recognized the accountants in America also desired to create a recognized professional organization. Consequently, the first accounting organization formed was the Institute of Accountants and Bookkeepers of the City of New York in 1822. In 1896 the first law was passed in New York establishing the title Certified Public Accountant.

The accounting profession in Louisiana began in New Orleans in 1900. There we find the first accountants in the state. New Orleans was the center of trade and commerce, and the first accountants offered a variety of services to clients. These accountants organized into a society for the purpose of obtaining legal recognition. In 1908 the society was successful in getting the first CPA law passed, which established the title Certified Public Accountant. This title meant that the person had been trained in the skills of accountancy, had met basic experience requirements, and had passed an examination as prescribed by law. The Certified Public Accountant Certificate was issued not as a license to practice in the state, but as a statement
declaring the qualifications of the holder to perform the duties of a Certified Public Accountant.

The birth of the present Society of Louisiana Certified Public Accountants came in 1911. It began with a small group of men who were interested in the development of the profession. Under the guidance of many dedicated people, the Society has continuously worked for the improvement of the profession. It is a voluntary organization formed for the purpose of mutual improvement and professional development. As the organization grew, chapters were formed in areas throughout the state. In 1949 the Society reorganized to provide 100% Chapter Membership.

The Society has been influential in the progress of Certified Public Accountants in Louisiana. It has provided communication between accountants throughout the state in an effort to establish common goals. The by-laws of the Society set down definite rules for the self-regulation of the membership. All the necessary legislation to form and protect the profession has been enacted through the work of the members of the Society.

The most significant step in the evolution of the Certified Public Accountant was the passage of the CPA laws. One of the purposes of this law was to create the State Board of Certified Public Accountants of Louisiana. This Board is made up of five members, who are appointed by the Governor, and whose duties are stipulated by law. It is the responsibility of the State Board to hold examinations and issue certificates. The State Board also adopts rules based on the CPA laws to regulate the profession and,
through these rules and regulations, holds up high standards for the profession.

The CPA laws of the state are being continuously revised in order to maintain a high level of professional efficiency. At first there were no educational requirements. However, recent revisions have established both experience and educational requirements. Also the laws have been revised to give the State Board the power to adopt and enforce rules of professional conduct.

The laws alone did not establish the profession. More important to its development have been overall growth of business in the state and dedicated people in the profession. As the demands of business have changed, there has been an increased need for accounting specialists in private practice, research, and in instruction. A look at accountancy today reveals that accountants have willingly met these demands, and thereby, advanced their profession and made significant contributions to business.
BIBLIOGRAPHY
BIBLIOGRAPHY

A. BOOKS


B. PERIODICALS


C. UNPUBLISHED MATERIALS

Alexandria Chapter of the Society of Louisiana Certified Public Accountants' minutes of July 16, 1956. From the files of the Alexandria Chapter of the Society of Louisiana Certified Public Accountants, Alexandria, Louisiana.

Bienvenu, Emile. "Memo re the Accounting Profession in Louisiana." Paper furnished to George A. Treadwell, Secretary of the Society of Louisiana Certified Public Accountants as found in the minutes of the Society, November 16, 1924, New Orleans, Louisiana.
Brooke, C. L. "History of Shreveport Chapter." From the Directory of Members, Shreveport Chapter of the Society of Louisiana Certified Public Accountants, March 1, 1968, Shreveport, Louisiana.


Letter from John L. Carey, Secretary of the American Institute of Accountants, to the State Board of Certified Public Accountants of Louisiana, dated December 7, 1932. From the files of the State Board of Certified Public Accountants of Louisiana, New Orleans, Louisiana.


Society of Louisiana Certified Public Accountants, Minute Books of 1911 through 1951. From the files of the Society of Louisiana Certified Public Accountants, New Orleans, Louisiana.

D. NEWSPAPERS

The Shreveport Times, November 17, 1931.

E. LEGISLATIVE REFERENCES


Acts Passed by the Legislature of the State of Louisiana at the
Regular Session of 1924. Baton Rouge, Louisiana: Ramireus-
Jones Printing Co., 1924.


F. CHARTERS

Society of Louisiana Certified Public Accountants, Charter.
March 4, 1911. From the records of the Society of Louisiana
Certified Public Accountants, New Orleans, Louisiana.
# APPENDIX A

## ACCOUNTANTS LISTED IN THE NEW ORLEANS CITY DIRECTORY IN 1909

<table>
<thead>
<tr>
<th>ACCOUNTANTS</th>
<th>CERTIFIED PUBLIC ACCOUNTANTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Audit Co.</td>
<td>American Audit Co.</td>
</tr>
<tr>
<td>V. Frank Banta</td>
<td>George Baquie</td>
</tr>
<tr>
<td>George Baquie</td>
<td>Barrow, Wade, Guthrie &amp; Co.</td>
</tr>
<tr>
<td>Barrow, Wade, Guthrie &amp; Co.</td>
<td>Gustave Bienvenu</td>
</tr>
<tr>
<td>Gustave Bienvenu</td>
<td>Frances Brown</td>
</tr>
<tr>
<td>Francis Brown</td>
<td>E. L. Chappius</td>
</tr>
<tr>
<td>E. L. Chappius</td>
<td>J. Albert Coyle</td>
</tr>
<tr>
<td>Derbes &amp; Penn (R. J. &amp; George H.)</td>
<td>Derbes &amp; Penn (R. J. &amp; George H.)</td>
</tr>
<tr>
<td>A. V. Flotte</td>
<td>Arnold J. Edmonds</td>
</tr>
<tr>
<td>L. H. Gardner</td>
<td>Myron M. Goldman</td>
</tr>
<tr>
<td>Hart Bienvenu</td>
<td>William H. Flynn</td>
</tr>
<tr>
<td>William Leftwich</td>
<td>Charles Leftwich</td>
</tr>
<tr>
<td>William Le Monnier</td>
<td>William Leftwich</td>
</tr>
<tr>
<td>G. A. Llambias</td>
<td>William Le Monnier</td>
</tr>
<tr>
<td>R. C. Lloyd</td>
<td>William Lind</td>
</tr>
<tr>
<td>Edward H. Morrice</td>
<td>Phineas A. Mayer</td>
</tr>
<tr>
<td>Elkin Moses</td>
<td>Elkin Moses</td>
</tr>
<tr>
<td>Nathan &amp; Block</td>
<td>Charles B. Murphy</td>
</tr>
<tr>
<td>August Salaun, Jr.</td>
<td>Nathan &amp; Block</td>
</tr>
<tr>
<td>P. W. Sherwood</td>
<td>Edward D. Retson</td>
</tr>
<tr>
<td>A. J. Stallings</td>
<td>A. J. Stallings</td>
</tr>
<tr>
<td>C. A. Toups</td>
<td>Pierre J. Stouse</td>
</tr>
<tr>
<td>John W. Watson</td>
<td>Henry L. Stoutz</td>
</tr>
<tr>
<td>C. E. Wermuth</td>
<td>C. A. Toups</td>
</tr>
<tr>
<td>White &amp; Font</td>
<td>John W. Watson</td>
</tr>
<tr>
<td></td>
<td>C. E. Wermuth</td>
</tr>
<tr>
<td></td>
<td>White &amp; Font</td>
</tr>
</tbody>
</table>

109
Pursuant to call of a Committee composed of Messrs. Henry Daspit, M. M. Goldman, G. V. W. Lyman and Edmond F. Mielly, the following named Practicing Certified Public Accountants met on the above date at 8:00 P.M. at the rooms of the Associated Accountants of New Orleans, for the purpose of effecting permanent organization of a State Society to be composed of practicing Certified Public Accountants of the State of Louisiana: Messrs. Henry Daspit, P. W. Sherwood, Emile Bienvenu, Robert C. Lloyd, R. D. T. Sherwood, G. McD. Nathan, W. G. Taylor, L. R. Angell, and Edmond F. Mielly, were present in person.

On motions duly seconded and carried Mr. Henry Daspit was appointed President Pro. Tem. and Edmond F. Mielly, Secretary Pro. Tem.

It was moved by Mr. Lloyd and seconded by Mr. Taylor that permanent organization be effected. Carried.

Mr. P. W. Sherwood placed Mr. Edmond F. Mielly in nomination for permanent Secretary which nomination was seconded by Mr. Lloyd. Mr. Mielly was unanimously elected.

Mr. Bienvenu placed in nomination for Vice President, Mr. P. W. Sherwood; this nomination was seconded by Mr. Lloyd and Mr. Sherwood was elected by acclamation.

Mr. Robert C. Lloyd was placed in nomination for Treasurer by Mr. P. W. Sherwood; this nomination was seconded by Mr. Mielly and Mr. Lloyd was unanimously elected.

Mr. P. W. Sherwood moved that all other offices be filled after adoption of the Charter and By-Laws which motion was duly seconded and carried.
Mr. Bienvenu moved that the President appoint a Committee of three to draft a Charter and By-Laws to be submitted at a later meeting for consideration. This motion was seconded and carried. The President appointed on this Committee the following gentlemen: Messrs. Emile Bienvenu, G. V. W. Lyman, and W. G. Taylor.

It was moved by Mr. Robert Sherwood that the next meeting be held on Thursday night the 22nd inst., at 8:00 P.M. at the rooms of the Associated Accountants of New Orleans. This motion was seconded and carried.

On motion of Mr. Lloyd duly seconded and carried the meeting then adjourned.

Respectfully submitted,

Signed by E. F. Mielly
Secretary
# APPENDIX C

## OFFICERS OF THE SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS  

### 1910 - 1950

<table>
<thead>
<tr>
<th>Date</th>
<th>President</th>
<th>Vice-President</th>
<th>Treasurer</th>
<th>Secretary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1910-1911</td>
<td>Henry Daspit</td>
<td>P. W. Sherwood</td>
<td>R. C. Lloyd</td>
<td>E. F. Mielly</td>
</tr>
<tr>
<td>1911-1912</td>
<td>Henry Daspit</td>
<td>P. W. Sherwood</td>
<td>R. C. Lloyd</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1912-1913</td>
<td>Henry Daspit</td>
<td>P. W. Sherwood</td>
<td>R. C. Lloyd</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1913-1914</td>
<td>G. V. W. Lyman</td>
<td>R. C. Lloyd</td>
<td>M. M. Goldman</td>
<td>Paul Hauener</td>
</tr>
<tr>
<td>1916-1917</td>
<td>A. M. Smith</td>
<td>C. E. Wermuth</td>
<td>E. H. Overbey</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1917-1918</td>
<td>A. M. Smith</td>
<td>C. E. Wermuth</td>
<td>J. J. Skinner</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1918-1919</td>
<td>G. A. Treadwell</td>
<td>H. J. Jumonville</td>
<td>J. K. Byrne</td>
<td>A. J. Derbes</td>
</tr>
<tr>
<td>1919-1920</td>
<td>George H. Penn</td>
<td>H. J. Jumonville</td>
<td>C. C. Sandoz</td>
<td>A. J. Derbes</td>
</tr>
<tr>
<td>1920-1921</td>
<td>George H. Penn</td>
<td>H. J. Jumonville</td>
<td>C. C. Sandoz</td>
<td>A. J. Derbes</td>
</tr>
<tr>
<td>1921-1922</td>
<td>H. J. Jumonville</td>
<td>R. J. LeGardeur</td>
<td>E. Bienvenu</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>Date</td>
<td>President</td>
<td>Vice-President</td>
<td>Treasurer</td>
<td>Secretary</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>1922-1923</td>
<td>R. J. LeGardeur</td>
<td>Emile Bienvenu</td>
<td>C. M. Dosieau</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1924-1925</td>
<td>Emile Bienvenu</td>
<td>C. Doiseau</td>
<td>Curtis Scott</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1925-1926</td>
<td>H. J. Miller</td>
<td>C. F. Scott</td>
<td>L. Rareshide</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1926-1927</td>
<td>C. F. Scott</td>
<td>L. Rareshide</td>
<td>C. L. Seemann</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1927-1928</td>
<td>L. Rareshide</td>
<td>C. L. Seemann</td>
<td>L. E. Schenck</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1928-1929</td>
<td>C. L. Seemann</td>
<td>L. E. Schenck</td>
<td>John F. Hartmann</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1929-1930</td>
<td>L. E. Schenck</td>
<td>John F. Hartmann</td>
<td>Darby Sere</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1930-1931</td>
<td>Darby Sere</td>
<td>J. A. Peyroux, Jr.</td>
<td>S. S. Bourgeois</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1931-1932</td>
<td>Archie M. Smith</td>
<td>G. V. W. Lyman</td>
<td>G. E. Conroy</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1932-1933</td>
<td>Thomas Williams</td>
<td>Louis Pilie'</td>
<td>G. E. Conroy</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1933-1934</td>
<td>Louis Pilie'</td>
<td>G. E. Conroy</td>
<td>A. A. Wegmann</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1934-1935</td>
<td>G. E. Conroy</td>
<td>A. A. Wegmann</td>
<td>Frank Youngman</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1935-1936</td>
<td>A. A. Wegmann</td>
<td>Frank Youngman</td>
<td>E. S. Rittler</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>Date</td>
<td>President</td>
<td>Vice-President</td>
<td>Treasurer</td>
<td>Secretary</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>1936-1937</td>
<td>Frank Youngman</td>
<td>E. S. Rittler</td>
<td>Lucien J. Moret</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1937-1938</td>
<td>Frank Youngman</td>
<td>E. S. Rittler</td>
<td>Lucien J. Moret</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1938-1939</td>
<td>E. S. Rittler</td>
<td>L. J. Moret</td>
<td>John A. Peyroux, Jr.</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1939-1940</td>
<td>L. J. Moret</td>
<td>John A. Peyroux, Jr.</td>
<td>Harry J. Williams</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1940-1941</td>
<td>J. A. Peyroux, Jr.</td>
<td>Harry J. Williams</td>
<td>Otis Chamberlain</td>
<td>Frank Youngman</td>
</tr>
<tr>
<td>1941-1942</td>
<td>Harry J. Williams</td>
<td>Otis Chamberlain</td>
<td>L. A. Champagne</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1942-1943</td>
<td>Otis Chamberlain</td>
<td>M. M. Dienes</td>
<td>John Hartmann</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1943-1944</td>
<td>John F. Hartmann</td>
<td>G. E. Conroy</td>
<td>Laurent Roger</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1944-1945</td>
<td>John F. Hartmann</td>
<td>G. E. Conroy</td>
<td>Laurent Roger</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1948-1949</td>
<td>R. B. Hawthorne</td>
<td>Irving Cohen</td>
<td>Frank Russell</td>
<td>G. A. Treadwell</td>
</tr>
<tr>
<td>1949-1950</td>
<td>Walter S. Savage</td>
<td>J. E. Pedelahore</td>
<td>Frank Russell</td>
<td>G. A. Treadwell</td>
</tr>
</tbody>
</table>
APPENDIX D

1912 RULES OF PROFESSIONAL ETHICS

Professional Ethics

The following are declared to be the fundamental rules of the Society for (a) the infraction of any part thereof, or if (b) convicted of felony or misdemeanor, or if (c) finally declared by a court of competent jurisdiction to have committed any fraud, or if (d) held by the Executive Board on the written complaint of any person aggrieved, whether a member or not, to have been guilty of any act of default discreditable to the profession, or if (e) declared by any competent court or commission to be insane or otherwise incompetent, or if (f) fails to pay any subscriptions, dues, assessments, or other sums owed by him to the Society under its by-laws within three months after such debt has become due:

A member renders himself liable to be expelled from the Society or to be suspended for a term not exceeding two years by resolution of the Executive Board sitting as a Trial Board.

Rules

1. No member shall allow any person not being either a member of the Society or in partnership with him as a public accountant, or in his employ on a salary, to practice in his name as a public accountant.

2. No member shall directly or indirectly allow or agree to allow a commission, brokerage, or other participation by the laity in the fees or profits of his (the members) professional work.

3. No member shall engage in any business or occupation conjointly with that of a public accountant, which in the opinion of the Executive Board is incompatible or inconsistent therewith.

4. No member shall certify to exhibits, statements, schedules, or other form of accountancy work, the preparation of which was not carried on entirely under the supervision of himself, a member of his firm, one of his staff, a member of this Society or of similar Society of good standing in foreign countries.

5. No member shall in his business advertisements use any initials as an affix to his name that is not either authorized by statutory enactment of this country or by the well-known Societies established for a similar purpose in the British Empire, nor shall he affiliate or substantially recognize any Society that is designated or in any way
sets itself out to be a so-called Certified Public Accountant Society without the State in which such society is organized having the requisite statutory enactments in full force and effect.
Throughout the centuries, pagan and Christian, men and women have paid their meed of admiration and affection to those of their fellows who were outstanding for heroism or goodness, for selfless devotion to some cause or service. That same respect for greatness and goodness resides in the hearts of us moderns, and when greatness and goodness are united in the same person, our respect and admiration grow into affection.

The members of the Society of Louisiana Certified Public Accountants, in appreciation of the inestimable assistance, the sustaining inspiration and undying good influence that George A. Treadwell has passed on to them, by this testimonial humbly express to him their thanks, their esteem, their affection and their gratitude.
APPENDIX F

1908 LAW ESTABLISHING THE CERTIFIED PUBLIC ACCOUNTANT IN LOUISIANA

Act No. 125

To regulate the practice of public accounting by establishing a State Board of Accountants, fixing its fees and emoluments to prohibit the unlawful use of words, letters, or other means of identifications, by unauthorized persons, as certified public accountants under this Act, and to provide penalties for the violation of its provisions.

Section 1. Be it enacted by the General Assembly of the State of Louisiana, That any citizen of the United States, residing or having a place for the regular transaction of business in the State of Louisiana, being over the age of twenty-one years, of good moral character, and who shall have received from the Louisiana State Board of Accountants a certificate of his qualifications to practice as an expert public accountant, as hereinafter provided, shall be styled and known as a certified public accountant, and it shall be unlawful for any other person or persons to assume such title or use any letters, abbreviations or words to indicate that the one using same is a certified public accountant.

Section 2. Be it further enacted, etc., That within sixty (60) days after the passage of this Act, the Governor of the State of Louisiana, shall appoint three persons who shall be skilled in the practice of accounting and actively engaged therein in the State, one for a term of two (2) years, one for a term of four (4) years and one for a term of six (6) years, said members to establish and constitute the Louisiana State Board of Accountants. A member of said Board shall be appointed bi-ennially thereafter by the Governor to serve for a term of six years or until such time as his successor has qualified. All vacancies created by death, resignation or otherwise shall be filled by the Governor for the unexpired term. The members of the Louisiana State Board of Accountants, the first Board excepted, shall be appointed from the holders of certificates issued under and by virtue of this Act. Within thirty (30) days after their appointment, the members of said Board shall take an oath, before any person authorized to administer oaths in this State, to faithfully and impartially perform their duties, and same shall be filed with the Secretary of State.

Section 3. Be it further enacted, etc., That the Louisiana State Board of Accountants is hereby authorized and empowered to adopt and enforce all necessary rules, regulations, by-laws, etc., to govern its proceedings and to regulate the mode of conducting examinations to be held under this Act, provided said examinations shall be held
at least once a year. The examinations shall cover a knowledge of the "Theory of Accounts," "Practical Accounting," "Auditing," "Commercial Law as Affecting Accountancy," and such other branches of knowledge as the Board may deem necessary to maintain the highest standard of proficiency in profession of public accounting. The Board shall have power and authority to issue certificates under their official seal and signatures, as provided in this Act.

Section 4. Be it further enacted, etc., That the Louisiana State Board of Accountants shall be authorized to charge each applicant for a certificate a fee, not to exceed twenty-five dollars ($25) same to be paid when the application is filed, except, that the fee for each application filed within ninety (90) days after the passage of this Act shall not exceed ten dollars ($10). Out of the funds collected under this Act shall be paid the expenses of the Louisiana State Board of Public Accountants including mileage, and an amount not exceeding $15 per day, for the time expended in conducting examinations and issuing certificates, provided no expense incurred by said Board shall ever be charged to the funds of the State.

Section 5. Be it further enacted, etc., That the Louisiana State Board of Accountants may in its discretion register the certificates of any certified public accountant who is the lawful holder of a certified public accountant's certificate issued under the law of another State, and may issue to such certified public accountant a certificate which shall entitle the holder to practice as such certified public accountant and to use the abbreviation "C. P. A." in this State, provided, that the State issuing the original certificate grants similar privileges to the certified public accountants of this State. The fee for such registration shall not exceed twenty-five ($25) dollars.

Section 6. Be it further enacted, etc., That the Louisiana State Board of Accountants shall waive the examination of any person possessing the qualifications mentioned in Section 1 of this Act, who, 1st. for not less than five years had been actively employed as an accountant or bookkeeper, who shall apply in writing to the Board for such certificate, provided, that said application be accompanied by an affidavit before any notary public or justice of the peace, giving the name or names, of the firms or corporations by whom he has been employed for the past five years, and provided said application be filed within ninety days after the passage of this Act, or who, 2nd. for more than three consecutive years before the passage of this Act shall have been practicing in this State, on his own account, as a public accountant, and who shall apply in writing to the Board for such certificate within ninety days after the passage of this Act.

Section 7. Be it further enacted, etc., That the Louisiana State Board of Accountants may revoke any certificate issued under this Act, or may cancel the registration of any certificate registered
under this Act, for the unprofessional conduct of the holder of such certificate, or for other cause, provided that written notice shall have been mailed to the holder of such certificate twenty (20) days before any hearing thereon, stating the cause for such contemplated action, and appointing a day for a full hearing thereon by the Louisiana State Board of Accountants; and provided, further, that no certificates issued under this Act shall be revoked until such hearing shall have been held.

Section 8. Be it further enacted, etc., That if any person shall represent himself to the public as having received a certificate as provided in this Act, or who shall assume to practice as a certified public accountant, or use the abbreviation "C. P. A." or any similar words or letters to indicate that the person using the same is a certified public accountant without having received a registration certificate, as provided in this Act, or if any person having received a certificate, as provided in this Act and having thereafter lost such certificate by revocation as provided in Section VII, shall continue to practice as a certified public accountant, he shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not less than one hundred dollars ($100), or sentenced to serve three (3) months in jail for each offense.

Section 9. Be it further enacted, etc., That all laws or parts of laws in conflict with this Act be and the same are hereby repealed.
APPENDIX G

A FORM OF THE RECIPROCAL CERTIFICATE
ISSUED BY THE STATE BOARD AS
EFFECTIVE JANUARY 1, 1938

STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANTS
OF LOUISIANA

(Name)

having complied with the provisions of Section 5 of Act 136 of the Legislature of Louisiana of 1924, for registration of the Certified Public Accountant Certificate is issued to him under the laws of the State of

is hereby declared entitled to practice as a Certified Public Accountant in the State of Louisiana, provided that this certificate shall become null and void should the State of ____________ at any future time refuse to grant similar privileges to Certified Public Accountants who qualified for their original certificates under the laws of the State of Louisiana

State Board of Certified Public Accountants
of Louisiana

By_________________
Secretary

(SEAL)

Reciprocal Certificate No.____

Date________________19____
APPENDIX H

1936 REVISION OF BY-LAWS, RULES AND REGULATIONS
OF THE STATE BOARD

1. The domicile of the Board shall be the office of the President or Secretary in the city of New Orleans, Louisiana.

2. The officers of the Board shall be a President, Secretary, and Treasurer and their duties shall be the usual duties of such officers. The office of Secretary and Treasurer may be combined and held by one member of the Board.

3. All checks shall be signed by the Treasurer and countersigned by the President. In the absence of the President the Secretary shall countersign checks.

4. Meetings are called by President or upon request of two members of the Board. Meetings shall be designated by the President.

5. Three members of Board shall constitute a quorum for transaction of business.

6. Examinations shall be held in months of May and November in New Orleans or other places designated by Board. Board may hold examination at any other time deem necessary.

7. Application for exams and reciprocal certificates are made to the Secretary on blanks furnished by Board. The fee of $25.00 fixed by law must accompany application. Should application be rejected or denied the reciprocal fee is returned.

8. Examination shall cover: A. Accounting Theory and Practice  
   B. Auditing  
   C. Commercial Law as Affecting Accountancy  
   D. Income Tax Procedure and Practice

9. All exams are written in pen and ink and completed in time allotted.

10. A candidate who fails in Accounting but passes Auditing and Law shall be considered as conditioned in Accounting for the next four consecutive examinations. A candidate who fails in Auditing and Law but passes Accounting shall be considered as conditioned in Auditing and Law for the next four consecutive examinations. He shall be required to pass both subjects in the re-examination.
11. A majority of the Board shall determine after examination the manner in which it shall be examined, graded and marked.

12. The Board shall not be required to furnish the reason for any marks which it shall grant or on any decision which it may reach.

13. A candidate must receive at least 75 points in each subject.

14. Candidates for examination shall be required to have served at least 2 years on the staff of a practicing Certified Public Accountant, or Public Accountant or shall have at least three years of practical experience.

15. Charges against Certified Public Accountants or Public Accountants shall be made in writing in duplicate and addressed to the Secretary of the Board. Only actual cases shall be considered. No hypothetical cases will be considered.

16. If after hearing the charges the certificate is revoked, the holder has to return the certificate.

17. In case of the loss of a certificate, a duplicate will be issued. Loss must be advertised in a newspaper five times in thirty days. The fee for a duplicate certificate is $10.00.

18. Each application for a reciprocal certificate will be considered on its own merits. Application shall be made through the State that issued the original certificate, and then only if state applying has similar written examinations and approved method of grading by the State of Louisiana.

19. All Certified Public Accountants certificates to be legal have to be signed by the President, and the Secretary.

20. All firms of Certified Public Accountants or Public Accountants shall file with the Secretary of the Board a sworn statement of its members and partners added or withdrawn.

21. It shall be deemed unprofessional for a Certified Public Accountant to certify to the correctness or otherwise of any financial statement unless he had made an audit of the accounts bearing thereon and until he had completed the audit.

22. In interpreting these rules, the discretion and judgment of the majority of the Board shall be conclusive.
<table>
<thead>
<tr>
<th>Year</th>
<th>President</th>
<th>Secretary</th>
<th>Treasurer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1908</td>
<td>E. L. Chappius</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
</tr>
<tr>
<td>1909</td>
<td>E. L. Chappius</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
</tr>
<tr>
<td>1910</td>
<td>E. L. Chappius</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
</tr>
<tr>
<td>1911</td>
<td>E. L. Chappius</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
</tr>
<tr>
<td>1912</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1913</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1914</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1915</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1916</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1917</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1918</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1919</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1920</td>
<td>Charles E. Wermuth</td>
<td>Elkin Moses</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1921</td>
<td>G. V. W. Lyman</td>
<td>Elkin Moses</td>
<td>Rene J. LeGardeur</td>
</tr>
<tr>
<td>1922</td>
<td>G. V. W. Lyman</td>
<td>Elkin Moses</td>
<td>Rene J. LeGardeur</td>
</tr>
<tr>
<td>1923</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>Rene J. LeGardeur</td>
</tr>
<tr>
<td>1924</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>Rene J. LeGardeur</td>
</tr>
<tr>
<td>1925</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>Lanaux Rareshide</td>
</tr>
<tr>
<td>1926</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>Lanaux Rareshide</td>
</tr>
<tr>
<td>1927</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>Lanaux Rareshide</td>
</tr>
<tr>
<td>1928</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>Lanaux Rareshide</td>
</tr>
</tbody>
</table>
### APPENDIX I (continued)

<table>
<thead>
<tr>
<th>Year</th>
<th>President</th>
<th>Secretary</th>
<th>Treasurer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1930</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1931</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1932</td>
<td>Archie M. Smith</td>
<td>Emile Bienvenu</td>
<td>G. V. W. Lyman</td>
</tr>
<tr>
<td>1933</td>
<td>Emile Bienvenu</td>
<td>G. V. W. Lyman</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1934</td>
<td>Emile Bienvenu</td>
<td>Ed. J. De Verges</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1935</td>
<td>Emile Bienvenu</td>
<td>Ed. J. De Verges</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1936</td>
<td>Emile Bienvenu</td>
<td>Ed. J. De Verges</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1937</td>
<td>Emile Bienvenu</td>
<td>Ed. J. De Verges</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1938</td>
<td>Emile Bienvenu</td>
<td>Ed. J. De Verges</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1939</td>
<td>Emile Bienvenu</td>
<td>Ed. J. De Verges</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1940</td>
<td>Emile Bienvenu</td>
<td>Ed. J. De Verges</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1941</td>
<td>Emile Bienvenu</td>
<td>Ed. J. De Verges</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1942</td>
<td>Emile Bienvenu</td>
<td>Robert B. Hawthorn</td>
<td>E. S. Rittler</td>
</tr>
<tr>
<td>1943</td>
<td>E. S. Rittler</td>
<td>Robert B. Hawthorn</td>
<td>John A. Peyroux, Jr.</td>
</tr>
<tr>
<td>1944</td>
<td>E. S. Rittler</td>
<td>Robert B. Hawthorn</td>
<td>John A. Peyroux, Jr.</td>
</tr>
<tr>
<td>1945</td>
<td>E. S. Rittler</td>
<td>Robert B. Hawthorn</td>
<td>John A. Peyroux, Jr.</td>
</tr>
<tr>
<td>1946</td>
<td>E. S. Rittler</td>
<td>R. E. Opferkuck</td>
<td>Ed. J. De Verges</td>
</tr>
<tr>
<td>1947</td>
<td>E. S. Rittler</td>
<td>R. E. Opferkuck</td>
<td>Ed. J. De Verges</td>
</tr>
<tr>
<td>1948</td>
<td>E. S. Rittler</td>
<td>R. E. Opferkuck</td>
<td>Ed. J. De Verges</td>
</tr>
<tr>
<td>1949</td>
<td>E. S. Rittler</td>
<td>R. E. Opferkuck</td>
<td>Ed. J. De Verges</td>
</tr>
<tr>
<td>1950</td>
<td>E. S. Rittler</td>
<td>R. E. Opferkuck</td>
<td>Ed. J. De Verges</td>
</tr>
</tbody>
</table>
APPENDIX J

EDUCATIONAL REQUIREMENTS TO TAKE THE CPA EXAMINATION

A. Prior to September 1, 1975

(a) Applicants for examination shall be required to have completed a course in higher accountancy at a university, college, night school or extension school of recognized standing and approved by the Board. The Board interprets "higher accountancy" to include:

<table>
<thead>
<tr>
<th>Undergraduate Level</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Accounting</td>
<td>6</td>
</tr>
<tr>
<td>Intermediate Accounting</td>
<td>6</td>
</tr>
<tr>
<td>Advanced Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Cost Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Income Tax Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Auditing</td>
<td>3</td>
</tr>
<tr>
<td>Commercial Law (as affects accounting)</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graduate Level</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Intermediate Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Advanced Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Cost Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Income Tax Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Auditing</td>
<td>3</td>
</tr>
<tr>
<td>Commercial Law (as affects accounting)</td>
<td>3</td>
</tr>
</tbody>
</table>

(b) In addition, the following persons shall be considered to have acquired the equivalent of a higher accountancy education:

(1) A Public Accountant who qualified under the provisions of Act 136 of 1924.

(2) A person who has worked continuously for three years as a senior accountant on the staff of a practicing CPA or PA of Louisiana, and who shall produce an affidavit from his employer that he possesses the qualifications required to conduct audits and examinations as a "senior" accountant.

(3) A student who, at the time of filing his application, is registered at a university or college recognized by the Board, and who is studying courses which are
prerequisite to the examination, and who is expected to successfully complete all courses required by the Board at the end of the current semester. Evidence of such status, signed by the dean or accounting department head, shall accompany the application; and an official transcript as evidence of successful completion of such course(s) by January 10 following the November examination and July 10 following the May examination.

B. **Effective September 1, 1975**

(a) All applicants for the CPA examination shall possess a Bachelor's degree, conferred by a university or college recognized by the Board.

(b) Such degree shall carry with it adequate concentration in the area of accounting as follows:

<table>
<thead>
<tr>
<th>Undergraduate Level</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Accounting</td>
<td>6</td>
</tr>
<tr>
<td>Intermediate Accounting</td>
<td>6</td>
</tr>
<tr>
<td>Advanced Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Cost Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Income Tax Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Auditing</td>
<td>3</td>
</tr>
<tr>
<td>Commercial Law (as affects accounting)</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graduate Level</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Intermediate Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Advanced Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Cost Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Income Tax Accounting</td>
<td>3</td>
</tr>
<tr>
<td>Auditing</td>
<td>3</td>
</tr>
<tr>
<td>Commercial Law (as affects accounting)</td>
<td>3</td>
</tr>
</tbody>
</table>

If the degree does not carry with it such concentration, the candidate must have completed the courses in higher accountancy as prescribed above. Such courses shall have been completed in a university, college, night or extension school of recognized standing and approved by the Board.

C. Any person, who before September 1, 1975, files an application which is approved by the Board, showing compliance with the then effective educational requirements of the Board shall forever be deemed to have met its educational requirements.
ARTICLE VI OF THE BY-LAWS OF THE SOCIETY
ESTABLISHING 100% CHAPTER MEMBERSHIP

Section 1. Local chapters may be organized at the request of not
less than seven members of the Society. The request must be submitted
in writing to the Executive Board for approval. Not more than one
local chapter may be formed within any area. There shall be no more
than eight local chapters within the State of Louisiana. A society
member residing outside the geographical area of a chapter may select
the chapter to which he elects to belong. Dual membership is
prohibited.

Section 2. Upon approval of a chapter organization, the Executive
Board of the Society shall issue to the chapter a chapter charter
which shall stipulate (1) the objects and purposes of the chapter
shall not be inconsistent with those of the Society, (2) the requisite
for membership in a chapter shall be membership in the Society of
Louisiana Certified Public Accountants, (3) the chapter may not
announce or publicize in any way other than to its members, matters
of policy or procedures concerning the practice of accountancy, how­
ever a chapter may bring such matters to the attention of the Execu­
tive Board for such action as the Executive Board may deem
appropriate, and (4) a chapter charter may be revoked for cause
upon a two-thirds (2/3) vote of the members of the Society.

Section 3. Chapters of fifty members or less shall receive from the
Society one-half (1/2) of the amount of dues actually paid to the
Society by those who are members of the chapter. Chapters of over
fifty members shall receive from the Society one-third (1/3) of the
amount of dues actually paid to the Society by those who are members
of the chapter, which amount shall not be less than an amount equal
to the figure based upon one-half (1/2) the dues collected from fifty
members.

Section 4. All chapters shall be governed by uniform by-laws which
shall designate the powers and authority of the chapters. The chapter
by-laws shall be drafted and administered by a standing committee
composed of one representative appointed by the Executive Board of
each chapter, four members appointed by the Executive Board of the
Society, and the Vice-President of the Society, who shall be chairman
of the committee. The chapter by-laws and any subsequent amendments
thereto shall be subject to the approval of the members of the Society
at the annual meeting, a regular meeting, or a special meeting called
for that purpose.
Section 5. Chapter by-laws may be amended through the procedure provided in Article XVII.

Section 6. Members ceasing to be members of the Society shall automatically cease to be members of the chapters. The Secretary of the Society shall notify the Secretary of a chapter of all members of the chapter who are dropped from membership in the Society. The Secretary of a chapter shall notify the Secretary of the Society of members of the Society who have become members of the chapter.
APPENDIX L

LIST OF PERSONAL INTERVIEWS

1. Louis Pilie', New Orleans, Louisiana
2. John Favoloro, New Orleans, Louisiana
3. Charles P. Quirk, Lake Charles, Louisiana
4. E. V. Moore, Alexandria, Louisiana
5. Moses Brener, New Orleans, Louisiana
6. Paul Burnham, Lafayette, Louisiana
7. Harry Fraser, Sr., Monroe, Louisiana
Daniel Louie Butler, Jr., was born in Shreveport, Louisiana on November 3, 1936, the son of Myrtle Gibson Butler and Daniel Louie Butler. After completing his work at Vivian High School, Vivian, Louisiana, in June, 1954, he attended Louisiana Tech University, Ruston, Louisiana, and graduated from the School of Business Administration in 1958. In September, 1964, he entered the Graduate School at Louisiana State University and received a Master of Science in the Department of Accounting. He received a Certified Public Accountant Certificate from the State of Louisiana in 1968. He is currently meeting the requirements for the degree of Doctor of Philosophy in the Department of Accounting at Louisiana State University, Baton Rouge, Louisiana.
EXAMINATION AND THESIS REPORT

Candidate: Daniel Louie Butler, Jr.

Major Field: Accounting

Title of Thesis:
A History of the Certified Public Accounting Profession in Louisiana

Approved:

[Signatures]

Major Professor and Chairman

Dean of the Graduate School

EXAMINING COMMITTEE:

[Signatures]

Date of Examination:
April 2, 1976