

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes  
July 27, 2009

Subject to the approval and correction of the Board at its next meeting

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President, Glenn Bougie, on Monday, July 27, 2009 at First Independent Bank Building, 5335 Kietzke Lane, Second Floor, Reno, Nevada.

Board Members Present:

Glenn D. Bougie, President	Felicia O'Carroll, Secretary/Treasurer	
Colleen M. Bacchus	Harry O. Parsons	Patrick M. Thorne
Karen Wilkes	Kathy L. Zeller	

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 May 5, 2009 Board Meeting Minutes
  
- \*2. Approval of Applications for Certified Public Accountant – Non Appearance

Olutoyin Aridegbe	Cortnee Bantum	Mark Borgen	Julie Clifford
Erwin Cornejo	Damiana Crimi	Kristin Davis	Sherilene DeLeon
Robert Dudley	Grant Eve	S. Fredrickson	Agustin Galicia
Roberto Garcia	Scott Gasquoine	Cody Goulding	Lindsay Howard
Jeffrey Humbard	Sheila Idefonzo	Norma Kilbourn	Sean Larkin
Duanhua Lei	Jade Light	Benjamin Mack	David Maatallah
Timara Marquis	Anna Miguel	Jaclyn Miller	Gale Moore
James Nef	Dominic Rosa	Heath Rude	Robert Schlener
William Shores	Lisa Trainor	Robert Trevisan	Joanna Turcotte
Melissa Williams	Kerry Yamagata		
  
- \*3. Approval of Temporary Licensing Permits – Non Appearance

Andrew Schmitt	Brian Amelung	Else Kolton	Lawrence O'Donnel
Thomas Tray	Ronald Bassage	Barry Itzkowitz	Jerry Schneider
Jon Angell	Dale Rector	Adrienne Crutch	Bart White
Heidi Berenbrok	Timothy Zingraf	Scott Hatfield	Keith May
K. McCormick	John Kammerer	James Craycroft	Robert Parnas

July 27, 2009 Board Meeting Minutes

- \*4. Approval of Change to License Status:  
Inactive Status: Leslee Pierce Robert Saxton  
Retired Status: Karen Druckman Albert Mohatt  
Return Active: Nancy Cinciarelli
- \*5. Approval of Finances:  
A. Treasurer's Report
- \*6. Approval of CPA Exam Scores April/May 2009 Window
- \*7. Request Board approval to attend NASBA International Regulators Conference – September 9 – 11, 2009 – San Francisco California.

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve consent items 1 – 7 with the exception of Kevin Karo who was moved to the Regular agenda. The following Board Members abstained from voting on Approval of Applications for Certified Public Accountant for the following applicants: Glenn Bougie for Cody Goulding and James Nef; Colleen Bacchus for Erwin Cornejo, Grant Eve, Timara Marquis and Jaclyn Miller; and Felicia O'Carroll for Cortnee Bantum.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 2: Approval of Applications for Certified Public Accountant – Non Appearance – Kevin Karo.

Motion was made, seconded and carried to approve the application for Certified Public Accountant for Kevin Karo, subject to receipt of additional information.

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

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-08-14 Robert Saxton, based on compliance with the hearing decision provisions. Board member Colleen Bacchus abstained from the vote.

Motion was made, seconded and carried to dismiss complaint matter S-09-3 based on lack of cause and matter considered a fee dispute.

July 27, 2009 Board Meeting Minutes

Agenda Item 8 (Cont.)

Motion was made, seconded and carried to dismiss complaint matter S-09-6 based on lack of response from complainant and lack of cause to proceed.

Motion was made, seconded and carried to dismiss complaint matter N-09-6 based on the matter considered to be a fee dispute and resolution between the parties.

Motion was made, seconded and carried to dismiss complaint matter S-09-7 based on payment of the licensure fees.

Board Member Felicia O'Carroll was assigned as liaison in complaint matter N-09-7.

Motion was made, seconded and carried to file formal complaints against the following individuals for failure to obtain the required CPE for calendar year 2008. The complaint will be issued for those that have not responded to the CPE Administrative Extension Policy of July 31, 2009.

Joshua Gottesman

Rafael Herrera

Timothy Koch

Nicholas Schiller

Motion was made, seconded and carried to close complaint matter F-09-1 based on the response from the Firm. Colleen Bacchus abstained from the vote.

Motion was made, seconded and carried to close non-licensee complaint matter SS-08-7 Walter Stocker.

Agenda Item 8 A: Recess into closed session for Full Board Disciplinary Hearings against Gary Porter **Appearance 10:00 AM**

Motion was made, seconded and carried to go into closed session to conduct a Board hearing against Gary Porter:

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

Motion was made, seconded and carried to approve the proposed Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision. The Board revoked the license and stayed the revocation with the license placed on probation for a three year period beginning February 23, 2009 to run concurrently with the California Board of Accountancy's probationary time and terms.

Agenda Item 8B (Cont.)

Following are the probationary terms of the stipulation:

- (1) Obey all federal, Nevada, other state and local laws.
- (2) Submit written reports within 10 days of completion of the quarter
- (3) Personal appearances during the period of probation
- (4) Full compliance with the probationary terms and conditions
- (5) Practice investigation – shall permit such investigation as conducted by a representative of the Board.
- (6) Comply with citations and all final orders issued by the Board.
- (7) Tolling of probation – periods of non-Nevada practice shall not apply to reduction of the probationary period.
- (8) Violation of probation – Board may revoke the probation and carry out the disciplinary order that was stayed.
- (9) Completion of probation – license will be fully restored.
- (10) Continuing education courses – 40 hours must be completed in the area of Accounting and Auditing in addition to the CPE for licensing & renewal.
- (11) Active license status – shall be maintained at all times during the probationary period. – May not surrender license and practice under Mobility laws.
- (12) Review of Audit and Review Engagements – must annually provide a list of all audit/review engagements that were completed in Nevada during the prior 12 months. In addition provide a list of audit/review engagements that may be reviewed by the representative of the Board.
- (13) Peer Review – must be obtained during the probationary period for all audit, review and compilation reports.
- (14) Governmental and Non-Profit Audits – Prohibited from conducting these type of engagements with the exception of not-for-profit home owners associations.
- (15) Cost reimbursement – Reimburse the Board \$5,931 for its investigation and prosecution costs within 30 days of the date of the decision.
- (16) Compliance with California Decision and Order – Shall fully comply with all provisions of the Decision and Order issued by California.

Agenda Item 9: Report of Counsel

- A. Schedule Board Conference call and public hearings in connection with regulatory amended language

Legal Counsel summarized the regulatory process in connection with amendments to Chapter 628 of Nevada Administrative Code. Recommendation was made that the Board consider an additional meeting to review the draft language and schedule the public hearings following the language review. The Board discussed the issue and approved the following date:

Board meeting via conference call

September 2, 2009 at 2:00 pm

Agenda Item 10: Report of Executive Director

A. CPA Examination – Site visitation by Felicia O'Carroll  
The Board was provided with information from Board Member Felicia O'Carroll's Examination site visit. Ms. O'Carroll summarized her findings.

B. Mobility Implementation – Review of Out of State Registration Form  
Executive Director provided the Board with the mobility implementation information including the instructions and form for out of state firm registration. In addition, a request was made by an out of state firm to consider changing its form so that it doesn't include the amount of information required. The Board reviewed the documents and directed staff to remove certain portions of the application information.

C. NASBA Regional Meeting Follow UP:  
Executive Director provided information in connection with the NASBA Regional meeting breakout sessions. The Board briefly discussed each topic, however did not believe Board action is needed at this time.

- (1) Peer Review Oversight Committee
- (2) IFRS & Other International Standards
- (3) The Firm Name Issue
- (4) White Paper on Education Requirement

D. Discuss investigations and the use of contracted CPA  
Executive Director advised the Board that Bonnie Houldsworth, CPA is interested in conducting the Board's complaint investigations. Ms. Houldsworth currently performs a variety of projects for the Board including investigations, however would be interested in doing more. The Board discussed the advantages in having a contracted person doing the investigations as it would not compromise the Board during hearing procedures. The Board directed staff to follow the complaint process and if a matter requires an investigator, prior approval through the President would be needed.

Agenda Item 11: Board request for presentation of firm registration

A. KPMG – Judge Holmes **Appearance 9:00 AM**

Judge Sven E. Holmes, Executive Vice Chair, Legal & Compliance, of KPMG came forward to discuss the matters concerning the self reporting information that was provided to the Board in connection with the 2005 Deferred Prosecution Agreement. Judge Holmes provided a detailed outline of the changes that KPMG has made to assure that similar activity does not occur in the future. The Board appreciated Holmes' information and board meeting attendance, and requested that additional information concerning the status of the identified Nevada clients be provided to the Board office.

July 27, 2009 Board Meeting Minutes

- Agenda Item 12: Board consideration for use of Accounting term in business name  
A. Accounting Solutions **Appearance 12:00 PM**

Freya Oberer-Brown owner of Accounting Solutions and Nikki Neilon, CPA came forward to discuss the use of the accounting term within her business name. The Board reviewed the information provided and considered legal counsel's summary of prior cases concerning the regulation of the accounting term. Ms. Oberer-Brown provided the Articles of Organization that state accounting services are not being provided or performed.

Motion was made, seconded and carried based on the Secretary of State's prior approval of the name four years ago, to approve the use of the accounting term within the business name of Accounting Solutions. Further, Accounting Solutions has agreed to place a disclaimer indicating the firm is not a licensed CPA firm on letterhead, business cards, brochures, websites and any financial statements prepared in accordance with NRS 628.510. If Ms. Oberer-Brown chooses not to comply with the stated provisions, she will change the firm name to remove the accounting term. The provisions outlined above will be documented within a signed stipulated agreement.

- Agenda Item 13: Board request for presentation of final legislative report  
A. Fred Hillerby, Lobbyist **Appearance 1:00 PM**

Fred Hillerby, contracted lobbyist for the Board, came forward to discuss the results of the 2009 Legislative Session. The Board expressed their appreciation and thanked Mr. Hillerby for his excellent work in getting the Board's mobility legislation passed.

- Agenda Item 14: Request for Board determination of work experience  
A. Nichole Matzek

The Board reviewed the request of Ms. Matzek in connection with her experience. Motion was made, seconded and carried to deny the request. The denial is based on the Board's inability to provide a determination or approval to utilize the four (4) months of public accounting experience with Kafoury Armstrong & Co., toward an Individual Review, in advance of actually applying for licensure. Board staff was directed to provide additional clarification of the specific experience programs within the letter and indicate the Board's recommendation to remain in one of the approved programs for the entire time required to assure her success in becoming licensed, as outlined in the Nevada Revised Statutes. Felicia O'Carroll and Pat Thorne abstained from the vote.

- Agenda Item 15: Application for CPA Certification – Board Determination  
A. William Anstett

The Board reviewed the application information for William Anstett. Motion was made, seconded and carried to deny the application for CPA Certification for Mr. Anstett, based on the lack of experience documentation provided.

## July 27, 2009 Board Meeting Minutes

Agenda Item 16: Request Board consideration to rescind prior revocation decision  
A. Jennifer Wagner

The Board reviewed the request of Jennifer Wagner for re-consideration in their prior revocation of her license, based on failure to renew the license and provide the required continuing education. Ms. Wagner is requesting her license status be changed from revoked to voluntary surrender.

Motion was made, seconded and carried to deny Ms. Wagner's request for change in license status. Ms. Wagner will be required to submit the required information to reinstate the license and then subsequently request voluntary surrender status.

Agenda Item 17: Board Determination of request for 2<sup>nd</sup> Peer Review Extension  
A. Drew Aguilar, CPA

The Board reviewed the information provided in connection with Drew Aguilar's failure to obtain his peer review within the extension period provided. Board policy only allows staff to authorize one extension for licensees. Mr. Aguilar was provided an extension in 2008 with the understanding that the peer review would be completed and submitted during the 2009 program period. Mr. Aguilar is still in the process of obtaining his peer review and has requested another extension of time to complete the peer review process. The Board discussed the issue and motion was made, seconded and carried to deny the request for an extension and file a formal complaint for failure to comply with the peer review requirement. Further, Mr. Aguilar is prohibited from performing the services required under the peer review requirements until the peer review has been completed and approved. Harry Parsons abstained from the vote.

Agenda Item 18: Board Approval of 2009 CPE Audit Report

The 2009 CPE Documentation Audit report was provided to the Board. The Board reviewed the information and discussed the results. Motion was made, seconded and carried to approve the report subject to the receipt of the remaining outstanding licensee information.

The Board reviewed the request for leniency from Martin Nelson in connection with the documentation identified for his 2008 license renewal. The Board discussed the issue and motion was made, seconded and carried to deny the request and approve a stipulated agreement that include the following provisions: (1) payment of \$850 CPE Penalty, \$400 attorney's fees, \$500 administrative fine; (2) provide backup documentation for CPE hours claimed for the next two years; (3) completion of 2009 CPE requirement of 60 hours (with 4 hours in ethics) to be completed by December 31, 2009.

Agenda Item 19: Report of President

No items were discussed under this agenda item.

July 27, 2009 Board Meeting Minutes

Agenda Item 20: Public Comment 1:00 PM

No items were discussed under this agenda item.

Agenda Item 21: Next Board Meeting: September 18, 2009 Las Vegas