

NEVADA STATE BOARD OF ACCOUNTANCY
Minutes
July 13, 2011

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President, Harry O. Parsons, on Wednesday, July 13, 2011 at First Independent Bank, 5335 Kietzke Lane, 2nd Floor, Reno, Nevada

Board Members Present:

Harry O. Parsons, President	Lisa L. Milke, Secretary/Treasurer
Colleen M. Bacchus	Lynda Hartzell
Felicia R. O'Carroll	Benjamin C. Steele

Board Members Absent:

Glenn D. Bougie

Board Staff Present:

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

◆ ◆ ◆ ◆ PUBLIC COMMENT SECTION ◆ ◆ ◆ ◆

In accordance with NRS 241.020 Public Comment will be taken prior to the beginning of the meeting.

Note: Ben Johnson from Woodburn Wedge was present to listen to portions of the Board Meeting, however no comment(s) were made. No other persons were present for the public comment section of the agenda

◆ ◆ ◆ ◆ 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 May 11, 2011 Board Meeting Minutes *(For Possible Approval)*
- *2. Approval of Applications for Certified Public Accountant – Non Appearance
(For Possible Approval)

Jennifer Branam	Brett Call	Laura Fehr	Amy Fuhrmann
Mathew Hester	Julianne Hug	Ashley Kumar	Devon Lambrix
Lisa Schwabe	Ralph Swany	Thomas Valentino	
- *3. Approval of Change to License Status *(For Possible Approval)*:
 - A. Jody Jameson = Inactive Status
 - B. Melvyn Ilagan = Retired Status

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- *4. Approval of Finances *(For Possible Approval)*:
 - A. Treasurer's Report
- *5. Approval of CPA Examination Scores: April/May 2011 Window
(For Possible Approval)
- *6. Approval of Fictitious Name *(For Possible Approval)*:
 - A. Copper Desert LLC
 - B. FinSourceOne, LLC
- *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 1 – 6. The following Board Members abstained from voting on Approval of Applications for Certified Public Accountant: Colleen Bacchus for Laura Fehr.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

- *8. Grievance Report and Grievance Matters *(For Possible Approval)*

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.

 - 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-11-4 based on lack of cause.

Motion was made, seconded and carried to close complaint matter S-11-5 based on lack of cause.

Motion was made, seconded and carried to close complaint matter S-11-6 as matter is considered to be a fee dispute.

Motion was made, seconded and carried to close complaint matter S-10-23 as matter is considered to be a fee dispute.

Motion was made, seconded and carried to close complaint matter F-11-1 based on the Firm's response and assurances made.

Motion was made, seconded and carried to close complaint matter F-11-2 subject to staff monitoring.

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Agenda Item 8A (Cont.)

Motion was made, seconded and carried to close complaint matter F-08-9 subject to staff monitoring. Board member Colleen Bacchus abstained from the vote.

Motion was made, seconded and carried to close non-licensee grievance matter SS-11-2, Robert Dubin, Answerman Tax Services Inc., based on statement of compliance.

Agenda Item 8B: Board Determination on entering into Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision to resolve Formal Complaint against Michael D. Bayliss, CPA and Bayliss & Associates LLC.

James W. Puzey, Attorney for Michael D. Bayliss and Bayliss & Associates LLC and David J. Morgan, CPA, Board Investigator were present during this section of the agenda.

Karen Peterson presented the proposed Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision to the Board. The Board questioned Ms. Peterson, Mr. Morgan and Mr. Puzey regarding the stipulated disciplinary decision and resolution of complaint matter N-01-1 against Michael D. Bayliss and Bayliss & Associates LLC. After discussion, motion was made, seconded and carried, with Harry Parsons as Liason abstaining, to approve the following:

Michael D. Bayliss, CPA Certificate No. 2120 and Bayliss & Associates, LLC Registration LLC-0134 shall be revoked with the revocation stayed and the licensee/firm placed on probation for a period of 5 years from the date of the approval of the Stipulated Agreement subject to the following provisions:

1. All provisions must be complied with or the Board will revoke the license/registration without any further action.
2. Licensee/Firm shall receive a formal letter of reprimand from the Board.
3. Licensee/Firm agree to repay Kimberly Dale, Trustee of the Edward W. Giambalvo 1988 Trust as follows:
 - (a) \$10,000 per month from October 1, 2011 – March 1, 2012;
 - (b) \$20,000 per month from April 1, 2012 – March 1, 2013;
 - (c) \$50,000 per month from April 1, 2013 and on the first day of each month thereafter until paid in full.*Copies of payments made to Ms. Dale shall be provided to the Board.
4. There shall be no other complaints filed with the Board against the Licensee/Firm which are substantiated in a due process hearing during the 5 year probationary hearing.
5. Licensee shall complete 16 hours of CPE in the areas of conflict of interests and tax practice by December 31, 2011 and documentation of the completed CPE shall be provided with the 2012 renewal. No extensions of time shall be granted unless the failure to complete the required CPE is beyond Licensee's control.
6. Within 30 days of the Board's decision, Board counsel shall be provided with a draft of the Licensee/Firm conflict of interest letter for use in future client engagements.

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Agenda Item 8B (Cont.)

7. During the probationary period, Licensee/Firm shall submit to the Board within 30 days of completion of each quarter, a written reporting listing the clients that have been provided both accounting and financial planning services. In addition, copies of the conflict disclosure and waiver signed by those clients during that quarter shall be submitted to the Board. The report shall be submitted under penalty of perjury.
8. During the probationary period, the Licensee/Firm will report to the Board any notification from the IRS of issues relating to the Licensee/Firms' preparation of tax returns within thirty days of notification by the IRS. The reports shall be submitted under penalty of perjury.
9. Licensee/Firm agree to pay the Board's costs and fees incurred in this matter in the amount of \$26,386 within 90 days of the Board's decision.
10. Licensee/Firm agree to pay a \$10,000 fine by December 31, 2011.
11. The Decision will be published in accordance with NAC 628.450.
12. Upon completion of all the terms and conditions of probation, Licensee/Firm may petition the Board to reinstate their certificate and/or registration without restrictions. The decision whether to reinstate without restrictions shall be within the sole discretion of the Board.

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

A. Legislative Update

Legal Counsel provided a summary of the 2011 Legislative Session. Specifically counsel addressed the bills that passed through the legislature and have an effect on the Board for various reporting requirements.

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

A. NASBA Regional Meeting Follow-Up

Executive Director provided the Board with a brief summary of the NASBA Regional Meeting held in Omaha, NE.

B. Board Solicitation for 100 Year Book

Executive Director provided the Board with information from Donning Company Publishers. The company is interested in publishing a book to celebrate the Board's upcoming 100th anniversary. The Board reviewed the information provided. Board directed staff to respond that there was no interest at this time.

C. Peer Review Program Oversight

Executive Director summarized the Board's Peer Review administrative process for tracking individuals selected to provide information during the 2011 program. Discussion was held regarding the review of the reports that are submitted. The Board directed staff to review the initial reports and have the Board's investigator review reports that staff may have questions on.

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Agenda Item 11: Board Determination of Application for CPA Certification:
(For Possible Approval)

A. Jonathan Geever

Patrick Thorne, Board Investigator came forward to discuss the Certificate of Attest Experience Review for Jonathan Geever. The Board discussed Mr. Thorne's report and findings.

Motion was made, seconded and carried to deny the application for licensure of Jonathan Geever. Board member Lynda Hartzell abstained from the vote.

Agenda Item 12: Board Request to Rescind prior Revocation for the following individuals: (For Possible Approval)

A. Kirk Gibb

Motion was made, seconded and carried to approve the request of Mr. Gibb and Rescind the prior Revocation based on evidence of reasonable cause and payment of attorneys fees and costs.

B. Lori McGowne

Motion was made, seconded and carried to approve the request of Ms. McGowne and Rescind the prior Revocation and deny the request to waive the attorneys fees and costs. Approval is subject to payment of the outstanding fees due.

C. Rhonda Shock

Motion was made, seconded and carried to approve the request of Ms. Shock and Rescind the prior Revocation subject to payment of attorney's fees and cost.

Agenda Item 13: Board Approval of the 2011 CPE Documentation Audit
(For Possible Approval):

The Board reviewed the 2011 CPE Documentation Audit Report. Motion was made, seconded and carried to approve the report as provided based on staff monitoring.

Agenda Item 14: President's Report (For Possible Approval):

No items were discussed under this agenda item

Agenda Item 15: Next Board Meeting: September 21, 2011 Las Vegas

◆ ◆ ◆ ◆ 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 public comment section of the agenda