

**OREGON BOARD OF ACCOUNTANCY**  
**BOARD MINUTES**  
December 6, 2010

Board of Accountancy

Board Room

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:**

Dr. Ray Johnson, CPA, *Chair*  
Jessie Bridgham, CPA, *Treasurer*  
Kent Bailey, CPA  
Al Crackenberg, PA  
Ann Ferguson, CPA  
Dr. Roger Graham, *Public Member*

**BOARD STAFF:**

Pat Hearn, Executive Director  
Kimberly Bennett, Exec. Assistant  
Noela Kitterman, Investigator  
Don Crabtree, Investigator  
Susan Bischoff, AAG

**GUESTS:**

Stuart Morris, PA, OAIA Representative  
Cheryl Langley, OSCPA Representative  
Debbie Hollingsworth, CPA, OSCPA Representative  
Steve McConnell, CPA, OSCPA Representative  
Don Wilson  
Jacolyn Wheatly  
Keith Dodge – by phone

**EXCUSED:**

Roberta Newhouse, CPA, *Vice Chair*

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1. CALL TO ORDER

Chair Johnson called the meeting to order at 8:33 a.m., and announced the meeting was being recorded. Ann Ferguson was asked to serve as process observer for this meeting. Representatives from both the OAIA and the OSCPA were welcomed. Mr. Hearn introduced Don Crabtree to the Board members. Mr. Crabtree is investigating complaints for the Board as a temporary employee.

2. APPROVAL OF MINUTES – October 3, 2010 and October 4, 2010

One addition to the October 3, 2010 minutes was noted; add Mr. Stuart Morris as a guest at the work session. Ms. Ferguson noted that the discussion and action for the Nancy Hubbard investigation did not appear in the October 4, 2010 minutes. Staff will add that information.

BOARD ACTION: Moved by Mr. Bailey and carried to accept both sets of minutes with the corrections noted.

Vote: 5 ayes, 1 abstention (Ferguson)

3. REPORT OF CHAIR

A. Summary of Rule Hearing

The Board held an Administrative Rule Hearing on December 1, 2010 at the Board office. Two individuals attended the hearing and several comments were e-mailed to the Board office. The majority of the comments received were in response to the proposed changes to inactive status and the creation of a retired status. Many comments concerned the cost of continuing education needed to reinstate licenses and whether or not the services provided by inactive licensees would be considered to be the practice of public accounting.

Chair Johnson noted that the underlying statutes currently in place do not allow anyone on inactive status to hold out as a CPA or PA nor be employed in a job where they perform accounting work. The proposed rules for inactive status would simply reinforce current provisions. The challenge is that the rules say one thing and the practice is another.

OSCPA sent a comment letter regarding the proposed requirement for applicants to have a single supervisor licensee for a minimum of 6 months. This proposal was drafted by the Qualifications Committee to ensure that the direct supervisors had enough knowledge of their candidate's work performance to sign off on the competencies. The OSCPAs stated that this requirement would be a burden to firms and it would push the signoff responsibility down to a less experienced CPA who, in fact, directly supervises the applicant.

All comments received were taken into consideration during discussion of the proposed revisions of the administrative rules.

B. Division 001

Proposed rule changes for Division 001 are to reflect the current date of accounting standards.

BOARD ACTION: Moved by Mr. Bailey and carried to accept the proposed revision to OAR 801, Division 001.

VOTE: 6 ayes

C. Division 005

Proposed changes to Division 005 include enhancement of the inactive permit status language, creation of a status for "retired", modifications to the definitions of "practice of public accountancy", changes to the supervisory role for applicants seeking licensure and miscellaneous housekeeping changes.

Inactive Status Discussion

Chair Johnson stated that the current rules and the proposed rules are in line with the statutory language; however, the practice and the rules may be in conflict with each other. The members of the Board are in agreement that individuals who hold an inactive permit should not be allowed to work in a public accounting firm, regardless of their role in the firm.

The rule amendment was created to allow a licensee to practice any type of public accounting only if they hold an active status license.

Representatives of the Board and representatives of the OSCPAs met for a "Summit" meeting on November 17, 2010. The inactive and retired status proposed rule amendments were discussed at that meeting.

Chair Johnson prepared a matrix, which compared the proposed active, inactive, retired and lapsed statuses. During the summit meeting, it was proposed that the Board adopt a requirement for inactive licensees to report 32 hours of CPE every renewal period. In addition, the summit participants suggested that only licensees in industry be allowed to hold an inactive license and they *would be allowed* to use the CPA designation, if they indicate that it is an inactive license. These proposed changes are in direct conflict with the current statute.

The issue of amending rules relating to inactive status resulted from recent complaints and investigations, which indicated that inactive CPAs had been performing public accounting services. It appears that there is a lack of understanding as to what services an inactive licensee may perform. It appears, from the comments received, that licensees desire to comply with Board rules. It is the Board's responsibility to provide sufficient information so that licensees understand rules.

Board members discussed the scenario of a licensee who is inactive, but employed by a public accounting firm, in the human resources department, and whether or not that would be acceptable. It was stated that, if a licensee is working at a firm, no matter what their capacity, they are engaged in practice and would need to hold an active status license.

Chair Johnson stated that the goal of the proposed rule change was to allow individuals in industry, government and education to hold an inactive license.

The Board discussed the idea of requiring CPE for inactive licensees. It was proposed that they take 32 hours every two years, or 16 hours per year, and 4 hours of ethics. The Board was unable to come to a conclusion on this matter or the transition language that would be required. Chair Johnson suggested that this discussion be deferred until the May 2011 work session.

#### Statute Changes

Chair Johnson distributed a document at the meeting with proposed changes to the Board's statutes, particularly ORS 673.220 (inactive status) and ORS 673.150 (permits to engage in the practice of public accounting). Steve McConnel of the OSCPA and Chair Johnson drafted the proposed revisions. The changes allow an inactive CPA to hold themselves out as long as it is indicated that they are inactive. They would also be allowed to continue performing certain accounting functions as provided under current law. In addition, the proposed statutory changes would limit the period a licensee can hold a lapsed permit.

BOARD ACTION: Moved by Chair Johnson and carried to accept the changes to the ORS 673.220.

VOTE: 6 ayes.

BOARD ACTION: Moved by Ferguson and carried to accept the proposed changes to ORS 673.150.

VOTE: 6 ayes.

### Practice of Public Accountancy Definition

The Board proposed significant changes to the “practice of public accounting” definition, currently in OAR 801, at their work session meeting in October. The changes were modeled after the state of Oklahoma’s definition of the “practice of public accounting”.

Chair Johnson indicated that it was the “Summit’s” intent to not adopt the changes to this rule, but rather leave as it currently exists and update the standards which are referenced in the rule. He would also like to eliminate the reference of this term in the statutes; however, that will be done at a later time.

### Retired Status

The Board reviewed the proposed language for “retired” status. The Board had discussed this in great detail at their work session in October; however, after reviewing comments from licensees, the Board reconsidered the idea of the status being ‘irrevocable’.

The Board will not adopt a new status for “retired” licensees at this time and will discuss it again at the May work session.

### Lapsed Status

The current Board rules do not define “lapsed” status. The summit participants decided that the Board should limit the length of time a permit may remain lapsed.

A discussion took place on whether to ask staff to draft rules regarding this change. Chair Johnson indicated that the OSCP would be drafting this language as part of potential legislation. The proposal would be to allow a permit to be lapsed for no more than 3 renewal periods or 6 years. If not renewed prior to the end of the third renewal period, the license would terminate. The terminated licensee would then need to reapply as a new candidate, retake the CPA examination and gain acceptable experience if they wished to become licensed again.

It was noted that Oregon licensee’s whose lapsed permits become terminated, would be able to reapply by reciprocity if they held a valid license in another jurisdiction.

BOARD ACTION: Moved by Ms. Ferguson and carried to support the proposed legislation.

VOTE: 6 ayes.

Summary: The Board did not adopt the proposed changes to inactive status. The current rules will remain in affect. The Board did not accept the proposed changes to the definition of “practice of public accountancy”. The current definition will remain with reference to a few additional standards added. The Board will not be establishing a “Retired” status. The Oregon Society of CPAs will submit changes to ORS 673.220 and ORS 673.150 during the 2011 legislative session.

#### D. Division 010

The Board discussed amendments to Division 010 at the work session meeting held in October. Since the work session, the qualifications sub-committee met and reviewed the

proposed rule changes. Chair Johnson and Ms. Ferguson attended the sub-committee meeting as well. The committee agreed to increase the requirement that an applicant must be supervised by a single supervisor licensee from 3 months to 6 months.

The Committee believes it is difficult for a supervisor licensee to sign off on a competency unless they have had at least 6 months of supervision. The committee also added the term "regular and meaningful" to the description of supervision.

Ms. Ferguson indicated that she was under the impression that the requirement for a single supervisor licensee, for a 6-month period, only pertained to individuals in industry or government and not to public accounting applicants. Ms. Bennett explained that the certification rules pertain to all applicants.

Reciprocity rules will be amended to reflect Section 23 of the UAA.

**BOARD ACTION:** Moved by Ms. Bridgham and carried to remove all new language pertaining to "inactive" and "retired" status (see discussion under Division 005) and also remove the requirement for a single supervisor licensee for 6 months.

**VOTE:** 6 ayes.

#### E. Semi-Independence Status

Mr. Hearn informed the Board that the OSCPAs has indicated that they will introduce the language for semi-independent status. Language was clarified for the budget committee piece at the last summit meeting. Mr. Bailey indicated that he had drafted rule language for the budget committee and given to Mr. Hearn for review.

#### F. Election Of Officers

Chair Johnson indicated that there was some discussion at the August board meeting that the officers be kept the same for 2011. The Board agreed, especially with the upcoming legislative session.

**BOARD ACTION:** Moved by Bailey and carried re-elect Chair Johnson, Vice-Chair Newhouse and Treasurer Bridgham for 2011.

**VOTE:** 6 ayes.

The Chair will discuss committee assignments with members and advise Mr. Hearn.

#### G. NASBA REGIONAL DIRECTOR'S FOCUS QUESTIONS

The Board reviewed the focus questions sent by NASBA. Chair Johnson and Mr. Hearn will complete the questions and submit on behalf of the Board.

#### 4. REPORT OF VICE CHAIR

No report

#### 5. REPORT OF TREASURER

Ms. Bridgham reported on the Board's biennium to date revenues and expenditures as shown on a report prepared by the States Controllers Division of DAS. She noted that, if

semi-independence passes in the 2011 legislative session, a sizable portion of our ending balance would be used for preparation. In addition, the Board is moving forward with the online licensing project, which is estimated to cost \$500,000 to \$700,000.

6. COMPLAINTS COMMITTEE

A. Minutes of November 6, 2010  
Information Only

B. Complaint Investigations  
Consent Agenda

1. Robert Armstrong 09-035CCI

Mr. Armstrong, of Oster Professional Group, performed audits of the City of John Day and Grant County. Mr. Gerry Burns, CPA, conducted this investigation under contract with the Board. Mr. Burns found no major deficiencies that caused material errors on the financial statements. Mr. Burns was impressed by Mr. Armstrong's work and feels the Board should have confidence in his abilities to practice.

The Board and committee found there was insufficient evidence to find a violation in this case.

*There was no Board discussion on this case.*

2. Carolyn Fowler 10-030CNK

Ms. Fowler prepared joint income tax returns for her clients. The returns were completed in February 2008 and the couple filed for divorce in March 2008. The wife alleged that Ms. Fowler withheld information that would have affected her decisions about the financial and tax matter related to her divorce.

The Board and committee found that there was insufficient evidence to find a violation.

*There was no Board discussion on this case.*

BOARD ACTION: Moved by Mr. Bailey and carried to accept the committee recommendations for the two cases on the consent agenda.

Heather Trevisanut was taken off the consent agenda upon request of the Board Chair.

VOTE: 6 ayes.

C. Investigations for Discussion

1. Kenneth Ulbricht, PA 10-045CNK

Mr. Ulbricht received a request from a former client in January 2010 to release copies of the client's tax returns and records to a CPA. Mr. Ulbricht released the records in May 2010, after a complaint had been filed with the Board.

The committee had questioned whether the records submitted were originals or copies.

The committee found that there is sufficient evidence to make a preliminary finding that Mr. Ulbricht violated OAR 801-030-0015(2)(b)(B), responding to a client's request for records within a reasonable time.

BOARD ACTION: Moved by Mr. Bailey and carried to accept the committee recommendation.

*Board Discussion: Mr. Hearn stated that Mr. Crabtree, who investigated this matter, attempted to determine whether the documents were original or copies. Mr. Crabtree determined they were most likely copies.*

VOTE: 6 ayes.

2. Jacolyn Wheatley 10-0406CNK

Ms. Wheatly was present at the Board meeting.

Ms. Wheatley, practicing under the firm Jacolyn C. Wheatley CPA, LLC submitted firm registration applications for three different time periods, indicating that her firm was required to enroll in a peer review program. All three registration forms indicated that the firm had not yet enrolled in or obtained a peer review. Ms. Wheatley explained that she did not understand the rules regarding peer review.

The Complaints Committee found that there was sufficient evidence to make a preliminary finding of two violations of OAR 801-050-0020, Peer Review enrollment and participation.

BOARD ACTION: Moved by Mr. Bailey and carried to accept the committee recommendation.

*Board Discussion: After the Complaints committee meeting, Mr. Bailey asked for additional information on the engagements and work papers. The Board office received the documents and Mr. Larry Brown reviewed the work. Mr. Brown found that that the financial statements were well prepared, but lacking in back-up information. Ms. Wheatly stands behind her work on the financial statements, but agrees that the supporting documentation was lacking. She has since closed her practice and is now employed full-time at OHSU.*

*Ms. Wheatly was unaware of the additional findings on her work papers and submitted them in hopes of helping her case, not further harming it. The Board noted that Ms. Wheatly is no longer practicing as a firm. There was concern from some of the Board members that the Board may be rushing to close this matter without sending it back to the committee to review the additional information.*

VOTE: 4 ayes, 2 opposed (Crackenberg, Graham)

*The Board discussed possible sanctions. It was suggested that Ms. Wheatly take an additional 40 hours of CPE and have pre-issuance reviews if she goes back into public practice. Civil penalties should be imposed.*

3. Donald Wilson

10-047CNK

Mr. Wilson was present at the Board meeting.

Mr. Wilson, practicing as the firm "Donald L. Wilson, PC", provides compilation and review services to clients. The firm submitted registration applications for three consecutive renewal periods. Each indicated that the firm was enrolled in a peer review program. Mr. Wilson did not provide evidence that he had completed a peer review after April 30, 2002.

Mr. Wilson has had similar problems in the past. He stated that he has suffered from numerous medical issues. He stated that he is feeling much better now and is able to concentrate on what needs to be done. Mr. Wilson currently serves approximately 350 clients, none of which require attest work. His practice consists of preparing tax returns, investment planning, generational wealth and estate planning.

The Complaints committee found that there is sufficient evidence to make a preliminary find of a violation of OAR 801-030-0020(7)(c)(B), OAR 801-050-0020(1) for 2005, OAR 801-050-0020(1) for 2008, OAR 801-050-0040(2) and OAR 801-030-0020(1)(a) and (b).

BOARD ACTION: Moved by Mr. Bailey to accept the committee recommendation.

VOTE: 6 ayes

*Discussion: The committee was concerned that the licensee is having the same issues as he had 7 years ago. There are concerns as to his competency to be doing the type of work he is doing now due to his health issues.*

4. Keith Dodge

10-055CNK

Mr. Dodge participated by telephone.

Ms. Gillian Wilson, a former employee of the firm Gerdes Dodge, LLC, asked her employer, Keith Dodge, to complete and sign a verification of work experience form for the Board of Tax Practitioners, in conjunction with her application for a professional license. Mr. Dodge refused to sign the form unless Ms. Wilson agreed to sign a covenant not to compete.

The Complaints committee found that there is sufficient evidence to make a preliminary find of a violation of OAR 801-030-0020(1)(a) and (b), professional misconduct.

An email was received after the Complaints Committee meeting showing that Mr. Dodge had completed the experience forms for Ms. Wilson.

BOARD ACTION: Moved by Mr. Bailey and carried to accept the committee recommendation.

*Discussion: The Board stated that keeping an applicant's potential to become licensed "hostage" is disturbing. Mr. Dodge's delay in the filing the forms caused Ms. Wilson to miss a tax season; therefore, an income.*

VOTE: 6 ayes.

5. Heather Trevisanut 10-097CNK

Heather Trevisanut sent an email correspondence to a Board employee. Her return email address included the CPA designation. Once Ms. Trevisanut was advised that this was a potential violation, she immediately changed her email address.

The Complaints committee found that there was insufficient evidence to find a violation.

BOARD ACTION: Moved by Ferguson and carried to accept the committee recommendation.

*Discussion: Ms. Ferguson 'Googled' Ms. Trevisanut's name and she found that she is still showing up on social networks. The Board should remind her that she needs to be sure and cancel or change all her professional connections with the new email address.*

VOTE: 6 ayes.

7. PROPOSED CASE SETTLEMENTS

There are no case settlements

8. REPORT OF THE EXECUTIVE DIRECTOR

A. On-Line Licensing Project Update

The "Request for Proposal" for online licensing went out on Friday, November 12, 2010. A vendor conference was held on November 19<sup>th</sup>, where interested vendors were able to ask process questions.

The Board has submitted an Emergency Board request for permission to spend our funds on this project. The E-Board will meet on December 15.

B. Penalty Matrix

At the last Board meeting, the Board requested staff add a footer to each page and add the qualitative language to the preface. The Board would like the qualitative language included in each Complaints committee meeting. Relevant questions and answers should be included in the Complaints Committee minutes. This will ensure consistency.

The Board would also like the matrix to be posted on the website.

BOARD ACTION: Moved by Mr. Bailey and carried to accept the matrix as written.

VOTE: 6 ayes.

C. Board Policy – Minutes & Newsletters

A policy was drafted for Board approval regarding the retention of Board minutes and newsletters posted on the Boards' website. The Board agreed in October to remove minutes and newsletters after 7 years.

BOARD ACTION: Moved by Mr. Bailey and carried to adopt the policy.

VOTE: 6 ayes.

9. PUBLIC COMMENTS

There were no public comments

10. REPORT OF OAIA

Mr. Morris reported that the OAIA has established a legislative group to monitor the upcoming session. The CPE courses are gearing down for the tax season. Mr. Morris stated that the OAIA is supportive of the Board seeking semi-independence.

11. REPORT OF THE OSCPA

Ms. Hollingsworth reported that the society just hosted their Fall Issues Update. The event was attended by 204 people and many others joined via webcast. It was very successful and all speakers were highly evaluated by the attendees.

Ms. Hollingsworth reported that the society will hold their Spring professional update in Salem on April 29<sup>th</sup>. Board members and staff are encouraged to attend. Michelle Henney will be the new Board liaison beginning in January.

12. OLD BUSINESS

A. Daniel Wilson

The Board considered Mr. Wilson's request to waive penalties at their meeting in October. The penalties assessed were a result of a failure to submit evidence of a system review acceptance letter or engagement review letter and failure to respond to the Board within 21-days.

Mr. Wilson stated that he had difficulty complying with the Board requirements due to a particularly stressful tax season. He also stated that he planned to terminate the current firm and re-register under his own name.

Since the October meeting, Board staff reviewed the firm file for Luther Wilson, PC and found that the firm was not enrolled in peer review and has not undergone a peer review since 2006. On November 23, 2010, Mr. Wilson submitted an application, to enroll in peer review, with the OSCPA.

Mr. Wilson also filed a firm registration application with the Board office on November 29, 2010, which was granted.

BOARD ACTION: Moved by Ms. Bridgham and carried to deny the request to waive the civil penalties imposed on the firm for failure to enroll in a peer review program.

VOTE: 6 ayes.

B. STRATEGIC BUSINESS PLAN

The Board reviewed the Strategic Business plan at their meeting in October. Chair Johnson requested a few minor additions, which were made and presented at this meeting.

BOARD ACTION: Moved by Ms. Bridgham and carried to accept the 2011-13 Strategic Business Plan.

VOTE: 6 ayes.

C. DOUGLASS & COMPANY PC

The Board considered a letter submitted by Mr. Douglass, owner of Douglass & Company PC at their meeting in October 2010. The letter requested a waiver of the proposed civil penalties for failure to submit evidence that the firm had peer review and failure to respond to a Board request within 21 days.

Mr. Douglass indicated that he had sold his practice and, therefore, was no longer providing compilation services to clients. The Board requested staff to look into this matter further by finding out who the business was sold to. If the company was sold to someone other than an employee or a relative, the Board would agree to waive the peer review requirement, but not the civil penalties.

Staff contacted Mr. Douglass and determined that he sold 100% of the firm's assets and client base to his daughter, Nikki Harmon. Ms. Harmon registered a new firm, Douglass Harmon, CPA, LLC on January 14, 2010. The firm has approximately 30 compilation clients. According to the OSCPA, the firm Douglass Harmon has not enrolled in peer review.

BOARD ACTION: Moved by Ferguson and carried to deny the request to waive the peer review requirement and civil penalties, and open a new complaint against Douglass Harmon, CPA, LLC for failure to enroll in a peer review program.

VOTE: 6 ayes.

13. CONTINUING PROFESSIONAL EDUCATION

A. Minutes of November 9, 2010  
Information only

Mr. Bailey pointed out that the CPE Committee agreed to remove the Municipal Auditor educational grid from the Board's website for the following reasons:

- The Board does not provide similar information for any other specialized area of practice;
- The Internet was not available 15-years ago when this grid was developed.
- The presence of the grid on the Board's website may be interpreted to imply Board endorsement of the courses listed.
- While the grid can be a great tool, applicants need to understand that they are required to manage their own course selections;
- There are many courses which are not listed on this grid which would be acceptable;
- Self-study courses are readily available and are considered appropriate as long as they are NASBA QAS approved;
- The grid is misleading, as the "SX" mark does not clearly explain how that course covers the category with which it is associated; and
- Additional phone calls regarding the grid were not received by either the Board or OSCP during its previous absence from the website.

Ms. Langley from the OSCP stated that the society would like the grid to be re-posted on the Board's website. The Board members believe that the grid will do more good than harm if listed on the website.

BOARD ACTION: Moved by Ms. Ferguson to accept the committee recommendation to remove the grid from the Board's website.

VOTE: 2 ayes (Graham, Ferguson) 4 nays (Bridgham, Johnson, Crackenberg, Bailey) Motion Failed.

- B. Municipal Auditor Applications
  - i. Approved Applications
    1. William Martin Buffington
    2. Eric Mireiter
    3. Melissa S. Andal
    4. Amy Crawford
    5. James Piper

BOARD ACTION: Moved by Mr. Bailey and carried to approve the applications.

VOTE: 6 ayes

- C. Denied Municipal Auditor Applications for Discussion
  1. Sarah Elizabeth Bishop
  2. Sheila Landis
  3. Jennifer M. Teeter

Each of these applications was denied due to non-response to a request for additional information to support their applications.

BOARD ACTION: Moved by Mr. Bailey and carried to deny the municipal applications for Sarah Elizabeth Bishop, Sheila Landis and Jennifer Teeter.

VOTE: 6 ayes

14. PEER REVIEW OVERSIGHT COMMITTEE

- A. Minutes from November 22, 2010  
Information Only

Ms. Bridgham reported that the committee discussed the Peer Review information that is submitted by licensees. The committee will form a task force to review the processes used by both the RAB (Review Acceptance Board) and the PROC.

15. QUALIFICATONS COMMITTEE

- A. Minutes of November 3, 2010  
Information only

B. Consent Agenda

1. Recommendations
  - a. Reed Falkenberg/Approve
  - b. Elena Tsyrenjapovna Froemke/Approve
  - c. Lisa Miller/Approve
2. Approval of Applications
  - a. 41 CPA Certificate Applications
  - b. 0 PA Permits
  - c. 4 Firm registrations

BOARD ACTION: Moved by Ms. Ferguson and carried to accept the consent agenda.

VOTE: 6 ayes

C. Applications for discussion

1. Lizhen Jenny Lu

Ms. Lu passed the CPA examination on February 22, 2010 and worked for Sun Media for 36.5 months. Mr. Martin reviewed this application file and determined that the applicant did not have enough experience in competencies E & F, *Risk assessment and verifications skills, and decision making, problem solving and critical thinking in the context of analysis.*

Chair Johnson reviewed the paperwork and did not find that the applicant was lacking in those areas. He did question the level of supervision provided to the candidate.

The Board would like the Qualifications Committee to show specific examples of why they are recommending denial of this file.

BOARD ACTION: Defer

2. Thomas Deschamps

Mr. Deschamps passed the CPA examination on November 22, 2009 and was employed with Schnitzer Steel for 29 months. Mr. Halbirt reviewed this file and determined that the applicant did not have enough experience to satisfy competency "G".

BOARD ACTION: Moved by Dr. Graham and carried to deny the certification application for Thomas Deschamps.

VOTE: 6 ayes.

16. CPA EXAM  
No items

17. CODE OF PROFESSIONAL CONDUCT  
No meeting held

18. NEW BUSINESS

Ms. Bridgham would like the Board to discuss item 6.B.1. again, the Robert Armstrong/Oster Professional Group case. This case was brought about due to a letter received from the Division of Audits, prepared by Phil Hopkins, CPA. Ms. Bridgham asked the Board to closely look at Mr. Hopkin's letter and the response by Mr. Oster. She is concerned that the Board hires outside investigators to handle such cases when the ultimate disposition is a finding of no violation.

Ms. Bridgham wants this subject on the table for discussion in order to possibly handle these matters differently. The board will monitor these referrals from the Audits Division.

19. PROCESS OBSERVER

Ms. Bridgham noted that it was difficult for members who were not part of the "Summit" meeting, to follow the proposed changes discussed in that meeting. The Board had made decisions in October that were changed in the Summit meeting.

20. ADJOURN at 5:50 p.m.

\*There was not an Executive Session to discuss the performance evaluation of the Executive Director. It will be deferred to the February 7, 2011 meeting.