

**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 25, 2007

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Board of Accountancy met in Regular Session on May 25, 2007, 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:	Beth Bialy, Chair Richard G. David Mary Nickolas Stephen H. Epstein Thomas R. Weirich Sally Fedus, Secretary Ellen S. Cogen-Lipton Robert Sher	Professional Member Professional Member Public Member Professional Member Professional Member Public Member Public Member Professional Member
Absent:	Alan C Young, Vice-Chair	Professional Member
Staff:	Joe Campbell Jean Boven Sara Hernandez Holly Caksackkar Jennifer Olson Stephen Gobbo Amy Shell Tom Byrne Paige Colley	Licensing Administrator Licensing Director Assistant Licensing Administrator Secretary Departmental Technician Enforcement Division Policy Specialist Testing and Education Services Testing and Education Services
Visitors:	Peggy Dzierzawski John Lindley Dennis Echelbarger Walt Koziol	MACPA MACPA MACPA MACPA

Jan Fris
Meredith Alexander

Deloitte & Touche
Deloitte & Touche

ADDITIONS TO OR DELETIONS FROM AGENDA

Deletion: 5B. Joel Gartner

INTRODUCTION OF JOE CAMPBELL

Introduction of Joe Campbell as Acting Licensing Administrator for the Board of Accountancy.

APPROVAL OF MINUTES FROM MEETING HELD January 19, 2007

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

HEARING REPORTS

MOTION: It was moved by Mr. David and seconded by Mr. Weirich to receive the Hearing Reports for Nicholas Dickson Lahr. The motion passed unanimously.

A. Nicholas Dickson Lahr (Complaint 303512)

The Board reviewed the Hearing Report which found Mr. Lahr in violation of Section 604 (g) and 734 (1)(c), (g), (i) & (k) and Rule 446 and 465 (m) of the Occupational Code, 1980 PA 299, as amended.

MOTION: It was moved by Mr. Sher and seconded by Mr. Weirich that the recommendation of the Administrative Law Judge be modified to increase the civil fine to \$10,000.00 to be paid within 60 days of mailing of the Final Order, revocation of Mr. Lahr's certificate and license to practice public accounting and that Mr. Lahr is not eligible to apply for reinstatement for a minimum of 1 year. The motion passed unanimously.

B. Nicholas Dickson Lahr (Complaint 303467)

The Board reviewed the Hearing Report which found Mr. Lahr in violation of Section 734(g) & (i) and Rule 465 (l) & (m) of the Occupational Code, 1980 PA 299, as amended.

MOTION: It was moved by Ms. Fedus and seconded by Mr. Epstein that the recommendation of the Administrative Law Judge be modified to increase the civil fine to \$10,000.00 to be paid within 60 days of mailing of the Final Order, revocation of Mr. Lahr's certificate and license to practice public

accounting and that Mr. Lahr is not eligible to apply for reinstatement for a minimum of 1 year. The motion failed.

~~MOTION: It was moved by Mr. David and seconded by Ms. Nickolas to fine him \$5,000, suspend his certificate/license for six months, and order him to return the records to the client within 60 days. Failure to pay the fine and return records within 60 days would result in revocation of his certificate and license. The motion passed unanimously.~~

MOTION: A motion was made by Mr. David and seconded by Ms. Nickolas that based upon the findings of fact and the nature of the violations, the license be suspended for six months, the records be returned to the client, and to assess a fine of \$5,000 to be paid to the department within sixty (60) days from the date of mailing of the Final Order. Failure to pay the fine or return the records within 60 days will result in revocation of the certificate and license. The motion passed unanimously.

REINSTATEMENTS

A. Ralph L. Roth

Ms. Hernandez stated that Mr. Roth had applied for reinstatement of his CPA certificate, which had been revoked on May 25, 1989, for nonpayment of fees.

MOTION: It was moved by Mr. Epstein and seconded by Ms. Nickolas to approve Mr. Roth's application for reinstatement. The motion passed unanimously.

B. Susan Miller

Ms. Hernandez stated that Ms. Miller had applied for reinstatement of her CPA certificate, which had been revoked on May 25, 1989, for nonpayment of fees.

MOTION: It was moved by Mr. Epstein and seconded by Ms. Nickolas to approve Ms. Miller's application for reinstatement. The motion passed unanimously.

C. Brenda Louise Ball

Ms. Hernandez stated that Ms. Ball had applied for reinstatement of her CPA certificate, which had been revoked on May 25, 1989, for nonpayment of fees.

MOTION: It was moved by Mr. Epstein and seconded by Ms. Nickolas to approve Ms. Ball's application for reinstatement. The motion passed unanimously.

D. Barry A. Kempa

Ms. Hernandez stated that Mr. Kempa had applied for reinstatement of his CPA certificate, which had been revoked on May 25, 1989, for nonpayment of fees.

MOTION: It was moved by Mr. Epstein and seconded by Ms. Nickolas to approve Mr. Kempa's application for reinstatement. The motion passed unanimously.

PETITIONS FOR REVIEW

A. Brian J. Sullivan

Ms. Hernandez stated that Mr. Sullivan's application for a CPA certificate was denied because he failed to meet the business communication requirement.

MOTION: It was moved by Ms. Fedus and seconded by Ms. Nickolas to overturn the Department's denial. The motion passed unanimously. The Department concurred.

B. Meredith Alexander

Ms. Hernandez stated that Ms. Alexander's application for a CPA certificate was denied because she failed to meet the 150-hour education requirement.

MOTION: It was moved by Mr. Epstein and seconded by Mr. David to uphold the Department's denial for the reasons set forth in the denial. The motion passed unanimously. It was determined that Ms. Alexander complete an additional 6 semester credit hours in accounting courses and an additional 6 semester credit hours in general business. The Department concurred.

C. Erick G. Aguilar-Hinojosa

Ms. Hernandez stated that Mr. Aguilar-Hinojosa's application for a CPA certificate was denied because he failed to meet the 150-hour educational requirement.

MOTION: It was moved by Mr. Epstein and seconded by Mr. Sher to uphold the Department's denial for the reasons set forth in the denial. The Board recommended that Mr. Aguilar-Hinojosa have his foreign credentials evaluated to establish equivalency to U.S. education before submitting a new application for a CPA certificate. The Department concurred.

D. Jan Fris

Ms. Hernandez stated that Mr. Fris' application for a CPA certificate was denied because he failed to satisfy the oral component of the business communication requirement.

MOTION: It was moved by Mr. Sher and seconded by Ms. Fedus to uphold the Department's denial for the reasons set forth in the denial. The Board recommended that Mr. Fris complete an oral presentation/speech course. The Department concurred.

ADMINISTRATIVE RULES

Ms. Shell indicated that the proposed administrative rules were forward to the Office of Policy and Legislative Affairs and then to SOAHR. It is anticipated that a public hearing will be scheduled in the near future.

GLOBAL MOBILITY

Ms. Bialy led discussion regarding the Amended Exposure Draft to Section 23 of the Uniform Accountancy Act. The revision provides for practice privileges for licensees performing services in states that are considered substantially equivalent to the licensee's home state. NASBA is pushing for all states to adopt Section 23. Enforcement Division staff raised questions regarding the Department's ability to pursue disciplinary action against an individual that is not licensed in Michigan.

Motion: It was moved by Mr. Sher and seconded by Mr. Epstein that the Board continue to explore adoption of Section 23. A meeting will be scheduled by all interested parties to discuss the matter further. The motion passed unanimously.

PUBLIC COMMENT

Peggy Dzierzawski made mention that Ms. Boven has done an excellent job of taking a leadership role after Suzanne Jolicoeur's retirement. Ms. Dzierzawski stated that the Board should thank Ms. Jolicoeur for her years of service to the Board.

STAFF COMMENT

Mr. Byrne from Testing & Education Services indicated that certain errors arose from the essay portion of the Uniform CPA Exam which resulted in incorrect scoring of the exam in the last 3 testing windows. Mr. Byrne indicated that Michigan was working with NASBA to obtain accurate scoring and to notify those applicants that should have received a passing score. Mr. Byrne indicated that NASBA would notify those applicants that had their score changed from fail to pass. Mr. Byrne mentioned that after 7-1-07 there will no longer be a numerical score for a passing grade. There will only be pass or fail scores. **The Board indicated they would like to review a copy of the exam contract. Mr. Byrne indicated he would investigate providing them with a copy.**

Mr. Byrne indicated that the contract with NASBA was previously extended for a 6-month period and that a new contract will be in effect from 7-1-07 to 6-30-10 with the possibility of two 1-year extensions.

ITEMS FOR CONSIDERATION FROM BOARD MEMBERS

Ms. Bialy mentioned that it was Mr. Sher's last meeting and thanked him for his work with the Board. She also mentioned that Ms. Fedus is eligible for reappointment for another term with the Board.

NEXT MEETING DATE

The next scheduled meeting of the Board of Accountancy will be held on August 24th 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 11:52 p.m.

Sally Fedus, Secretary

Date

Recording Secretary

Date