

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

March 20, 2019

An open meeting of the Nevada State Board of Accountancy was called to order at 8:30 A.M. by President, Brian Wallace, March 20, 2019 at the offices of First Independent Bank, 5335 Kietzke Lane, 2nd Floor, Reno, Nevada.

Board Members Present:

Brian Wallace, President
Michael E. Davis
L. Ralph Piercy

Candace Johnson, Secretary/Treasurer
Kerry Eaton
Jannet Vreeland
Nicola Neilon

Board Staff Present:

Karen Peterson, Counsel
Viki A. Windfeldt, Executive Director
Leslie C. Walsh, Deputy Director

- A. Call to Order, Roll Call and Establish a Quorum
- B. **Public Comment Section:** In accordance with NRS 241.020 Public Comment will be taken prior to the beginning of the meeting.

Anna Durst of the Nevada Society of CPAs updated the Board on the status of the Bill's filing. Clarification was also obtained regarding any funds left over from the teacher training.

◆ ◆ ◆ ◆ CONSENT AGENDA ◆ ◆ ◆ ◆

The Consent Agenda contains matters of routine acceptance. The Board Members may approve the consent agenda items as written or, at their discretion, may address individual items for discussion or change.

- *1. Approval of Board Meeting Minutes (*For Possible Action*)
- A. January 25, 2019
- B. February 13, 2019
- *2. Approval of Applications for Certified Public Accountant – Non-Appearance (*For Possible Action*):
- | | | | |
|-----------------|------------------|-------------------------|----------------|
| Douglas Barbin | Luis Calderon | Lori Church | Darren Collmar |
| Kimberly Espe | Rebecca Gillis | Samantha Huff-Schlueter | |
| Taylor Jones | Kelli Justus | Shellie-Ann Krajnak | |
| Beth Lucas | James Miller | Adam Mirochnik | Laura Murphy |
| Mila Nemchinova | Eric Nielson | John Paine | Alexander Rose |
| Adam Ryan | Roosevelt Thomas | | |

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- *3. Approval of Change to License Status (*For Possible Action*):
Retired Status: Nikki Kirkhouse Robert Shomon
Inactive Statuts: Bradley Anderson James Gray Kurtis Hansen
 Helen Kawi Elizabeth Studzienski
- *4. Approval of Finances (*For Possible Action*)
A. Monthly Income & Expense
- *5. This item was removed from the agenda
- *6. Board Approval of Fictitious Name Use: (*For Possible Action*)
A. Sentinel CPA
- *7. No Items Scheduled for this Agenda Item.

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve the consent agenda items. Board Members abstained from voting on applications for CPA Certification for the Following: Nicola Neilon for Beth Lucas and Ralph Piercy for Eric Nielson.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 8: Grievance Report and Grievance Matters (*For Possible Action*)

Note: NRS 241.020 requires the Board to list individuals that may have administrative action taken against them in connection with the Board's disciplinary grievance report. The Board may convene in closed session to consider the character, alleged misconduct, professional competence or physical or mental health for any of the grievances filed with or disciplinary action considered by the board.

A. Review of Grievance Report (*For Possible Action*)

Motion was made, seconded and carried to close complaint matter I2019.001 based on Voluntary Surrender status.

Motion was made, seconded and carried to close complaint matter I2019.005 based on lack of cause to support further Board action.

B. Board Review and Determination on Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order for Kevin G. Breard, CPA and Breard & Associates, Inc. CPAs. (*For Possible Action*)

Motion was made, seconded and carried to approve the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order & Decision for Kevin Breard, CPA and Breard & Associates Inc., CPAs with the following provisions:

- 1. BREARD's Certified Public Accountant's Certificate No. CPA-4411R and BREARD AND ASSOCIATES' registration CORP-0526 shall be placed on probation

Agenda Item 8 B (Cont.)

until August 9, 2023, the five-year period concurrent with the PCAOB suspension and bar in its Order issued August 9, 2018.

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2. BREARD will complete 24 hours of continuing professional education (“CPE”), to include a minimum of 16 hours in attestation and 8 hours in practice management, in addition to his regular required annual CPE by December 31, 2019 and provide copies showing completion with his 2020 annual renewal. In the event another licensing jurisdiction imposes other CPE requirements, BREARD may submit a request to adjust the attestation and practice management hourly CPE requirements set forth above. The decision whether to adjust the CPE components shall be within the sole discretion of the Board.
3. BREARD will not associate with a PCAOB registered public accounting firm or accept any engagements to audit any issuer, as defined in Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78(c)), during the probationary period.
4. BREARD and BREARD AND ASSOCIATES will forward copies of any correspondence with the PCAOB or Securities and Exchange Commission or their respective Staffs concerning the PCAOB Order discussed herein to the Board during the probationary period within 10 days of its date.
5. During the probationary period, BREARD and BREARD AND ASSOCIATES shall provide quarterly reports to the Board listing the names of new clients in Nevada for which attest services will be provided and the nature of the services to be provided.
6. If performing attest services for non-public clients in Nevada, BREARD and BREARD AND ASSOCIATES agree to pre-release reviews by a licensed certified public accountant for any attest work as defined in NRS 628.005 until the earlier of the probationary period ends or BREARD AND ASSOCIATES submits a completed peer review report as issued by the AICPA without comments. The cost of the pre-issuance reviews shall be borne by BREARD and BREARD AND ASSOCIATES. The certified public accountant preparing the pre-issuance reviews for BREARD and BREARD AND ASSOCIATES shall be approved by the Board. BREARD and BREARD AND ASSOCIATES shall submit engagement quality review reports to the Board within thirty (30) days of the issuance of each report.
7. BREARD and BREARD AND ASSOCIATES agree to pay a civil penalty of \$5,000.00 and pay the Board’s investigative and attorney’s fees and costs of \$2868.50 associated with this Consent Order. Prior to the expiration of the probationary period, BREARD and BREARD AND ASSOCIATES may pay in full and at any time the civil penalty and investigative costs totaling \$7,868.50, or in 48 monthly installment payments of \$163.92 each due on the 15th day of each month. With prior approval of the Board’s Executive Director, BREARD and BREARD AND ASSOCIATES may as an alternative to monthly payments, pay in advance \$655.71 (constituting a quarterly payment), or \$1,311.42 (constituting a semi-annual payment).
8. BREARD and BREARD AND ASSOCIATES may petition the Board to remove their respective Certificate and registration from the probation restrictions and conditions in this Consent Order once the outstanding civil penalty and fees and costs are paid in full, the CPE required has been completed to the satisfaction of the Board, and a completed peer review report as issued by the AICPA without comments has been submitted. The decision whether to remove the probation restrictions and conditions shall be within the sole discretion of the Board.

Agenda Item 8B (Cont.)

9. BREARD and BREARD AND ASSOCIATES’ failure to comply with any of the terms and conditions of these Stipulated Findings of Fact, Conclusions of Law,

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Disciplinary and Consent Order shall result in the immediate revocation of KEVIN G. BREARD's CPA Certificate Number CPA-4411R and BREARD AND ASSOCIATES, INC. CPAS registration CORP-0526 without any further action or proceeding before the Board.

10. This Decision will be published in accordance with NAC 628.450.

C. Board request to Rescind prior Revocation for the following:

(For Possible Action)

1. Mark A. Murphy
2. Danelle Poon

Motion was made, seconded and carried to approve the request to Rescind the prior Revocation action of Mark A. Murphy subject to receipt of all outstanding requested items.

Motion was made, seconded and carried to approve the request to Rescind the prior Revocation action of Danelle Poon subject to receipt of all outstanding requested items.

D. Hearing Officer Recommendations to close complaint matters based on scheduled hearings March 5, 2019 against the following individuals *(For Possible Action)*:

1. Alfonso Nunez – Closure based on compliance
2. Yeji Mun – Closure based on compliance

Motion was made, seconded and carried to approve the recommendations of Hearing Officer and close the above noted complaint matters based on compliance. Hearing Officer Brian Wallace abstained from the vote.

Note: Board Member Candace Johnson abstained from voting on grievance matters.

Agenda Item 9: Report of Legal Counsel *(For Possible Action)*

Legal Counsel Karen Peterson gave an update on the 2019 Legislative session and specifically discussed SB 323 and AB 319 with the Board.

Agenda Item 10: Report of Executive Director *(For Possible Action)*:

A. Nevada State Required Reporting (Informational Only)

Executive Director provided information to the Board that indicates all of the areas that the Board is required to report to the State of Nevada. The report shows the ongoing monitoring and compliance of these requirements.

B. NASBA Regional Directors Focus Questions

The Board reviewed the NASBA Regional Directors Focus Questions and provided the appropriate responses for reporting to NASBA.

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Agenda Item 10 (Cont.)

- C. AICPA Peer Review Board Request for Feedback to Chapter 3 Amendments – Board Response (Informational Only)

Executive Director provided the Board with the draft Peer Review Handbook Chapter 3 amendments along with the written response from the Board.

- D. Board Public Records Policy

Executive Director indicated that the Board is required to have a Public Records Policy along with detailed information on the Board's website regarding public records request. The Board was provided with a draft policy and form for review. The Board discussed the proposed policy. Motion was made, seconded and carried to approve the proposed policy and form with suggested modifications.

- E. Firm Mobility Draft Language and Update

Executive Director provided the Board with the draft firm mobility language that was submitted to the Society. The Board was also provided an update as to the status of the Bill's filing.

- F. NASBA State Board Report – Presidents Memo

Executive Director provided the Board with a copy of the NASBA State Board Report – Presidents Memo. The Board was also updated with the latest anti-regulatory movement across the states with new legislation.

- G. Request to Change July Board Meeting Date

Executive Director requested the Board to amend their July Board Meeting date due to a conflict with the schedule. Motion was made, seconded and carried to move the July meeting to July 2, 2019.

Agenda Item 11: Request for waiver of late filing fee for Nirmal Kantebet
(For Possible Action)

Motion was made, seconded and carried to deny the request of Nirmal Kantebet for waiver of the late filing fees. The denial was based on lack of cause to evidence hardship consideration.

Agenda Item 12: Request for extension of expired dates for the CPA Examination for the following: (For Possible Action)

- A. Stacie Ray
- B. Johnny Campbell

Motion was made, seconded and carried to deny the requests for extension of the expired dates for the CPA Examination for the above noted individuals.

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Agenda Item 13: Approval of Application for Certified Public Accountant
(For Possible Action)

A. Lynne Mahaffey

Motion was made, seconded and carried to approve the application for Certified Public Accountant for Lynne Mahaffey based on the information provided.

Agenda Item 14: Board discussion and possible action on initiating criminal action pursuant to NRS 628.580 and/or initiating civil action seeking injunctive relief pursuant to NRS 628.570 against Richard Prinzi and associated firms and Pete Magee and associated firms. (For Possible Action)

The Board discussed the above matters. In the Richard Prinzi matter, a motion was made to approve the authorization to file civil action or refer to the district attorney's office if Mr. Prinzi does not comply with the 30-day extension.

Motion was made to defer the Peter Magee matter until further information is obtained from the California Board of Accountancy.

Board member Candance Johnson abstained from the votes.

Agenda Item 15: President's Report (For Possible Action)

No information was provided under this agenda item.

Agenda Item 16: Next Board Meeting: May 15, 2019 Las Vegas

C. **Public Comment Section:** In accordance with NRS 241.020 Public Comment will be taken prior to the adjournment of the meeting.
Note: No one was present for this section of the public comment agenda item.

D. Adjournment