

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

March 24, 2006

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President Sharon McNair, on Friday, March 24, 2006 at First Independent Bank, 5335 Kietzke Lane, 2<sup>nd</sup> Floor, Reno, Nevada.

Board Members Present:

Sharon J. McNair, President

Kathy L. Zeller, Secretary/Treasurer

Charles A. Morrison    Raja Mourey            Harry O. Parsons            Patrick M. Thorne

Board Members Absent:

Bonnie M. Houldsworth

Board Staff Present:

Todd Russell, Counsel

Viki A. Windfeldt, Executive Director

Leslie C. Walsh, Board Coordinator

◆ ◆ ◆ ◆ 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 January 18, 2006 Board Meeting Minutes

\*2.    Approval of Applications for Certified Public Accountant – Non Appearance

John Baer	Eric Bashaw	Brad Berls	David Christiansen
Ralph Hardwick	Bo Hughes	Lee Imlay	Lynda Jensen
Jeff Jones	Michiaki Koyama	Jason Lewis	Mark Lumer
Scott Magnuson	Georgiana Marinoff	Michael McDonald	Jennifer Mosher
Kelly Neiger	Thomas Norris	Bruce Nuttall	Mukti Patel
Chris Pritchard	John Prenzno	Daniel Rushin	April Sampson
Thomas Tittle	Publio Velasco	Christopher Viton	Thomas Walker
Barry Wilson	Heather Zundel	Kelly Bourdeau	Lori Curry
Karl Ruzica	Daniel Carter	Michael Cinnamon	

\*3.    Approval of Temporary Licensing Permits – Non Appearance

Charles Benn	Duane Metcalf	Darren Epperson	Paul German
E. Montgomery	John Sizer	Dennis Sarna	Sherry Radmore
E. Cleveland	Scott Donaldson	Thomas Kearns	Francisco Rosillo
David Doran	David Doyle	Elisa Potikian	Frank Espina
Patrick Hall	Sheldon Berman	Petrus Theron	Richard Rathman
Mark Eitelgeorge	Kimberly Nunley	Thomas Walker	Kevin Dueck
Mark Hayes	James Oveson	Donald Mikeska	

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- \*4. Request for Change of CPA Status
  - Retired Status  
Dorothy Fenner      Gertrude Mattson      Donald McGhie      Bernard Philbin
  - Inactive Status  
Sharon Buckner      Linda Herman      Elena Vandover
  - Reinstatement to Active Status:  
Jeffrey Cox      Rex Miller
- \*5. Approval of Finances
  - A. Review of income & expense
  - B. Bills paid since last board meeting
- \*6. Approval of Practice Enhancement Coordinator contract: John Rhodes  
This item was moved to the regular agenda.
- \*7. Approval of Fictitious Name:  
Professional Accounting Services  
MCC Accounting & Tax Services
- \*8. Approval of Board Member and staff attendance at the NASBA Regional Conference, May 31 – June 2, 2006, San Francisco CA.

The consent agenda information and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve the minutes of the January 18, 2006 Board meeting, applications for CPA Certification, temporary licensing permits, CPA status change, Board finances, Fictitious name use and attendance at NASBA's regional conference.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 6:

Motion was made seconded and carried to approve the Practice Enhancement Coordinator Contract for John Rhodes. The board approved a salary increase to \$80/hr.

Agenda Item 7:

The board denied the application of fictitious name for Speidel Chapman. The denial was based on the board's determination that it was misleading to the public by implying there is more than one owner/licensee. Board member Charles Morrison abstained from the vote.

Agenda Item 9:      Grievance Report and Grievance Matters.

Note: Pursuant to NRS 241.030 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 the board.

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### Agenda Item 9 (Cont.)

Motion made, seconded and carried to go into closed session to discuss grievance matters.

Upon resumption of the open session, motion was made, seconded and carried to close complaint matter N-05-2, Russell Charlebois based on the voluntary surrender of the CPA Certificate in lieu of disciplinary action. Board member Harry Parsons abstained from the vote.

Motion was made, seconded and carried in complaint matter N-05-1/N-05-3, Jack Marcarelli to approve the stipulated agreement with the following provisions: (1) Mr. Marcarelli must complete two continuing education courses in the area of client communication and relationships; (2) Mr. Marcarelli's previous payment of \$1,000 attorney's fees in connection with the July 15, 2005 hearing shall be retained by the Board and (3) Mr. Marcarelli's previous payment of a \$1,500 fine shall be refunded to Mr. Marcarelli.

Motion was made, seconded and carried to file formal complaint against Bruce Hendrix in connection with complaint matter N-05-14, based on his failure to respond.

Motion was made, seconded and carried to close complaint matter N-05-15, based on lack of cause to proceed.

Motion was made, seconded and carried to close complaint matter S-06-1, based on lack of cause to proceed.

Motion was made, seconded and carried to close the following non-licensee grievance matters based on the following:

SS-05-12	Jeff Martinez - compliance
SS-06-1	KC Tax Consulting - compliance
SS-06-3	Clayton Bromberg – compliance
Ss-05-14	Deen Business Service – unable to locate

### Agenda Item 9B:

The Board directed staff to separate the PCAOB Summary Report from the grievance section on future agendas.

The Board discussed a variety of PCAOB Issues specifically relating to the Inspection Reports that have been provided to the Board in accordance with the acknowledgement and agreement between the Board and the PCAOB.

Todd Russell summarized the PCAOB issues that were raised at the NASBA Executive Director Conference. Michael Stephenson of the PCAOB stated that the PCAOB views the inspection process as educational not enforcement. Therefore Board's will not be provided any additional information that supports the findings contained with the

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inspection reports. Based on the PCAOB's position, the Board directed Mr. Russell to write a letter to the PCAOB stating the Board's position. While the Board

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Agenda Item 9B (Cont):

acknowledges receipt of the reports, the state has no authority over the matter contained within the reports nor will it pursue any disciplinary action until further information is received to substantiate the substandard findings.

The Board discussed their prior direction to send letters to the firms that have been selected by the PCAOB. The Board directed staff to send an initial letter to the firm indicating the Board has received the report and will monitor the firm's compliance within the 12 month period.

Agenda Item 9C: Review of licensee background check

Motion was made, seconded and carried to allow James McCrossan to maintain his CPA license, based on information supplied in explanation of his background check.

Agenda Item 10: Report of Counsel

Todd Russell provided the Board with a summary of the items covered at the NASBA Legal Conference in February. Mr. Russell discussed the topic of the PCAOB inspection reports as well as the California practice privilege issue.

Agenda Item 11: Report of Executive Director

A. NASBA Regional Director Focus Questions

Executive Director requested Board member input to the NASBA Regional Director Focus Questions.

B. Summary of Executive Director Conference

Executive Director summarized the Executive Director Conference that included the position of the PCAOB that the inspection report process is viewed as educational not disciplinary. Executive Director provided the Board with information pertaining to the Preliminary Licensee Monitoring Report that is utilized by the North Carolina Board, the AICPA update and scoring process, the California practice privilege, and various enforcement topics that were discussed.

C. New Wall Certificate Proposal

Executive Director discussed the current Wall Certificate process and indicated that NASBA was now providing assistance to Boards with the wall certificate development and administrative processes. The Board discussed the proposal and determined that no change would be needed to the current process at this time.

Agenda Item 12: Request waiver of the CPE penalty based on personal hardship:

Joyce Lee	Raymi Vontz	Ronald Schain	Randy Venturacci
Vanessa Davis	Marie Shea	Francine Tegzes	

Motion was made, seconded and carried to deny waiver of the CPE penalty for Joyce Lee based on lack of reasonable cause.

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Agenda Item 12 (Cont.)

Motion was made, seconded and carried to deny waiver of the CPE penalty for Raymi Vontz based on lack of reasonable cause.

Motion was made, seconded and carried to approve waiver of the CPE penalty for Ronald Schain. The approval was based on evidence provided indicating reasonable cause. Board members Kathy Zeller and Charles Morrison opposed the vote.

Motion was made, seconded and carried to approve waiver of the CPE penalty for Randy Ventruacci. The approval was based on evidence provided indicating reasonable cause. Board member Harry Parsons abstained from the vote.

Motion was made, seconded and carried to approve waiver of the CPE penalty for Vanessa Davis. The approval was based on evidence provided indicating reasonable cause.

Motion was made, seconded and carried to deny waiver of the CPE penalty for Marie Shea based on lack of reasonable cause.

Motion was made, seconded and carried to deny waiver of CPE penalty for Francine Tegzes based on lack of reasonable cause.

Agenda Item 13: Board Determination of Internal Audit requirements as provided in NAC 628.062 – 628.063

A. Board Approval of IRS Quality Review for year ended June 30, 2005. Kathy Zeller attended the exit conference for the IRS Quality Review. Based on the information provided, motion was made, seconded and carried to approve the Quality Review report as required in NAC 628.062 – 628.063.

B. Board Request determination of application of requirements for Washoe Health Systems Internal Audit  
Executive Director summarized the request of Washoe Health System and the issue of the director not being a CPA. The Board discussed the issue and determined that the director must be a CPA as outlined within NAC chapter 628. However the matter can be discussed upon further information provided by Washoe Health Systems.

Agenda Item 14: Request Board Determination of CPA Application:

A. James Volpe  
Executive Director summarized the issue concerning Mr. Volpe's request for CPA consideration. Mr. Volpe is licensed in Ohio and was grandfathered in from his status as a PA. Mr. Volpe has not completed the CPA Examination; however is requesting licensure in Nevada based on his Ohio licensure. The Board reviewed the information provided and motion was made, seconded and carried to deny Mr. Volpe's request based on his not meeting the licensure requirements in Nevada.

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Agenda Item 14 (Cont.)

B. Stephen Veroff

Leslie Walsh summarized Mr. Veroff's application. Board determination is requested based on the background check findings. The Board reviewed the information and motion was made, seconded and carried to approve the CPA Application of Stephen Veroff.

Agenda Item 15: Request Approval of Formal Complaint for Non-Payment of 2006 License Renewal Fee and Non-Compliance of 2005 CPE Requirement:

Motion was made, seconded and carried to file formal complaints against the following individuals for failure to pay 2006 license renewal fees and comply with the 2005 CPE requirements. Board Member Charles Morrison was appointed as hearing officer and abstained from the vote.

Barmak Azadi,	Mark A. Bagaason	Susan A. Baughman	John D. Chartier
Pierce T. Clifton	Aaron L. Ezgar	Anthony J. Foster	Kevin A. Healy
Joseph L. Leauanae	Robert R. Martindale	Warren J. Michaels	Robert E. Mohler
Nicholas G. Schiller	Kathy A. Seneff	Robert L. Sims	Carol L. Tabrizi
Mark T. Thomas	Darren E. VanDover	Kelly M. Vickers	Courtney E.
Wenleder			
James T. Young			

The Board discussed the late filing penalty and directed staff to draft a policy that would assess a \$300 penalty for licensees that are brought before the Board for formal complaint and a \$500 penalty for licensees that have the formal complaint filed by legal counsel.

Agenda Item 16: Board Approval of extension of CPA Examination Conditioning Credit:

A. Matt Bartholomew

The Board reviewed the request of Matt Bartholomew for extension of time in connection with the expiration of his conditioning credit with the CPA Examination. The Board reviewed the information provided and motion was made, seconded and carried to approve the request of Matt Bartholomew to have an additional testing window to maintain his conditional credit. The approval was based on evidence of family medical hardship.

Agenda Item 17: Request Board Approval for use of term Accounting in business name:

Qualification of Patient Accounting Service Center LLC

Executive Director summarized the request of Cynthia Hageman to use the term "accounting" within the business name of Qualification of Patient Accounting Service Center LLC. Ms. Hageman indicates in a letter of request to the Board that the business is used strictly for collection and miscellaneous services and not that of any financial functions. The Board reviewed the information provided and motion was

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made, seconded and carried to deny the request for use of Accounting within the business name.

Agenda Item 18: Report of President

President Sharon McNair provided information and discussed alternative locations for the Las Vegas Board meetings.

Agenda Item 19: Public Comment 1:00 PM

No items were discussed under the Public Comment item.

Agenda Item 20: Next Board Meeting: May 17, 2006 Las Vegas