

NEVADA STATE BOARD OF ACCOUNTANCY  
Minutes  
May 15, 2014

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President, Lisa Milke, on Thursday, May 15, 2014 at Deloitte & Touche Offices, 3883 Howard Hughes Pkwy, Suite 400, Las Vegas, Nevada.

Board Members Present:

Lisa L. Milke, President	Benjamin C. Steele, Secretary/Treasurer
Robert C. Anderson	Nicola Neilon
Harry O. Parsons	L. Ralph Piercy

Board Members Absent: Colleen Bacchus

Board Staff Present:

Karen Peterson, Legal Counsel  
Louis Ling, Legal Counsel  
Viki A. Windfeldt, Executive Director  
Leslie C. Walsh, Board Coordinator

- 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.  
*Note: No one was present for this section of the public comment agenda item*

◆ ◆ ◆ ◆ 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 March 19, 2014 Board Meeting Minutes (*For Possible Action*):
- \*2. Approval of Applications for Certified Public Accountant – Non Appearance (*For Possible Action*):
- |                 |                |                |                |
|-----------------|----------------|----------------|----------------|
| Anne Alipon     | Michelle Baird | Junghee Byun   | Oliver Fischer |
| Verenice Flores | Jeffrey Fritz  | John Grovom    | Michael Healey |
| Ryan Keating    | John Kwiker    | Merlinda Potts | William Powers |
| Jonas Stoltzfus | Paul Weinberg  |                |                |

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- \*3. Approval of Change to License Status (*For Possible Action*):  
Inactive Status: Trena Bristol  
Return Active Status: Ronald Kim Tracy Winiarczyk
- \*4. Approval of Finances (*For Possible Action*):
  - A. Treasurer's Report (March/April 2014)
  - B. Amended FY 2013/2014 Budget
- \*5. Approval of Fictitious Name Use (*For Possible Action*):
  - A. in-Balance LLC
- \*6. Approval of Board Member & staff attendance at the NASBA Regional Meeting, June 10 – 13, 2014. (*For Possible Action*):
- \*7. No Item Scheduled

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve consent agenda items.

◆ ◆ ◆ ◆ 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

Motion was 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 S-14-4 based on recommendation of investigator and compliance.

Motion was made, seconded and carried to close complaint matter N-14-1 and N-14-2 based on investigator report and recommendation.

Motion was made, seconded and carried to issue formal complaint in complaint matter R-14-3 based on failure to comply with the peer review requirements.

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

SS-14-1 Bruce Hendrix based on District Attorney Referral  
NN-14-2 Pamela Jensen based on compliance

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Agenda Item 8 Con't:

- B. Board Disciplinary Hearing: Alan Houldsworth, CPA **10:00 AM**  
(For Possible Action)

Alan Houldsworth, CPA came forward for the disciplinary hearing as scheduled. Motion was made, seconded and carried to approve the following provisions in the complaint matter R-14-1, concerning Alan Houldsworth:

- (1) 3 Year Probation;
- (2) Houldsworth & Company 3 years' probation;
- (3) Complete enrollment in the Peer Review program with the Nevada Society of CPAs;
- (4) Peer Review to be completed July 31, 2014 and obtain an accelerated Peer Review within two years from the date of the decision.
- (5) Provide monthly reports to the Board listing names of clients for whom attest services are engaged or performed;
- (6) Obtain a pre-issuance review for any attest engagements until the Peer Review is complete and accepted by the Society
- (7) Pay a civil penalty of \$1,000 within 30 days of the decision;
- (8) Pay attorney's fees and costs of \$2087.80 within 30 days of the decision;
- (9) Respond timely to the Society and Board in all future related matters during the probation period;
- (10) Failure to comply with the provisions will result in automatic revocation of license;
- (11) Decision will be published in accordance with NAC 628.450.

- C. Board Review and Approval of Stipulated Findings of Fact, Conclusions of Law, and Disciplinary Order and Decision: Kafoury, Armstrong, Ferguson and Gardner a professional corporation, doing business as Kafoury Armstrong & Co., a Nevada corporation of Certified Public Accountants.  
(For Possible Action in open session): **11:00 AM**

Motion was made, seconded and carried to approve the following Stipulated agreement provisions in the above noted matter:

- (1) Firm is placed on probation for a two year period.
- (2) Firm shall receive a letter of reprimand from the Board;
- (3) Within 30 days of the decision, Board counsel shall be provided with a draft of Firm's conflict of interest letter for use in future client engagements. The Board's counsel will provide comments to Firm.
- (4) During the probation period, Firm shall submit to the Board within 30 days of completion of each quarter, a written verified (under oath) quarterly report listing Firm's clients that are provided multiple services. Firm shall provide copies of the conflict disclosure and consent signed by those clients during that quarter.
- (5) Pay a fine of \$25,000 within 30 days of the decision.
- (6) Pay Board's costs and fees incurred in this matter in an amount not to exceed \$70,000 within 30 days of the decision.

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Agenda Item 8C Con't:

- (7) There shall be no other complaints about future transactions involving the same or similar conduct as the complaints relating to Kafoury's activities with Lakeside filed with the Board against the firm, which are substantiated in a due process hearing, during the 2 year probationary period. Failure to comply with this provision shall result in automatic revocation of the firm's registration.
- (8) The Decision will be published in accordance with NAC 628.450.

Harry Parsons as Liaison abstained from the vote

Agenda Item 9: Report of Legal Counsel (*Discussion Only*):

No items were discussed under this agenda item.

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

A. Introduction of Counsel Louis Ling, Esq.  
Executive Director introduced new staff counsel Louis Ling, Esq. Mr. Ling was hired to advise the Board during disciplinary matters where counsel is acting as prosecutor for the Board. In addition, Mr. Ling will be assisting staff with various projects as directed.

B. Board determination of experience information  
Executive Director provided the Board with information regarding experience within the US Army. Board direction was provided regarding information submitted prior to the completion of the 4 years. Board determination is that the applicant is responsible for tracking experience and obtaining the appropriate signatures signing off and attesting to the experience once completed.

C. Board review of committee interpretation of Code of Conduct  
Rule 501 – Client Retention of Records  
Executive Director advised the Board of previous direction to establish a committee of Board Members to review and interpret the Rules of Professional Conduct Rule 501 Client Retention of Records. Information was submitted to the Board for their review and will be revisited at the Board's next meeting.

Agenda Item 11: Recommendation of Hearing Officer based on the hearings held for Non-Payment of 2014 License Renewal Fee and Non-Compliance of the 2013 CPE Requirement: (*For Possible Approval*):

Kristine Bruce            Gabrielle Houston            Jonathan Mears            Nikki Reed-Ziehr  
Norman Richardson    James Snodgrass

Motion was made, seconded and carried to approve the recommendation of the Hearing Officer and revoke the above listed individuals for failure to comply with the 2014 license renewal and 2013 continuing education requirements. Hearing Officer Lisa Milke abstained from the vote.

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Agenda Item 11 Con't:

Recommendation to dismiss the following complaint matters  
(*For Possible Approval*):

Kimberly Dornberger based on compliance  
Linda Elias based on Voluntary Surrender Status

Motion was made, seconded and carried to dismiss the complaint matters above.

Agenda Item 12: Board Determination of Request for CPA Examination Extension of Credit (*For Possible Action*): Catherine Wing Ching Wong

Motion was made seconded and carried to deny the request of Catherine Wing Ching Wong for extension of examination credit. The denial was based on the length of time since the completion of the first examination credit.

Agenda Item 13: Board Ratification and Approval of Employment Contracts for the following (*For Possible Action*):

- A. Glenn Bougie, CPA – Board Investigator
- B. Louis Ling, Esq., – Board Counsel
- C. David Morgan, CPA – Board Investigator
- D. Jay Schmitt – Board Staff
- E. Patrick Thorne, CPA – Board Investigator

Motion was made, seconded and carried to approve the above noted employment contracts.

Agenda Item 14: Board Staff Personnel Performance Review (*For Possible Action*)

Motion was made, seconded and carried to go into closed session to conduct the personnel session of Board staff.

Upon resumption of the open session the Board reviewed the information provided by Board Secretary Treasurer Ben Steele in connection with the review process of Board staff. Board staff was provided with a review and evaluation. Motion was made, seconded and carried to approve the recommended salary structure.

Agenda Item 15: Election of Board Officers (*For Possible Action*)

Election of Officers for the Nevada State Board of Accountancy was held. Nominations were opened for President. Benjamin Steele was nominated. There being no other nominations, a motion was made, seconded and carried that the nominations be closed. Benjamin Steele will be elected by acclamation. The record reflects Benjamin Steele as President of the Board for a one-year term effective July 1, 2014 – June 30, 2015.

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Agenda Item 15 Con't:

Nominations were opened for Secretary/Treasurer. Robert Anderson was nominated. There being no other nominations, a motion was made, seconded and carried that the nominations be closed. Robert Anderson will be elected by acclamation. The record reflects Robert Anderson as Secretary/Treasurer of the Board for a one-year term effective July 1, 2014 – June 30, 2015.

Agenda Item 16: President's Report (*For Possible Action*):

No items were discussed under this agenda item.

Agenda Item 17: Next Board Meeting: July 23, 2014 Reno, Nevada

- 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