

**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

May 16, 2008

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Board of Accountancy met in Regular Session on May 16, 2008, 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 9:08 a.m.

ROLL CALL

Present:	Beth Bialy, Chair Richard G. David Mary Nickolas Stephen H. Epstein Sally Fedus, Secretary Neil DeBoer	Professional Member Professional Member Public Member Professional Member Public Member Professional Member
Staff:	Carol Flores Jean Boven Melody Duwe Jennifer Olson James Nelson	Licensing Administrator Licensing Director Secretary Departmental Technician Enforcement Staff
Visitors:	Peggy Dzierzawski John Lindley Dennis Echelbarger Joel Gartner James Joseph Sullivan Patricia Schetz	MACPA MACPA MACPA Petitioner Attorney for J. Gartner Petitioner

ADDITIONS TO OR DELETIONS FROM AGENDA

None

APPROVAL OF MINUTES FROM MEETING HELD NOVEMBER 30, 2007

A correction in the minutes was required for the motion regarding the waiver of penalty hours for James D. McCarthy. The motion was to include an extension to January 15, 2008 to allow completion of the required continuing professional education hours.

A correction in the minutes was required under Items for Consideration from Board Members to state that Mr. David updated the Board on the Advisory Committee on the auditing professions, not the auditing standards.

MOTION: It was moved by Ms. Fedus and seconded by Ms. Nickolas to approve the minutes with minor changes; the motion passed unanimously.

The January 2008 Board Meeting was canceled.

PETITIONS FOR REVIEW

A. Patricia Schetz

On March 5, 2008, the Department denied the application for a renewal of a license to practice public accounting on the basis that she did not complete the 2 hours of ethics by June 30, 2007.

MOTION: It was moved by Ms. Fedus and seconded by Ms. Nickolas to uphold the Department's denial of Ms. Schetz's application for the reasons set forth in the denial. The motion carried unanimously. The Department concurred.

B. Arie Wilgenburg

On March 5, 2008, the Department denied the application for a renewal of a license to practice public accounting on the basis that he did not complete 3.5 hours of ethics by June 30, 2007.

MOTION: It was moved by Mr. David and seconded by Ms. Fedus to uphold the Department's denial of Mr. Wilgenburg's application for the reasons set forth in the denial. The motion carried unanimously. The Department concurred.

C. Jill L. Murphy

On March 5, 2008, the Department denied the application for a renewal of a license to practice public accounting on the basis that she did not complete 12 hours of accounting/auditing by June 30, 2007.

MOTION: It was moved by Ms. Nickolas and seconded by Mr. David to uphold the Department's denial of Ms. Murphy's application for the reasons set forth in the denial. The motion carried unanimously. The Department concurred.

D. Sandra McIntosh Davis

On March 5, 2008, the Department denied the application for a renewal of a license to practice public accounting on the basis that she did not complete 2 hours of ethics and 26 hours of other by June 30, 2007.

MOTION: It was moved by Mr. Epstein and seconded by Ms. Fedus to uphold the Department's denial of Ms. Davis's application for the reasons set forth in the denial. The motion carried unanimously. The Department concurred.

E. Susannah R. Juni

On December 16, 2007, Ms. Juni requested her status be changed to registered only. Ms. Juni is requesting a waiver of the 40 CPE hours that are required for a relicensure application on the basis that she did meet the CPE requirements for renewal by June 30, 2007.

MOTION: It was moved by Ms. Fedus and seconded by Mr. Epstein to grant Ms. Juni's request for waiver of the 40 hours of CPE that is required for a relicensure application and allow her license to be reinstated upon payment of the \$320.00 fee which must be received by the Department, no later than June 30, 2008. The motion carried with Mr. David abstaining. The Department concurred.

STIPULATIONS

A. Daniel J. Mahalak

A signed stipulation and formal complaint were presented to the Board in the matter of Daniel J. Mahalak, for violation of a provision of section 604 of 1980 PA 299, contrary to MCL 339.734(j).

Under the terms of the stipulation, Daniel Mahalak agrees to pay a \$5,000 fine within 60 days from the date of the mailing of the final order. Mr. Mahalak's failure to comply will result in suspension of registration and license to practice.

MOTION: It was moved by Mr. Epstein and seconded by Ms. Nickolas to accept the stipulation as written. The motion carried with Ms. Bialy abstaining.

REINSTATEMENT

A. Joel Gartner

As part of the Stipulation agreement, which was signed on February 1, 2000, between Mr. Gartner and the Department, Mr. Gartner's license and certificate were revoked. Mr. Gartner was required to pay \$5,000 civil fine and make restitution to Automatic Apartment Laundries Inc in the amount of \$1,200,000. The Final Order was signed on March 29, 2000. Mr. Gartner is requesting to have his license reinstated on the basis that an Order on Application to Set Aside Conviction dated December 2, 2005, has set aside the conviction of embezzlement. Mr. Gartner has paid the \$5,000 fine and has made payments towards the restitution.

MOTION: It was moved by Ms. Nickolas and seconded by Ms. Fedus to deny reinstatement until such time as Mr. Gartner complies with the Final Order requiring restitution in the amount of \$1,200,000. The motion carried unanimously. The Department concurred.

ACCEPTANCE OF THE CERTIFICATE OF ENROLLMENT

Ms. Flores informed the Board that the Department had reinstated the Certificate of Enrollment and is now available on NASBA's website.

CPA EXAM

A. Vaishali Sheth

Ms. Sheth had requested an extension for her Notice to Schedule (NTS) in October 2007 from Exam Services. Exam Services granted the extension to May 31, 2008. Ms. Sheth is requesting that her NTS, as well as the Audit Section she passed in November 2006 be extended through May 2009.

MOTION: It was moved by Mr. Epstein and seconded by Ms. Fedus to deny Ms Sheth's requests for extensions on the basis that Exam Services had previously granted an extension. The motion passed unanimously. The Department concurred.

BUSINESS VALUATION STANDARDS

Discussion was held. The department will contact Richard David for further information.

MINIMUM SANCTIONS

The Minimum Sanctions document was reviewed. The following changes were suggested:

- Move Item #7 Embezzlement Related Convictions under Item #1, and renumber items.
- Change Line B of renumbered Item 2 Embezzlement Related Convictions to read “B. Revocation of CPA License, Certificate and/or Registration”
- Change line Felony Conviction (Excluding Embezzlement) to read “B. 3 Year Suspension or Revocation of CPA license, Certification and/or Registration”
- Under #13 (Violations of Standards of Practice), add language to B to make it read the same as #12 (Conflict of Interest).

MOTION: It was moved by Mr. David and seconded by Ms Fedus to approve the Minimum Sanctions with minor changes listed above. The motion carried unanimously.

PUBLIC COMMENT

Dennis Echelbarger indicated that competing standards exist regarding Business Valuation Standards; specifically the Uniform Standards of Appraisal Practice (USPAP) and the SSVS1 from the AICPA.

A discussion was held on the letter from Mr Giaimo to Mr. DeDoer concerning the issue of CPA examinee fingerprinting program

Ms. Dzierzawski provided the Board with an update on the Mobility legislation.

STAFF COMMENT

Chairperson Bialy congratulated Richard David on his recent retirement from KMPG LLP.

Mr. DeBoer spoke of updating the standards of law every two years.

NEXT MEETING DATE

The next scheduled meeting of the Board of Accountancy will be held on August 22nd, 2008, 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 11:38 a.m.

Sally Fedus, Secretary

Date

Recording Secretary

Date