

NEVADA STATE BOARD OF ACCOUNTANCY
Minutes
July 20, 2016

An open meeting of the Nevada State Board of Accountancy was called to order at 9:30 A.M. by President, L. Ralph Piercy, July 20, 2016 at First Independent Bank, 5335 Kietzke Lane, 2nd Floor, Reno, Nevada.

Board Members Present:

L. Ralph Piercy, President	Nicola Neilon, Secretary/Treasurer
Robert C. Anderson	Steven Brockovich Benjamin C. Steele

Board Members Absent:

Candace Johnson	Brian Wallace
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Board Staff Present:

Karen Peterson, 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 May 17, 2016 and June 9, 2016 Board Meeting Minutes
(For Possible Action)
- *2. Approval of Applications for Certified Public Accountant – Non Appearance
(For Possible Action):
- | | | | |
|--------------------|--------------------|----------------|----------------------|
| Michael Bathla | Merlin Belnap | Brian Boehme | Elizabeth Borngesser |
| Nicole Dolan | Cody Heimerdinger | Corey Holyoak | Kevin Kolman |
| Viktor Kulikovskyy | Cheryl Lane | Jonathan Lee | Elena Marica |
| Anthony Paulson | Franciszek Pochron | Janine Tingson | Ha Tran |
| Eric West | Daniel Wray | | |
- *3. Approval of Fictitious Name Use *(For Possible Action):*
- | | |
|----|-------------------------|
| A. | AMC Auditing LLC |
| B. | Global Tax Planning LLC |

- *4. Approval of Finances *(For Possible Action)*:
 - A. Treasurer's Report
- *5. Approval of CPA Examination Scores - April – June 2016 Window *(For Possible Action)*
- *6. Board Approval of 2016 CPE Documentation Audit Report *(For Possible Action)*
- *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. Board Members abstained from voting on Applications for Certified Public Accountant: Ralph Piercy for Jonathan Lee.

◆ ◆ ◆ ◆ 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 close complaint matter I2016.001 based on resolution of the matter.

Motion was made, seconded and carried to close complaint matter I2016.006 based on the licensee surrender of their license in lieu of discipline.

Motion was made, seconded and carried to rescind the prior revocation of David Williams based on compliance with the license renewal and continuing education requirements and payment of fees associated with the revocation and hearings held.

Motion was made, seconded and carried to close complaint matter F2015.009 based on the closure of the firm and the firm's surrender of the license in lieu of disciplinary action.

Motion was made, seconded and carried to close complaint matter F2015.012 based on the recommendation of the investigator that no violations had occurred. In addition, the firm is no longer practicing and have surrendered their license in another unrelated matter.

Motion was made, seconded and carried to close complaint matter F2016.005 based on assurances provided by the firm.

Motion was made, seconded and carried to close non-licensee complaint matter NL2016.005, Ira Bernstein based on compliance and assurances provided.

Agenda Item 8 Continued

B. Board Review and Determination on Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order for the following (*For Possible Action*):

Lance Bradford, CPA

Motion was made, seconded and carried to approve the following provisions of the Stipulated Findings of Fact, Conclusions of Law, Disciplinary and consent order.

1. Bradford's Certified Public Accountant's Certificate No. CPA-2177 shall be placed on probation for a period of two (2) years from the date of this Consent Order.
2. Bradford will receive a formal letter of reprimand.
3. Bradford will complete 16 hours of continuing education in the area of practice management as part of the regular required annual continuing education by December 31, 2016 and provide copies showing completion with his 2017 annual renewal.
4. Bradford will not associate with any issuer with regard to attest matters, as defined in Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78(c)), during the probationary period.
5. Bradford will forward copies of any correspondence with the PCAOB to the Board during the probationary period within 10 days of its date.
6. If performing attest services for non-public clients, Bradford 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 Consent Order until the probationary period ends. The cost of the pre-issuance reviews shall be borne by Bradford. The certified public accountant preparing the pre-issuance reviews for Bradford shall be approved by the Board. Bradford shall submit engagement quality review reports to the Board within thirty (30) days of the issuance of each report.
7. Bradford may petition the Board to modify or remove the restriction and condition requiring pre-release reviews of attest engagements upon an adequate showing to the Board that such a modification or removal is warranted based upon completion of two (2) audits, one (1) review and one (1) full disclosure compilation with no significant issues on pre-release reviews. The decision whether to remove the pre-release review restriction and condition shall be within the sole discretion of the Board.
8. Bradford's failure to comply with any of the terms and conditions of these Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order shall result in the immediate revocation of Lance Bradford's CPA Certificate Number CPA-2177 without any further action or proceeding before the Board.
9. This Decision will be published in accordance with NAC 628.450.

H. Leilani Bradford, CPA

1. Bradford's Certified Public Accountant's Certificate No. CPA-2438 shall be placed on probation for a period of two (2) years from the date of this Consent Order.
2. Bradford will receive a formal letter of reprimand.
3. Bradford will complete 16 hours of continuing education in the area of Accounting & Auditing as part of the regular required annual continuing education by December 31, 2016 and provide copies showing completion with her 2017 annual renewal.
4. Bradford will not associate with any issuer with regard to attest matters, as defined in Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78(c)), during the probationary period.
5. Bradford will forward copies of any correspondence with the PCAOB to the Board during the probationary period within 10 days of its date.

Agenda Item 8B (H. Leilani Bradford) Con't

6. If performing attest services for non-public clients, Bradford 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 Consent Order until the probationary period ends. The cost of the pre-issuance reviews shall be borne by Bradford. The certified public accountant preparing the pre-issuance reviews for Bradford shall be approved by the Board. Bradford shall submit engagement quality review reports to the Board within thirty (30) days of the issuance of each report.

7. Bradford may petition the Board to modify or remove the restriction and condition requiring pre-release reviews of attest engagements upon an adequate showing to the Board that such a modification or removal is warranted based upon completion of two (2) audits, one (1) review and one (1) full disclosure compilation with no significant issues on pre-release reviews. The decision whether to remove the pre-release review restriction and condition shall be within the sole discretion of the Board.

9. Bradford shall pay a fine of \$5,000.00 and pay the Board's investigative and attorney's fees and costs of \$4,000.00 associated with this Consent Order as follows: Monthly payments of \$1,500.00 commencing on July 1, 2016 and continuing on the first day of each month thereafter for the next six (6) months until the \$9,000.00 due and owing is paid in full.

10. Bradford's failure to comply with any of the terms and conditions of these Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order shall result in the immediate revocation of H. Leilani Bradford's CPA Certificate Number CPA-2438 without any further action or proceeding before the Board.

11. This Decision will be published in accordance with NAC 628.450.

Dustin Lewis, CPA

1. Lewis' Certified Public Accountant's Certificate No. CPA-3205 shall be placed on probation for a period of two (2) years from the date of this Consent Order.

2. Lewis will receive a formal letter of reprimand.

3. Lewis will complete 16 hours of continuing education in the area of Accounting & Auditing as part of the regular required annual continuing education by December 31, 2016 and provide copies showing completion with his 2017 annual renewal.

4. Lewis will not associate with any issuer with regard to attest matters, as defined in Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78(c)), during the probationary period.

5. Lewis will forward copies of any correspondence with the PCAOB to the Board during the probationary period within 10 days of its date.

6. If performing attest services for non-public clients, Lewis 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 Consent Order until the probationary period ends. The cost of the pre-issuance reviews shall be borne by Lewis. The certified public accountant preparing the pre-issuance reviews for Lewis shall be approved by the Board. Lewis shall submit engagement quality review reports to the Board within thirty (30) days of the issuance of each report.

7. Lewis has informed the Board he has performed one (1) audit completed on or about June 30, 2016. A post-issuance review of this audit will be performed within 60 days after issuance of the financial statements. The certified public accountant preparing the post-issuance review for Lewis shall be approved by the Board. Lewis shall submit the post-issuance engagement quality review report to the Board within thirty (30) days of the issuance of the report.

Agenda Item 8B (Lewis) Con't

8. Lewis may petition the Board to modify or remove the restriction and condition requiring pre-release reviews of attest engagements upon an adequate showing to the Board that such a modification or removal is warranted based upon completion of two (2) audits, one (1) review and one (1) full disclosure compilation with no significant issues on pre-release reviews. The post-issuance review audit performed in paragraph 7 above may qualify as one of the two (2) audits required to be completed to petition the Board to modify or remove the pre-release review condition. The decision whether to remove the pre-release review restriction and condition shall be within the sole discretion of the Board.
9. Lewis shall pay a fine of \$5,000.00 and pay the Board's investigative and attorney's fees and costs of \$4,000.00 associated with this Consent Order as follows: Monthly payments of \$1,500.00 commencing on July 1, 2016 and continuing on the first day of each month thereafter for the next six (6) months until the \$9,000.00 due and owing is paid in full.
10. LEWIS' failure to comply with any of the terms and conditions of these Stipulated Findings of Fact, Conclusions of Law, Disciplinary and Consent Order shall result in the immediate revocation of Dustin Lewis' CPA Certificate Number CPA-3205 without any further action or proceeding before the Board.
11. This Decision will be published in accordance with NAC 628.450.

LLB CPAs Inc

1. LLB CPAS INC.'s registration CORP-0754 shall be placed on probation for a period of five (5) years from the date of this Consent Order.
2. LLB shall comply with the PCAOB order and decision issued against L.L. BRADFORD.
3. LLB shall provide to the Board, within 30 days of the date of the Board's Consent Order, its policies and procedures regarding (i) document retention required pursuant to NRS 628.435, (ii) computer back-ups, and (iii) lock down of Engagement binders to ensure no changes are made to attest files after the expiration of the documentation period.
4. LLB will forward copies of any correspondence to the Board with LLB or L.L. BRADFORD and the PCAOB received after the date of this Consent Order through the probationary period within 10 days of the date it was received.
5. LLB will not associate with any issuer with regard to attest matters, as defined in Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78(c)), during the probationary period.
6. LLB will provide a report to the Board within 30 days of the Board's Consent Order detailing the public accounting attest services provided by LLB to its clients and a list of its attest clients.
7. If performing attest services for non-public clients, LLB 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 Consent Order during the probation period. The cost of pre-issuance reviews shall be borne by LLB. The certified public accountant preparing the pre-issuance reviews for LLB shall be approved by the Board, which approval shall not be unreasonably withheld. LLB shall submit engagement quality review reports to the Board within thirty (30) days of the issuance of each report.
8. LLB shall obtain a peer review by January 31, 2017 with a report due by June 30, 2017. LLB shall submit copies of its enrollment form, acceptance letter and peer review report within 10 days of its date. LLB agrees to provide copies of all of its Nevada Peer Review documentation to and from its peer review administering entity to the Board within 10 days of the receipt of the document.
9. LLB may petition the Board to remove and/or modify the condition requiring pre-release reviews of attest engagements upon an adequate showing to the Board that such a modification or removal is warranted after receipt of a peer review completion letter for the peer review due June 30, 2017 indicating a pass with no deficiencies. The decision whether to remove the pre-release review restriction and condition shall be within the sole discretion of the Board.

Agenda Item 8B (LLB) Con't

10. LLB or L.L. BRADFORD shall pay one fine of \$5,000.00 to the Board. LLB or L.L. BRADFORD shall pay the Board's investigative and attorney's fees and costs of \$4,000.00, for a total of \$9,000.00, associated with this Consent Order as follows: Monthly payments of \$1,500.00 commencing on July 1, 2016 and continuing on the first day of each month thereafter for the next six (6) months until the \$9,000.00 due and owing is paid in full.

11. LLB's failure, after having been proven, to comply with any of the material terms and conditions of this Consent Order shall result in the immediate revocation of LLB's registration CORP-0753 without any further action or proceeding before the Board.

12. The discipline imposed on LLB shall be binding upon and apply to any successors or assigns of LLB if such successors or assigns include either Lance Bradford, Leilani Bradford and/or Dustin Lewis as an owner, member, manager, principal or person who has supervisory authority over accounting or attest matters.

13. This Consent Order will be published in accordance with NAC 628.450.

L.L. Bradford & Company LLC

1. L.L. BRADFORD & COMPANY, LLC's registration LLC-0113 shall be placed on probation for a period of five (5) years from the date of this Consent Order.

2. L.L. BRADFORD shall comply with the PCAOB order and decision.

3. L.L. BRADFORD shall provide to the Board, within 30 days of the date of the Board's Consent Order, its policies and procedures regarding (i) document retention required pursuant to NRS 628.435, (ii) computer back-ups, and (iii) lock down of Engagement binders to ensure no changes are made to attest files after the expiration of the documentation period.

4. L.L. BRADFORD will forward copies of any correspondence to the Board with the PCAOB received after the date of this Consent Order through the probationary period within 10 days of the date it was received.

5. L.L. BRADFORD will not associate with any issuer with regard to attest matters, as defined in Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78(c)), during the probationary period.

6. L.L. BRADFORD will provide a report to the Board within 30 days of the Board's Consent Order detailing the public accounting attest services provided by L.L. BRADFORD to its clients and a list of its attest clients.

7. If performing attest services for non-public clients, L.L. BRADFORD 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 Consent Order during the probation period. The cost of pre-issuance reviews shall be borne by L.L. BRADFORD. The certified public accountant preparing the pre-issuance reviews for L.L. BRADFORD shall be approved by the Board, which approval shall not be unreasonably withheld. L.L. BRADFORD shall submit engagement quality review reports to the Board within thirty (30) days of the issuance of each report.

8. L.L. BRADFORD will receive a formal letter of reprimand.

9. L.L. BRADFORD's failure, after having been proven, to comply with any of the material terms and conditions of this Consent Order shall result in the immediate revocation of L.L. BRADFORD & COMPANY, LLC's registration LLC-0113 without any further action or proceeding before the Board.

10. L.L. BRADFORD shall pay a fine of \$5,000.00. L.L. Bradford shall pay the Board's investigative and attorney's fees and costs of \$4,000.00, for a total of \$9,000.00, associated with this Consent Order as follows: Monthly payments of \$1,500.00 commencing on July 1, 2016 and continuing on the first day of each month thereafter for the next six (6) months until the \$9,000.00 due and owing is paid in full.

Agenda Item 8B (LL Bradford) Con't

11. L.L. BRADFORD or its successor LLB CPAS INC. shall obtain a peer review by January 31, 2017 with a report due by June 30, 2017. L.L. BRADFORD shall submit copies of its enrollment form, acceptance letter and peer review report within 10 days of its date. L.L. BRADFORD agrees to provide copies of all of its Nevada Peer Review documentation from its peer review administering entity within 10 days of the receipt of the document.

12. The discipline imposed on L.L. BRADFORD shall be binding upon and apply to any successors or assigns of L.L. BRADFORD if such successors or assigns include either Lance Bradford, Leilani Bradford and/or Dustin Lewis as an owner, member, manager, principal or person who has supervisory authority over accounting or attest matters.

13. This Consent Order will be published in accordance with NAC 628.450.

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

Roger A. Stadtmueller, CPA

Appearance 10:00 AM

This matter was continued to the Board's next scheduled meeting in September.

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

Legal Counsel provided the Board with information pertaining to proposed draft language from the Attorney General's office in response to the NC Dental Board case. In reviewing the proposed language there was one particular area that could be removed. Counsel provided the Board with updated information relating to the case and subsequent legislation that has occurred across the states in reaction to the matter.

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

A. NASBA Regional Director Conference Follow Up

Executive Director provided the Board with an information update of the topics discussed at the NASBA Regional Conference.

B. AICPA Proposed Evolution of Peer Review Administration

Executive Director provided the Board with the newly released white paper from the AICPA requesting Board's response to the Peer Review Evolution topic. The Board was also provided with a draft letter of response for their review. The Board discussed the evolution topic along with members from the Nevada Society of CPAs.

C. AICPA Exposure Draft – Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews.

Executive Director provided the Board with the AICPA Exposure Draft with proposed changes to the AICPA Standards for Performing Peer Reviews. The Board reviewed the information provided.

D. NASBA Exposure Draft – Amendments to UAA Section 6 Recognition of Foreign Professionals and UAA Rules Article 5 Changes for Examination.

Executive Director provided the Board with the NASBA Exposure Draft of proposed changes to the Uniform Accountancy Act. The Board reviewed the information provided.

Agenda Item 11: Board Approval of Employment Contract for the following
(For Possible Action):

- A. Louis Ling, Esq., – Board Counsel

Motion was made, seconded and carried to approve the Employment Contract for Louis Ling to provide legal services as provided.

Agenda Item 12: Board Update and Presentation from Board Lobbyist:
(For Possible Action)

- A. Mike Hillerby, Kaempfer Crowell

Board Lobbyist Mike Hillerby came forward to discuss a variety of topics including the Boards proposed legislative bill draft and the upcoming 2017 Legislative Session.

Agenda Item 13: Board review of proposed statute language within NRS 628.200 for additional changes to provide further clarification of its intent. (For Possible Approval)

- A. Nevada Society of CPAs will be present for discussion

Anna Durst from the Nevada Society of CPAs came before the Board to discuss an additional change to the proposed legislative changes to Chapter 628 for the upcoming legislative session. After additional review of the draft language within NRS 628.200 regarding the experience required to be licensed as a CPA, the language appears to need additional clarification and proposed amendment was discussed. The Board reviewed the proposed amendment and discussed the intention of the Board for the experience requirement.

Motion was made, seconded and carried to amend the proposed Board legislative language in connection with the experience requirement to provide further clarification as to the Boards intent. Once finalized the new language will be sent to Lobbyist Hillerby for introduction to the upcoming session.

Agenda Item 14: Board Staff Personnel Performance Review (For Possible Action)

Motion was made, seconded and carried to go into closed session to conduct the personnel session of Board staff.

Upon resumption of the open session the Board reviewed the information provided by members L. Ralph Piercy and Robert Anderson in connection with the review process of Board staff. Board staff was provided with a review and evaluation. Motion was made, seconded and carried to approve the recommended salary structure

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

Nothing was discussed under this agenda item.

Agenda Item 16: Next Board Meeting: September 21, 2016 Las Vegas, Nevada

- 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