

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

September 16, 2005

An open meeting of the Nevada State Board of Accountancy was called to order at 8:00 A.M. by President Sharon McNair, on Friday, September 16, 2005 at Clark County Library, 1401 E Flamingo Road, Las Vegas, Nevada.

Board Members Present:

Sharon J. McNair, President	Kathy L. Zeller, Secretary/Treasurer
Bonnie M. Houldsworth	Charles A. Morrison
Harry O. Parsons	Patrick M. Thorne

Board Members Absent: Raja Mourey

Board Staff Present:

Todd Russell, 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 July 15, 2005 Board Meeting Minutes
- *2. Approval of Applications for Certified Public Accountant – Non Appearance

Arminia Arias	Judith Berkley	Barbara Boint	Eugene Brown
Michael Crouch	Michael Finn	Shane Garbutt	Sheldon Holzman
Brent Hyatt	William Kellley	Nattaly Manuel	Michael McEwan
Cara Mosa	Adam Nimmer	Todd Peterson	Alba Prato
Laila Villalobos	Julia Kingston	Matthew Kosarko	Willilam Stieren
Darin Carlsen	Trista Eschenburg	Fraser Inouye	Al Mikuckis
- *3. Approval of Temporary Licensing Permits – Non Appearance

Anne Graebner	Chhabil Vasani	Jeffrey Kleeman	Guy Wanger
Lenard Boggio	Laila Villalobos	Marc Lumer	Marcus Davis
Stuart Greenberg	Michael Bobroff	Rolla Van Meter	
- *4. Request for Change of CPA Status

Sam Gallina	Retired
Tracy Winiarczyk	Inactive
Donald DeBurn	Return to Active
James Rosasco	Return to Active

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- *5. Approval of Finances
 - A. Review of income & expense
 - B. Bills paid since last board meeting
- *6. Approval of Attendance at NASBA's Annual Meeting, October 30 – November 2, 2005, Tucson, Arizona.
- *7. Approval of fictitious firm name use MYCARM Consulting Corp
- *8. Ratification of Employment Agreement for John Rhodes, Practice Enhancement Program Coordinator.
- *9. Approval to upgrade/purchase computer equipment Dell Latitude 410 Laptops.

The consent agenda information and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve the minutes of the July 15, 2005 Board meeting, applications for CPA certification, temporary licensing permits, inactive/retired and return to active status, Board finances, attendance at NASBA's Annual Meeting, fictitious firm name, employment agreement for John Rhodes and computer upgrade purchase.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 10: Request Board Determination of Application for CPA Certification – Appearance 8:30 AM

A. Kenneth Ebert

Kenneth Ebert came forward to discuss his application for CPA certification in Nevada. The Board reviewed the matter and discussed with Mr. Ebert his experience with Arthur Andersen. Based on the information provided the board deferred the application for CPA Certification until the November Board meeting requesting additional information regarding Mr. Ebert's experience.

B. David Hawkins

David Hawkins came forward to discuss his application for CPA certification in Nevada. The Board reviewed the matter and Mr. Hawkin's standing with the California Board of Accountancy. Based on the information provided, motion was made, seconded and carried to approve the application for CPA Certification. Board members Bonnie Houldsworth and Kathy Zeller opposed the vote.

Agenda Item 11: 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.

Motion was made, seconded and carried to go into closed session to discuss grievance matters.

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Agenda Item 11 (Cont.)

Upon resumption of the open session motion was made, seconded and carried to close complaint matter S-05-4 based on lack of reasonable cause to proceed with formal complaint.

Motion was made, seconded and carried to close the formal complaint matter issued against Robert Martindale based on compliance.

Motion was made, seconded and carried to close the formal complaint matter issued against David Williams based on compliance.

Motion was made, seconded and carried to file formal complaint against Michael Masegian in connection with complaint matter N-05-9 based on allegations of probable cause. John Rhodes was assigned as liaison to the complaint matter.

Motion was made, seconded and carried to close complaint matter N-05-10 based on resolution of the parties and lack of cause to proceed with formal complaint.

Motion was made, seconded and carried to file formal complaint against James Slayton in connection with complaint matter S-05-10 based on prior SEC violations and Mr. Slayton's failure to report the violations to the Board.

Motion was made, seconded and carried to close complaint matter S-05-11 based on resolution between parties and lack of reasonable cause to proceed with formal complaint action.

Motion was made, seconded and carried to file formal complaint against Janis Reams in connection with complaint matter N-05-12 based on a disciplinary action taken by the AICPA and violation of the Code of Professional Conduct.

Motion was made, seconded and carried to close complaint matter S-05-2 due to the matter considered a fee dispute and no further information being received.

John Rhodes was assigned as liaison in complaint matter S-05-7.

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

SS-05-11 Gregory Hovaten
NN-05-4 Capital City Accounting

Agenda Item 11A: Recess into closed session for a Full Board Disciplinary Hearing against the following individuals:

A.	Louis Musso	9:00 AM
B.	Susan Eisenberg	9:30 AM
C.	Jethro Barlow	10:00 AM
D.	David Chavez	11:00 AM

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

Agenda Item 11B: Reconvene into Open Session for Board Determination of the matters concerning the above named individuals.

A. Louis Musso

Upon resumption of the open session, in the matter of Louis Musso, it was the board's decision to revoke the CPA Certificate of Mr. Musso, based on his failure to provide evidence of his continuing education for the year 2004 and further falsification of the license renewal submitted to the Board. Mr. Musso shall compensate the board for attorney's fees and costs incurred in connection with the hearing.

B. Susan Eisenberg

Upon resumption of the open session, in the matter of Susan Eisenberg, motion was made, seconded and carried to require the following: (1) Ms. Eisenberg will allow a Board member to conduct an on-site visit to verify use of engagement letters and the process used when clients pick up their documents; (2) provide documentation of CPE course registration in the area of practice management as required in the January 2005 hearing; and (3) compensate the Board for attorney's fees and costs incurred in connection with the hearing.

C. Jethro Barlow

Upon resumption of the open session, in the matter of Jethro Barlow, motion was made, seconded and carried to revoke the CPA certificate of Jethro Barlow based on SEC violations and subsequent revocation by the Utah and Arizona Boards of Accountancy.

D. David Chavez

Upon resumption of the open session, in the matter of David Chavez, motion was made, seconded and carried to dismiss the formal complaint based on testimony received to indicate no violations had occurred.

Agenda Item 12: Report of Counsel

Todd Russell informed the Board that the letter he had written to the Sprint yellow page directory had finally been received and responded to. RH Donnelly will remove the "Accountant" section from the directory.

Agenda Item 13: Report of Executive Director

A. Review NASBA Proposed By-Laws

Executive Director provided the Board with NASBA's proposed amendments to the By-Laws. The By-Laws will be voted on by member boards at NASBA's Annual Meeting in October 2005.

B. Exposure Draft Uniform Accountancy Act

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Executive Director provided the Board with the Exposure Draft for proposed amendments to the Uniform Accountancy Act. The Board reviewed the exposure draft and determined that no comments would be submitted.

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Agenda Item 13 (Cont.)

C. Board consideration to amend CPE Regulations as proposed by NASBA
Executive Director provided the Board with proposed amendments to the continuing education subject areas as required within regulation. The Board considered NASBA's recommendation and determined that no change should be made to the current regulations in connection with the continuing education requirements.

D. NASBA Regional Director 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.

E. Board Disciplinary/Complaint Procedure Outline
Executive Director provided the Board with a complaint procedure outline and summary of past disciplinary decisions. The information was previously requested by the Board at their January retreat. The Board reviewed the information provided.

F. Revised Temporary Permit Application
Executive Director provided the Board with the revised Temporary Permit Application. The new application requires licensing information on the application without the requirement of backup documentation. The Board reviewed the revised application and approved the application with recommended changes.

G. Retired Board Member Investigator Informational Only
The Board was provided information pertaining to the responses received from past board members interested in acting in the capacity of investigator for disciplinary matters.

H. September 14 CBT/September 15 CPT Conference Summary
Executive Director summarized both the Computer Based Testing symposium and the Center for Public Trust Conference held in Washington DC.

I. Individual review procedure discussion
Executive Director summarized the individual review process and the recent request for additional reviews at Mandalay Bay. The board determined that each candidate requesting an individual review would be required to pay the \$1,000 fee and that a separate review must be done for each request.

J. Pre-release Review
Executive Director informed the board that the information requested on pre-release reviewers had been received and reviewed. This information will be held until a pre-release review is required of a licensee.

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Agenda Item 13 (Cont.)

K. Hurricane Katrina

Executive Director notified the board that NASBA had requested information on actions being taken on behalf of CPAs displaced by Hurricane Katrina and whether the board would be willing to ease the requirements for them. The board directed staff to wait until they were contacted by any potential candidates to make a determination.

L. Accountancy License Database

Executive Director informed the Board that NASBA has contacted the Board office to identify a time line when the Board would be able to submit information to the Accountancy License Database (ALD). Executive Director indicated to NASBA that the Board is interested in participating in the ALD however current computer conversion must be completed prior to the exchange of information.

Agenda Item 14:

◆ ◆ ◆ ◆ PUBLIC HEARING 1:00 PM FRIDAY, SEPTEMBER 16, 2005 ◆ ◆ ◆ ◆

Proposed Regulation Amendment Workshop/Hearing – The purpose of the workshop is to solicit comments from interested persons on the proposed regulations to Chapter 628.

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

Todd Russell, Board Legal Counsel, summarized the proposed language.

The following individuals came forward to provide testimony of the proposed regulation changes.

Diane Conant of Conant Nelson & Conant indicated a strong support for peer review and was encouraged to see that the board chose to encompass not only audits, but reviews and all other attestation services. Ms. Conant also supports peer review for non-disclosure compilations because third parties rely on this information and she feels that these reports are often inaccurate. She also stated that if the board would not require peer review for non-disclosure compilations, then she would encourage the Board to continue the Practice Enhancement Program for these reports only.

Carlene Gaydosh representing the Nevada Society of CPAs indicated a strong support for peer review and encouraged the Board to consider non-disclosure compilations as well.

Bonnie Houldsworth read a statement submitted by Bruce Gammet and informed the Board that Mr. Gammet was opposed to Peer Review on everything except audits.

Motion was made, seconded and carried to go forward with the proposed regulation changes subject to staff and legal counsel's suggested amendments. Board member Charles Morrison opposed the vote.

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Agenda Item 15: Approval of 2006 Board Meeting Schedule

January 20, 2006	Las Vegas	March 17, 2006	Reno
May 19, 2006	Las Vegas	July 21, 2006	Reno
September 22, 2006	Las Vegas	November 16, 2006	Reno

Agenda Item 16: Report of President

President Sharon McNair notified the board that in some instances CPA employees of the IRS use the CPA designation on their business card in connection with a Nevada address, as long as they are licensed in any state. Ms. McNair had directed staff to send a letter to the IRS informing them that this was a violation of Nevada's law and we are awaiting their response.

Agenda Item 17: Public Comment 2:00 PM

No items were discussed under New Business/Public Comment.

<u>Agenda Item 18:</u>	Next Board Meeting:	November 18, 2005	Reno
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