

NEVADA STATE BOARD OF ACCOUNTANCY  
Minutes  
September 21, 2011

An open meeting of the Nevada State Board of Accountancy was called to order at 8:30 A.M. by President, Harry O. Parsons, on Wednesday, September 21, 2011 at the offices of Deloitte & Touche LLP, 3883 Howard Hughes Pkwy, Suite 400, Las Vegas Nevada.

Board Members Present:

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

Board Members Absent:

Lynda L. Hartzell

Board Staff Present:

Karen Peterson, Counsel  
Viki A. Windfeldt, Executive Director  
Leslie C. Walsh, Board Coordinator  
Patrick M. Thorne, CPA, Board Investigator

◆ ◆ ◆ ◆ 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.

**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 July 13, 2011 Board Meeting Minutes *(For Possible Approval)*
- \*2. Approval of Applications for Certified Public Accountant – Non Appearance *(For Possible Approval)*

Keith Capp	Aaron Dick	Stephen Floyd	Viktoryia Harokhava
Kale Glazier	Michael Johnson	Ralph Markee	Patricia Rigby
Dalon Rosevear	Casey Smith	Damaris Smyth	Dan Weishar
Byron Williams	Mickey Zanoni		

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- \*3. Approval of Change to License Status *(For Possible Approval)*:
  - Inactive: Rhonda Shock
  - Retired: Timothy Brown      Robert Crawford      Robert Delett
  - Patricia Davis      Joyce Miller      Paul Muller
  - Return Active: Richard Murphy
- \*4. Approval of Finances *(For Possible Approval)*:
  - A. Proposed FY 2011/2012 Budget
  - B. Treasurer's Report
- \*5. Approval of Fictitious Name *(For Possible Approval)*:
  - A. Ingenium Accounting Partners – This item was moved to the Regular Agenda
- \*6. Approval of Board Member/Staff attendance at NASBA's Annual Meeting – Nashville, TN October 23 – 26, 2011 *(For Possible Approval)*
- \*7. Approval of 2012 CPA License Renewal Fee *(For Possible Approval)*

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve consent agenda items 1-4 and 6-7. The following Board Members abstained from voting on Approval of Applications for Certified Public Accountant: Colleen Bacchus for Aaron Dick, Viktoryia Harokhava, Dalon Rosevear, Casey Smith, and Dan Weishar; Felicia O'Carroll for Patricia Rigby.

### ◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

- 5. Approval of Fictitious Name *(For Possible Approval)*:
  - A. Ingenium Accounting Partners – Motion was made, seconded and carried to deny this fictitious name. Motion was made, seconded and carried to approve, subject to receipt of acceptable modifications by removing "Partners" from the Firm name.

#### Agenda Item 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-11-7 based on compliance.

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Motion was made, seconded and carried to close complaint matter F-11-3 based on the Firm's response and assurances made.

### Agenda Item 8B: Full Board Disciplinary Hearing: Timothy Koch

The scheduled disciplinary hearing was cancelled based on a Stipulated Agreement to resolve the Formal Complaint against Timothy Koch, CPA. After review of the information provided, the Board approved the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision with the following provisions:

- (1) Licensee represents to the Board that he understands and is abiding by and will abide by the independence rules;
- (2) Licensee agrees that he will not have any new complaints relating to independence issues for two years from the date of the Board's decision;
- (3) Licensee agrees to complete 16 hours of CPE with 8 hours in the area of accounting and auditing and 8 hours in the area of ethics as part of his regular CPE requirement due by December 31, 2011. Documentation of the completed CPE shall be provided to the Board with the 2012 annual renewal. No extensions of time will be granted to complete this CPE;
- (4) Licensee understands and agrees that he must maintain and retain documentation related to client engagements as required by and in compliance with chapter 628 of NAC and NRS;
- (5) Licensee agrees to pay the Board's investigative costs of \$787.50 as set forth below;
- (6) Licensee agrees to pay attorney's fees of \$750.00 associated with the drafting of the Complaint and Order to show cause and this Stipulated Agreement as set forth below;
- (7) The total sum due and payable in the amount of \$1,537.50 shall be paid by Licensee as follows: a payment of \$500 on 10/21/2011; a payment of \$500 on 11/21/2011; and a payment of \$537.50 on 12/21/2011;
- (8) Failure to comply with any of the terms and conditions of this Stipulated Agreement will result in the issuance of a Board Complaint for revocation of the license;
- (9) The decision will be published in accordance with NAC 628.450.

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

#### A. Attorney General Office Communications

Board Legal Counsel discussed the recent email communication from the Attorney General's office, specifically concerning the following topics: (1) Conflict of interest for matters concerning Board Members; (2) Scheduled training classes for Board Members through the Attorney General's Office; (3) Board Member Sexual Harrassment Prevention Training mandatory course.

A letter of recommendation was also requested by the Board Legal Counsel's Law Firm, to represent other Boards and Commissions.

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

A. Board discussion and review of Experience Requirement Considerations  
The Board discussed various items in connection with the Experience Requirement for CPA Licensure.

B. Board review and response of NASBAs Regional Directors Focus Questions

The Board reviewed the Regional Directors Focus Questions and provided Executive Director with responses for NASBA.

C. Board review of Exposure Draft Statement on Standards for CPE  
Executive Director provided the Board with the draft changes to the CPE Statement on Standards for CPE as referenced within NAC Chapter 628. The Board reviewed the proposed language and did not have any suggested changes to report.

D. Board review of White Paper AICPA Standards for Performing and Reporting on Peer Reviews

Executive Director provided the Board with information regarding the AICPA white paper regarding Standards for Performing & Reporting on Peer Reviews. The Board discussed the white paper and did not have anything to report to AICPA.

E. Board review of NASBA Wallet Card printing quote

Executive Director provided the Board with a revised quote from NASBA to perform Wallet Card printing services. The Board reviewed the quote and discussed the wallet cards currently provided to the licensees. The Board determined that giving the licensee the ability to print the wallet card from the website would be a better option.

F. Board discussion regarding Audits performed for HOAs

Executive Director provided information to the Board indicating that licensees are providing proposals for homeowners associations. The bid process indicates that bids over \$1,650 will not be considered. The Board discussed the issue that no audit can or should be performed at such a rate. Board staff was directed to contact the State ombudsman's office for more specific information on the Firms conducting homeowners association audits, and the monitoring of these firms for Peer Review.

### Agenda Item 11: Board Review and Approval of 2011 Certificate of Attest Experience Review Report as provided by Patrick Thorne, CPA *(For Possible Approval)*

Patrick Thorne, CPA and Board Investigator came forward to discuss the reports provided to the Board based on the Certificate of Attest Experience Form reviews. The Board reviewed the information provided. Board determination was requested on items relating to inventory observations. The Board's position remains unchanged regarding this topic. A physical inventory observation is still required as one of the requirements for Nevada CPA licensure.

Board staff was directed to contact those individuals without verified inventory observations in order to ensure their compliance with the experience requirements.

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Agenda Item 11 Continued

Motion was made, seconded and carried to approve the 2011 Certificate of Attest Experience Review Report.

Agenda Item 12: Board discussion and determination of Experience Requirement in connection with Application for Certified Public Accountant Jonathan Geever *(For Possible Approval)*:

- A. Mark Rich, CPA & Jonathan Geever

Mark Rich, CPA, John Wightman, CPA and Jonathan Geever, applicant for CPA licensure, came before the Board to discuss the experience requirements for CPA licensure.

Mr. Rich provided a brief summary of the process within the firm of Rich Wightman CPAs for individuals to obtain the appropriate experience for licensure. Mr. Rich further explained the specific exposure Mr. Geever has had while under the firm's employ. The Board discussed the experience requirement specifically regarding inventory observations. Mr. Rich also provided some feedback to the Board concerning the pre-certification review versus the certification review.

Motion was made, seconded and carried to approve the application for CPA Certification of Jonathan Geever, subject to receipt of documentation showing the completion of a physical inventory observation.

Agenda Item 13: Board discussion and determination of Experience Requirement in connection with Certificate of Attest Experience Review *(For Possible Approval)*

- A. Bob Beers, CPA & David Williams, CPA

Bob Beers, CPA and David Williams, CPA came before the Board to discuss the procedures and requirements associated with the tracking of experience hours for licensure. The Board performed a Certificate of Attest Experience review of Mr. Williams' experience form. Based on the results of the review, Board determination was required. The Board discussed the experience requirements and obtained clarification from Mr. Williams and Mr. Beers on time reporting. Motion was made, seconded and carried to approve the Certificate of Attest Experience Review of Mr. Williams. The approval was based on evidence provided that Mr. Williams has met the experience requirement. Board Member Felicia O'Carroll opposed the vote.

Agenda Item 14: Board review and determination of Application for Certified Public Accountant: *(For Possible Approval)*

- A. Dustin Wheeler

The Board reviewed the information provided in connection with the pre-licensure review of Mr. Wheeler's experience. Motion was made, seconded and carried to approve the application for CPA Certification for Dustin Wheeler based on meeting the experience as required.

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Agenda Item 15: Board review and determination of CPE Considerations as provided by the following *(For Possible Approval)*:

A. Richard Schiveley, CPA

The Board reviewed the request of Mr. Schiveley for consideration of amending the requirement of CPE in the area of Ethics for individuals that have been practicing for more than 30 years. Mr. Schiveley has requested that the Nevada Board change the ethics requirement to conform with California's ethics requirement. Board staff informed the Board that California was implementing changes to its ethics requirement to require 4 hours every other year. After consideration of Mr. Schiveley's request, motion was made, seconded and carried to deny the request.

B. Jerry Lockhart, CPA

The Board reviewed the request of Mr. Lockhart for consideration of allowing CPE credit for a book that Mr. Lockhart wrote and published. The book is titled "A Secret Code to Wealth: Building a Million-Dollar Retirement Nest Egg in Just 7 Years". Board staff indicated that the Board has the authority to approve CPE for the publication of books. After review of the Book as provided, Board directed staff to communicate with Mr. Lockhart that he may claim 15 hours of CPE for the seminars that Mr. Lockhart provides, and the attendees of his seminars may claim 5 hours of CPE for their attendance.

C. Matthew Anderson, CPA

The Board reviewed the request of Mr. Anderson for consideration of allowing CPE credit for self study through accounting research and the drafting of memos. Following the Board's review of the additional information provided, motion was made, seconded and carried to deny the request of Mr. Anderson.

Agenda Item 16: Board review and determination for extension of time to complete CPA exam *(For Possible Approval)*: A. SHEMELES MOJO

The Board reviewed the request for an extension of time to complete the CPA Examination for SHEMELES MOJO. Based on the information provided, motion was made, seconded and carried to approve the request for additional time until December 31, 2011.

Agenda Item 17: Board Approval of the 2011 Peer Review Program *(For Possible Approval)*:

The Board was provided with the 2011 Peer Review Program Report. Based on their review of the information, motion was made, seconded and carried to approve the 2011 Peer Review report.

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Agenda Item 18: Board determination for the following people for failure to comply with the CPE Administrative Complaint & CPE Documentation Audit *(For Possible Approval)*:

Motion was made, seconded and carried to issue a Formal Complaint against the following individuals for failure to comply with the CPE Administrative Complaint procedure:

James Bowen      Luciana Williams      Russell Steele

Board member Colleen Bacchus abstained from the vote on James Bowen.

Motion was made, seconded and carried to proceed with a scheduled hearing in connection with the previously issued Formal Complaint against Robert Martindale for failure to comply with the CPE requirements and penalties assessed.

Motion was made, seconded and carried to deny the request of Sanford Feibush for waiver of the CPE penalty assessed in connection with the failure to comply with the ethics requirement for CPE.

Motion was made, seconded and carried to issue a Formal Complaint against the following individuals for failure to respond to the CPE Documentation Audit:

Charles Sandefur      Steven Staehr

Agenda Item 19: Board approval of 2012 Board Meeting Schedule *(For Possible Approval)*:

Motion was made, seconded and carried to approve the following 2012 Board meeting dates and locations:

January 11, 2012	Reno	March 20, 2012	Las Vegas
May 15, 2012	Reno	July 17, 2012	Las Vegas
September 18, 2012	Reno	November 14, 2012	Las Vegas

Agenda Item 20: Board request to rescind prior revocation *(For Possible Approval)*:

A. Robert Radzik

Mr. Radzik did not provide any documentation relating to his verbal request for Board consideration to rescind the prior revocation. This item was removed from the agenda.

B. Michael Crouch

The Board reviewed the request of Mr. Crouch for Board consideration to rescind the prior revocation of his license for failure to comply with the Board's Peer Review program. Motion was made, seconded and carried to deny the request based Mr. Crouch not providing the required information for consideration to rescind the prior revocation decision. Board staff was directed to communicate all of the required information to Mr. Crouch.

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Agenda Item 21: President's Report *(For Possible Approval):*

No items were discussed under this agenda item.

Agenda Item 22: Next Board Meeting: November 16, 2011 Reno

**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*