

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
BUREAU OF COMMERCIAL SERVICES  
LICENSING DIVISION  
2501 Woodlake Circle, Okemos, Michigan 48864-5955**

**Board of Accountancy**

**BOARD MEETING MINUTES**

November 17, 2006

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Board of Accountancy met in Regular Session on November 17, 2006, at the Department of Labor & Economic Growth, Bureau of Commercial Services, 2501 Woodlake Circle, Conference Room 1, Okemos, Michigan. The business meeting was called to order by Chairperson Beth Bialy at 9:04 a.m.

**ROLL CALL**

Present:	Richard G. David	Professional Member
	Alan C. Young, Vice-Chair	Professional Member
	Mary Nickolas	Public Member
	Stephen H. Epstein	Professional Member
	Thomas R. Weirich	Professional Member
	Sally Fedus, Secretary	Public Member
	Ellen S. Cogen Lipton	Public Member
	Beth Bialy, Chair	Professional Member
	Robert Sher	Professional Member
Staff:	Suzanne Jolicoeur	Licensing Administrator
	Vito Danzo	Asst Licensing Administrator
	Holly Caksackkar	Secretary
	Barrington Carr	Enforcement Division
	Stephen Gobbo	Enforcement Division
	Archie Milben	Enforcement Division
Visitors:	Peggy Dzierzawski	MACPA
	John Lindley	MACPA
	Walter Koziol	MACPA
	David Pickering	MACPA
	Dennis Echelbarger	MACPA
	Rick Berschback	Walsh College
	Melissa Force	Walsh College
	Andy Brown	Visitor

### **ADDITIONS TO OR DELETIONS FROM AGENDA**

4b. Stipulation for Gregory Nelson

### **APPROVAL OF MINUTES FROM MEETING HELD AUGUST 15, 2006**

Ms. Fedus noted that under "Stipulations" the administrative fine for Mario Janero Daniels, I should be \$500 instead of \$2,500.

MOTION: It was moved by Mr. Young and seconded by Mr. Weirich to approve the minutes as amended; the motion carried unanimously.

### **HEARING REPORTS**

MOTION: It was moved by Mr. David and seconded by Mr. Young to receive the Hearing Report for Andy J. Brown. The motion carried unanimously.

#### **A. Andy J. Brown**

The Board reviewed the Hearing Report which found Mr. Brown violated Sections 604(d) and 734(1) (d), (i) and (j) of the Occupational Code 1980, PA 299, as amended.

MOTION: It was moved by Mr. Sher and seconded by Ms. Fedus that due to the gravity of Mr. Brown's conviction and his lack of ethical behavior, the recommendation of the administrative law judge be modified to include a civil fine of \$10,000 to be paid within 60 days of mailing of the Final Order, revocation of Mr. Brown's CPA certificate and license to practice public accounting, that he be unable to apply for reinstatement of his CPA certificate for a period of 3 years, and that Mr. Brown complete 16 hours of ethics continuing education within 6 months prior to his application for reinstatement, which shall be in addition to any continuing education hours required for relicensure. The motion carried unanimously.

### **STIPULATIONS**

#### **A. Gregory Nelson**

A signed stipulation and formal complaint were presented to the Board in the matter of Gregory Nelson, for violation of Section 734(f) of the Occupational Code, 1980 PA 299, as amended, MCL 339.734(f).

Under the terms of the stipulation, Mr. Nelson will pay a \$1,000 administrative fine, within 60 days of mailing of the Final Order, have his CPA certificate and license suspended for a period of two years from the date of mailing of the Final Order, and complete 40 hours of auditing continuing education, or other Department approved continuing education, within the six months prior to applying for

reapplication/reinstatement/renewal, these hours shall be in addition to any continuing education hours required for renewal of his license.

MOTION: It was moved by Ms. Nickolas and seconded by Mr. Young to accept the stipulation as written. The motion passed with Mr. Sher, Mr. David and Mr. Epstein abstaining.

### **REINSTATEMENTS**

#### **A. DAVID A STROM**

Ms. Jolicoeur stated that Mr. Strom had applied for reinstatement of his CPA certificate, which had been revoked May 20, 2003 due to a conviction for embezzlement.

MOTION: It was moved by Mr. David and seconded by Ms. Nickolas to approve Mr. Strom's application for reinstatement. The motion passed with Ms. Fedus and Ms. Cogen-Lipton voting no.

### **PETITIONS FOR REVIEW**

#### **A. Wendy Mallo**

Ms. Mallo's application for a CPA certificate was denied on the basis that she applied after July 1, 2003, and has not completed 150 semester hours of education.

MOTION: It was moved by Mr. Epstein and seconded by Mr. Sher to overturn the denial of Ms. Mallo's application on the basis that Ms. Mallo passed the uniform CPA examination and completed two years of qualifying experience prior to July 1, 2003. The motion carried unanimously.

### **BUSINESS COMMUNICATIONS**

Mr. Rick Berschback from Walsh College attended and discussed his concerns regarding the Business Communications requirement for certification. He shared examples of written communication deficiencies he has observed in his accounting students.

### **ADMINISTRATIVE RULES**

Board members reviewed "Draft 3" of the proposed rules prepared by Amy Shell. Mr. Epstein, Mr. Danzo, and Mrs. Dzierzawski will work on R338.5210 requiring case studies in ethical reasoning for ethics CPE.

Ms. Jolicoeur indicated that she would like to see language regarding qualifying experience for a CPA certificate reinserted in the rules. The language requiring experience in three distinct lines of business had been inadvertently deleted the last time the rules were amended. Mr. David and Ms. Bialy expressed concern about reinserting the language. After further discussion, it was agreed that the language will

not be reinserted and that applicants will no longer have to submit three client references showing three lines of business. Applicants will only need to submit one client reference for a financial audit.

**NASBA ANNUAL MEETING REPORT**

Mr. Weirich gave a presentation on the NASBA Annual Meeting in Atlanta, GA.

**ENFORCEMENT PRESENTATION**

Mr. Barrington Carr gave a presentation on the Enforcement Division and provided statistics on CPA complaints.

**PUBLIC COMMENT**

Ms. Dzierzawski indicated that the MACPA is considering having legislation introduced to set back the effective date of the peer review requirement. The MACPA would also like to stagger the dates when peer reviews are required, to allow for compliance by all the new sole practitioners and firms that will now need to undergo peer review.

**STAFF COMMENT**

None.

**ITEMS FOR CONSIDERATION FROM BOARD MEMBERS**

None.

**NEXT MEETING DATE**

The next scheduled meeting of the Board of Accountancy will be held January 19, 2007 at 9:00 a.m.

**ADJOURNMENT**

There being no further business to be brought before the Board at this time, the meeting was adjourned at 1:46 p.m.

Sally Fedus /s/

1/19/2007

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Sally Fedus, Secretary

\_\_\_\_\_  
Date

Holly Caksackkar /s/

1/19/2007

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Date