

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes

March 17, 2004

Subject to the approval and correction of the Board at its next meeting

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President Bonnie Houldsworth, on Wednesday, March 17, 2004 at the Meadow Wood Courtyard, 5851 S Virginia, Donner Room, Reno Nevada.

Board Members Present:

Bonnie M. Houldsworth
Sharon J. McNair

Harry O. Parsons
Charles A. Morrison

Bruce W. Gamett

Board Members Absent:

Raja Mourey

Kathy L. Zeller

Board Staff Present:

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

Agenda Item 1: Approval of January 21, 2004 Board Meeting Minutes

Motion was made, seconded and carried to approve the minutes of the January 21, 2004 Board meeting.

Agenda Item 2: Grievance Report and Grievance Matters.

Note: 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.

Upon resumption of the open session, motion was made, seconded and carried to close complaint matters S-02-19 and S-03-18, James R. Bonzo based on voluntary surrender status.

Motion was made, seconded and carried to close complaint matter S-03-22, James R. Bullock based on compliance of the provisions.

Motion was made, seconded and carried to close complaint matter N-04-2, based on lack of reasonable cause to proceed with a formal complaint.

In complaint matter N-04-3, John Rhodes was assigned as liaison to investigate the complaint.

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Agenda Item 2 (cont.)

Motion was made, seconded and carried to approve the stipulated agreement in complaint matter N-03-9, Leon Jaferian. Under the stipulated decision, Mr. Jaferian may not issue any governmental audits, reviews or compilation reports until he has had a Peer Review and obtained the continuing education required under the Yellow Book standards. Mr. Jaferian may not issue any audits or reviews without a pre-release review by an independent CPA licensed in the State of Nevada, who has been approved by the board. Mr. Jaferian is required to complete 16 hours of continuing education in the area of preparing audit, reviews and compilations. Mr. Jaferian is required to pay a penalty of \$500 and compensate the Board for its attorney's fees and costs of \$800. Mr. Jaferian will receive a letter of reprimand and the decision will be published in accordance with NRS 628.450. Bonnie Houldsworth as liaison abstained from the vote.

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

SS-01-21	Financial Software Solutions
SS-02-23	Alexanders Accounting Services
SS-03-3	David Timoteo
SS-03-26	Monthend Solutions
SS-03-39	John Noyer
NN-04-1	Paul Sidley
SS-04-3	Sheila Grain
SS-04-7	Clive E. Pace

Agenda Item 3: Report of Counsel

Todd Russell summarized issues that were discussed at NASBA's Legal Conference in Savannah, GA.

Agenda Item 4: Report of Executive Director:

Discussion/Determination Items:

A. Board of Accountancy Score Approval/Release Recommendation

Executive Director provided the board with NASBA's proposed Board of Accountancy Score Approval/Release Recommendation. The board reviewed the information and determined that they would delegate authority to the Board Executive/Staff to approve normal scores from AICPA/NASBA for immediate release to candidates (later formally approved by the Board as a consent agenda item).

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Agenda Item 4 (Cont.)

B. Regional Directors Focus Questions

Executive Director provided the board with NASBA's Regional Directors Focus Questions. The board reviewed the items and determined that the Executive Director could answer the focus questions on their behalf.

C. Board Determination of Public Accounting Experience – Edward Halstead

Executive Director requested board determination regarding public accounting experience as provided by Edward Halstead for employee Paul Wu. Ms. Windfeldt indicated the prior Executive Director had advised Mr. Halstead that as long as he was supervising Mr. Wu as a sole proprietor that the experience would be excepted by the board toward the 2-year experience requirement. However, Mr. Wu would still need to obtain the attest requirement. Mr. Halstead provided a statement of the activities surrounding his supervision of Mr. Wu and requested a board determination. The board determined that Mr. Wu's experience under Mr. Halstead, sole proprietor would count toward the experience requirement, but the experience under the tax preparation firm would not.

D. Board Member Attendance at the University System of Nevada exit review scheduled for April 2004.

Executive Director advised the board that the University System of Nevada would be conducting their exit review in accordance with NAC 628.0624 in April. Ms. Windfeldt requested a board member to attend the exit conference. Board Member Bonnie Houldsworth was assigned.

E. Notification mailing to licensees regarding CPE Required

Executive Director advised the board that a pro-active approach could be taken with regard to licensee continuing education requirements. Ms. Windfeldt proposed sending a mailing to each licensee indicating the required number of 2004 CPE hours. The board considered the proposal and determined a mailing would not be necessary as licensees should be responsible for their continuing education requirements.

F. Summary of Executive Director's Conference

Executive Director advised the board of the topics discussed at NASBA's Executive Director's Conference held February 2004. Ms. Windfeldt advised the Board that the main topic of discussion at the conference was the computerized exam.

Executive Director provided the board with the following informational items for board review:

NASBA information regarding AICPA Board of Examiners Committee Recommendations

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AICPA Center for Public Company Audit Firms Peer Review Program

AICPA Conceptual Framework for Independence Standards

Agenda Item 5: CPA Certification Applications/Issues:

Motion was made, seconded and carried to approve the applications for CPA Certification for the following individuals:

Larry Anderson	Grant Block	Kent Bowman	S. Compton
Tate Ensign	Aaron Ezgar	Ernie Garcia	Monique Gomez
Larry Halverson	Patrick McMullen	Lesley Melvin	Janet Prowse
Jennifer Schmidt	Joseph Shah	Nicole Wright	Frederick Wentzel
Zubin Mistry	Randall Walker	Douglas Ashworth	James Thies

Request assignment of Individual Reviewer for Lori Ware-Taylor. Board discussed the individual review process and assigned John Rhodes to review Ms. Ware-Taylor's experience.

Agenda Item 6: Approval of Temporary Licensing Permits:

Motion was made, seconded and carried to ratify the following temporary permits:

- A. Gregory Labagh
- B. Hitesh Adhia
- C. Elisa Potikian
- D. K Alan Lonbom
- E. Kent Bowman
- F. Frederick Norman

Agenda Item 7: Request for Change of CPA Status:

Motion was made, seconded and carried to approve the request of Joseph Fleming for Inactive Status.

James Murphy came forward to discuss the requirements for Retired Status and continuing education requirements. After board discussion of the issues, a motion was made, seconded and carried to extend the deadline for submission of six 2003 CPE hours until May 31, 2004 with no additional penalty. Mr. Murphy withdrew his request for retired status.

Motion was made, seconded and carried to approve the request of David Nicolay for Retired/Disabled Status.

Motion was made, seconded and carried to approve the request of David Schiessl Jr., to return to Active Status.

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Agenda Item 8: Approval of Finances:

A. Review of Income & Expense

The board reviewed the Income & Expense Statements for the months of January and February 2004.

B. Bills paid since last board meeting

Motion was made, seconded and carried to approve the bills paid for January 2004 by check numbers 6094 through 6131 totaling \$20,380.70, which includes two money market transfer checks in the amount of \$130,000, and for February 2004 by check numbers 6132 through 6157 totaling \$49,736.50.

Agenda Item 9: Approval of Fictitious Name:

The board discussed the following requests for fictitious name.

A. National Taxman LLC (Reconsideration)

Motion was made, seconded and carried to deny the use of National Taxman LLC as a fictitious name. The board determined the word "national" was misleading to the public as provided in NAC 628.140.

B. National Accounting Services

Motion was made, seconded and carried to deny the use of National Accounting Services as a fictitious name. The board determined the word "national" was misleading to the public as provided in NAC 628.140.

C. Deloitte Tax LLP

The board determined that a fictitious name application was not applicable for Deloitte Tax LLP.

Agenda Item 10: Approval of Auditor to conduct the Board's Financial Statement Audit.

The board at their January 21, 2004 board meeting approved Kohn Colodny as the auditor to conduct the board's financial statement audit. The approval was good for one fiscal year audit. After review of the board's request for proposal it was identified that the request was for 3 years. The board discussed the issue. Motion was made, seconded and carried to approve Kohn Colodny for audit services for three fiscal years.

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Agenda Item 11: Request board consideration to waive late penalties, CPE penalties or additional time to complete CPE in connection with the 2004 license renewal:

Motion was made, seconded and carried to deny the request of Atkinson & Atkinson CPA Ltd., for waiver of the late penalty in connection with the filing of their firm registration. The denial was based on lack of reasonable cause.

Motion was made, seconded and carried with a 3 yes and 1 no vote, to approve the request of Mark Bailey for waiver of the \$100 CPE penalty in connection with the CPE shortage in obtaining hours outside the required year. The approval was based on evidence indicating reasonable cause.

Motion was made, seconded and carried to deny the request of William Ernst for waiver of the \$250 CPE penalty in connection with the CPE shortage in obtaining hours outside the required year. The denial was based on lack of reasonable cause.

Motion was made, seconded and carried to deny the request of Edward Halstead for waiver of the \$100 CPE penalty in connection with the CPE shortage in obtaining hours outside the required year. The denial was based on lack of reasonable cause.

Motion was made, seconded and carried to deny the request of Paula Steepin for waiver of the \$250 CPE penalty in connection with the CPE shortage in obtaining hours outside the required year. However, the board would consider approval of inactive status should the licensee apply.

Motion was made, seconded and carried to defer the request of H. Frank Woodbury for leniency in his 2003 CPE requirement based on his current health issues. The board would like to review his medical documentation or consider an application for Inactive Status.

Agenda Item 12: Board discussion and determination of proposed language changes to Chapter 628 of Nevada Administrative Code and Nevada Revised Statutes.

The board reviewed the proposed amendments to Nevada Administrative Code and Nevada Revised Statutes. Motion was made, seconded and carried to approve the language as provided.

Agenda Item 13: Request Board approval of John Rhodes Employment Contract as Coordinator of the Practice Enhancement Program.

The board reviewed the proposed employment contract for the coordinator of the Practice Enhancement Program, John Rhodes. Motion was made, seconded and carried to approve the contract as provided.

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Agenda Item 14: Request Board consideration of conditional status for Andres Benavidez in connection with November 2003 CPA Examination scores.

The board reviewed the request of Andres Benavidez for conditional status based on his examination scores from the November 2003 CPA Examination. Motion was made, seconded and carried to deny the request based on Mr. Benavidez not obtaining a minimum score of 50 percent in the unpassed subject as provided in NAC 628.040.

Agenda Item 15: Request Board consideration to waive portions of the educational and experience Requirements:

The board reviewed the request of Brian Kunec for leniency of the 150-hour educational requirements in connection with the reciprocity application. Motion was made, seconded and carried to deny the request of Mr. Kunec based on the education not meeting Nevada's requirement.

The board reviewed the request of Melanie Gebers for determination of experience. Motion was made, seconded and carried to deny Ms. Gebers request based on the experience at Palm Mortuary not meeting the experience required for licensure.

The board reviewed the request of Andrew Burch for leniency of the experience requirement. Motion was made, seconded and carried to deny the request of Mr. Burch based on the experience in private industry not meeting the experience required for licensure.

Agenda Item 16: Request Approval of Formal Complaint for Non-Payment of 2004 License Renewal Fee and Non-Compliance of 2003 CPE Requirement:

Motion was made, seconded and carried to file formal complaints against the following individuals for failure to pay 2004 license renewal fees and comply with the 2003 CPE requirement. Harry Parsons was appointed as hearing officer and abstained from the vote.

Robert Anderson	Jethro Barlow	Pierce Clifton	William
Conlon			
Pamela Cooper	Kurt Davis	M Debevec	William Ernst
Debra George	Loren Goldtooth	Donna Herron	Michael Hirsch
R Jorgensen	V Kachaturian	Ida Hin Louie	M Masegian
Mark Miller	Louis Musso	Arthur Riber	Norman Richardson
Jackie Royle	Debra Schmitt	William Schumann	David Steffey
Irv Steinberg	Evan G. Stevens	Thomas L. Sutton	David Williams

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Agenda Item 17: Request Approval of NASBA and State Board Examination Contract.

The board reviewed the contract between NASBA and the Nevada State Board of Accountancy in connection with the computerized Uniform CPA Examination. Counsel indicated that the contract appears to be standard with one exception. Counsel advised the board to include language that NASBA handle our jurisdiction with the same standards as other jurisdictions, especially those known as CPAES states. Motion was made, seconded and carried to approve the contract with the change that legal counsel proposed.

Agenda Item 18: Report of President

No items were discussed under the President's Report.

Agenda Item 19: Public Comment 10:00 AM

No items were discussed under New Business/Public Comment.