

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

March 16, 2005

An open meeting of the Nevada State Board of Accountancy was called to order at 9:30 A.M. by President Harry Parsons, on Wednesday, March 16, 2005 at 5851 S Virginia Street, Tahoe Room B, Reno Nevada.

Board Members Present:

Harry O. Parsons
Charles A. Morrison
Kathy L. Zeller

Sharon J. McNair
Raja Mourey

Bonnie M. Houldsworth
Patrick M. Thorne

Board Staff Present:

Todd Russell, Counsel
Viki A. Windfeldt, Executive Director
Leslie C. Walsh, Board Coordinator

◆ ◆ ◆ ◆ CONSENT AGENDA ◆ ◆ ◆ ◆

- *1. Approval of January 27, 2005 Board Retreat and January 28, 2005 Board Meeting Minutes
- *2. Approval of Applications for Certified Public Accountant – Non Appearance
 - Shawn Bawden Kent Berkely Brandon Burrows Martin Deitch
 - Wendy DeMarco Marcie Fleck Lavonne Hing Alana Holland
 - Ralph Kuhen Joseph Lankilde Gary Leiper David Maxwell
 - Richard Phillips Heidi Pope Tammy Seichi Jeffrey Spiegel
 - Mark Thomas Chung Suk Yu Bruce McKittrick John Metz
 - William Powell
- *3. Approval of Temporary Licensing Permits – Non Appearance
 - Rhonda Fanucchi Peter Chase Mark Cowley John Richter
 - Terence Milaney James Kieckjafer Richard Rathman Brian Bast
 - Darren Epperson Gerald Birch Elisa Potikian Karen Keehn
 - Donald Burke Neil Levine Sheldon Holzman
- *4. Request for Change of CPA Status:
Retired Status
 - Mary Cargill William Ernst Sharon Garmon
- *5. Approval of Finances:
 - A. Review of income & expense
 - B. Bills paid since last board meeting
- *6. Approval of Fictitious Firm Name
 - A. Complete Accounting Services, Inc.

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Consent Agenda (Cont.)

- *7. Approval of the CPA Examination Scores for the 3rd Quarter Window October-December 2004.

The consent agenda information and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve the minutes of the January 27, 2005 Board Retreat and January 28, 2005 Board Meeting, the applications for CPA certification, retired status, temporary licensing permits, the board finances, application for fictitious firm name, and the CPA Examination scores from the October-December 2004 window.

Motion was made, seconded and carried to deny the request of Martha Robertson for Retired Status. The denial was based on not meeting the requirements for Retired Status.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 8: Grievance Report and Grievance Matters.

Note: Pursuant to NRS 241.030 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.

Mr. Jaferian came forward to discuss the conditions outlined in the disciplinary complaint filed against him and explained that he had complied with all of the conditions. After discussion with Mr. Jaferian, motion was made seconded and carried to close the matter subject to receipt of a report from David Machen, CPA in connection with his review of Mr. Jaferian's work product, and a copy of the engagement letter indicating Mr. Jaferian's Peer Review has been scheduled.

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 file a formal complaint against Jethro Barlow in connection with complaint matter S-03-25 for SEC violations and a Utah Disciplinary Order.

Motion was made, seconded and carried, in complaint matter N-04-12, to close the formal complaint filed against Robert W. Foster, subject to staff monitoring of the hearing provisions.

Motion was made, seconded and carried in complaint matter S-04-14, to close the formal complaint filed against Steven Krell based on the revocation of his license.

Motion was made, seconded and carried to close complaint matter N-05-1 based on the matter being a fee dispute.

Motion was made, seconded and carried to close complaint matter S-05-1 based on lack of probable cause.

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Agenda Item 8A: Recess into closed session for consideration of application for CPA re-licensure from prior revocation:

Daniel K. Scarberry

10:00 AM

Motion was made, seconded and carried to go into closed session to conduct a board hearing against the above named individual.

Agenda Item 8B: Reconvene into Open Session for Board Determination of the matters concerning the above named individual.

Upon resumption of the open session, in the matter of Daniel K. Scarberry, motion was made, seconded and carried to deny the application of Mr. Scarberry for re-licensure. Mr. Scarberry's license will remain in a revoked status. The board advised Mr. Scarberry to remove all references to the CPA designation, advise all clients that he is no longer a CPA and complete continuing education courses in professional ethics and financial reporting.

Agenda Item 9: Report of Counsel

Todd Russell summarized activities in the current Legislative session and explained that Senator Carlton is proposing a bill that requires a background check prior to license approval by all state boards. Mr. Russell also stated that our law supercedes Senator Carlton proposed bill.

Agenda Item 10: Report of Executive Director

A. NASBA Regional Directors Focus Questions
Executive Director provided the Board with NASBA's Regional Director Focus Questions and requested appropriate responses. The board directed Executive Director to respond on their behalf.

B. NASBA Exposure Draft of Uniform Accountancy Act
Executive Director provided the Board with the Exposure Draft of the Uniform Accountancy Act and requested any feedback the board may have with regard to the proposed amendments. The board did not wish to provide any feedback at this time.

C. Correspondence in connection with Examination Fee Increases
Executive Director provided the Board with information concerning the examination fees and subsequent increases that will follow.

D. NASBA Request for 2005-2006 Committee Recommendations
Executive Director provided the Board with information from NASBA requesting 2005-2006 committee recommendations. The board did not wish to submit any recommendations at this time.

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Agenda Item 10 (Cont.)

E. Informational licensee correspondence in connection with License Renewal

Executive Director provided the Board with correspondence from licensee Douglas Johnson in connection with the reporting of his social security number on his license renewal form. The board sympathized with Mr. Johnson's desire to protect confidential information such as social security numbers from identity theft. However, it is currently a requirement of the law.

F. Examination Issue: Correspondence from NASBA/AICPA.

Executive Director provided the Board with correspondence from NASBA/AICPA in connection with an issue that arose with the CPA Examination. The board was advised that some candidates received a version of the Audit and BEC examination scheduled for testing administration during the April/May window. Executive Director summarized how the issue has been handled and advised the board that only one candidate was affected by this error in Nevada.

G. Check Signers: Harry Parsons and Charles Morrison were named as authorized check signers for the Board's checking and money market accounts.

Agenda Item 11: Request waiver of late filing penalty in connection with the 2005 license renewal

A. Randall Venturacci

The board reviewed the request of Randall Venturacci for waiver of the late filing penalty in connection with his 2005 license renewal. Motion was made, seconded and carried to deny the request for waiver of the penalty based on lack of evidence to establish reasonable cause for the waiver.

Agenda Item 12: Approval of amended Board Policies & Procedures for Travel Reimbursement and Other Compensable Duties.

Motion was made, seconded and carried to approve the amendments to the Board Policies and Procedures for Travel Reimbursement and Other Compensable Duties.

Agenda Item 13: Request board consideration of experience toward CPA licensure

A. Anthony Mavrides

The board reviewed the information provided and encouraged Mr. Mavrides to apply for licensure.

B. Shannon Lashbrook

The board reviewed the information provided but was unable to approve Ms. Lashbrook's experience based on her not meeting Nevada's requirements for experience.

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Agenda Item 14: Request Approval of Formal Complaint for Non-Payment of 2005 License Renewal Fee and Non-Compliance of 2004 CPE Requirement:

Motion was made, seconded and carried to file formal complaints against the following individuals for failure to pay 2005 license renewal fees and comply with the 2004 CPE requirement. Charles Morrison was appointed as hearing officer and abstained from the vote.

Berge, Kevin E	Boers, Frank A.	Bone, Dean	Eisenberg, Susan
Gallagher, Richard.	Goldtooth, Loren	Heath, Jeffrey	Hendrix, Bruce
Herrera, Rafael	Hoover, Lori C.	Kayal, Albert	Kearin, Thomas
Kittredge, Robert	Martindale, Robert	Mohler, Robert	Murphy, Thomas
Musso, Louis J.	Nunley, Kimberly	Peters, Lawson	Prunty, Donald L.
Richardson, N.	Royle, Jackie L.	Sandhu, Erik	Snyder, Harold
Steffey, David	Thompson, Chris	Vear, Christine	Williams, David
Young, James T.			

Agenda Item 15: Practice Enhancement Program 2004 Report
– John Rhodes **11:30 AM**

John Rhodes came forward to discuss the 2004 report of the practice enhancement program. The board discussed a variety of issues with Mr. Rhodes. Mr. Rhodes explained the history and current administrative processes of the Practice Enhancement Program.

Agenda Item 16: Board consideration of Proposed Amendments to Chapter 628 of Nevada Administrative Code

Todd Russell summarized the new proposed language. Discussion was held concerning the peer review requirements. Executive Director was directed to amend the proposed language with changes as discussed and to send notice to all licensees for the scheduled public hearings at the July and September 2005 board meetings.

Agenda Item 17: Review of Personnel Performance and Salary Issues

Motion was made, seconded and carried to go into a closed personnel session.

Upon resumption of the open session, a motion was made, seconded and carried to approve the following salaries for the fiscal year beginning July 1, 2005:

Viki A. Windfeldt, Executive Director	\$75,000
Leslie C. Walsh, Board Coordinator	\$44,000

Agenda Item 18A: Request Board to rescind prior revocation of Shawn A. Morrow in connection with failure to obtain 2003 continuing education requirement.

Executive Director summarized the issues surrounding Mr. Morrow's license revocation. Due to extensive medical evidence supplied, motion was made seconded

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and carried to rescind the revocation, accept the CPE provided, waive CPE penalties of \$750 and

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Agenda Item 18A (Cont.)

return Mr. Morrow's license to active status. Mr. Morrow is required to pay \$350 in attorney's fees and costs in connection with the revocation hearing.

Agenda Item 18B: Report of President

President Harry Parsons summarized the "Best Practices Model" that will be requested by NASBA's strategic initiatives committee.

Agenda Item 19: Public Comment 2:00 PM

No items were discussed under New Business/Public Comment.

Agenda Item 20: Next Board Meeting: May 20, 2005 Las Vegas

The next board meeting will be held May 20, 2005 in Las Vegas.