

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

May 18, 2007

An open meeting of the Nevada State Board of Accountancy was called to order at 8:30 A.M. by President, Kathy Zeller, on Friday, May 18, 2007 at 3990 S. Maryland Parkway, Las Vegas, Nevada.

Board Members Present:

Kathy L. Zeller, President
Bonnie M. Houldsworth
Patrick M. Thorne

Charles A. Morrison, Secretary/Treasurer
Sharon J. McNair Harry O. Parsons
Karen Wilkes

Board Staff Present:

Karen Peterson, 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 April 20, 2007 Board Meeting Minutes
- *2. Approval of Applications for Certified Public Accountant – Non Appearance
Salvatore Aiello James Dudzinski Lindsay Mastrodonato
Kathleen Schwartz Platz Kunnie Sugiyama Michael Traiger
Edwin Branson Christopher Flanagan Jared Huish
Sean McKay Stephen Petrangelo James Roberts
Kathryn Senfield Misty Shore Christopher Wilt
- *3. Approval of Temporary Licensing Permits – Non Appearance
David Duree Terrance Dillon Hershel Payne
Charles Wright
- *4. No items scheduled under this agenda item
- *5. Approval of Finances
- *6. Approval of Fictitious Name: Capital Accountants Inc.
- *7. No items scheduled under this agenda item

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve consent items 1- 5, with the removal items 4, 6 and 7.

May 18, 2007 Board Meeting Minutes

Agenda Item 6: Application for Fictitious Name Use: Capital Accountants Inc.

Motion was made, seconded and carried to deny the Application for Fictitious Name Use by Capital Accountants Inc. The Board determined that the term "Accountants" was misleading because it referred to more than one licensed CPA.

◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆

Agenda Item 8: Grievance Report and Grievance Matters.

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 the board.
Review of Grievance Report

Agenda Item 8A: Recess into closed session for a Full Board Disciplinary Hearing against the following individuals:

- A. Mark Vetter – This item has been continued.
- B. John Glen Sanford

Agenda Item 8B: Reconvene into Open Session for Board Determination of the matters concerning the above named individual

- B. John Glen Sanford **10:30 AM**

Motion was made, seconded and carried to close the formal complaint matter S-07-3, John Glen Sanford. The Board determined that Mr. Sanford failed to obtain an annual permit to practice public accounting since 1999. Mr. Sanford's certificate CPA-0189R shall be reinstated to active status provided Mr. Sanford complies with the following hearing decision provisions: (1) payment of \$1,850 within 30 days of the decision, representing past renewal fees and late filing penalties for each year a permit was not obtained; (2) payment of \$2,400 fine for failure to obtain an annual permit since 1999; (3) payment of \$ 1,775.50 for attorney's fees and costs incurred with this matter within 30 days of the decision; (4) provide evidence of compliance with the continuing education requirements for 1999 through 2006; (5) the decision of the Board will be published in accordance with NAC 628.450. Board Member Patrick Thorne abstained from the vote.

Agenda Item 9: PCAOB Report Summary

Note: Pursuant to NRS 241.030 the Board may convene into closed session to consider the content, character, and alleged misconduct as provided within the reports as provided by the PCAOB.

- A. Summary Report

May 18, 2007 Board Meeting Minutes

Kathy Zeller provided the Board with a summary of the inspection report received from the PCAOB.

Agenda Item 10: Report of Counsel

Legal Counsel, Karen Peterson advised the Board of legislative activity. Specifically SB 362 proposed language that would allow the Commission on Common-Interest Communities to waive the qualifications necessary for a person to audit or review an association. The Bill died in committee.

Agenda Item 11: Report of Executive Director

A. Copy/Paste Examination Issue – New Update

Executive Director provided the Board with updated information from NASBA and the Board of Examiners concerning the CPA Examination and the copy/paste issue. Motion was made, seconded and carried to request NASBA and the AICPA to provide the Board with re-score information for those candidates affected by the copy/paste issue during the 2nd, 3rd and 4th quarters of 2006.

B. Board Member Appointments

Executive Director provided the Board with information concerning the appointment of Board Members. The Board discussed the upcoming Board member vacancies. Board member Patrick Thorne recommended that one of the open positions be filled by individuals who have audit and SEC experience. In addition, Board staff was directed to provide the Nevada Society of CPAs with a written statement of Board member responsibilities and time commitment to be provided to all interested candidates. In addition staff was directed to send an email blast to all licensees notifying them of the open positions on the Board.

C. Discussion of Individual Review Procedures

Executive Director provided the Board with information on the individual review process. Discussion was held regarding the individual review process and the requirement of a CPA Supervisor. After review of statute and administrative code, it was determined that a candidate for CPA licensure that requests an individual review is not required to have a CPA supervisor. Board staff was directed to provide the Board with the individual review information as well as the current experience form for further review.

Agenda Item 12: Board Approval and Discussion of Board Finance Policy

The Board reviewed the amended Board Finance Policy. Motion was made, seconded and carried to approve the Board Finance Policy as amended.

Agenda Item 13: Board request approval of waiver of CPE penalties associated with obtaining hours outside the required year based on personal hardship: Pierce Clifton

May 18, 2007 Board Meeting Minutes

The Board reviewed the information provided by Pierce Clifton requesting waiver of the CPE penalties. Motion was made, seconded and carried to deny the request of Mr. Clifton based on lack of reasonable cause.

May 18, 2007 Board Meeting Minutes

Agenda Item 14: Recommendation of Hearing Officer for revocation of the CPA Certificates for the following individual due to non-payment of the 2007 licensure fees and non-compliance with the CPE Requirements: Louis Musso

Motion was made, seconded and carried to revoke the CPA certificate of Louis Musso based on non-payment of the 2007 licensure fees and non-compliance with the CPE Requirements. Hearing Officer Charles Morrison abstained from the vote.

Request Dismissal of Formal Complaint based on compliance and payment of all fees due for the following individuals:

Katherine Allanson James Melby Carlos Soler
Richard Jackson

Motion was made, seconded and carried to dismiss the formal complaints on the above-named individuals based on compliance and payment of all fees due, including \$150 attorney's fees. Hearing Officer Charles Morrison abstained from the vote.

Motion was made, seconded and carried to dismiss the formal complaint against James Nicholson based on compliance and payment of the licensure and late fees. In addition the Board denied the request for waiver of attorney's fees based on lack of cause. Hearing Officer Charles Morrison abstained from the vote.

Agenda Item 15: Review of Personnel Performance and Salary Issues for Board staff:

The Board reviewed the information provided by Kathy Zeller and Charles Morrison in connection with the review process of Board staff. Motion was made, seconded and carried to approve the following pay increases for the fiscal year beginning July 1, 2007.

Executive Director, Viki Windfeldt	\$4,000
Board Coordinator, Leslie Walsh	\$4,000

Agenda Item 16: Election of Board Officers

Election of Officers for the Nevada State Board of Accountancy was held. Nominations were opened for President. Charles Morrison was nominated. There being no other nominations, a motion was made, seconded and carried that the nominations be closed. The record reflects Charles Morrison as President of the Board for a one-year term effective July 1, 2007 – June 30, 2008.

Nominations were opened for Secretary/Treasurer. Patrick Thorne was nominated. There being no other nominations, a motion was made, seconded and carried that the nominations be closed. The record reflects Patrick Thorne as Secretary/Treasurer of the Board for a one-year term effective July 1, 2007 – June 30, 2008.

May 18, 2007 Board Meeting Minutes

Agenda Item 17: Application for CPA Certification – Board Determination - Appearance

A. James B. Haynes **11:00 AM**

Mr. Haynes came before the Board to discuss his application for certification. The Board reviewed the information provided and asked a variety of questions of Mr. Haynes regarding the circumstances surrounding the revocation of his California CPA License. Motion was made, seconded and carried to go into closed session to discuss the matter.

Upon resumption of the open session, motion was made, seconded and carried to deny the application of James Haynes based on non-compliance with NRS 628.190 (b) where the applicant is a person who is without any history of acts involving dishonesty or moral turpitude.

Agenda Item 18: Report of President

President Kathy Zeller discussed the minutes from the NASBA Board meeting. She announced that nominations were being accepted for positions on the nominating committee, and expressed an interest in being nominated for this position for the Mountain Region.

Agenda Item 19: Public Comment **11:30 AM**

No items were discussed under this agenda item.

Agenda Item 20: Next Board Meeting: July 13, 2007 Reno