

NEVADA STATE BOARD OF ACCOUNTANCY
Minutes
November 16, 2015

An open meeting of the Nevada State Board of Accountancy was called to order at 8:00 A.M. by Secretary-Treasurer, L. Ralph Piercy, on Monday, November 16, 2015 at First Independent Bank, 5335 Kietzke Lane, 2nd Floor, Las Vegas Nevada.

Board Members Present:

L. Ralph Piercy, Secretary/Treasurer
Steven M. Brockovich Candace Johnson
Nicola Neilon Benjamin C. Steele

Board Members Absent

Robert C. Anderson, President
Brian Wallace

Board Staff Present:

Karen Peterson, Counsel
Louis Ling, Counsel
Viki A. Windfeldt, Executive Director
Leslie C. Walsh, Board Coordinator

- 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.

◆ ◆ ◆ ◆ 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 24, 2015 Board Meeting Minutes *(For Possible Action):*

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

Cameron Andriola	John Barnhurst	Aygun Beasley	Cassidy Betschart
Christian Braithwaite	Galen Broderick	Aimee Cheun	Timothy Goldsmith
Chailynn Gould	Dany Huynh	Shay James	Yeji Mun
Christopher Plasterer	Laura Rose	Katharine Stanley	Kornelia Szabo
John Washco	Brandon Wignall	Brittney Wilder	

- *3. Approval of Change to License Status (For Possible Action):

Retired Status:	Ferril Barney	Timothy Cope	Sherwin Gilbert
	Jocelyne Helzer	Linda Jones	Gregory Morgan
	Thomas Tittle		

- *4. Approval of Finances (For Possible Action):

A. Treasurer's Report
B. Approval of Proposed FY 2015/2016 Budget
C. Approval of Draft Financial Statements FY 2014/2015

- *5. Nothing scheduled for this agenda item

- *6. Nothing scheduled for this agenda item

- *7. Nothing scheduled for this agenda item

The consent agenda and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve the consent agenda items.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 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 (For Possible Action)

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 I-2015.013 based on voluntary surrender of CPA license.

Motion was made, seconded and carried to dismiss complaint matter I-2015.015 based on complainant withdrawal and resolution of complaint.

Motion was made, seconded and carried to close complaint matter F-2015.007 based on assurances provided by firm.

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Motion was made, seconded and carried to close complaint matter F-2015.008 based on assurances provided by firm.

Motion was made, seconded and carried to close non-licensee complaint matter NL-2015.004 Harry Millios based on compliance.

Motion was made, seconded and carried to close complaint matter NL-2015.001 Suzanne Herring and continue to allow her to sit for the CPA Exam.

B. Board Disciplinary Hearing (*For Possible Action*)

Mark A. May

Appearance 1:00 PM

Disciplinary Hearing continued to the January 20, 2016 meeting.

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

No items were discussed under this agenda item.

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

A. NASBA Annual Meeting Follow Up

Executive Director provided a summary of the NASBA Annual Meeting. The Board discussed the various topics on the conference agenda and specifically the CGMA designation.

B. AICPA/NASBA UAA Exposure Draft – CPA Retired Status

Executive Director provided the Board with the UAA Exposure Draft amended language that includes CPA Retired Status. The Board discussed the exposure draft.

C. NASBA University Report Follow Up

Executive Director provided the Board with the UNLV CPA Examination Performance report as compiled by NASBA.

D. Board Amended Travel Policy

Executive Director provided the Board with the amended travel policy. Motion was made, seconded and carried to approve the policy as amended.

E. NASBA Regional Director Focus Questions

Executive Director provided the Board with the NASBA Regional Director Focus Questions. The Board provided input for responses to the questions.

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Agenda Item 11: Board Review and Approval of position statement and guidance for licensees providing services to the marijuana industry
(For Possible Action)

The Board reviewed the proposed language of the position statement and guidance for licensees providing services to the marijuana industry. Motion was made, seconded and carried to approve the position statement as amended.

Agenda Item 12: Board Review and Consideration of Application of Certified Public Accountant (For Possible Action)

A. Michael J. Cane aka Ronald Serota **Appearance 10:00 AM**

Mr. Serota came forward to discuss his Application of Certified Public Accountant. The Board had in its possession public records related to Mr. Serota's disbarment proceedings before the Nevada State Bar and the federal district court for Nevada and the Board's own orders related to Mr. Serota. The Board also had in its possession a brief with numerous attachments that had been provided by Mr. Serota for the Board's review in advance of the meeting. At the meeting, Mr. Serota made a PowerPoint presentation in support of his application. Board members asked Mr. Serota questions that he answered.

After reviewing the information provided and discussing Mr. Serota's presentation and demeanor, motion was made, seconded and carried to deny the application for Certificate of Certified Public Accountant of Ronald Serota/Michael Cane.

Agenda Item 13: Recommendation of Hearing Officer based on the hearings held and/or proposed stipulated agreements for disciplinary action for the following individuals (For Possible Action):

A. Michael DeLuca

Motion was made, seconded and carried to accept the recommendation of the Hearing Officer and approve the following Stipulated Agreement provisions for Michael DeLuca. Hearing Officer, Benjamin Steele, CPA abstained from the vote:

- 1) DeLuca's license be placed on probation for a period of three years. If DeLuca fails to comply with the provisions the license will automatically be revoked without further action by the Board.
- 2) DeLuca agrees to comply with the California Peer Review Committee's requirements including any required follow up for deficiencies related to the team captain re-visit. DeLuca agrees to provide copies of all his California Peer Review documentation to the Board within 10 days of the date of the document.
- 3) During the probation period, DeLuca shall submit to the Board within 30 days of completion of each quarter, a written report listing the names and addresses of all new clients for whom attest services will be performed. The quarterly reports shall be submitted under penalty of perjury.
- 4) DeLuca shall complete 24 hours of CPE in the area of accounting and auditing by June 30, 2016 and documentation of the completed CPE shall be provided to the Board by June 30, 2016.

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Agenda Item 13 continued

- 5) If performing Nevada attest services for Nevada corporations, entities located in Nevada, entities that have Nevada based shareholders and/or creditors or for audits submitted for regulatory purposes in Nevada, DeLuca agrees to pre-release reviews by a licensed Certified Public Accountant for any attest work as defined in NRS 628.005 from the date of issuance of the Board's decision until DeLuca's next peer review report with a rating of pass. The cost of pre-issuance reviews shall be borne by DeLuca. The Certified Public Accountant preparing the pre-issuance reviews for DeLuca shall be approved by the Board.
- 6) DeLuca agrees to promptly respond to any communications from the Board or the California Peer Review Committee of the California CPAs.
- 7) DeLuca agrees to pay attorney's fees in the sum of \$1285 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.
- 8) The total sum due and payable in the amount of \$1285 shall be paid within 30 days of the execution of this Decision by the Board.
- 9) The decision will be published in accordance with NAC 628.450.

B. Fred England

Motion was made, seconded and carried to accept the recommendation of the Hearing Officer and approve the Revocation of Fred England's Certified Public Accountant Certificate based on the hearing held and Mr. England's failure to comply with the continuing education requirements. Hearing Officer, Benjamin Steele, CPA abstained from the vote.

C. John "Jack" Dolan & Jack Dolan & Associates CPAs APC

Motion was made, seconded and carried to accept the recommendation of the Hearing Officer and approve the Revocation of John "Jack" Dolan's Certified Public Accountant Certificate and Jack Dolan & Associates CPAs APC firm registration based on their failure to comply with the investigation and complaint matter. Hearing Officer, Benjamin Steele, CPA abstained from the vote.

Agenda Item 14:

A. Board Approval of 2015 Practice Monitoring (Peer Review) Report
(For Possible Action)

The Board reviewed the 2015 Practice Monitoring (Peer Review) Report. Motion was made, seconded and carried to approve the report as provided

B. Board request Formal Complaints for Individuals that have not responded to the Practice Monitoring (Peer Review) program *(For Possible Action)*

Motion was made, seconded and carried to issue formal disciplinary complaints against Jeffrey Noorda and Steven Staehr for failure to respond and comply with the Board's practice monitoring (peer review) program.

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Agenda Item 15: President's Report (*For Possible Action*)

- A. Presentation of Plaque to retiring Board Member Lisa Milke

Appearance 12:00 PM

Board Secretary-Treasurer L. Ralph Piercy, CPA presented a plaque to retiring Board Member Lisa Milke, in recognition for her outstanding service to the Board over the past six years. Ms. Milke held officer positions of Secretary/Treasurer and President during her tenure with the Board. The Board appreciates all of her time and commitment to the regulation of the profession.

Agenda Item 16: Next Board Meeting: January 20, 2016 Las Vegas, Nevada

◆ ◆ ◆ ◆ W O R K S H O P - 2:00 PM ◆ ◆ ◆ ◆

Agenda Item 17:

Proposed Regulation Amendment Workshop – The purpose of the workshop is to solicit comments from interested persons on the following general topics that may be addressed in the proposed regulations.

- A. Amendment of Nevada Administrative Code Chapter 628 includes: (1) defining certain terms used in NRS or NAC; (2) creation of and duties for new standing committee to review grievances; (3) clarification that a voluntary surrender of a license while under investigation or charges shall be deemed to be a revocation of that license; (4) removal of language related to retesting requirements; (5) removal of language relating to the handling of records upon the death or other permanent absence of an accountant; (6) modification of language relating to when an accountant must obtain certain continuing education; (7) modification of language regarding how continuing education hours will be counted; (8) updating certain references to the Code of Professional Conduct; (9) modification regarding record keeping related to practice-monitoring program; and (10) modification and addition of new language related to comprehensive set of rules and procedures for the conduct of disciplinary matters.

The Board of Accountancy conducted a public workshop to consider the proposed regulations to Nevada Administrative Code (NAC) Chapter 628.

Louis Ling, Board Legal Counsel, summarized the proposed language changes.

No one appeared to provide input and discuss the intent of the proposed regulation changes with the Board:

The following individuals provided written comments in connection with the proposed regulation changes

Betty Cossitt, CPA

Jeff Breeden, CPA

Frank Trainor, Esq

Stewart Archibald & Barney LLP

North Carolina Board of CPA Examiners

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- 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