

NEVADA STATE BOARD OF ACCOUNTANCY
Minutes
July 23, 2014

An open meeting of the Nevada State Board of Accountancy was called to order at 9:30 A.M. by President, Benjamin C. Steele, on Wednesday, July 23, 2014 at First Independent Bank, 5335 Kietzke Lane, 2nd Floor, Reno, Nevada.

Board Members Present:

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

Board Staff Present:

Karen Peterson, Counsel
Louis Ling, 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.

- 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.
- *1. Approval of May 15, 2014 Board Meeting Minutes (*For Possible Action*):
- *2. Approval of Applications for Certified Public Accountant – Non Appearance (*For Possible Action*):
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| Anirudh Bhagat | Cynthia Birney | I. Cherednichenko | Dona Cordial |
| Zachary Deleon | Mohammad Durrani | Joshua Hallett | Courtney Jaeger |
| Jane Mac | Katherine Marck | Erik McCarthy | Christopher McClaran |
| Nicholas Naworski | Justin Obermiller | Ryan Otte | Kevin Patchett |
| Stuart Podel | Corey Ryan | Claire Stratton | Jing Zhou |
- *3. Approval of Change to License Status (*For Possible Action*):
Retired Status: Susan Buckley Dennis Reber
- *4. Approval of Finances (*For Possible Action*):
A. Treasurer’s Report

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- *5. Approval of Fictitious Name Use (*For Possible Action*):
 - A. CPA Sparks
- *6. Approval of CPA Examination Scores – April/May 2014 Window (*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 the consent agenda items. The following Board Member abstained from voting on Approval of Applications for Certified Public Accountant: Colleen Bacchus for Jane Mac, Ryan Otte, Kevin Patchett, Stuart Podel.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

- *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-14-2 based on resolution.

Motion was made, seconded and carried to close complaint matter S-14-6 based lack of cause.

Motion was made, seconded and carried to close complaint matter S-14-7 based on lack of cause.

Motion was made, seconded and carried to close complaint matter S-14-8 based on lack of cause.

Motion was made, seconded and carried to close complaint matter S-14-11 based on lack of cause.

Agenda Item 8 Continued

B. Board Disciplinary Hearing: Yaniv Jerassy Etzion, CPA **10:00 AM**
(For Possible Action)

Yaniv Jerassy Etzion, CPA came forward for the disciplinary hearing as scheduled. Motion was made, seconded and carried to approve the following provisions in complaint matter R-13-5:

- (1) Yaniv Jerassy Etzion CPA-4600R be placed on probation for five years.
- (2) YJE & Company, CORP-0548 be placed on probation for five years.
- (3) Required to (a) obtain pre-release reviews for the two (2) current attest engagements that Etzion has been engaged to complete; and (b) submit engagement quality review reports to the Board for these two (2) attest engagements within thirty (30) days of the issuance of each report.
- (4) Shall not engage in any new attest engagements until
 - (a) Etzion completes forty 40 hours of CPE in auditing and forty 40 hours of CPE in accounting (80 hours total) in addition to normal required CPE and provides documentation to the Board showing completion of the 80 hours of CPE; and
 - (b) Shall hire an independent reviewer for the engagement quality review process who will perform pre-release reviews and submit an engagement quality review report on each attest engagement to the Board within 30 days of issuance of each report for the 5 year probation period.
- (5) Etzion is required: a) to report to the Board within 30 days of the date of the this order how he intends to come into compliance with the Board's registration statutes for any entity or company Etzion intends to use for the CPA practice; and b) to complete compliance with the Board's registration requirements for that entity or company within 90 days of the date of the Board's decision.
- (6) Shall pay a civil penalty of \$5000 within 30 days of decision.
- (7) Shall pay the Board's attorney's fees of \$6587.50 and pay the court reporter fees of \$1,237.75 incurred in this matter within 30 days of the date of the decision.
- (8) Shall timely respond, within 30 days to the Society and to the Board in all future related matters and comply with the Society's Peer Review process during the probation period.
- (9) Failure to comply with these provisions shall result in automatic revocation of the license and firm registration.
- (10) The decision will be published in accordance with NAC 628.450.

Note: Board Member Colleen Bacchus opposed the vote for provision (5).

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Agenda Item 8 Continued:

C. Board Disciplinary Hearing: David Machen, CPA **1:00 PM**
(For Possible Action)

David Machen, 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-14-3:

- (1) David Machen, CPA 1716 be placed on probation for three years.
- (2) Machen & Associates CORP-0463 be placed on probation for three years.
- (3) Shall provide the Board with the Society letter of acceptance of the peer review report dated 7/8/2014 within 30 days of the date of this decision.
- (4) Shall obtain their next Peer Review within the time frame set by the Society
- (5) Shall pay a civil penalty of \$1000 within 30 days of the date of this decision.
- (6) Shall pay the Board's attorney's fees of \$1825 and pay the Board's court reporter fees of \$377.90 incurred in this matter within 30 days of the date of this decision.
- (7) Shall timely respond within 30 days to the Society and the Board in all future related matters during the probation period.
- (8) Failure to comply with any of the terms and conditions of these provisions shall result in the automatic revocation of the license and firm registration.
- (9) The decision will be published in accordance with NAC 628.450.

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

- A. Request Board ratification of procedure authorizing the Board President to take appropriate action and provide direction to Board staff between Board meetings regarding administrative, disciplinary, fiscal, personnel and other matters relating to Board business, the orderly conduct of the Board's affairs and the administration of the Board's duties

Motion was made, seconded and carried to place this agenda item on the first agenda each time a new President takes office to provide them with the authority as noted above.

Motion was made, seconded and carried to approve and ratify the procedure authorizing Board President Benjamin Steele to take appropriate action regarding matters relating to Board business between Board meetings.

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

A. NASBA Regional Director Conference Follow Up
The Board discussed the recent NASBA Regional Meeting and the topics that were discussed.

B. Update: AICPA Peer Review DOL Issue
Executive Director provided the Board with an update regarding the AICPA Peer Review DOL Issue.

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Agenda Item 10 Continued

C. Discussion of Costs associated with ADA candidate examination fees
Executive Director provided the Board with information regarding the costs associated with ADA candidates. The process was discussed which includes the Board currently absorbing all costs associated with additional needs of an ADA candidate. Information obtained indicates that some costs might be considerably more depending on the level of service needed. The Board will continue to absorb all costs associated with ADA candidate examination fees however being sensitive to those requesting the multi-day examination.

D. 2015 Legislative Session

This item was deferred until the September 2014 Board meeting.

E. Discussion of Rule 501 Code of Professional Conduct

This item was deferred until the September 2014 Board meeting.

Agenda Item 11: Discussion and Deliberation of Proposed Investigative and Disciplinary Procedures *(For Possible Action)*

This item was deferred until the September 2014 Board meeting.

Agenda Item 12: Board request to rescind prior revocation decision
(For Possible Action): A. Gabrielle Houston

Motion was made, seconded and carried to approve the rescinding of the previous Administrative Revocation of Ms. Houston's license. The approval was based on reasonable cause to reinstate the license to Active status. The Board did not waive the assessed fees associated with the prior administrative action.

Agenda Item 13: Board Consideration of Governor Executive Order 2014-11
Reciprocity for Military Members Seeking Licensure in Nevada
(For Possible Action):

A. Caleb Cage, State of Nevada Director of Military & Veterans Policy
Appearance 2:00 PM

Caleb Cage, State of Nevada, Director of Military and Veterans Policy came forward to discuss the Governor's Executive Order signed May of 2014 regarding reciprocity for military members and veterans seeking licensure in the State of Nevada. The Board discussed the process for licensure with Mr. Cage and assured him that the Board would comply with the Executive Order.

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- Agenda Item 14: Board Determination for Approval of Application for Certified Public Accountant (*For Possible Action*)
A. Elizabeth Vorce/Clark County

The Board reviewed the information provided in connection with the Application for Certified Public Accountant for Ms. Vorce. Based on the information provided, motion was made, seconded and carried to approve the application for CPA licensure for Ms. Vorce. The approval is subject to review of the experience and positive report from Board Investigator, Patrick Thorne.

- Agenda Item 15: Board review and approval of 2014 CPE Documentation Audit Report (*For Possible Action*)

Motion was made, seconded and carried to approve the 2014 CPE Documentation Audit Report.

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

No items were discussed under this agenda item.

- Agenda Item 17: Next Board Meeting: September 23, 2014 Las Vegas, 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