

**OREGON BOARD OF ACCOUNTANCY**  
**Minutes, December 10, 2007**

**Board Office**

**Salem, OR**

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

**Board Members Present**

Lynn Klimowicz, CPA, *Chair*  
Kent Bailey, CPA, *Vice-Chair*  
Jens Andersen, CPA, *Treasurer*  
Stuart Morris, PA  
Ray Johnson, CPA  
Eric Lind, *Public Member*

**Excused**

James Gaffney, CPA

**Staff Members**

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

**Guests Attending**

Jeffrey Dover, *Asst. Attorney General*  
Scott Wright, *CPA, OSCPA*  
Cheryl Langley, *OSCPA*  
Ivan Besemann, *CPA, OAIA, (9:30 a.m.)*  
Rachel Nolin, *Assistant Budget Analyst*

**1. CALL TO ORDER**

A quorum being present, Chair Klimowicz called the meeting to order at 9:14 a.m. and appointed Stuart Morris as Process Observer.

**2. APPROVAL OF MINUTES**

**A. October 7, 2007 Work Session**

**BOARD ACTION:** Moved by Johnson and carried to approve the October 7, 2007 Board work session minutes.

**VOTE:** Chair Klimowicz voted; 6 ayes (Gaffney absent)

**B. October 8, 2007 Board Meeting**

**BOARD ACTION:** Moved by Johnson and carried to approve the October 8, 2007 Board meeting minutes.

**VOTE:** Chair Klimowicz voted; 6 ayes (Gaffney absent)

**3. REPORT OF CHAIR**

**A. NASBA**

**1. Annual Meeting Report**

Mr. Bailey reported that the exposure draft for the proposed education requirements was discussed. The Board will review this in more detail later in the agenda. In addition, the Nevada Board and, Kent Bailey met with PCAOB representatives regarding the reports sent to state boards and the confidential sections. Discussion on this issue will continue.

**B. Budget Planning**

The Board Chair and Administrator developed estimated budget information for 2007-09 and 2009-11 for the Boards review. The projections indicate that the Board does not have a sustainable budget after 2009, based on revenue reductions and increased costs. Ms. Klimowicz proposed two options for fee increases for consideration. Ms. Rives also noted that staff workload continues to increase based on professional issues and program requirements that may require additional staff. The Board office will need to request desk audits from DAS before any additional staff could

be considered. Mr. Johnson may not be attending the February Board meeting and therefore informed the Board that he would lean toward the higher fee increase.

The Board also would like to include discussion at the May work session regarding Board member and staff involvement in the transition to a new administrator. Ms. Rives should consider training staff members in specific knowledge, for example, on-line licensing and RFPs. In addition, the Board needs to revisit policies and procedures for administrator review, executive committee review, and whether or not to continue to ask staff for input on the administrator's annual evaluation.

#### **4. REPORT OF VICE CHAIR**

##### **A. Start time – May Work session**

The meeting will begin at 9:30 a.m. on Sunday to allow staff to drive up the morning of the meeting and avoid hotel costs for Saturday night. Staff will make reservations for Kent Bailey and Roberta Newhouse for Saturday night; all other members will travel Sunday morning.

##### **B. October 2008 Work Session – Salem**

Staff recommends a three-day meeting in October, based on the probability of contract investigations and a larger number of complaint cases to review. In addition, it is anticipated that administrator applicant interviews can be scheduled in conjunction with this meeting, on the fourth day.

#### **5. REPORT OF TREASURER**

##### **A. October 2007**

Andersen reviewed the October 2007 financial report, noting that revenue is on budget with the exception of exam and fine revenue, and that expenses exceed revenue. The Board will make a resolution with respect to the appropriate amount of cash reserves.

**BOARD ACTION:** Moved by Andersen and carried to approve the financial report.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

#### **6. LEGAL**

##### **A. REPORT OF LEGAL ITEMS**

##### **1. Proposed Consent Orders**

##### **a. Gary Stapleton**

Bailey presented Stapleton's counter offer proposing a \$3,000 civil penalty, 16 hours of continuing education and no revocation or suspension due to "unintentional errors". Board members clearly recalled that Stapleton stated that he knew that his tax positions were not allowed under tax law.

**BOARD ACTION:** Moved by Bailey and carried to reject Stapleton's counter offer and to revoke Stapleton's CPA permit and assess a \$3,000 civil penalty for knowingly misrepresenting the facts on Wife's tax return when Stapleton used the Head of Household filing status and claimed a dependent who did not qualify; in violation of OAR 801-030-005(2), integrity and objectivity; OAR 801-030-0010(1), competence and OAR 801-030-0020(1)(b), professional misconduct.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

## B. Other

### 1. Richard Goulette

At the December 11, 2006~~7~~ Board meeting, the Board moved to revoke Goulette's CPA permit and assess a total civil penalty of \$32,000. Goulette countered with a notice of resignation as a licensed Certified Public Accountant in the State of Oregon in lieu of proposed disciplinary action (revocation and civil penalty in the amount of \$32,000).

**BOARD ACTION:** Moved by Andersen and carried to accept Goulette's resignation and to issue a press release.

**VOTE:** Chair Klimowicz voted; 4 ayes, 1 excused (Gaffney), 2 recused (Lind, Johnson)

### 2. Dawna Vance

Dawna Vance (Vance), owner of High-Tec Accounting Hispanic Solutions, displayed a sign with Vance's name followed by both the CPA and the PA designations. Vance does not hold an Oregon license to practice public accountancy. The Board assessed a \$4,000 civil penalty for violation of ORS 673.320(3) and (4) Use of the CPA and PA designation without a permit and requested that staff to determine whether the sign is still posted and if so to send a Cease and Desist Order. The revisions to Vance's posted sign still include the CPA designation, which could be misleading to members of the public.

**BOARD ACTION:** Moved by Johnson and carried to advise Vance to remove all references to the CPA designation completely from her advertising sign and to issue a cease and desist order for use of restricted language if she does not comply.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

### 3. Lawrence Levinson

The Board issued a Notice of Proposed civil penalty in the amount of \$5,000 for violation of OAR 801-030-0015(1) failure to register a business organization.

Since Levinson does not perform attest services and he is the only CPA in the firm, he is not required to register as a firm.

**BOARD ACTION:** Moved by Morris and carried to withdraw the Notice.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

### 4. Frank Dunn

The Board previously approved issuance of a Proposed Notice to

1. revoke Dunn's CPA permit for gross negligence in preparing a financial statement, omissions of footnotes and long term debt, and for omissions of a compilation report, in violation of OAR 801-030-0010(1)(b) and (d); and
2. to assess a total civil penalty of \$31,100 for violations of OAR 801-030-0020(1) professional misconduct, OAR 801-030-0010(4)(1994-1995) missing compilation reports, OAR 801-030-0020(8)(2002) Failure to respond to Board communication (\$1,000 x 3), ORS 673.320(3) Use of CPA designation while lapsed (\$5,000 x 5) and OAR 801-030-0020(10)(200) Failure to notify the Board of a change of address.

Prior to issuance of the Notice, Dunn offered to resign his Certified Public Accountant certificate and permit in the State of Oregon. In the meantime, the Board received a second complaint against Dunn from the DFCS. The DFCS consent agreement with Dunn prohibits Dunn from the offer of sale of securities in the state of Oregon except through a licensed broker-dealer.

**BOARD ACTION:** Moved by Johnson and carried to accept Dunn's resignation and advise Dunn that the Board will publicize his resignation in a press release. The Board will send a copy of the DFCS complaint against Dunn with our letter to inform the States of New York and Texas of Oregon action against Dunn.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

## 7. COMPLAINTS

### A. Report of Complaints Committee

#### 1. Acceptance of Minutes

##### a. November 16, 2007

Bailey noted that three committee members are retiring from the Complaints Committee and the committee has replaced two members. It is very important that this committee be fully appointed. Board members are encouraged to assist in finding an additional committee member. Jens Andersen is the committee liaison for 2008. Bailey stated that the complaint backlog was significantly reduced this past year and commended the Board investigator for doing an excellent job.

**BOARD ACTION:** Moved by Bailey and carried to accept the committee minutes of November 16, 2007 and the consent agenda.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

### B. Consent Agenda

#### \* 1. Seydel Lewis Poe Moeller and Gunderson LLC

##### 2. Complaint Investigations

- |                      |           |
|----------------------|-----------|
| a. Jerome Fischer    | 04-09-077 |
| b. Robert L Norton   | 04-10-087 |
| *c. Laura A Fournal  | 05-12-037 |
| *d. John Brams       | 06-03-011 |
| *e. Morton Bohn      | 07-01-077 |
| *f. Sheila Lamvik    | 07-08-023 |
| *g. Gary S Burroughs | 07-09-028 |

#### 3. 2007 Annual Committee Report

*\*Items moved to 7.C. for discussion*

### C. Items Removed from Consent Agenda

#### 1. Seydel Lewis Poe Moeller and Gunderson LLC

The Board previously reviewed the independent accountant's report applying agreed-upon procedures for five pre-issuance engagements of various sizes and scope performed by Seydel Lewis Poe Moeller & Gunderson, LLC. The Board concurred that the pre-issuance report reflected significant problems with Seydel Lewis Poe Moeller & Gunderson audits. Rives contacted Seydel Lewis Poe Moeller

& Gunderson, LLC and requested the firm to agree to a new consent order under which Seydel agrees to have pre-issuance review of all audits for one year and after one year the Board will revisit the requirement. Seydel will not agree to have pre-issuance review of all audits performed for a period of one year. Based on the results of five (5) pre-issuance reviews, the Board referred the five (5) pre-issuance reviews to the Complaints Committee for review. Bailey and Andersen recused themselves from the discussion and from voting.

Committee Discussion: The Consent Order required that the firm have five pre-issuance reviews without significant findings. Jones & Roth PC identified findings on all five reviews. The report does not indicate if the firm took corrective action related to the findings before the firm issued the audit reports. The firm indicated that they believe only one of the pre-issuance reviews had a significant finding and will agree to one additional pre-issuance review to fulfill the requirements of the Consent Order.

Committee Recommendation: Request that Seydel Lewis Poe Moeller and Gunderson LLC provide a written response to the comments made in the Jones & Roth report. The written response should explain the comments that the firm believes to be significant, both individually and as a whole.

**Board Discussion:** *Bailey and Andersen recused themselves from the discussion and from voting. The Board noted that at least one report from Jones & Roth had significant comments, one report did not have significant comments and one report described comments in a grey area.*

**BOARD ACTION:** Moved by Johnson and carried to accept the Committee recommendation and request Seydel Lewis Poe Moeller and Gunderson LLC to provide a written response to the comments made in the Jones & Roth report. The written response should explain the comments that the firm believes to be significant, both individually and as a whole

**VOTE:** Chair Klimowicz voted; 4 ayes, 1 excused (Gaffney), 2 recused (Bailey, Andersen)

## 2. Laura A. Foumal

05-12-037

Laura Foumal provided accounting services for R. G. Foumal and RG formed Organization to provide temporary mortgage assistance to individuals. Foumal served as President of Organization. Foumal commingled Organization funds with the funds of businesses owned by Foumal.

ALLEGED VIOLATION(S)

**ORS 673.170(2)(b)**

*Dishonesty, fraud or gross negligence in the practice of public accountancy*

**ORS 673.170(4)**

*In addition to the causes in subsection (2) of this section, the Board may take any of the actions described in subsection (1) of this section for dishonesty, fraud or misrepresentation not in the practice of public accountancy.*

Foumal commingled Organization funds with those of NPS and NMS. Foumal recorded Organization properties in her name and the name of her husband.

Without R. G.'s knowledge or approval, Fournal loaned Organization funds to family and church, deposited Organization funds to her personal accounts and put Organization property titles in her own name.

Fournal provided a list of properties owned by R. G. Some of the properties owned by R. G. were encumbered by loans payable to Fournal.

Fournal issued "Note Collection Agreements" that recite Organization as lender then direct the borrower to make all payments to NPS.

**ORS 673.170(2)(c)**

*Incompetence in the practice of public accountancy. A holder of a license issued under ORS 673.100, certificate, permit or registration is incompetent in the practice of public accountancy if the holder:*

*(A) Engages or has engaged in conduct that evidences a lack of ability or fitness to discharge the duty owed to a client or the general public. And,*

**OAR 801-030-0010(1) Competence (2002 - 2005)**

*A licensee shall not undertake any engagement for the performance of professional services which the licensee cannot reasonably expect to complete with due professional competence, including compliance, when applicable, with sections (2) and (3) of this rule.*

Fournal knew or should have known that Organization would need to maintain accurate accounting records, file and issue Forms 1098, and file Form 990.

Fournal knew or should have known that Organization activities did not qualify as a 501(c)(3) non-profit organization.

Fournal was President, Operations Manager and Certified Public Accountant of Organization. Fournal represented to R. G. that he would have the "best of both worlds" because Fournal was both a mortgage broker and a Certified Public Accountant.

Organization did not have adequate internal controls.

**OAR 801-030-0005(2) (2002 - 2005) Integrity and objectivity**

*(a) In the performance of any professional service, a licensee shall maintain objectivity and integrity and shall be free of conflicts of interest, and shall not knowingly misrepresent facts or subordinate the licensee's judgment to the judgment of others.*

Fournal used funds intended for Organization to benefit of NPS.

**OAR 801-030-0020(1) Professional misconduct.(2002 - 2005)**

*(a) A licensee shall not commit any act or engage in any conduct that reflects adversely on the licensee's fitness to practice public accountancy.*

*(b) Professional misconduct may be established by reference to acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others or for the laws of the*

*state and the Nation. The acts or conduct in question must be rationally connected to the person's fitness to practice public accountancy.*

Foumal recorded Organization property in her own name, loaned Organization funds to a relative and a church, neither of which qualified for the stated purpose of Organization. Foumal did not disclose to R. G. that money was loaned to Foumal's relatives, or to unqualified borrowers. Foumal's acts or conduct would cause a reasonable person to have substantial doubts about Foumal's honesty, fairness and respect for the rights of others.

**OAR 801-030-0020(9) Business transactions with clients (2002)**

*(a) Except for business transactions that occur in the ordinary course of business, licensees shall not enter into a business transaction with a client if the licensee and client have differing interests therein and if the client expects the licensee to exercise the licensee's professional judgment therein, unless the client has consented to the transaction after full disclosure in writing. Disclosure shall be made prior to the time the business transaction is initiated.*

*(b) A loan transaction between a licensee and a client does not require disclosure under this rule if the client is in the business of making loans of the type obtained by the licensee and the loan terms are not more favorable than loans extended to other persons of similar credit worthiness and the transaction is not prohibited by other professional standards.*

When Organization was organized with Foumal acting as Director, Operations Manager, Bookkeeper and accountant, and with Foumal's husband acting as a Director, Foumal did not disclose to R. G. that they may have differing interests. Foumal did not obtain written consent from R. G. prior to entering into the Organization business transaction.

INVESTIGATOR SUMMARY

ORS 673.170(2)(b)

ORS 673.170(2)(c)

ORS 673.170(4)

OAR 801-030-0005(2) (2002 - 2005) Integrity and objectivity

OAR 801-030-0010(1) Competence (2002 - 2005)

OAR 801-030-0020(1) Professional misconduct (2002 - 2005)

OAR 801-030-0020(9) Business transactions with clients (2002)

Committee Discussion: Licensee issued checks payable to herself or to her personal businesses without authorization. Licensee co-mingled funds received on behalf of the non-profit organization with her personal funds. Licensee titled properties in her own name that belonged to the organization or the lender.

COMMITTEE RECOMMENDATION: Moved and carried to recommend revocation for violation of ORS 673.170(2)(b) and 673.170(4) and a total civil penalty of \$25,000 as follows:

- \$5,000 for violation of ORS 673.170(2)(c) Incompetence in practice of public accountancy
- \$5,000 for violation of OAR 801-030-0005(2) Integrity and Objectivity
- \$5,000 for violation of OAR 801-030-0010(1) Competence
- \$5,000 for violation of OAR 801-030-0020 Professional misconduct
- \$5,000 for violation of OAR 801-030-0020(9) Business transactions with clients

*Board Discussion: There was no Board discussion.*

**BOARD ACTION:** Moved by Bailey and carried to revoke Fournal's Certified Public Accountant license and permit for violation of ORS 673.170(2)(b) and 673.170(4) and to assess a total civil penalty of \$25,000 as follows:

- \$5,000 for violation of ORS 673.170(2)(c) Incompetence in practice of public accountancy
- \$5,000 for violation of OAR 801-030-0005(2) Integrity and Objectivity
- \$5,000 for violation of OAR 801-030-0010(1) Competence
- \$5,000 for violation of OAR 801-030-0020 Professional misconduct
- \$5,000 for violation of OAR 801-030-0020(9) Business transactions with clients

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

### **3. John Brams            06-03-011**

John Brams (Brams) agreed to serve as Company's Chief Financial Officer (CFO) and General Manager. S. C., (Client), Company President, alleged that Brams did not prepare Company financial information, did not timely pay vendor invoices and incorrectly prepared Client's personal income tax return. Brams was a signer on the Company checking account.

Client alleged that Brams paid himself consulting services at a higher fee than the Client agreed to. Client stated that Brams also reimbursed himself for company expenses without Client's approval.

#### ALLEGED VIOLATION(S)

#### **OAR 801-030-0010 (2005) Competence and Technical Standards**

*A licensee shall not undertake any engagement for the performance of professional services which the licensee cannot reasonably expect to complete with due professional competence, including compliance, when applicable, with sections (2) and (3) of this rule.*

Client hired Brams as Chief Financial Officer (CFO). The owner of a business who hires a CFO has a reasonable expectation that the CFO will provide adequate and accurate financial information to manage the financial aspects of the business, including preparation and explanation of financial statements and financial projections that would enable the owner to plan appropriately.

Brams did not prepare Company financial statements, but instead prepared “approximate profit and loss” statements, “payables listing” of outstanding invoices, and “expenses by category by month”. Brams had check signing authority, also kept the check register and reconciled the bank account.

At the end of the engagement, Client picked up Company records and discovered three months of outstanding invoices due to Company vendors. Client was unaware that payments were late and vendors were not paid.

Client assigned Brams responsibility to oversee development of a website. Client thought that the website would cost \$5,000. Brams did not inform Client that the cost for the website would be an additional \$16,000.

Client requested that Brams check with an attorney about a distributor agreement. Brams did not check with an attorney. When the distributor terminated the agreement, an exit clause required Client to pay the distributor \$17,000.

### **OAR 801-030-0020(1) Professional Misconduct**

*(a) A licensee shall not commit any act or engage in any conduct that reflects adversely on the licensee's fitness to practice public accountancy.*

*(b) Professional misconduct may be established by reference to acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others or for the laws of the state and the Nation. The acts or conduct in question must be rationally connected to the person's fitness to practice public accountancy.*

Brams did not obtain an engagement letter from Client that described his professional services or fees. Client did not receive bills for Brams’ services prior to payment because Brams wrote and signed the checks for his services.

Brams states that Client agreed to pay him \$5,000 per month; Client argues that the agreement was \$2,500 per month.

In November 2005 Client discovered that Brams paid himself \$5,000 per month for professional services.

Brams reimbursed himself for Company expenses without obtaining authorization or pre-approval from Client. Brams did not have an expense reimbursement agreement and did not submit an expense reimbursement form to Client for approval.

### **INVESTIGATOR SUMMARY**

#### **OAR 801-030-0010 (2005) Competence and Technical Standards**

#### **OAR 801-030-0020(1) (2005) Professional Misconduct**

John Brams, CPA, Complainant and Complainant’s mother joined the meeting at 10:27 a.m.

Committee Discussion: Brams presented the committee with two sets of documents and Complainant read a prepared statement. Brams was asked whether the accounting was prepared using Excel or an accounting software program. Brams responded that he prepared the accounting records in Excel. Complainant stated

that he asked Brams about using Quick Books or another accounting program to prepare financial statements, but that Brams never implemented an accounting system that Complainant considered a worthwhile management tool. Brams and Complainant communications were, for the most part, by e-mail. The committee discussed SSARS 1 and SSARS 8 engagements and how these standards applied to the engagement between Brams and Client.

**COMMITTEE RECOMMENDATION:** Moved and carried to recommend a total civil penalty of \$3,000 as follows:

- \$1,500 for violation of OAR 801-030-0010(4); No engagement letter under SSARS 8
- \$1,500 for violation of OAR 801-030-0010(4); Did not disclose on each page of financial statements "RESTRICTED FOR MANAGEMENT USE ONLY" in accordance with SSARS 8.

Mr. Brams entered the Board meeting at 10:30 a.m. Brams is aware of the Complaint Committee recommendation to the Board and acknowledged the need for engagement letters. He stated that he now has engagement letters with all his clients. Brams stated that he was not providing accounting services for Client, and that he was going to be a partner in Client's business. Brams stated that he did not create financial statements for Client and he believes the recommended civil penalty is excessive.

**Board Discussion:** Brams prepared two documents that look like financial statements; one is titled Summary of Receipts and the other is titled Profit & Loss Statement. The Board discussed including additional education as a penalty.

**BOARD ACTION:** Moved by Bailey and carried to assess a total civil penalty of \$2,000 for violations of:

- (1) OAR 801-030-0010(4), failure to issue an engagement letter (\$500) and
- (2) OAR 801-030-0010(4), failure to disclose on each page of financial statements "RESTRICTED FOR MANAGEMENT USE ONLY" in accordance with SSARS (\$1,500)
- (3) and to require 32 hours of in-class continuing professional education in compilation and review standards update.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

#### **4. Morton Bohn                      07-01-077**

Oregon Employment Department (Department) contacted clients of Morton Bohn (Bohn) to conduct audits of employer payroll records pursuant to ORS 657.660. Bohn's clients granted Bohn "Power of Attorney" to represent them before Department. While representing clients before Department, Bohn disregarded Department's authority to schedule audits and disregarded a Department issued subpoena.

ALLEGED VIOLATION(S)

**ORS 673.170(2) Disciplinary actions; grounds**

The Board may take any of the actions described in subsection (1) of this section for any one or any combination of the following causes:

(c)(A) Incompetence in the practice of public accountancy. A holder of a license issued under ORS 673.100, certificate, permit or registration is incompetent in the practice of public accountancy if the holder:

(A) Engages or has engaged in conduct that evidences a lack of ability or fitness to discharge the duty owed to a client or the general public;

Bohn did not cooperate with Department when Department issued notices of audit to Bohn's clients. Department issued notices that described dates, locations and periods covered by Department's audit. Bohn responded to these notices by dictating his terms for the audit. Failure to comply with Department audits is a violation of ORS 657.660. Bohn's clients assigned Bohn as power of attorney to represent them in accordance with the law. Bohn's failure to comply with state law could cause harm to Bohn's clients.

Bohn responded to Department's subpoena by writing "Thank you. We have taken this request under consideration."

Bohn did not discharge the duty owed to clients when he disregarded Department's subpoena power. When Bohn refused to cooperate with Department's subpoena, Bohn disregarded ORS 567.630. Bohn's refusal to cooperate with Department's subpoena demonstrated the lack of ability or fitness to discharge the duty owed to a client.

#### **OAR 801-030-0020(1) Professional Misconduct**

*(a) A licensee shall not commit any act or engage in any conduct that reflects adversely on the licensee's fitness to practice public accountancy.*

*(b) Professional misconduct may be established by reference to acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others or for the laws of the state and the Nation. The acts or conduct in question must be rationally connected to the person's fitness to practice public accountancy.*

Bohn refused to cooperate with Department when Department attempted to schedule audits of Bohn's clients. Bohn disregarded a subpoena requiring a client to appear before Department. Bohn corresponded with Department dictating terms that Department would conduct audits without regard to Department's authority to schedule such audits.

Bohn misapplied "Rights of Taxpayers" to audits conducted by Department and misunderstood the authority granted to him by a "power of attorney". Bohn did not comply with state laws that govern employment audits.

Bohn's responses to Department representatives and employees demonstrates a lack of respect for Department's authority to schedule audits and could cause a client who is relying on Bohn for professional advice to violate a law of the state. A reasonable person would have substantial doubts about Bohn's respect for the rights of others and for the laws of the state.

## INVESTIGATOR SUMMARY

### **ORS 673.170(2)(c)(A) Disciplinary actions; grounds**

Lacked fitness to represent a client before Oregon Employment Department

### **OAR 801-030-0020(1) Professional Misconduct**

Engaged in conduct that indicates a lack of respect for the laws of the state

Committee Discussion: Licensee's behavior is unbecoming to the profession. Committee members commented that they understand everyone can have an unpleasant experience with an auditor but that this licensee also threatened to sue the Board Investigator. Licensee's conduct was disrespectful to the regulatory agencies, their staff and the public.

COMMITTEE RECOMMENDATION: Moved and carried to recommend a Cease and Desist order regarding conduct that is threatening to a public official and a total civil penalty of \$10,000 as follows:

- \$5,000 for violation of ORS 673.170(2)(c)(A)
- \$5,000 for violation of OAR 801-030-0020(1)

**Board Discussion:** *The Board discussed the Committee's observations and recommendation. Bohn exhibited both a lack of restraint and lack of professionalism when dealing with a government agency with regulatory authority over the client.*

**BOARD ACTION:** Moved by Bailey and carried to issue a Cease and Desist order regarding conduct that is threatening to a public official and to accept the Complaint Committee recommendation to assess a total civil penalty of \$10,000 as follows:

- \$5,000 for violation of ORS 673.170(2)(c)(A)
- \$5,000 for violation of OAR 801-030-0020(1)

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

### **5. Sheila Lamvik 07-08-023**

Sheila Lamvik was hired as controller of Company in August 2005. While serving as Company controller, Lamvik converted funds of her employer, HW (Company Owner), to her personal use.

#### ALLEGED VIOLATION(S)

**ORS 673.170(2)** *The Board may take any of the actions described in subsection (1) of this section for any one or any combination of the following causes:*

*(b) Dishonesty, fraud or gross negligence in the practice of public accountancy.*

**(4)** *In addition to the causes in subsection (2) of this section, the Board may take any of the actions described in subsection (1) of this section for dishonesty, fraud, or misrepresentation not in the practice of public accountancy.*

### **OAR 801-030-0020(1)(b)**

*Professional misconduct may be established by reference to acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others or for the laws of the state and*

*the Nation. The acts or conduct in question must be rationally connected to the persons fitness to practice public accountancy.*

Sheila Lamvik fraudulently converted more than \$60,000 of Company and Owner money to her personal use. Lamvik stated that Owner agreed to loan Lamvik money. Owner denied any agreement to loan Lamvik money. Lamvik did not provide written evidence that Owner agreed to extend a loan to Lamvik.

Lamvik fraudulently increased her salary by issuing seven payroll checks for \$10 an hour more than the amount Owner agreed to pay Lamvik. Lamvik did not provide written evidence that Owner agreed to a salary increase.

Lamvik fraudulently generated a false email from Owner's wife that directed Lamvik to pay a vendor for services. Lamvik generated false invoices from the vendor and then deposited payments for these invoices into her personal bank account.

At least 43 times, Lamvik fraudulently converted funds from Company and Owner's bank accounts and from Owner's credit card to her personal use. Lamvik's conduct would cause a reasonable person to doubt Lamvik's honesty, fairness and respect for the rights of others.

#### INVESTIGATOR SUMMARY

##### **ORS 673.170(2)(b) or (4) Dishonesty, fraud or gross negligence**

Dishonesty, fraud and gross negligence in the practice of public accountancy, or in the alternative dishonesty, fraud or gross negligence not in the practice of public accountancy

##### **OAR 801-030-0020(1)(b) Professional misconduct**

Acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others.

Committee Discussion: Based on the evidence presented the licensee was dishonest and misappropriated funds from her employer.

**COMMITTEE RECOMMENDATION:** Moved and carried to recommend revocation of CPA license.

**Board Discussion:** *The Board concluded that evidence clearly demonstrates that Lamvik was responsible for repeated illegal actions. Dishonesty in the practice of public accountancy is unacceptable, and additional penalties are warranted.*

**BOARD ACTION:** Moved by Bailey and carried to

- (1) Revoke Lamvik's Certified Public Accountant certificate and permit for violations of ORS 673.170(2)(b) and 673.170(4);
- (2) Notify the USS Ranger Museum Foundation and DCBS of the Board's action; and
- (3) Assess a total civil penalty of \$44,000 for violations of OAR 801-030-0020(1)(b):
  - \$5,000 for five (5) unauthorized wire transfers to deposit company money into Lamvik's personal bank accounts, at \$1,000 each

- \$5,000 for five (5) altered bank statements to disguise unauthorized wire transfers deposited to Lamvik's personal bank accounts at \$1,000 each
- \$4,000 for four (4) entries to QuickBooks that recorded a legitimate vendor as payee to disguise amounts received by Lamvik at \$1,000 each
- \$2,000 for two (2) payroll advances paid to Lamvik, but not deducted from Lamvik's payroll check at \$1,000 each
- \$2,000 for two (2) wire transfers to SS, not a company vendor at \$1,000 each
- \$7,000 for seven (7) payroll checks paid to Lamvik at a higher hourly rate than authorized at \$1,000 each
- \$1,000 for preparing one (1) false email from owner's wife authorizing Lamvik to pay a vendor
- \$8,000 for preparation of eight (8) false invoices to a vendor for remodeling owner's residence at \$1,000 each
- \$8,000 for eight (8) unauthorized checks in payment of false invoices, deposited into Lamvik's personal account at \$1,000 each
- \$1,000 for one (1) unauthorized check processed in QuickBooks as payable to a company vendor, and deposited into Lamvik's personal account
- \$1,000 for fraudulently issuing a credit card check and depositing such check in Lamvik's personal account

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

#### **6. Gary S Burroughs 07-09-028**

Gary Burroughs (Burroughs) met with Client who was interested in investments offered by IRA Resources. Burroughs explained to Client that he did not know about investments with IRA Resources. Burroughs continued the consultation with Client even after Client stated that she was not interested in the alternatives that Burroughs had to offer. Burroughs billed Client for services that Client did not want.

#### **ALLEGED VIOLATION(S)**

##### ***OAR 801-030-0020(1) Professional misconduct***

*(a) A licensee shall not commit any act or engage in any conduct that reflects adversely on the licensee's fitness to practice public accountancy.*

*(b) Professional misconduct may be established by reference to acts or conduct that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others or for the laws of the state and the Nation. The acts or conduct in question must be rationally connected to the person's fitness to practice public accountancy.*

Client was told that Burroughs knew about IRA Resources investment offerings. During a consultation, Burroughs told Client that he did not know about IRA Resources investments, and then described opportunities available through charitable trusts. Burroughs continued to describe charitable trusts, even after Client told Burroughs that she was not interested. Burroughs billed Client for services that Client did not want.

Burroughs canceled the invoice after Client filed a complaint with the Board.

##### ***OAR 801-030-0020(7)***

(b) Licensees who receive any Board communication requesting the licensee to provide a written response shall:

(A) Provide a written response to the Board within 21 days of the date the Board communication was mailed.

The Board mailed a letter notifying Burroughs about Client's complaint. The letter required Burroughs to provide the Board with a written response to the allegations of the complaint within 21 days of September 24, 2007. Burroughs did not respond to the Board's letter requesting that Burroughs provide a written response within 21 days.

#### INVESTIGATOR SUMMARY

##### **OAR 801-030-0020(1)**

Conduct that would cause a reasonable person to have substantial doubts about respect for the rights of others

##### **OAR 801-030-0020(7)**

Did not provide a written response to the Board

Committee Discussion: Burroughs did not provide a written response to the Board within 21 days of the Board's communication.

COMMITTEE RECOMMENDATION: Moved and carried to recommend a civil penalty of \$1,000 for violation of OAR 801-030-0020(7), failure to respond to Board communication.

Burroughs arrived at the Board meeting at 11:00 a.m. Burroughs stated that he was present at the Board meeting to respond to questions from Board Members. Burroughs stated that he did not receive the letter from the Board of Accountancy dated September 24, 2007 that required him to provide the Board with a written response to the allegations of a complaint within 21 days of the date of the letter [OAR 801-030-0020(7)].

**Board Discussion:** *The Board mailed the complaint letter to Burroughs' address of record. Burroughs stated that the letter informing him that the Investigation would be presented to the Complaints Committee was the first letter he received about the complaint and that he responded to the Board within one day after he received that letter. He also told the Board that he responded promptly to the client's request regarding fees.*

*Based on evidence that Burroughs responded to client's complaint about unwanted services promptly and that Burroughs responded to the second Board letter promptly, the Board recognized the possibility that Burroughs did not receive the first letter from the Board.*

**BOARD ACTION:** Moved by Bailey and carried to assess a civil penalty of \$200 for violation of OAR 801-030-0020(7), failure to respond to Board communication.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

## 8. REPORT OF ADMINISTRATOR

## **A. Administrative Rule Hearing**

An administrative rule making hearing was held December 3, 2007. No guests attended. Written comments were received regarding Division 005 (35) and (38). As a result of the comments the Board may defer the revisions to definitions. The term practice of public accountancy is used loosely throughout the rules. When the rules were drafted 75% of the licensees were in public accounting and today it is probably 50%. The Board would like to develop a task force to research the definition. Ron Rawls, Alan Steiger, Ray Johnson and possibly Jim Gaffney would be good choices for the task force. The Board would like a recommendation from the task force by the October work session.

## **B. Administrative Rules Final Draft**

### **1. 801-001**

**BOARD ACTION:** Moved by Johnson and carried to approve amendments to Division 001.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

**2. 801-005** Moved by Johnson to not adopt amendments to Division 005 and to establish a task force.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

**3. 801-010** Moved by Johnson and carried to approve amendments to Division 010.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

**4. 801-030** Moved by Johnson and carried to approve amendments to Division 030.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

**5. 801-040** Moved by Johnson and carried to approve amendments to Division 040.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

## **C. New Committee Members**

### **1. Eric Greenlees, CPE Committee**

**BOARD ACTION:** Moved by Johnson and carried to approve appointment of Eric Greenlees to CPE Committee. Mr. Greenlees term will be January 1, 2008 through December 31, 2009.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

## **D. 8-Year Rule Extension Request**

Lisa R. Nearing submitted a written request to allow her until 2011 to complete her experience requirement.

**Board Discussion:** *This individual has not submitted an application for CPA permit to be reviewed. The rule requires that the mentoring CPA hold an active license for five consecutive years prior to mentoring a CPA candidate, it does not specify that the CPA must be licensed in Oregon as the applicant has stated. The Board has not granted extensions to previous applicants.*

**BOARD ACTION:** Moved by Johnson and carried to deny the extension request to 2011. The applicant has experience outside the State of Oregon that may qualify for licensure. The applicant will be allowed until December 31, 2007 to apply for CPA permit and license.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

## **E. CPE Audit**

### **1. 2007 Results**

The initial audit results were presented to the Board for review.

### **2. Lamvik**

Ms. Lamvik's CPE report was randomly selected for review during the 2007 CPE audit. The proofs of completion submitted indicated that the CPE programs were all independent study and the program sponsor is not registered through the NASBA QAS program. The hours completed do not qualify as CPE for an Oregon CPA permit. Board staff has followed Board policy and issued a Notice of Suspension for failure to comply with CPE requirements.

### **3. Sheets**

Mr. Sheets' CPE report was randomly selected for review during the 2007 CPE audit. Licensee's response to CPE audit revealed that the programs listed on the renewal report were not completed until October 2007.

Staff reviewed previous renewal applications and found that licensee reported Surgent McCoy CPE on both 2003 and 2005 renewals. Further research determined that programs reported by licensee on 2003 and 2005 renewal were never completed.

**BOARD ACTION:** Moved by Andersen and carried to issue Notice of Revocation for providing inaccurate information on multiple applications for renewal of CPA permit.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

## **F. Revised Policies**

### **1. Visitors at Board & Committee Meetings**

Policy Number 01-010, *Visitors at Board and Committee Meetings* (Attachment A), has been revised.

**BOARD ACTION:** Moved by Morris and carried to approve Revised Policy Number 01-010.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

### **2. Requests to attend Complaints Committee Meetings**

Policy Number 02-003, *Investigation Procedures: Requests to attend Complaints Committee meetings* (Attachment B), has been revised.

**BOARD ACTION:** Moved by Morris and carried to approve Revised Policy Number 02-003.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

## **G. Special Task Force Reports**

### **1. Mobility**

The first mobility task force meeting was organizational; the task force developed the goal, mission and deliverables. Rives surveyed other states with respect to mobility, noting that ten (10) states already have mobility.

Langley is waiting for mobility draft legislation for Oregon statutes. Langley has received draft legislation from the State of Washington regarding mobility and will

forward to the Board. Jeff Dover will have a response to the draft legislation by the February 2008 Board meeting.

Bailey stated that the State of Washington sent a copy of their mobility bill and t would like Oregon Board members to meet with their board to discuss mobility. Andersen requested a meeting with OSCP A before participating in a joint meeting with the Washington Board (Attachment C).

## **2. Pre-issuance Review**

The pre-issuance task force will meet in April 2008.

## **H. Reinstatement vs. Reciprocity**

The Board has recently received calls from Oregon licensees whose Oregon CPA permit has been in lapsed status for numerous years and would like to reinstate the license. When the individuals were advised of the required fee for reinstatement they asked if they could resign the original Oregon CPA permit and apply as a new reciprocity applicant as they have been actively licensed in the current state of residence.

***Board Discussion:** It appears that the current rules require a licensee who chooses to resign would be required to meet the qualifications of a new licensee applicant and not reciprocity. Board staff is directed to prepare a rule revision to be included in the 2008 filings, for Board consideration.*

## **9. PUBLIC COMMENTS**

None

## **10. REPORT OF OAIA**

Mr. Besemann has no current information to share.

## **11. REPORT OF OSCP A**

Mr. Wright reported that the OSCP A Executive Board had a preliminary meeting to discuss potential mobility legislation for the 2009 session. The society is working with a law firm with experience working with the UAA and state statutes to identify potential legislation requirements. This report should be available at the next task force meeting. The society and Board will soon be working on an additional joint task force regarding special reviews and oversight based on disciplinary sanctions. The society endorsed Mr. Bailey for a third term on the Board of Accountancy and has sent a letter to the Governor. Ms. Newhouse has been approved by the Governor to serve on the Board of Accountancy and is now waiting legislative approval.

## **12. OLD BUSINESS**

None

## **13. CONTINUING PROFESSIONAL EDUCATION**

### **A. Report of CPE Committee**

#### **1. Acceptance of Minutes**

##### **a. November 27, 2007**



**COMMITTEE RECOMMENDATION:** Mr. Rawls recommends approval.  
**Vote by Consensus:** 3 ayes; 3 excused (Ashford, Emberland, Santiago)

**B. Kimberly Crosbie (07-08-017) 07-08-017**

Ms. Crosbie gained her experience with the following employer:  
Intel 32 mos. All competencies

Ms. Crosbie passed the CPA exam on August 2, 2006. Ms. Crosbie gained her experience in the seven core competencies by serving as a Senior Treasury Accountant. The reviewer stated the write up clearly demonstrated the qualifications of this candidate.

**COMMITTEE RECOMMENDATION:** Mr. Rawls recommends approval.  
**Vote by Consensus:** 3 ayes; 3 excused (Ashford, Emberland, Santiago)

**\*C. Michelle Lee (Santiago) 07-05-009**

Ms. Lee gained experience with the following employer:  
Holiday Retirement 42 mos. All competencies

Ms. Lee passed the exam in November 1999. Ms. Lee works as the Facility Senior Accountant. Her supervisor licensee held an active CPA license during the first 42 months of Ms. Lee's employment at Holiday. In June 2003, Mr. Harris, supervisor licensee, put his license to inactive status. The committee questioned whether Ms. Lee gained the experience in all competencies within those first 42 months while the supervisor licensee held an active license, or if she continued to gain the experience up to the time her application was filed (September 2007) that led him to sign off on the competencies.

The committee would like the Board to determine if it is appropriate for Mr. Harris who holds an inactive permit to sign off on the experience of Ms. Lee.

**COMMITTEE RECOMMENDATION:** No recommendation.

*Board Discussion: The Board determined that Mr. Harris qualified as a supervisor licensee during the period of supervision for Ms. Lee.*

**D. Kellie Marx (Santiago) 07-010-023**

Ms. Marx gained experience with the following employer:  
Freightliner 28 mos. All competencies

Ms. Marx passed the CPA Exam on January 6, 2007. Ms. Marx worked in the Corporate Audit Services department at Freightliner where she gained competency in each of the seven areas. The committee members noted that the write-up clearly demonstrated experience and was well written.

**COMMITTEE RECOMMENDATION:** Recommend approval.  
**Vote by Consensus:** 3 ayes; 3 excused (Ashford, Emberland, Santiago)

**E. Jie Shen (Selid) 07-09-019**

Ms. Shen gained experience with the following employer:  
Xerox 14 mos. All competencies

Ms. Shen passed the CPA exam on May 30, 2006. Ms. Shen has worked as an Accounting and Internal Controls Specialist since October 2005. The reviewer noted

that the write-up was brief but adequately demonstrated that Ms. Shen met the competencies.

**COMMITTEE RECOMMENDATION:** Recommend approval.

**Vote by Consensus:** 3 ayes; 3 excused (Ashford, Emberland, Santiago)

**F. Sam Snow (Selid)**

**07-010-022**

Mr. Snow gained experience with the following employer:

Intel	40.5 mos.	All competencies
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Mr. Snow passed the CPA examination on January 8, 2007. The application and supporting documents were reviewed and it was noted that while it appears that the applicant has met the competencies, it is unclear how and for how long he was directly supervised by a qualified supervisor licensee. Staff will send a letter to the supervisor licensee asking for clarification. Once received, the committee would recommend approval.

**COMMITTEE RECOMMENDATION:** Recommend approval if supervisor licensee meets requirements.

**Vote by Consensus:** 3 ayes; 3 excused (Ashford, Emberland, Santiago)

**G. Pamela Tucker (Ashford)**

**07-07-015**

Ms. Tucker gained experience with the following employer:

The Regence Group	28 mos.	All competencies
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Ms. Tucker passed the CPA examination on February 26, 2007. Ms. Tucker is currently the Cost Analyst in the Xerox Finance Department. The information provided demonstrates that Ms. Tucker has competency in each of the seven areas.

**COMMITTEE RECOMMENDATION:** Recommend approval.

**Vote by Consensus:** 3 ayes; 3 excused (Ashford, Emberland, Santiago)

**H. Akolisa Ufodike (Rawls)**

**07-010-024**

Mr. Ufodike gained his experience with the following employer:

Molson	14.5 mos.	All competencies
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Mr. Ufodike passed the CPA examination on September 30, 2007. He is currently employed at Molson as a Manager of Finance Marketing Assets. The reviewer indicated that the documentation provided shows that Mr. Ufodike meets the qualifications for certification.

**COMMITTEE RECOMMENDATION:** Recommend approval.

**Vote by Consensus:** 3 ayes; 3 excused (Ashford, Emberland, Santiago)

**I. Agnieszka Yeager (Ashford)**

**07-09-020**

Ms. Yeager gained her experience with the following employers:

Schnitzer Steel Ind.	4 mos.	All competencies
Dept of Finance – CA	56 mos.	All competencies

Ms. Yeager passed the CPA examination on May 29, 2007. The committee reviewed the application and noted that the documentation was well written and clearly demonstrated the applicant has met the necessary requirements to become a CPA in Oregon.

**COMMITTEE RECOMMENDATION:** Recommend approval.

**Vote by Consensus:** 3 ayes; 3 excused (Ashford, Emberland, Santiago)

**2. Other**

**a. 2007 Annual Report**

**3. Approval of Applications**

**1. Approval of Applications**

**a. CPA Certificates/Permits**

44 CPA Applications

**b. PA Licenses/Permits**

None

**c. Firm Registrations**

10 Firm Applications

**d. Substantial Equivalency Approval**

12 Substantial Equivalency Authorizations

**C. Items Removed from Consent Agenda**

**A. Michelle Lee (Santiago)**

**07-05-009**

Ms. Lee gained experience with the following employer:

Holiday Retirement                      42 mos.                      All competencies

Ms. Lee passed the exam in November 1999. Ms. Lee works as the Facility Senior Accountant. Her supervisor licensee held an active CPA license during the first 42 months of Ms. Lee's employment at Holiday. In June 2003, Mr. Harris, supervisor licensee, put his license to inactive status. The committee questioned whether Ms. Lee gained the experience in all competencies within those first 42 months while the supervisor licensee held an active license, or if she continued to gain the experience up to the time her application was filed (September 2007) that led him to sign off on the competencies.

The committee would like the Board to determine if it is appropriate for Mr. Harris who holds an inactive permit to sign off on the experience of Ms. Lee.

**COMMITTEE RECOMMENDATION:** No recommendation.

**BOARD ACTION:** Moved by Morris and approved to accept applicants experience.

**VOTE:** Chair Klimowicz voted; 6 ayes (Gaffney absent)

**16. CPA EXAM**

**A. Candidate Care Report**

This is for your information only. Oregon has a new testing center. It is in the same location as the previous location, just a different suite. Mr. Morris will do a site visit.

**B. Exam Review Board Report**

Information only.

**17. CODE OF PROFESSIONAL CONDUCT**

**A. Report of Professional Conduct Committee**

**1. Acceptance of Minutes**

**a. November 27, 2007**

**BOARD ACTION:** Moved by Johnson and carried to accept the minutes.

**VOTE:** Chair Klimowicz voted; 6 ayes (Gaffney absent)

**B. Consent Agenda**

**1. Recommendations**

Moved by Johnson and carried to approve the consent agenda.

**BOARD ACTION:** Chair Klimowicz voted; 6 ayes (Gaffney absent)

**a. 2007 Annual Report**

**b. OAR 801-005 (see item 8.A.3.b.)**

**18. NEW BUSINESS**

**A. Election of 2008 Officers**

The following slate of officers was presented:

Chair – Kent Bailey

Vice Chair – Jens Andersen

Co-Treasurers – Ray Johnson and Eric Lind

**BOARD ACTION:** Moved by Klimowicz and carried to approve the nominations of officers for 2008.

**VOTE:** Chair Klimowicz voted; 6 ayes, 1 excused (Gaffney)

**B. Confirm 2008 Meeting Calendar**

The following dates are confirmed for 2008:

February 4 (*phone*)

May 18 (*Work Session*)

May 19

August 18

October 4 (*Complaints, if needed*)

October 5 (*Work Session*)

October 6

October 7 (*Administrator interviews*)

December 15

**C. UAA Model Rules Exposure Draft**

This item is informational only.

**D. Board Resolution**

Mr. Morris commended Lynn Klimowicz for her outstanding service on the Board. Ms. Klimowicz served as a Board member from January 1, 2002 to December 31, 2007, including one term as Board Chair. The Board presented Ms. Klimowicz with a plaque honoring her service on the Board.

**19. PROCESS OBSERVER REPORT**

The meeting started on schedule but ended later than indicated on agenda. Complaints seem to be working well at the beginning of the meeting. Board members

expressed appreciation for receiving the complaints information in advance as it gave additional time to review each case.

**20. NEXT MEETING**

Date: February 4, 2008  
Location: Phone Conference  
8:00 a.m.

**21. ADJOURNED**

There being no further business, the meeting adjourned at 4:10 p.m.