

THE VIRGINIA BOARD OF ACCOUNTANCY

MEETING MINUTES

The Virginia Board of Accountancy (Board) met on Tuesday, October 24, 2006, in Room 395, Third Floor of the 3600 West Broad Street Building, Richmond, Virginia 23230.

The following Board members present for the entire meeting were:

Stephen D. Holton, CPA, Chairman
Lawrence D. Samuel, CPA, Vice Chairman
O. Whitfield Broome, Ph.D., CPA
Tyrone E. Dickerson, CPA
William E. Hunt, CPA

The Board members present for a portion of the meeting were:

Regina P. Brayboy, MPA
Dian T. Calderone, MTX, CPA

The Board staff members present for the entire meeting were:

Nancy Taylor Feldman, Executive Director
Mark D'Amato, Board Administrator
Patti Hambright, Exam/Licensing Coordinator

The Board staff members present for a portion of the meeting were:

Jean Grant, Enforcement Manager/Investigator
Dreana L. Gilliam, Exam/Licensing Coordinator

Also in attendance for the entire meeting was:

Cynthia H. Norwood, Assistant Attorney General

In attendance for a portion of the meeting were:

Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants
Melisa Galasso, CPA, Senior Internal Auditor, World Kitchen, Reston
Katherine Idrissi
Benjamin Martin, CAE, Member Relations Director, Virginia Society of Certified Public Accountants
Charles A. Steinman
Jarred VandeMark, Recruiting Manager, Robert Half Finance & Accounting, Glen Allen
Emily P. Walker, Regulatory Specialist, Virginia Society of Certified Public Accountants

Chairman Holton called the meeting to order at 10:05 a.m.

Call to Order

Chairman Holton introduced the new Board member, William E. Hunt, CPA, of Richmond. Mr. Hunt gave a brief statement. The other members welcomed him to the Board.

Introduction of New Board Member – William E. Hunt, CPA, of Richmond

Chairman Holton determined that a quorum was present.

Determination of Quorum

The members reviewed the agenda and recommended several changes.

Approval of Agenda

Upon a motion by Mr. Dickerson, and seconded by Ms. Calderone, the Board by unanimous vote approved the agenda as amended. The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Samuel, Mr. Dickerson and Mr. Hunt.

The Board’s Final Agenda as amended was as follows:

Call to Order
Introduction of New Board Member – William E. Hunt, CPA, of Richmond
Determination of Quorum
Approval of Agenda
Public Comment Period

Discussion of CPA Inauguration Event Proposal – Benjamin Martin, CAE, Member Relations Director, VSCPA

A. Approval of Minutes from May 17, 2006 and June 14, 2006 Board Meetings

B. Committee Reports:

1. Executive

Stephen D. Holton, CPA, Committee Chairman

- a. Request for FOIA Presentation
- b. Question Related to 18 VAC 5-21-30
- c. ~~Conflict of Interests Act & Ethics in Public Contracting Act Training~~
- d. Recognition of Past Board Members

- e. North Carolina: Substantial Equivalency
- f. Question Related to 18 VAC 5-21-70
- g. Memorandum of Understanding (VITA)
- h. Draft Changes to NASBA Bylaws

Introduction of Special Assistant to Executive Director – Katherine Idrissi

Recess for Board Lunch

Reconvene

B. Committee Reports (cont'd):

2. Legislative/Regulatory

Stephen D. Holton, CPA, Committee Chairman

a. Regulation:

- (1) ESOP
- (2) Public Participation Guidelines (PPG)
- (3) Update on Comprehensive Review: NOIRA
- (4) Petition for Rulemaking – Mr. Pauls (Petitioner) will not be attending.

b. Update on White Paper

~~e. Proposed Legislation: 2006-2007~~

d. Legislative Working Group

3. Education/Examination

O. Whitfield Broome, Ph.D., CPA, Committee Chairman

- a. Pensacola Christian College: Equivalency Determination
- b. Discussion of 150 Hour Requirement Issues
- c. Status of CPA Exam Administration
 - ~~(1) Presentation on Online CPA Exam Application – Handouts~~
 - (2) Issues with CPA Exam Administration – Handout

4. Enforcement

Dian T. Calderone, CPA, Committee Chairman

a. Cases:

- (1) Consent Orders:
 - (a) Number UC01-2006 (Gerald O. McDonald)
 - (b) Number DC07-2005 (Halt, Buzas & Powell, LTD)
 - (c) Number UC03-2006 (Anna Marguina-Vasquez)
 - (d) Number DC02-2006 (Arie Rozen)
- (2) Board Orders:
 - (a) File Number 2006-D03 (Douglas Stearman)
Mr. Stearman will be attending.
 - (b) File Number 2006-U11 (William K. Stephens)
 - (c) File Number 2006-U07 (Earl A. Hedrick)

(d) File Number 2006-U03 (Arthur Rochkind)
Mr. Rochkind will be attending.

(e) File Number 2006-U04 (Gregory King)

b. Meeting Reports:

(1) June 14, 2006

(2) July 10, 2006

(3) September 27, 2006

5. Administrative/Finance/Personnel/Public Relations

Regina P. Brayboy, MPA, Committee Chairman

a. BOA Strategic Plan Objectives for 2006

b. Report on Immigrant Professionals Day – John Hopkins
University – Montgomery County Campus

c. Personnel Matters – Closed Meeting

d. Retreat 2006-2007

~~e. Attendance at CLEAR Conference~~

f. BOA Office Relocation

~~g. VSCPA Request for Speaker – VSCPA Industry
Conference~~

C. NASBA

1. Report on 2006 Eastern Regional Meeting

2. 2006 Annual Meeting

3. 2007 Executive Directors Conference

~~4. 2007 Legal Counsels Conference~~

5. 2007 Eastern Regional Meeting

6. NASBAtools.com

D. Future Meetings

E. Handouts

Sign Conflict of Interests Forms

Complete Travel Expense Vouchers

Adjournment

Chairman Holton asked for the members of the public attending the meeting to introduce themselves to the Board. Ms. Collins, Ms. Walker and Mr. Martin from the Virginia Society of Certified Public Accountants (VSCPA) introduced themselves. Mr. Martin also introduced Ms. Galasso and Mr. VandeMark.

**Public Comment
Period**

With no further members of the public having comments, Chairman Holton moved to the next item of business.

Ms. Galasso and Mr. Martin spoke about their proposal to institute a CPA Inauguration Event for professionals who have passed the Uniform CPA exam and are eligible for certification. The VSCPA would plan and sponsor the event with help from other organizations and businesses.

**Discussion of CPA
Inauguration Event
Proposal –
Benjamin Martin,
CAE, Member
Relations Director,
VSCPA**

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board by a unanimous vote endorsed the proposal. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Dickerson and Mr. Hunt.

Chairman Holton asked whether any members had changes to the minutes for the Board meetings held on May 17, 2006 and June 14, 2006.

**A. Approval of
Minutes from May
17, 2006 and June
14, 2006, Board
meetings**

Upon a motion by Ms. Brayboy, and seconded by Dr. Broome, the Board by majority vote approved the minutes from the Board meeting on May 17, 2006. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, and Mr. Dickerson. Mr. Hunt abstained.

Upon a motion by Ms. Brayboy, and seconded by Mr. Dickerson, the Board by majority vote approved the minutes from the Board meeting on June 14, 2006. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, and Mr. Dickerson. Mr. Hunt abstained.

Chairman Holton moved this agenda item up since Mr. Steinman was in attendance.

Mr. Steinman gave a short statement to the Board:

“Again, my name is Charles Steinman. I’m a May 2006 graduate of Pensacola Christian College. One of the mottos at PCC has been striving for excellence, and that motto can be seen in each of the classes and each of the courses of study that are offered. This quality of education had been accepted by the Board and had been recognized previously in that a degree from Pensacola Christian College was considered equivalent to a degree from another accredited school. What has changed has been the 150 credit hour rule requirement and also the classes that are required in order to sit for the CPA exam. The quality of education there has not changed. The quality of

**B. Committee
Reports:
3. Education/
Examination – O.
Whitfield Broome,
Ph.D., CPA,
Committee
Chairman
a. Pensacola
Christian College:
Equivalency
Determination**

education has been maintained. Through careful planning it is possible for someone to meet these requirements at graduation, and because of the continued quality of Pensacola Christian College I believe it is appropriate for Pensacola Christian College to be again accepted by the Board. Thank you.”

After Mr. Steinman’s statement, Chairman Holton stated that the Board would go into closed session to discuss this matter with legal counsel.

Upon a motion by Mr. Samuel, and seconded by Dr. Broome, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of consultation with legal counsel and/or briefings by staff members pertaining to legal matters within the jurisdiction of the Board as permitted by § 2.2-3711.A.7 of the *Code of Virginia*. The following non-members will be in attendance to reasonably aid the consideration of the topic: **Ms. Norwood, Ms. Feldman and Mr. D’Amato**. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Dickerson and Mr. Hunt.

Begin Closed Meeting

This motion is made with respect to the matter identified as agenda item: **B. Committee Reports: 3. Education/Examination: a. Pensacola Christian College: Equivalency Determination.**

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.7 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Dickerson and Mr. Hunt.

End Closed Meeting

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Accountancy.

CALL FOR VOTE:

Stephen D. Holton, CPA – Aye
Lawrence D. Samuel, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – Aye
Tyrone E. Dickerson, CPA – Aye
William E. Hunt, CPA – Aye

VOTE

AYES: Seven (7)

NAYS: None.

ABSENT DURING VOTE: None.

ABSENT DURING MEETING: None.

Dr. Broome, speaking for the Board, stated that the Board does not have the legal authority to make an equivalency determination about Pensacola Christian College because the *Code of Virginia* (§ 54.1-4409.B.2) states that for a person to apply to sit for the CPA exam on or after July 1, 2006, a degree conferred by an accredited college or university must be obtained. Pensacola Christian College is not accredited by any of the accrediting bodies designated in the Board's regulations: Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, or Western Association of Schools and Colleges. He stated that

B. Committee Reports:
3. Education/ Examination – O. Whitfield Broome, Ph.D., CPA, Committee Chairman
a. Pensacola Christian College: Equivalency Determination

originally a former Board had approved the 120 hour program at Pensacola Christian College, but that approval was to expire with the 150 hour requirement.

The Board recessed from 10:55 a.m. to 11:10 a.m.

Chairman Holton asked to move this item up in the agenda in order to set dates for the next Board meetings, since two members had to leave early. The members agreed to the following dates: Tuesday, November 28, 2006 and Monday, January 8, 2007.

The members had a general discussion with the Board counsel about the necessity of providing the proper notice when holding meetings as required by the Freedom of Information Act (FOIA).

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board by unanimous vote adopted a policy based on the 10+ year established procedure that a score of 90 or better be required on the AICPA Ethics Exam to apply for a Virginia CPA license. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Dickerson and Mr. Hunt.

The members discussed having a recognition luncheon for Jane Little, the immediate Past Board Chairman, and the members of the Ethics CPE Ad-hoc Committee at the next Board meeting, scheduled on November 28, 2006.

The members had a general discussion about substantial equivalency after reviewing a letter sent from the North Carolina Board of Accountancy to a CPA licensed in Virginia.

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board by unanimous vote approved the recognition, based on the 15+ year established procedure, of the Virginia Society of Certified Public Accountants (VSCPA) as the administrator of the AICPA Peer Review Program in Virginia. The members voting “**AYE**” were Mr.

Board Recess

D. Future Meetings

B. Committee Reports (con't): **1. Executive –** **Stephen D. Holton,** **CPA, Committee** **Chairman** **a. Request for FOIA** **Presentation**

b. Question Related **to 18 VAC 5-21-30**

d. Recognition of **Past Board** **Members**

e. North Carolina: **Substantial** **Equivalency**

f. Question Related **to 18 VAC 5-21-70**

Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Dickerson and Mr. Hunt.

Upon a motion by Mr. Dickerson, and seconded by Ms. Brayboy, the Board by unanimous vote approved Amendment C to the Memorandum of Understanding with the Virginia Information Technologies Agency (VITA), which had been approved by the Board at its January 9, 2006, meeting. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Dickerson and Mr. Hunt.

g. Memorandum of Understanding (VITA)

The members had a general discussion about proposed changes to the Bylaws of the National Association of State Boards of Accountancy (NASBA).

h. Draft Changes to NASBA Bylaws

Ms. Brayboy led a general discussion about the Board’s current strategic plan and its objectives for 2006. The members agreed that it would be appropriate to review and revise the plan as part of the proposed retreat.

5. Administrative/ Finance/Personnel/ Public Relations – Regina P. Brayboy, MPA, Committee Chairman
a. BOA Strategic Plan Objectives for 2006

Ms. Feldman provided a brief report on the Immigrant Professionals Day event that two Board staff members attended at John Hopkins University.

b. Report of Immigrant Professionals Day – John Hopkins University – Montgomery County Campus

Ms. Brayboy moved this item up in the agenda. The members reviewed some items that would be included on the agenda for the upcoming Board retreat. They also agreed that the retreat should take place on Wednesday, May 16, 2007, in Richmond.

d. Retreat 2006-2007

Ms. Feldman provided an update on the relocation of the Board office.

f. BOA Office Relocation

Ms. Brayboy stated that some personnel matters needed to be discussed in a closed meeting.

c. Personnel Matters – Closed

Meeting

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of consultation and/or briefings by staff members pertaining to personnel matters within the jurisdiction of the Board as permitted by § 2.2-3711.A.1 of the *Code of Virginia*. The following non-member will be in attendance to reasonably aid the consideration of the topic: **Ms. Norwood**. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Dickerson and Mr. Hunt.

Begin Closed Meeting

This motion is made with respect to the matter identified as agenda item: **B. Committee Reports: 3. Administrative/Finance/Personnel/ Public Relations: c. Personnel Matters – Closed Meeting.**

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.1 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Dickerson and Mr. Hunt.

End Closed Meeting

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii)

only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Accountancy.

CALL FOR VOTE:

Stephen D. Holton, CPA – Aye
Lawrence D. Samuel, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – Aye
Tyrone E. Dickerson, CPA – Aye
William E. Hunt, CPA – Aye

VOTE

AYES: Seven (7)

NAYS: None.

ABSENT DURING VOTE: None.

ABSENT DURING MEETING: None.

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board by unanimous vote approved an increase in the compensation for the Executive Director/Agency Head. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Dickerson and Mr. Hunt.

Mr. Calderone left after the end of the closed meeting.

The members accepted the three meeting reports from the Enforcement Committee.

Ms. Feldman introduced Katherine Idrissi to the Board as the new Special Assistant to the Executive Director. The members welcomed

c. Personnel Matters – Closed Meeting (cont’d)

4. Enforcement – Dian T. Calderone CPA, Committee Chairman

b. Meeting Reports:

(1) June 14, 2006

(2) July 10, 2006

(3) September 27, 2006

Introduction of Special Assistant to

her to the staff.

**Executive Director –
Katherine Idrissi**

The Board recessed from 12:00 p.m. to 1:00 p.m. for lunch.

Lunch

Mr. Samuel stated that he would recuse himself from any action on this enforcement case due to his previous involvement with the case.

**B. Committee
Reports (cont'd):**

Mr. Stearman was present and read a statement to the Board.

4. Enforcement:

Dr. Broome stated that the open disciplinary case needed to be discussed in a closed meeting.

a. Cases:

(2) Board Orders:

**(a) File Number
2006-D03 (Douglas
Stearman) – Mr.
Stearman will be
attending.**

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of deliberating on open disciplinary proceedings within the jurisdiction of the Board as permitted by § 2.2-3711.A.28 of the *Code of Virginia*. The following non-members will be in attendance to reasonably aid the consideration of the topic: **Ms. Norwood, Ms. Feldman, Ms. Grant, and Mr. D'Amato**. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

**Begin Closed
Meeting**

This motion is made with respect to the matter identified as agenda item: **B. Committee Reports: 5. Enforcement: a. Cases (2) Board Orders: (a) File Number 2006-D03 (Douglas Stearman)**.

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.28 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

End Closed Meeting

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the

Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Accountancy.

CALL FOR VOTE:

Stephen D. Holton, CPA – Aye
Lawrence D. Samuel, CPA – No Vote
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – No Vote
Tyrone E. Dickerson, CPA – Aye
William E. Hunt, CPA – Aye

VOTE

AYES: Five (5)

NAYS: None.

ABSENT DURING VOTE: Two (2).

ABSENT DURING MEETING: Ms. Calderone.

In the matter of **Board Order File Number 2006-D03 (Douglas Stearman)**, the Board reviewed the IFF Report with the recommendations of the Presiding Officer, which included its findings of fact, conclusions of law and actions. Mr. Stearman was present,

but an attorney was not present to represent him.

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board by unanimous vote approved (1) the IFF Report's finding of fact whereby: (Count 1) Stearman failed to provide correct and accurate information on the Website of <http://www.aplusionlinece.com> as the author, as follows: (a) failure to date Ethics Course (#CPA01), (b) Failure to update course content, (c) Incorrect date of CPA Licensure expiration, and (d) Incorrect mailing address for the Board; (2) the IFF Report's conclusion of law whereby: (Count 1) Stearman's action constitutes a violation of **Board Regulation 18 VAC 5-21-120.B** (Public Interest); and (3) the IFF Report's actions whereby Stearman: (a) shall arrange for a full-time accounting professor at a Virginia four-year accredited college or university to review and evaluate the Virginia CPE Ethics Course developed by Stearman for use by www.aplusionlinece.com; (b) shall provide to the Board a letter from the professor indicating agreement to conduct the review and evaluation of the course; (c) shall not commence with the review and evaluation of the course until he has received written approval from the Board; (d) shall request the professor to submit a summary of findings indicating that the course has been designed in accordance with the Board's annual CPE Ethics Course outline; and (e) shall not provide the CPE Ethics Course to Virginia licensed CPAs until he has received written approval from the Board. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present and did not participate in the discussion or vote.

The members' task, Chairman Holton stated, would be to review the Consent Order for Mr. McDonald and the recommended findings of fact, conclusions of law, and actions contained in the Presiding Officer's Report for the IFF held for Mr. Hedrick. Further, he stated that the two cases would be handled together. The Board would go into a closed meeting to discuss them. Once back in open meeting, the Board would provide its decision in the cases.

Mr. Dickerson stated that he would recuse himself from any action on these enforcement cases due to his previous involvement.

Upon a motion by Dr. Broome, and seconded by Mr. Hunt, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of deliberating on open disciplinary proceedings within the jurisdiction of the Board as permitted by § 2.2-3711.A.28 of the *Code of Virginia*.

a. Cases:
(1) Consent Orders:
(a) Number UC01-2006 (Gerald O. McDonald)
(2) Board Orders:
(c) File Number 2006-U07 (Earl A. Hedrick)

Begin Closed Meeting

The following non-members will be in attendance to reasonably aid the consideration of the topic: **Ms. Norwood, Ms. Feldman, Ms. Grant, and Mr. D'Amato.** The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Samuel and Mr. Dickerson were not present for the discussion or vote.

This motion is made with respect to the matter identified as agenda item: **B. Committee Reports: 5. Enforcement: a. Cases (1) Consent Orders: (a) Number UC01-2006 (Gerald O. McDonald); (2) Board Orders: (a) File Number 2006-D03 (Douglas Stearman).**

Upon a motion by Dr. Broome, and seconded by Mr. Hunt, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.28 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Samuel and Mr. Dickerson were not present for the discussion or vote.

End Closed Meeting

Upon a motion by Dr. Broome, and seconded by Mr. Hunt, the Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Accountancy.

CALL FOR VOTE:

Stephen D. Holton, CPA – Aye
Lawrence D. Samuel, CPA – No Vote
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – No Vote
Tyrone E. Dickerson, CPA – No Vote
William E. Hunt, CPA – Aye

VOTE

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Three (3).

ABSENT DURING MEETING: Ms. Calderone.

In the matter of **Consent Order Number 2006-UC01 (Gerald O. McDonald)**, the Board reviewed the consent order with its findings of fact, conclusions of law and actions. Mr. McDonald was not present, and an attorney was not present to represent him.

Upon a motion by Dr. Broome, and seconded by Mr. Hunt, the Board by unanimous vote approved the Consent Order Number UC01-2006 whereby, based on the Findings of Fact and Conclusions of Law and the consent of Mr. McDonald, due to using the CPA title without being duly licensed as a CPA in the Commonwealth, he is ordered to pay a monetary penalty of one thousand dollars (\$1,000) within ninety (90) days of the entry date of the Order. The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Samuel and Mr. Dickerson were not present for the discussion or vote.

In the matter of **Board Order File Number 2006-U07 (Earl A. Hedrick)**, the Board reviewed the IFF Report with the recommendations of the Presiding Officer, which included its findings of fact, conclusions of law and actions. Mr. Hedrick was not present, and an attorney was not present to represent him.

Upon a motion by Dr. Broome, and seconded by Ms Brayboy, the Board by unanimous vote approved (1) the IFF Report’s finding of fact whereby: (Count 1) Mr. Hedrick used the CPA designation by advertising in the local White Pages as a CPA without a valid Virginia CPA license; (2) the IFF Report’s conclusions of law whereby: (Count

a. Cases (con’t):
(1) Consent Orders:
(a) Number UC01-2006 (Gerald O. McDonald)
(2) Board Orders:
(c) File Number 2006-U07 (Earl A. Hedrick)

1) Mr. Hedrick's action constitutes a violation of **Section 54.1-4413.1** of the *Code of Virginia*; and (3) the IFF Report's actions whereby: (a) Mr. Hedrick shall not practice as a CPA in the Commonwealth until the Virginia Board of Accountancy has re-issued a license to Mr. Hedrick to practice as a CPA, and (b) Mr. Hedrick shall pay a monetary penalty of eight thousand dollars (\$8,000) within ninety (90) days of the entry date of the Order. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Samuel and Mr. Dickerson were not present for the discussion or vote.

The Board decided that for egregious violations the Board should post a notice in the local paper. The Board then directed the staff to post a notice in the Chatham area newspaper about Mr. Hedrick's unlicensed status after its review by the Attorney General's office.

The members' task, Chairman Holton stated, would be to review the Consent Orders for Halt, Buzas & Powell, LTD, Ms. Marguina-Vasquez and Mr. Rosen and the recommended findings of fact, conclusions of law, and actions contained in the Presiding Officer's Reports for the IFFs held for Mr. Stephens, Mr. Rochkind, and Mr. King. Further, he stated that these cases would be reviewed together. The Board would go into a closed meeting to discuss them. Once back in open meeting, the Board would provide its decision in the cases.

Mr. Samuel stated that he would recuse himself from any action on this enforcement case due to his previous involvement with the case.

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of deliberating on open disciplinary proceedings within the

a. Cases:

(1) Consent Orders:

(b) Number DC07-2005 (Halt, Buzas & Powell, LTD)

(c) Number UC03-2006 (Anna

Marguina-Vasquez)

(d) Number DC02-2006 (Arie Rosen)

(2) Board Orders:

(b) File Number 2006-U11 (William K. Stephens)

(d) Number 2006-U03 (Arthur

Rochkind) – Mr.

Rochkind will be attending

(e) File Number 2006-U04 (Gregory King)

Begin Closed Meeting

jurisdiction of the Board as permitted by § 2.2-3711.A.28 of the *Code of Virginia*. The following non-members will be in attendance to reasonably aid the consideration of the topic: Ms. Norwood, Ms. Feldman, Ms. Grant, and Mr. D'Amato. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

This motion is made with respect to the matter identified as agenda item: B. Committee Reports: 5. Enforcement: a. Cases: (1) Consent Orders:(b) Number DC07-2005 (Halt, Buzas & Powell, LTD), (c) Number UC03-2006 (Anna Marguina-Vasquez), (d) Number DC02-2006 (Arie Rosen); (2) Board Orders: (b) File Number 2006-U11 (William K. Stephens), (d) Number 2006-U03 (Arthur Rochkind), and (e) File Number 2006-U04 (Gregory King).

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.28 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

End Closed Meeting

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion

convening the closed meeting were heard, discussed or considered by the Board of Accountancy.

CALL FOR VOTE:

Stephen D. Holton, CPA – Aye
Lawrence D. Samuel, CPA – No Vote
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – No Vote
Tyrone E. Dickerson, CPA – Aye
William E. Hunt, CPA – Aye

VOTE

AYES: Five (5)

NAYS: None.

ABSENT DURING VOTE: Two (2).

ABSENT DURING MEETING: Ms. Calderone.

In the matter of **Consent Order Number DC07-2005 (Halt, Buzas & Powell, LTD)**, the Board reviewed the consent order with its findings of fact, conclusions of law and actions. A representative of Halt, Buzas & Powell, LTD was not present, and an attorney was not present to represent the firm.

Upon a motion by Ms. Brayboy, and seconded by Dr. Broome, the Board by unanimous vote approved the Consent Order Number DC07-2005 whereby, based on the Findings of Fact and Conclusions of Law, and the consent of Halt, Buzas & Powell LTD, due to the firm's failure (i) to register with the Public Company Accounting Oversight Board (PCAOB) prior to issuing three audit reports of a public company and (ii) to disclose the date on which two of the three audit reports were issued on its application for registration with the PCAOB, it is ordered to do the following: (1) to pay a monetary penalty of ten thousand dollars (\$10,000) within ninety (90) days of the entry date of the Order; (2) prior to performing any audit services for any publicly traded company, the firm is (a) to satisfactorily complete not less than forty (40) hours of continuing professional education (CPE) specifically pertaining to the Sarbanes-Oxley Act and the PCAOB for its representatives, (b) to secure the required

a. Cases (cont'd):
(1) Consent Orders:
(b) Number DC07-2005 (Halt, Buzas & Powell, LTD)
(c) Number UC03-2006 (Anna Marguina-Vasquez)
(d) Number DC02-2006 (Arie Rosen)
(2) Board Orders:
(b) File Number 2006-U11 (William K. Stephens)
(d) Number 2006-U03 (Arthur Rochkind) – Mr. Rochkind will be attending
(e) File Number 2006-U04 (Gregory

current and valid registration with the PCAOB, and (c) to submit proof of PCAOB registration and satisfactory completion of the training to the Board. The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

King

In the matter of **Consent Order Number UC03-2006 (Anna Marguina-Vasquez)**, the Board reviewed the consent order with its findings of fact, conclusions of law and actions. Ms. Marguina-Vasquez was not present, and an attorney was not present to represent her.

Upon a motion by Ms. Brayboy, and seconded by Mr. Dickerson, the Board by unanimous vote approved the Consent Order Number UC03-2006 whereby, based on the Findings of Fact and Conclusions of Law, and the consent of Ms. Marguina-Vasquez, due to using the CPA title without being duly licensed as a CPA in the Commonwealth, she is ordered to pay a monetary penalty of four thousand dollars (\$4,000) within ninety (90) days of the entry date of the Order. The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

In the matter of **Consent Order Number DC02-2006 (Arie Rozen)**, the Board reviewed the consent order with its findings of fact, conclusions of law and actions. Mr. Rozen was not present, and an attorney was not present to represent him.

Upon a motion by Ms. Brayboy, and seconded by Mr. Dickerson, the Board by unanimous vote approved the Consent Order Number DC02-2006 whereby, based on the Findings of Fact and Conclusions of Law, and the consent of Mr. Rozen, due to his receipt of a judgment of fraudulent inducement in a civil case heard in the Circuit Court for Montgomery County, Rockville, Maryland, he is ordered to do the following: (1) to pay a monetary penalty of five hundred dollars (\$500) within ninety (90) days of the entry date of the Order, (2) to have his CPA license placed on probation for a period of not more than twelve (12) months from the entry date of the Order, (3) to complete twenty (20) hours of professional ethics training, which is not to be considered as part of this year’s required continuing professional education (CPE) credits, within ninety (90) days from the entry date of the Order, (4) to submit to the full Board in person a one thousand (1,000) word essay describing what he has learned from his dispute with Ms. Greenberg, and (5) to provide the Board with a written agreement signed by a CPA licensed in Virginia who has at

least ten (10) years of experience and who will agree to serve as Mr. Rozen's mentor for a period of twelve (12) months. This agreement must be notarized and must stipulate the purpose of the meetings which would be to discuss Mr. Rozen's practice and any issues he may be facing in his practice and the requirement to meet every other month by telephone or in person. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

In the matter of **Board Order File Number 2006-U11 (William K. Stephens)**, the Board reviewed the IFF Report with the recommendations of the Presiding Officer, which included its findings of fact, conclusions of law and actions. Mr. Stephens was not present, and an attorney was not present to represent him.

Upon a motion by Dr. Broome, and seconded by Mr. Hunt, the Board by unanimous vote approved (1) the IFF Report's findings of fact whereby: (Count 1) Mr. Stephens used the CPA title without a valid Virginia license by not correcting the introduction of his profession as a CPA and expert witness in a court of law, and (Count 2) Mr. Stephens failed to respond to the Board within the required 30-day period regarding his license status; (2) the IFF Report's conclusions of law whereby: (Count 1) Mr. Stephens' action constitutes a violation of **Section 54.1-4413.1** of the *Code of Virginia*, and (Count 2) Mr. Stephens' action constitutes a violation of **Board Regulation 18 VAC 5-21-110**; and (3) the IFF Report's actions whereby, due to the egregious nature of this violation, (a) the Board denies any future request for reinstatement for a period of not more than five (5) years from the date of such a request; (b) Mr. Stephens shall pay a monetary penalty of fourteen thousand dollars (\$14,000) for using the CPA title without a valid Virginia license and presenting himself as a CPA in a court of law, and (c) Mr. Stephens shall pay a monetary penalty of one thousand dollars (\$1,000) for failing to respond to the Board. The monetary penalties are to be paid within ninety (90) days of the entry date of the Order. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

In the matter of **Board Order File Number 2006-U03 (Arthur Rochkind)**, the Board reviewed the IFF Report with the recommendations of the Presiding Officer, which included its findings of fact, conclusions of law and actions. Mr. Rochkind was not present, and an attorney was not present to represent him.

Upon a motion by Mr. Dickerson, and seconded by Ms. Brayboy, the Board by majority vote approved (1) the IFF Report's findings of fact whereby: (Count 1) Mr. Rochkind used the CPA designation on personal and business stationery to include his business e-mail address without a valid Virginia CPA license; (2) the IFF Report's conclusions of law whereby: (Count 1) Mr. Rochkind's action constitutes a violation of **Section 54.1-4413.1** of the *Code of Virginia*; and (3) the IFF Report's actions whereby (a) Mr. Rochkind shall not practice as a CPA in the Commonwealth until the Virginia Board of Accountancy has granted a license to Mr. Rochkind to practice as a CPA, and (b) Mr. Rochkind shall pay a monetary penalty of eight thousand dollars (\$8,000) within ninety (90) days of the entry date of the Order. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

In the matter of **Board Order File Number 2006-U04 (Gregory King)**, the Board reviewed the IFF Report with the recommendations of the Presiding Officer, which included its finding of fact, conclusion of law and actions. Mr. King was not present, and an attorney was not present to represent him.

Upon a motion by Ms. Brayboy, and seconded by Dr. Broome, the Board by unanimous vote approved the IFF Report's finding of fact and conclusion of law whereby there was no violation of the Board Regulations. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Dickerson, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

Ms. Brayboy then left the meeting.

The Board recessed from 2:15 p.m. to 2:30 p.m.

Dr. Broome informed the members that very few issues regarding the transition from the 120-hour education requirement to the 150-hour education requirement have occurred. Those that have are being worked on with the Board staff.

Board Recess

B. Committee Reports (cont'd):
3. Education/ Examination – O. Whitfield Broome, Ph.D., CPA, Committee Chairman
b. Discussion of 150

**Hour Requirement
Issues**

The members received a report about the Board's administration of the CPA exam.

**c. Status of CPA
Exam
Administration
(2) Issues with CPA
Exam
Administration --
Handout**

The members discussed how to proceed with the new statute about employee stock ownership plans (ESOP).

Upon a motion by Mr. Dickerson, and seconded by Dr. Broome, the Board by unanimous vote agreed that no changes need to be made to its regulations. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome, Mr. Dickerson and Mr. Hunt.

**2. Legislative/
Regulatory –
Stephen D. Holton,
CPA, Committee
Chairman**

**b. Regulation:
(1) ESOP**

Mr. Holton next presented a draft of the Board's public participation guidelines (PPG) regulations with revisions to the members.

Upon a motion by Mr. Hunt, and seconded by Mr. Dickerson, the Board by unanimous vote approved the revisions to the PPG regulations and the filing of the regulations as a fast-track action. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome, Mr. Dickerson and Mr. Hunt.

**(2) Public
Participation
Guidelines (PPG)**

The members reviewed a letter from Dr. Paul A. Copley, Director of the School of Accounting at James Madison University, which was received as public comment due to the notice of intended regulatory action (NOIRA).

**(3) Update on
Comprehensive
Review: NOIRA**

The members agreed to refer this letter to the Legislative/Regulatory Committee for consideration when drafting the regulatory changes. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome, Mr. Dickerson and Mr. Hunt.

The members reviewed a letter from Mr. Matthew Pauls as a petition for rulemaking.

**(4) Petition for
Rulemaking – Mr.
Pauls (Petitioner)**

The members agreed to wait for the comments received by the end of the public comment period on November 20th, and to review this

**will not be
attending.**

matter again at the Board's next meeting on November 28th.

After an assessment of this matter, the Board agreed to postpone writing such a document.

Mr. Holton provided the members with a handout outlining the issues that the working group had been discussing. The members had a general discussion about the progress of the working group.

Mr. Dickerson presented a brief report on what occurred at the NASBA Eastern Regional meeting. He commented that the Executive Director should attend the Eastern Regional meetings.

The Board confirmed who would be attending the 2006 Annual Meeting—Mr. Dickerson and Mr. Hunt. Mr. Holton would be unable to attend.

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board by unanimous vote approved the attendance of Ms. Feldman and Ms. Idrissi to the 2007 Executive Directors Conference. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome, Mr. Dickerson and Mr. Hunt.

The members had a brief discussion about the 2007 Eastern Regional meeting that would be held in Williamsburg, Virginia.

The members received information about the new website offered by NASBA.

The members received a copy of the Biennial Report for Fiscal Years 2005 and 2006.

Chairman Holton asked the members to complete and sign their conflict of interests forms.

Chairman Holton asked the members to complete and sign their travel expense vouchers.

b. Update on White Paper

d. Legislative Working Group

C. NASBA:
1. Report on Eastern Regional Meeting

2. 2006 Annual Meeting

3. 2007 Executive Directors Conference

5. 2007 Eastern Regional Meeting

6. NASBAtools.com

E. Handouts

Conflict of Interests Forms

Travel Expense Vouchers

With no further business coming before the Board, upon a motion by Dr. Broome, and seconded by Mr. Hunt, the meeting was adjourned by unanimous vote at 3:35 p.m. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Mr. Dickerson and Mr. Hunt.

Adjournment

APPROVED:

Stephen D. Holton, CPA, Chairman

COPY TESTE:

Nancy Taylor Feldman, Executive Director