

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

November 12, 2013

An open meeting of the Nevada State Board of Accountancy was called to order at 9:30 A.M. by President, Lisa Milke, on Tuesday, November 12, 2013 at First Independent Bank, 5335 Kietzke Lane, 2nd Floor, Reno, Nevada.

Board Members Present:

Lisa L. Milke, President
Colleen Bacchus
Harry O. Parsons

Benjamin C. Steele, Secretary/Treasurer
Nicola Neilon
L. Ralph Piercy

Board Members Absent:

Robert C. Anderson

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.

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 September 17, September 25, October 2, 2013
Board Meeting Minutes *(For Possible Approval):*

*2. Approval of Applications for Certified Public Accountant – Non Appearance
(For Possible Approval):

Stephanie Aguirre	David Avery	Lindsay Balasta	David Bindrup
Christopher Broce	Nathan Burt	Antonio Carrillo	Tracey Cummings
David Felt	Tyler Frigaard	Brandon Glaub	Brent Gouveia
Megan Haller	Emily Ho	Steven Johnson	Carol Karren
Min Kim	Darren Koford	Zhong Li	Michael Litchfield
John Mansfield	Nicole McCoy	Barry McLaurin	Nate Nelson
Russell Oberhelman	Alena Olevic	Richa Pandhi	Matthew Porter
Nathan Sage	Nicolas Scamorza	Rick Smith	Aaron Squires
Benjamin Sorenson	Kyle Vaden	Nadezda Vasheko	Ryan Walker
Rachel Ware	Elaine Polin		

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- *3. Approval of Change to License Status *(For Possible Approval)*:
Inactive Status: Zhenzhao Yang
Retired Status: Richard Barnaby Michael Cinnamon
 Thomas Hanna K. Michael Spuhler
Return Active: James Hunt

- *4. Approval of Finances *(For Possible Approval)*:
A. Treasurer's Report
B. Proposed Fiscal Year 2013/2014 Budget Amendment
C. Draft Board FY 2013 Financial Statements

- *5. Approval of Fictitious Name Use *(For Possible Approval)*:
A. Premier Accounting and Financial Services

- *6. Approval of CPA Examination Scores – July / August 2013 Window
(For Possible Approval):

Note: No items scheduled for agenda item 7.

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 Nicole McCoy, Barry McLaurin, Matthew Porter, Nathan Sage, and Benjamin Sorenson; Ralph Piercy for Darren Koford.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

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 N-12-3, Allan Rosenthal based on compliance with the hearing decision provisions.

Motion was made, seconded and carried to close complaint matter S-13-14 based on compliance.

Agenda Item 8 (Cont.)

Motion was made, seconded and carried to close complaint matter N-13-9 based on resolution between the parties. Board members Harry Parsons and Niki Neilon abstained from the vote.

B. Board Review and Approval of Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision: *(For Possible Approval in open session)*

1. Michael Crouch, CPA

Motion was made, seconded and carried to approve the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision with the following provisions:

- License be revoked with the revocation stayed with license placed on probation for 3 years.
- Crouch agrees to repayment in full of all amounts owed to the IRS for taxes, penalties and interest related to the payroll taxes collected from but not paid on behalf of Effort Corporation.
- Crouch shall establish separate bank accounts for payroll related activities for clients and his CPA business. Shall submit documentation to the Board within 30 days of the issuance of the Board's Decision showing compliance with this provision.
- During the probation period, Crouch shall submit to the Board within 30 days of completion of each quarter, a written report listing Crouch's clients for whom he performs payroll services. The quarterly reports shall be submitted under penalty of perjury.
- Crouch shall complete 16 hours of CPE in the area of accounting and auditing and 8 hours of CPE in the area of ethics by December 31, 2013 and documentation of the completed CPE shall be provided to the Board with the 2014 annual renewal. The 24 hours of CPE may be included in the 2013 total requirement of 55 hours of CPE by December 31, 2013.
- Crouch agrees to comply with the Board's Peer Review requirements including a completed Peer Review report and letter of acceptance from the Nevada Society of CPAs by December 31, 2013.
- Crouch agrees to pre-release reviews by a licensed CPA for any attest work from the date of issuance of the Board's Decision during the probation period. The cost of pre-issuance reviews shall be paid by Crouch. The CPA preparing the pre-issuance reviews shall be approved by the Board.
- Crouch agrees to promptly respond to any communications from the Board or the Nevada Society of CPAs.
- Crouch agrees to provide the Board within 3 business days of any change of his contact information during the probation period.
- There shall be no other complaints filed with the Board against Crouch which are substantiated in a due process hearing during the 3 year probationary period.
- Crouch agrees to pay attorney's fees in the sum of \$1000 associated with the issuance of the Amended Complaint and Order to Show Cause and drafting of this Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision.
- The total sum due and payable in the amount of \$1000 shall be paid within 30 days of the approved Stipulation.
- Crouch's failure to comply with any of the terms and conditions of the Stipulated Findings of Fact, Conclusions of Law, Disciplinary Order and Decision shall result in the automatic revocation of Crouch's CPA license without any further action by or proceeding before the Board.
- This Decision shall be published in accordance with NAC 628.450

Agenda Item 8 (Cont.)

2. Richard Gallagher, CPA

Motion was made, seconded and carried to approve the Stipulated Findings of Fact, Conclusions of Law and Consent Order with the following provisions:

- Gallagher agrees to complete his 2012 CPE requirement of 60 hours including 4 in the area of ethics by December 31, 2013.
- Agrees to complete the 2013 CPE requirement of 20 hours by December 31, 2013.
- Agrees to remit the continuing education penalty of \$1600 associated with completion of his 2012 CPE after the July 31, 2013 CPE shortage extension deadline.
- Agrees to remit an administrative fine of \$500 for failure to comply with the CPE administrative complaint procedures for extensions of time to complete CPE.
- Agrees to pay attorney's fees in the sum of \$400 associated with the drafting of this stipulated Consent Order.
- All sums due and payable of \$2500 shall be paid by Gallagher within 30 days of the issuance of the Consent Order by the Board.
- Gallagher shall provide documentation showing completion of the CPE claimed on the annual license renewal for the next two years. The CPE shall be completed by the deadline of December 31st each year. Submission of renewal information will include the back-up documentation for the CPE claimed on each license renewal.
- Failure to comply with any of the terms and conditions of these Findings of Fact, Conclusions of Law and Consent Order shall result in the immediate revocation of the license without further action of the Board.

Agenda Item 9: Report of Legal Counsel (*Discussion Only*):

A. Update on Pending Legal Matters

Legal Counsel provided the Board with an update on pending legal matters.

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

A. Board review of Compensable Duties Policy

Executive Director provided the Board with the current Compensable Duties Policy. The Board reviewed the policy and directed staff to make changes to the policy that would comply with the current operation regarding board member reimbursement.

B. Board Follow Up – NASBA Conference

Executive Director provided the Board with information from the NASBA Annual Conference. The Board discussed various topics addressed during the conference, specifically the PCAOBs presentation.

C. NASBA UAA Exposure Draft

Executive Director provided the Board with the latest NASBA UAA Exposure Draft that discusses changes to the definition of attest and firm mobility. Board staff was directed to draft a response and provide a copy to the Board at their January Board meeting.

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Agenda Item 10 (Cont.)

D. Peer Review Oversight Program (PROC)

Executive Director provided the Board with information on the possibility of having a PROC. Board staff was directed to contact other states who use the Nevada Society of CPAs to administer their state's Peer Review program to see if they have any interest in forming a PROC with Nevada.

Agenda Item 11: Board Approval of 2013 Certificate of Attest Experience Review Additional Report *(For Possible Approval):*

Motion was made, seconded and carried to approve the Certificate of Attest Experience Review reports as provided.

Agenda Item 12: Board Review and Approval of amendment to R046-13 concerning proposed fees based on motion to defer regulation from Legislative Commission *(For Possible Approval):*

Legal Counsel and Executive Director discussed their appearance in front of the Legislative Commission in October 2013. Based on the concerns of the legislature, Board staff has proposed modifications to the language within 628.016 as provided. Motion was made, seconded and carried to approve the proposed regulation amendments for submission to LCB in connection with R046-13.

Agenda Item 13: Board Approval of Contracts *(For Possible Approval)::*

A. Kaempfer Crowell / Michael & Fred Hillerby for Lobbyist Services

Motion was made, seconded and carried to approve a new contract for three years with Kaempfer, Crowell for lobbying services.

B. Glenn Bougie, CPA – Independent Contractor

Motion was made, seconded and carried to approve the contract for Independent Contractor with Glenn Bougie, CPA.

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

No items were discussed under this agenda item.

Agenda Item 15: Next Board Meeting: January 24, 2014 Las Vegas, NV

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