

# OREGON BOARD OF ACCOUNTANCY

February 17, 2004

Telephone Conference

Salem, Oregon

*The Board of Accountancy protects the public by regulating  
the practice and performance of all services  
provided by licensed accountants.*

## **Board Members Present**

Stuart Morris, PA, *Chair*  
James Gaffney, CPA, *Vice-Chair*  
Lynn Klimowicz, CPA, *Secretary-Treas*  
Jens Andersen, CPA  
Kent Bailey, CPA  
Anastasia Meisner, Esq., *Public Member*  
Alan Steiger, CPA

## **Staff Members**

Carol Rives, *Administrator*  
Noela Kitterman, *Investigator*  
Kimberly Bennett, *Committee Coordinator*  
Carol Hanlon, *Committee Coordinator*  
Heather Shepherd, *Committee Coordinator*

## **Guests Attending**

Christine Chute, Assistant Attorney General  
James Aldrich, OIA Representative  
Stephen McConnel, OSCP Representative  
Cheryl Langley, OSCP Representative

## **Excused**

### **1. CALL TO ORDER**

The meeting was called to order at 9:15 a.m. James Gaffney joined the meeting at 9:20 a.m.

Legal Item 12 was taken out of order and discussed first.

#### **A. Appoint Process Observer**

Lynn Klimowicz was appointed Process Observer.

#### **B. Introduction of Guests**

Guests were introduced and welcomed to the meeting.

### **2. APPROVAL OF MINUTES**

#### **A. December 15, 2003**

**BOARD ACTION:** Moved by Steiger and carried to approve the minutes as written.

Vote: 7 ayes

### **3. REPORT OF CHAIR**

#### **A. NASBA**

##### **1. Nominations for Vice Chair**

- a. Wesley P. Johnson, Maryland
- b. Diane Rubin, California
- c. Samuel Cotterell, Idaho

It was noted that Diane Rubin has also been nominated by the State of Washington.

The Board discussed the value in having representation from the West Coast in NASBA leadership and noted that Diane Rubin has provided positive leadership in many roles on NASBA committees.

**BOARD ACTION:** Moved by Steiger and carried to nominate Diane Rubin for Vice Chair of NASBA, and to submit the nomination to NASBA.

Vote: 7 ayes

**2. Substantial Equivalency Conference Report**

The number of states approving substantial equivalency is increasing. NASBA and UAA anticipate more pressure from large firms for state boards to take measures that will facilitate licensure among the states. The Board discussed reciprocity as an alternative licensing procedure.

Many states have developed an ethics requirement that is specific to that state. NASBA is interested in a more universal ethics program that all states follow. The Board commented that since auditing standards are uniform among all states, a universal ethics program might make sense.

**3. Executive Directors and Legal Conference, Authorize Travel**

**BOARD ACTION:** Moved by Steiger and carried to authorize travel for the administrator and investigator to attend the Executive Directors and Legal Conference and to amend the minutes of December 15, 2003 to include approval for travel.

Vote: 6 ayes, 1 abstention (Meisner)

**4. Overview: Responses to Focus Questions**

The Board requested that Ohio's general response be added to the May work session for further discussion.

**5. Highlights, NASBA Board Meeting**

The Board noted the June 1, 2004 deadline for submitting comments to the UAA Committee and will review the proposed rules at the May work session. Staff will provide a copy to the Board members before the work session, if available.

**6. NASBA Western Regional Conference**

**BOARD ACTION:** Moved by Steiger and carried to authorize approval for the Chair, Vice Chair, Administrator and new members to attend a regional meeting and to apply for a scholarship if necessary.

Vote: 7 ayes.

**4. REPORT OF VICE CHAIR**

**A. Work Session, Cannon Beach**

Jens Andersen reported he will not be in attendance at the May 16-17 work session due to a scheduling conflict.

**1. Discussion topics**

The Board requested that peer review reporting and the NASBA memo on the SOX challenge be added to the list of discussion topics that was included in the agenda.

**B. OSCP – BOA Legislative Planning Discussion (No item)**

OSCPA and the Board of Accountancy are planning a cooperative approach in developing the legislative agenda for each organization. The Board of Accountancy believes it is an efficient practice to have the Society sponsor bills that affect CPAs. The concept of semi-independence for the Board is under consideration. The Board is requesting OSCP's assistance in presenting this concept. Further discussion will include the content of the bill and how the Board will partner with OSCP.

**5. REPORT OF SECRETARY-TREASURER**

**A. Budget Report – December 2003**

The Board has an unfavorable revenue variance, however, savings in services and supplies more than compensates for this.

**B. PERS Disappropriation Report HB 5077**

House Bill 5077 resulted in a disappropriation of \$32,337 from the Board of Accountancy 2003-05 budget appropriation for personnel expenditures. This amount will be transferred to the General Fund.

**6. REPORT OF ADMINISTRATOR**

**A. Revised Branch Office Request: Michael Tayloe**

Michael Tayloe submitted a revised plan for supervision of a branch office. The Board determined that the revised plan meets Board requirements.

**BOARD ACTION:** Moved by Klimowicz and carried to approve branch office request.

Vote: 7 ayes.

**B. 2004 Handbook, Administrative Rules and Statutes**

Board members received the 2004 administrative rules and statutes handbook.

**C. Report of Licensee Renewal Surveys**

A licensee survey was included with the 2003 renewal notices and 12% of renewing licensees returned the survey. 10% is considered a good response rate. 55% percent of licensees responding rated the services provided by the Board as excellent, 27% rated services as good and 13% suggested that board services need improvement. Areas of requested improvement included on-line licensing, revisions to Board forms, faster response time. Board staff is working to improve all areas of customer service.

**D. Performance Measures**

Performance Measure reporting is required to be published on agency websites. The Annual Report, Introduction to Annual Report, Performance Measure Data and the Data Sources are on the Board's home page.

**E. Legislative Concepts, Deadline April 15**

**a. Cease and Desist**

**BOARD ACTION:** Moved by Steiger and carried to approve submission of legislative concept.

Vote: 7 ayes.

**b. Continuing Violation**

**BOARD ACTION:** Moved by Gaffney and carried to approve submission of legislative concept.

Vote: 7 ayes.

**c. Cost recovery**

**BOARD ACTION:** Moved by Gaffney and carried to approve submission of legislative concept.

Vote: 7 ayes.

**d. Inactive license revisions**

**BOARD ACTION:** Moved by Gaffney and carried to approve submission of legislative concept.

Vote: 7 ayes.

e. Peer Reviewer license requirement

Steiger noted that the word "increase" should be replaced with "decrease"

**BOARD ACTION:** Moved by Steiger and carried to approve submission of legislative concept with change.

Vote: 7 ayes.

f. Licensee reporting requirement

Steiger requested further discussion at the May work session agenda.

**BOARD ACTION:** Moved by Steiger and carried to approve submission of legislative concept.

Vote: 7 ayes.

6. Semi-independence

Rives reported that there is no legislative concept for semi-independence at this time.

The Department of Administrative Services may submit an omnibus bill for all boards and commissions that are interested. The Governor has not yet given his approval. The Board will need to work closely with the OSCP in this area.

7. Reinstatement fee

Rives reported that adding a penalty for licensees who wish to reinstate a license is not in the Board's interest. That concept will not be submitted.

**E. NASBA – State Board of Accountancy CBT Contract**

The administrator and legal counsel have been working on the CBT contract and comparing it to other states. There are some minor modifications to be made.

**7. REPORT OF OAIA**

A three-state convention will be held in Washington during June. Aldrich thanked Rives for her participation in last month's state and federal update.

**8. REPORT OF OSCP**

Election of officers and directors was held.

New directors are Larry Reiber, Ryan Smith, and Kim Spaulding.

Continuing directors are Jennifer Wilson, Gary Stachlowski and Deborah Hollingsworth.

Continuing officers are Keith Hobson, Keith Meyers and Stephen McConnel.

Douglas Henne will be Board liaison beginning April 1.

A leadership conference will be held in May at Skamamia Lodge.

Legislative issues will be discussed at the Board meeting and at the legislative policy committee meeting. OSCP will be prepared to discuss semi-independence at the May Board of Accountancy meeting. Rives will provide OSCP with a memo on the proposed model for semi-independence.

**9. CONTINUING PROFESSIONAL EDUCATION**

**A. Report of CPE Committee**

**1. Acceptance of Minutes**

**a. January 13, 2004**

**BOARD ACTION:** Moved by Steiger and carried to accept the minutes of January 13, 2004.

Vote: 7 ayes

## B. Consent Agenda

### 1. Municipal Auditor Applications

#### a. Mary Case

Committee Recommendation: Defer; staff to correspond with the applicant and request outlines for the courses entitled *NPO-Compliance Auditing, Audit Sampling, and Concluding the Audit* and *GSA-Single Audits Sampling, Internal Control Considerations, and Compliance Auditing*. Staff will correspond with Committee members who are Municipal Auditors if information is received before the next meeting.

Jessie Bridgham abstained from discussion and voting.

#### b. Jason Bingham

Committee Recommendation: Accept, the applicant completed the requirements for the municipal audit roster, as required by OAR 801-020-0690.

#### c. Daniel Haggerty

Committee Recommendation: Accept, the applicant completed the requirements for the municipal audit roster, as required by OAR 801-020-0690.

#### d. Terry Halter

Committee Recommendation: Accept, the applicant completed the requirements for the municipal audit roster, as required by OAR 801-020-0690.

### 2. Other Recommendations

#### \*a. FAR requirement for reinstatement

*\*Items removed from Consent Agenda*

**BOARD ACTION:** Moved by Steiger and carried to accept the consent agenda.

Vote: 7 ayes

## C. Items Removed from Consent Agenda

### \*2.a. FAR requirement for reinstatement

**Board Discussion:** *This requirement dates back to when attest and audit experience were required for licensure.*

**BOARD ACTION:** Moved by Steiger and carried to remove FAR requirement for reinstatement of a CPA or PA license.

Vote: 7 ayes

## 10. PEER REVIEW OVERSIGHT

### A. Report of Peer Review Oversight Committee

#### 1. Acceptance of Minutes

##### a. No meeting held

#### 2. 2004 Member List

The list reflects continuing members with no expiring terms.

#### 3. Member Reappointments

##### a. Craig Kiernan

##### b. David Lindley

**BOARD ACTION:** Moved by Steiger and carried to approve Kiernan and Lindley for another term.

Vote: 6 ayes, 1 abstention (Bailey)

**4. Old Business**

**b. Peer Review Transparency**

There are differences of opinion among Committee members concerning the disclosure of peer review reports. Legal counsel provided opinions regarding authority of the Board of Accountancy to require licensees to provide peer review reports. It was noted that information from other state boards indicates a national mood developing that peer review information should be available to state boards for regulatory purposes. Discussion will continue at the May work session.

**BOARD ACTION:** Moved by Gaffney and carried to release the legal opinions provided by legal counsel to the Peer Review Oversight Committee for review.

Vote: 7 ayes

**B. Consent Agenda**

1. Recommendations

a. None

**11. COMPLAINTS COMMITTEE**

**A. Report of Complaints Committee**

1. Acceptance of Minutes

a. January 30, 2004

**BOARD ACTION:** Moved by Klimowicz and carried to accept the minutes of January 30, 2004.

Vote: 7 ayes

b. 2004 Member List

The list reflects continuing members with no expiring terms.

**B. Consent Agenda**

**BOARD ACTION:** Moved by Klimowicz and carried to accept the consent agenda.

Vote: 7 ayes

1. Recommendations

a. 02-03-021	Bryan Justrom	(no violation)
b. 02-06-043*	Joseph Minniti Minniti & Company PC	(civil penalty)
c. 02-09-060	Lynn Townsend-Jones	(no violation)
d. 02-11-068	Donna Butler	(no violation)
e. 03-10-036*	Jerold Eugene Egner	(civil penalty)
f. 02-03-018*	John Holtz	

*\*Items 11.B.1.b., 11.B.1.e. and 11.B.1.f. moved from Consent Agenda to 11.C. for discussion.*

**C. Items Removed from Consent Agenda**

**11.B.1.b. 02-06-043 Joseph Minniti  
Minniti & Company PC**

ALLEGED VIOLATIONS:

OAR 801-030-0010(1) – Competence

OAR 801-030-0010(4) – Other Professional Standards

This case was presented to the Committee for consideration at the meeting of October 3, 2003, at which time the members requested a recommendation be deferred until the business valuation report could be obtained and reviewed. Prior to the meeting of November 21, 2003, a member of the Committee reviewed the report and found it to be inadequate. Since the member was not present at that meeting, the Committee deferred the case to January 30, 2004.

**CASE SUMMARY:**

Joseph Minniti (Minniti) provided professional services for Patricia Solomon (Solomon) during a divorce settlement. The arrangement between Minniti and Solomon was initiated by Solomon's attorney, Lisa Heller (Heller). Solomon believed Minniti was unethical and unprofessional, and that he charged her for services she did not authorize.

Minniti prepared a business valuation of the husband's dental practice for Solomon's divorce proceedings. The business valuation was not prepared according to professional standards or similar pronouncements by a generally recognized authority.

The remainder of the complaint is a fee complaint. The Board has no authority to act on a fee complaint.

**INVESTIGATOR RECOMMENDATION(S):**

OAR 801-030-0010(1) and (4) – Competence and Other Professional Standards

- |    |                                     |             |
|----|-------------------------------------|-------------|
| 1. | Market approach                     | 8 hours CPE |
| 2. | Valuation of professional services  | 8 hours CPE |
| 3. | Secondary adjustments in valuations | 8 hours CPE |

**COMMITTEE DISCUSSION:** A report of findings was presented to the Committee by Dorrell, who reported that the licensee is not competent in doing valuations. Some of the findings were: misapplication of Pratt stats (tangibles and intangibles); non-consideration of years between two points of valuation (no economic impact differences); and lack of knowledge of standards required. Licensee does not perform valuations often enough to become proficient or maintain experience. It was recommended that licensee be required to complete CPE in Pratt as a disciplinary measure. The Committee detected deficiencies and negligence in the performance of a professional service and considered the violation might be more than simple incompetence; however, a standard must be identified and it must be shown that the standard was not followed. The Committee felt that at a minimum, licensee had violated the objectivity rule by holding out to be able to perform a service that he does not possess the skills to perform, OAR 801-030-0005(2)(a)- Objectivity and Integrity. He did not follow any standards and it appears that he misrepresented his expertise. The Committee considered a violation of OAR 801-030-0010(4) – other professional standards. Remedial discipline might include CPE in market approach, professional service valuation and secondary adjustment.

**COMMITTEE RECOMMENDATION(S):**

Amend the investigator's recommendation as follows:

OAR 801-030-0010(1) – Competence:	\$5,000
OAR 801-030-0010(4) – Other Professional Standards:	<u>\$5,000</u>
TOTAL CIVIL PENALTIES:	<u>\$10,000</u>

Waive \$5,000 of the civil penalties if licensee completes 24 hours of CPE, eight hours CPE in each of the three areas that reflect competency violations.

**Board Discussion:** *The Complaints Committee minutes of January 30, 2004 incorrectly reflect the Committee's recommendation of civil penalties and will be amended to show total civil penalties of \$10,000 instead of \$15,000.*

*The evidence supports a finding that the valuation report was subject to professional standards and that Minniti misrepresented that he was following them.*

**BOARD ACTION:** Moved by Klimowicz and carried to accept the Committee's recommendation of two violations and assess civil penalties of \$5,000 each, for a total of \$10,000, waiving \$5,000 if Minniti completes 24 hours of CPE (in addition to the normal 80 hours required) in each of the three areas that reflect competency violations. The Committee's recommendation was amended to require that the CPE be completed within four months of final order and if Minniti chooses to prepare valuations, he is required to have a pre-issuance peer review of the report and submit the review to the Board.

Vote: 7 ayes

**11.B.1.e. 03-10-036 Jerold Eugene Egner**

**ALLEGED VIOLATIONS:**

ORS 673.320(3) – Permit or Registration Required

OAR 801-030-0020(9)(a) – Business Transactions with Clients

OAR 801-030-0020(1)(a) and (b) – Professional Misconduct

Jerold Eugene Egner (Egner) prepared income tax returns for individuals after his license lapsed. In 2002, Egner borrowed money from a client, Rodney L. Woodland (Woodland). Woodland filed a complaint when Egner failed to repay the borrowed funds.

Egner held out as a certified public accountant when he used permit 1870 on tax returns prepared after 1992. Egner did not disclose to Woodland that he has not held an active CPA permit since 1992, and that he is not currently licensed to practice as a CPA. Woodland believed that Egner was licensed as a Certified Public Accountant and believed Egner was qualified to prepare his individual income tax returns.

The personal loan of \$7,500 from Woodland to Egner was evidenced by a promissory note stating the terms of repayment. The promissory note did not state that Egner would not be bound by the Professional Code of Conduct for CPAs, or that Egner may place his own interests above those of Woodland regarding payment of the promissory note. It is reasonable to assume that Woodland would believe that Egner would exercise professional judgment with regard to the terms of the promissory note. The note did not fully disclose the conflict of interest existing because Woodland was Egner's client and Egner owed him money, thereby jeopardizing the professional relationship.

The promissory note, standing alone, was not sufficient to provide the disclosure that the CPA and the client have differing interests which may present a conflict with regard to payment of the promissory note.

Egner did not pay the promissory note when the real property was sold, as agreed. Failure to pay the note according to its terms is a breach of contract which demonstrates a disregard for the rights of Woodland, the holder of the promissory note. Woodland

loaned the funds to Egner in good faith, fully expecting that Egner would honor the promissory note. Egner's failure to pay the money to Woodland as promised would cause a reasonable person to have substantial doubts about Egner's honesty, fairness and respect for the rights of others.

INVESTIGATOR RECOMMENDATION(S):

ORS 673.320(3) Permit or registration required For the use of the designation "certified public Accountant, CPA or permit 1870":	
7 years at \$1,000 each	\$ 7,000
3 years at \$5,000 each	15,000
OAR 801-030-0020(1)(a) and (b) Professional misconduct For failure to respect the rights of others	5,000
OAR 801-030-0020(9)(a) Business transactions with clients Failure of full disclosure in writing of differing interests	<u>5,000</u>
Total Civil Penalties	<u>\$32,000</u>

COMMITTEE DISCUSSION: The administrator noted this is the first case in which this violation has been alleged. It is a new rule that requires full disclosure in writing.

The number of tax returns prepared while holding out is uncertain. The matter could be deferred to the Tax Board. Licensee does not hold a Licensed Tax Preparer permit.

The licensee is bankrupt. The Board could revoke his license for failure to pay the civil penalty. Licensee is lapsed.

The Committee suggested an article in the Board newsletter, emphasizing the differences between license statuses. It might be beneficial to those licensees who prepare tax returns while in lapsed status.

COMMITTEE RECOMMENDATION(S):

Accept the investigator's recommendation to assess total civil penalties of \$32,000.

**Board Discussion:** *The rule implies that licensees must exercise professional judgment, but that it would apply only if the client expected the CPA to do so. The client believed the licensee to be a CPA. The the note referred to specific collateral therefore creating an expectation that the borrowed money would be repaid when specific real property was sold. The client should have been advised that the note creates differing interests between the parties to the note. The Board noted that if there is an established professional relationship between the licensee and client, as here, it is reasonable for the client to expect the licensee to continue to exercise professional judgment.*

*The Department of Revenue (DOR) is not set up to search documents by preparer, and DOR records are only available since 1999. The Board raised concerns that the tax information available is incomplete.*

*The Board discussed revocation and publication as an effective means to provide public protection.*

**BOARD ACTION:** Moved by Klimowicz and carried to revoke the certificate and permit issued to Jerold Eugene Egner, and to publicize the disciplinary action in licensee's local newspaper.

***Board Discussion:** Civil penalties were discussed. Legal Counsel requested the Board to postpone action on the case pending further review.*

**BOARD ACTION:** Klimowicz withdrew the previous motion and moved to reconsider the case at the May Board meeting.

Vote: 7 ayes

**11.B.1.f. 02-03-018 John Holtz**

ALLEGED VIOLATIONS:

OAR 801-030-0020(1)(a) and (b) – Failure to respect the rights of others and violations of state law.

***Board Discussion:** The licensee appeared before the Committee meeting of January 30, 2004 and provided a copy of a Motion to dismiss indictment and judgment that was filed January 27. The violation against Holtz was based on a conviction; therefore, the Committee deferred making recommendations to the Board until the full effect of the Motion to dismiss is determined. The District Attorney's Office advised that the conviction was expunged. It was suggested that the case be resubmitted to the Committee to determine if violations under other Board rules should be considered.*

**BOARD ACTION:** Moved by Klimowicz and carried to refer the case back to the Complaints Committee for further review.

Vote: 7 ayes

**12. LEGAL**

**A. Report of Legal Items**

**1. Proposed Orders After Hearing:**

**a. Del Shepard**

**BOARD ACTION:** Moved by Steiger and carried to accept the Proposed Order submitted by the Administrative Law Judge.

Vote: 6 ayes, 1 excused (Gaffney)

**2. Proposed Consent Orders**

**a. Arnold Meier**

**BOARD ACTION:** Moved by Andersen and carried to accept the consent order as presented.

Vote: 6 ayes, 1 excused (Gaffney)

**b. John Brams**

**BOARD ACTION:** Moved by Klimowicz and carried to direct the Administrator to amend the consent order as outlined and authorize her to sign the order if Brams accepts.

Vote: 6 ayes, 1 abstained (Gaffney)

**c. Richard Grosscup**

**BOARD ACTION:** Moved by Klimowicz and carried to amend the consent order to include “practice of *public* accountancy” in paragraph 3 and assess a \$10,000 penalty, \$9,000 to be stayed provided Grosscup abides by all terms of the consent order for two years from the date of the order.

Vote: 5 ayes, 2 nays (Steiger, Morris)

**B. Other**

1.

**13. QUALIFICATIONS COMMITTEE**

**A. Report of Qualifications Committee**

**1. Acceptance of Minutes**

**a. February 5, 2004**

**BOARD ACTION:** Moved by Bailey and carried to approve minutes of February 5, 2004.

Vote: 7 ayes.

**B. Consent Agenda**

**1. Recommendations**

**a. Wendy Apland**

Ms. Apland gained experience with the following employer:

PeaceHealth	32 mos.	Equiv. Experience
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Ms. Apland passed the CPA Examination in November 2000. Ms. Simpson reviewed the application and supporting documentation and reported that the supervisor licensee provided sufficient information to recommend approval. Ms. Simpson asked that the committee approve the application pending a telephone conversation with the supervisor licensee. The documentation stated that there may have been a period of time in which there was no supervisor licensee and clarification is needed.

**COMMITTEE RECOMMENDATION:** Approve, pending further recommendation from Simpson.

*Ms. Simpson advised Kimberly Bennett after speaking with the supervisor licensee that there was no lapse in supervision.*

**b. Jodi Gorden**

Ms. Gorden gained experience with the following employers:

RadiSys	Not supervised by CPA
John Lawlor	Supervisor Licensee did not qualify
PacificCorp	20 mos. Equiv. Experience

Ms. Gorden passed the CPA Examination in November 2002. Ms. Gorden was previously licensed in Connecticut and worked in industry while there. The supervisor licensee sent documentation outlining the experience, however, the reviewer contacted the company for clarification. The applicant has a wide variety of experience and supervises employees. The quality of the work is sufficient and the reviewer recommends approval.

**COMMITTEE RECOMMENDATION:** Approve.

**2. Approval of Applications**

**a. CPA Certificates/Permits**

45 certificates

- b. PA Licenses/Permits  
None
- c. Firm Registrations  
29 registrations
- d. Substantial Equivalency  
None

*\*Items moved to 13.C. for discussion*

**C. Items Removed from Consent Agenda**

None

**14. CPA EXAM**

**A. Grade Statistics**

The Board reviewed statistics from the November 2003 CPA Examination. 491 candidates were tested: 70 candidates passed the exam, including 34 who passed all sections the first time sitting, 133 conditioned and 254 failed.

**B. High Score Report**

The Board reviewed a list of top scores from the November 2003 exam. Resolutions for the top three scores have been submitted to be presented at the OSCPA Banquet.

**BOARD ACTION:** Moved by Klimowicz and carried to approve the list of top scores.

Vote: 7 ayes

**15. OLD BUSINESS**

**A.** Steiger recommended the appointment of Mark Sleasman, CPA, Alten Sakai and Co. LLP, Portland, to the Independence and Ethics Committee.

**BOARD ACTION:** Steiger moved and it was carried to approve Mark Sleasman as an additional member to the Independence and Ethics Committee.

Vote: 7 ayes

**16. NEW BUSINESS**

**A.** The Board requested clarification on the CBT refund policy. The administrator reported that NASBA provided six different policies for state boards to approve and believed one of those is a refund policy. The expectation is that the refund of examination fees paid directly to NASBA will be handled by NASBA and that the organization that assesses the fee will be responsible for refund policies. There will be further discussion on all CBT policies at the May work session.

**17. PROCESS OBSERVER REPORT**

Lynn Klimowicz observed that the phone conference was the best she has experienced. It was also noted that all participants did a good job of identifying themselves.

**18. NEXT MEETING**

Date: May 16-17, 2004  
Location: Cannon Beach, Oregon  
Time: 8:00 a.m. May 16

**19. ADJOURNED**

There being no further business, the meeting was adjourned at 12:00 noon.