

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

November 16, 2007

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President, Charles Morrison, on Friday, November 16, 2007 at First Independent Bank, 5335 Kietzke Lane, Second Floor, Reno, Nevada.

Board President Charles Morrison welcomed newly appointed Board Members Glenn D. Bougie and Felicia R. O'Carroll.

Board Members Present:

Charles A. Morrison, President	Patrick M. Thorne, Secretary/Treasurer	
Glenn D. Bougie	Sharon J. McNair	Felicia R. O'Carroll
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 September 21, 2007 Board Meeting Minutes

*2. Approval of Applications for Certified Public Accountant – Non Appearance

Astrid Alvarez	Steven Briggs	Kristine Britton	Ha Bui
David Cormack	Brian Dreeszen	Shinyu Ensweiler	Evan Faucette
Michael Gillmore	John Haslam	Nancy Huber	Jody
Jameson			
Lea Jensen	Y. Jerassy-Etzion	Ronald Kim	Eric Kurosu
Richard Lanier	Eugene Laughton	Ranald Macdonald	Darrin Maddox
Chad Marquardt	Alisha McClellan	Johnny McCuin	Rayna Moise
Daniel Morley	Isaac Peace	Rachel Polson	James Pulsipher
Scott Ramage	Steven Salters	Ludmila Smith	Michael Sparling
T. Stantcheva	Matthew Taylor	Kristine Toepfer	Brandon Tran
David Wilson	Tonya Zugaj		

*3. Approval of Temporary Licensing Permits – Non Appearance

Bruce Benator	Sarah Anderson	James Perez	Daniel Wallace
Cheri Burnham	Ronald Matan	LaDell Eyre	Anthony Coble
Hugh Tama	James Hayden	Josephine Fitzner	Kenneth Higgins
Melissa Harman	V. Baghdasarian	Susan Heitmann	Billy Ragsdale
Joseph Maddox	John Bowman	Mark Rubis	Kris Dunning
Barry Eden	Timothy York	Leslie Shapiro	John Rodgers

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- *4. Approval of Change to License Status:
Retired Status:
Albert E. Carlidge Craig Mackey Louis J. Musso Sydney H. Wickliffe
Inactive Status:
Thomas R. Roley Jacqueline Thomson Janet Trelease
- *5. Approval of Finances:
A. Treasurer's Report
- *6. Approval of Fictitious Name:
A. Business Wealth Services
- *7. Approval of July/August 2007 Exam Scores

The consent agenda and supporting documents were reviewed by the Board. Motion was made seconded and carried to approve consent items 1-7. Board Member, Sharon McNair abstained from voting on approval of Applications for Certified Public Accountant on Astrid Alvarez. Board Member, Glenn Bougie abstained from voting on approval of Applications for Certified Public Accountant on Shinyu Ensweiler, Isaac Peace and Tonya Zugaj.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

- Agenda Item 5 Approval of Finances:
B. Board review of Draft Financial Statements FY 2007
10:30 AM Beth Kohn/Kohn Colodny

Beth Kohn of Kohn Colodny LLP came forward to discuss the annual audit of the Board's financial statements. Ms. Kohn reviewed the draft financial statements with the Board. The Board asked Ms. Kohn a variety of questions.

- 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.
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 in complaint matter N-07-6, to file a formal disciplinary complaint against Sara Jenkins for failure to report disciplinary action taken by another state on her license renewal form.

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Agenda Item 8 (Cont.)

Motion was made, seconded and carried in complaint matter S-07-8, to file a formal disciplinary complaint against Richard Sellers for failure to register with the PCAOB.

Motion was made, seconded and carried in complaint matter S-07-9, to file a formal disciplinary complaint against Daniel Forbush for failure to register with the PCAOB.

Motion was made, seconded and carried in complaint matter S-07-10, to file a formal disciplinary complaint against Sanford Feibusch for failure to register with the PCAOB.

Motion was made, seconded and carried to close the following non-licensee grievance matters based on compliance:

SS-07-6	Christopher Provenzano
SS-07-8	Rich Neill
SS-07-9	Sheila Tacey

Agenda Item 9: NASBA Annual Conference Follow Up: **11:30 AM/Harry Parsons**

Harry Parsons, past Board Member and NASBA Mountain Region Director, came forward to discuss the issues represented at NASBA's Annual Conference. The Board discussed the following issues:

A. PCAOB Response Letter & Dialogue

Board Member Kathy Zeller discussed the Board's position on receiving the PCAOB inspection reports with the new Board members. The Board was also advised of NASBA's offer to continue discussions of the Board's withdrawal from receiving PCAOB reports. The Board discussed the issue and determined that no further action would be taken at this time.

B. Mobility & UAA Language

Mr. Parsons summarized the national issues relating to mobility and specifically the threat of national licensure potentially through the SEC, PCAOB or the AICPA. Mr. Parsons encouraged the Board to continue dialogue and moving forward with the mobility concept.

C. Mutual Recognition Agreements

Executive Director summarized NASBA's Mutual Recognition Agreements with foreign licensed persons. The Board directed staff to obtain the standards that are used in determining the countries qualified for Mutual Recognition Agreements. Once the requested information has been obtained, the Board will re-consider.

D. International Standards

Mr. Parsons summarized the international standards issues specifically regarding continuing education, ethics and overall accounting standards.

Agenda Item 9 (Cont.)

E. Education 150 to 120

Mr. Parsons summarized the possible affect mobility will have on the attempt to lower the education requirement to sit for the exam from 150 semester hours to 120 semester hours. The Board discussed the education requirements and considered Mr. Parsons comments.

F. BOE Invitation to Comment

Executive Director provided the Board with the Board of Examiners Invitation to Comment on the CPA Examination. Board staff was directed to resend the information to the Board members along with a deadline date to respond.

G. Diversity Issues

Board Member Kathy Zeller discussed diversity of gender roles within the officer and committee positions of NASBA. Ms. Zeller requested Mr. Parsons to bring the issue back as a possible focus question.

Agenda Item 9A: Discussion with the Nevada Society of CPAs regarding Practice Privilege (Mobility) issues including related legislative initiatives.
11:30 AM Appearance

This item was removed from the agenda and has been re-scheduled for a future Board meeting date.

Agenda Item 10: Report of Counsel

Legal Counsel Karen Peterson discussed the research she had done on the PCAOB regulations.

Agenda Item 11: Report of Executive Director

A. NASBA Communication Officer

Executive Director provided the Board with information received from NASBA. The Communications Committee would like each Board to nominate one of their Board Members as a Communication Officer. The Board reviewed the information as provided and determined that President, Charles Morrison would be nominated as the Board Communications Officer.

B. NASBA CPA Examination Review Board Management Letter

Executive Director provided the Board with information submitted from NASBA's CPA Examination Review Board. The review Board asked that the Board consider the review Board's annual report for any comments at the Board level. The Board reviewed the information provided.

C. Information on Attest Function and Agreed Upon Procedures

Executive Director provided the Board with information that was obtained from a prior Board determination in connection with the Attest Function and Agreed Upon Procedures.

Agenda Item 11 (Cont.)

D. Individual Review Process

Executive Director provided the Board with additional information concerning the Individual Review Process. The Board reviewed the information and discussed the issue of individual reviews. Board staff was directed to have John Rhodes develop individual review guidelines and procedures as well as a definition of the scoring used.

E. Peer Review Administration Procedures

Lindy Wellyn, the Peer Review Coordinator from the Nevada Society of CPAs came forward to discuss the implementation of the 2008 Peer Review Requirement. Ms Wellyn provided the Board with a summary of the Peer Review Process. The Board was also informed that some licensees may have difficulty getting their peer review scheduled and completed in time for Board submission. The Board discussed the administration issues in connection with the Peer Review implementation. Board staff was directed to send peer review reminder letters along with the form for enrollment within the Society's Peer Review Program. In addition, contracts will be needed for John Rhodes and Bonnie Houldsworth to review the peer review reports as provided.

Agenda Item 12: Board Approval of 2007 Practice Enhancement Program Report

Motion was made, seconded and carried to approve the 2007 Practice Enhancement Program Report as provided by John Rhodes.

Agenda Item 13: Request Board Determination for Applications for CPA Certification:

A. William Prowse **9:30 AM Appearance**

William Prowse and his supervisor, John McGlamery, came forward to discuss Mr. Prowse's application for CPA Certification. Legal Counsel summarized the Boards options in connection with an individual review of Mr. Prowse's experience. The Board reviewed Mr. Prowse's experience within the US Department of the Interior in connection with the applicable laws for Nevada required experience. It was the Board's determination that Mr. Prowse's more current experience with the Office of Inspector General would qualify for an individual review. Board staff was directed to contact John Rhodes and Bonnie Houldsworth for a joint review of Mr. Prowse's experience.

B. Alan Joe Woody **1:30 PM Appearance**

Alan Joe Woody came forward to discuss his application for CPA Certification. The Board reviewed the individual review report as provided by Bonnie Houldsworth. The Board asked a variety of questions in connection with Mr. Woody's experience. Motion was made and seconded to deny the application for CPA Certification. Board Members Glenn Bougie, Felicia O'Carroll, Patrick Thorne and Karen Wilkes opposed the vote. Motion failed. Another motion was made seconded and carried to approve the application for CPA Certification. Board Members Sharon McNair and Kathy Zeller opposed the vote.

Agenda Item 13 (Cont.)

C. Jeffrey Albach

The Board reviewed the CPA certification application for Jeffrey Albach. Motion was made, seconded and carried to approve the application of Mr. Albach, based on meeting the experience requirements in Nevada.

D. Jack Cohen

Motion was made, seconded and carried to deny the application of Jack Cohen based on the incomplete experience form received. The Board will consider the CPA certification application for Jack Cohen once the additional experience information has been received.

E. Benjamin Cunningham

The Board reviewed the CPA certification application for Benjamin Cunningham. Motion was made, seconded and carried to approve the application of Mr. Cunningham, based on meeting the experience requirements in Nevada.

F. Howard Fuller

The Board deferred the CPA certification application for Howard Fuller, to request court documents in connection with the fingerprint report received from the FBI.

Agenda Item 14: Request Board Approval for Extension of Time for Conditioned Status

The Board reviewed the supporting information from the following individuals in connection with request for an extension of time for conditioned status:

A. Robert Eikel

Motion was made, seconded and carried to deny the request of Robert Eikel based on lack of cause to merit approval of additional time. Board Member Glenn Bougie abstained from the vote.

B. Elizabeth Yu

Motion was made, seconded and carried to deny the request of Elizabeth Yu based on lack of cause to merit approval of additional time.

Agenda Item 15: Request Board Determination for Accounting Course Elective

The Board reviewed the request to consider Corporate Valuation as an approved Accounting course elective toward the educational requirements. In addition, the Board reviewed the list of prior elective approvals. Motion was made, seconded and carried to approve Corporate Valuation as an approved Accounting elective course.

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Agenda Item 16: Recommendation of Hearing Officer for Revocation of the CPA Certificates for the following individuals for failure to comply with the Practice Enhancement Program:
Anthony Andreoli Amy Elletson

Motion was made, seconded and carried to revoke the CPA Certificate of Anthony Andreoli and Amy Elletson for failure to respond to the Practice Enhancement Program. In the event the individuals should seek re-licensure, the Board assessed attorney's fees and costs associated with the formal complaint and hearings, an administrative fine of \$500 and compliance with the peer review procedures.

Agenda Item 17: Request Board Approval of Stipulated Agreement for the following individuals based on failure to comply with the CPE Administrative Complaint Procedure

Motion was made, seconded and carried to approve the Stipulated Agreement for Dean Bone based on failure to comply with the CPE Administrative Complaint Procedure. The provisions are as follows: (1) payment of the \$1600 CPE Penalty by December 31, 2007; (2) completion of the 2007 CPE Requirement of 46 hours by December 31, 2007; (3) backup documentation of CPE obtained shall be submitted with each renewal for the next two years; (4) decision shall be published.

Motion was made, seconded and carried to approve the Stipulated Agreement for Richard Gallagher based on failure to comply with the CPE Administrative Complaint Procedure. The provisions are as follows: (1) completion of the 2006 CPE shortage requirement of 55 hours and 2007 CPE requirement of 25 hours for a total of 80 hours, by December 31, 2007; (2) payment of the \$1600 CPE Penalty; (3) payment of an administrative fine of \$500; (4) payment of attorney's fees and costs of \$400; (5) total amount due and payable \$2500 by December 31, 2007; (6) backup documentation of CPE obtained shall be submitted with each renewal for the next two years; (7) decision shall be published.

Motion was made, seconded and carried to approve the Stipulated Agreement for Heather Rollo based on failure to comply with the CPE Administrative Complaint Procedure. The provisions are as follows: (1) completion of the 2006 CPE shortage requirement of 28 hours and 2007 CPE requirement of 32 hours for a total of 60 hours by December 31, 2007; (2) payment of the \$1600 CPE Penalty; (3) payment of an administrative fine of \$500; (4) payment of attorney's fees and costs of \$400; (5) total amount due and payable \$2500 by December 31, 2007; (6) backup documentation of CPE obtained shall be submitted with each renewal for the next two years; (7) decision shall be published.

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Agenda Item 18: Request Board Determination of MGM/Mirage Letter concerning Experience to Qualify for CPA Designation.

The Board reviewed the request of the MGM/Mirage in connection with the requirements to qualify the internal audit department for granting experience. The Board discussed the regulations as set forth and determined that application of the law does not authorize the Board to grant a waiver and allow anyone other than the head of the department to be the CPA in connection with the qualified internal audit requirements.

Agenda Item 19: Board approval of 2008 Board Meeting Schedule

Motion was made, seconded and carried to approve the following 2008 Board Meeting dates and locations:

January 11, 2008	Las Vegas	March 21, 2008	Reno
May 9, 2008	Las Vegas	July 11, 2008	Reno
September 19, 2008	Las Vegas	November 14, 2008	Reno

Agenda Item 20: Report of President

No items were discussed under this agenda item.

Agenda Item 21: Public Comment **11:30 AM**

No items were discussed under this agenda item.

Agenda Item 22: Next Board Meeting: January 11, 2008 - Las Vegas

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Sarah Jenkins N-07-6: Executive Director recommended that a formal complaint be filed for failure to report disciplinary action taken by another state on her license renewal form.

Richard Sellers S-07-8: The Board discussed the issue and recommended a formal complaint should be filed for failure to register with the PCAOB.

Daniel Forbush S-07-9: The Board discussed the issue and recommended a formal complaint should be filed for failure to register with the PCAOB.

Sanford Feibusch S-07-10: The Board discussed the issue and recommended a formal complaint should be filed for failure to register with the PCAOB.