



NEVADA STATE BOARD OF ACCOUNTANCY

1325 AIRMOTIVE WAY, SUITE 220, RENO, NEVADA 89502 • 775-786-0231 FAX 775-786-0234

EXECUTIVE DIRECTOR
VIKI A. WINDFELDT

MEMBERS

HARRY O. PARSONS, CPA
PRESIDENT
SHARON J. MCNAIR, CPA
SECRETARY-TREASURER
BONNIE M. HOULDSWORTH, CPA
CHARLES A. MORRISON, CPA
RAJA MOUREY, MBA
PATRICK M. THORNE, CPA
KATHY L. ZELLER, CPA

DATE: April 4, 2005
TO: Lorne J. Malkiewich, Director
Legislative Counsel Bureau
FROM: Viki Windfeldt, Executive Director
SUBJECT: Occupational Licensing Board –
Quarterly Report of Disciplinary Actions (NRS 622.100)

Steven Krell, CPA 4025R

Board Action January 28, 2005

Violation NRS 628.390(b)(d)(j)
NAC 628.500
Rule 501 Code of Professional Conduct

Disciplinary action initiated based on complaint information received that Mr. Krell took approximately \$1,500,000.00 in client funds for his own personal use. In addition, Mr. Krell agreed to surrender all professional licenses based on an agreement with his prior firm. Mr. Krell subsequently obtained a Nevada license and serviced clients after the agreement was signed.

Hearing Decision: Revocation of Steven Krell, CPA Certificate No 4025R

Susan Eisenberg, CPA 1675

Board Action January 28, 2005

Disciplinary Action:

Violation: NRS 628.390(1)(d) and (j)
NAC 628.500
Rule 201(a) of the Code of Professional Conduct.

Disciplinary action initiated based on the board receiving 6 complaints against Ms. Eisenberg all alleging the same; client retention of records, failure to complete engagement and failure to communicate with client. Based on Ms. Eisenberg's failure to respond to the Board in connection with the complaints the Board filed a formal complaint with a full Board hearing.

Hearing Decision: Ms. Eisenberg was formally reprimanded under a Board decision that revoked the CPA Certificate, stayed the revocation and placed Ms. Eisenberg on 3 years probation. The Findings of Fact, Conclusions of Law and Decision entered by the board on 1/28/2005 was based on evidence provided that Ms. Eisenberg failed to properly communicate with clients, failed to complete engagements, and improperly handled a corporate filing to the detriment of the client. Under the provisions of the board's decision Ms. Eisenberg is required to obtain 16 hours of CPE in 2005 in the area of practice management through a course offered by the AICPA, or an equivalent course to be approved by the board and shall be a live course rather than self study. The 16 hours is in addition to the 2-year requirement of 80 hours. Ms. Eisenberg must pay a fine of \$2500 and compensate the Board for its attorney's fees and costs of \$1000 within 30 days of the decision.

Disciplinary Action: Mr. Scarberry was previously revoked by the Board in a hearing decision entered May 28, 2002. The decision was based on evidence provided that Mr. Scarberry failed to communicate with clients, retention of client records, and failure to prepare and file various forms to the Internal Revenue Service for his client. The Board, after the revocation of Mr. Scarberry's certificate, received various complaints indicating Mr. Scarberry's continued representation of himself as a Certified Public Accountant through his corporate name, website, business cards and letterhead. Mr. Scarberry failed to inform his clients that he was no longer a licensed Certified Public Accountant. In addition the complaints alleged Mr. Scarberry's failure to communicate with clients, failure to file appropriate IRS forms and client retention of records.

Hearing Decision: It was the decision of the Board, during the disciplinary hearing held on March 16, 2005, to deny the request of Mr. Scarberry for issuance of a new Certified Public Accountant license. Under the Findings of Fact, Conclusions of Law and Decision, Mr. Scarberry was instructed to cease and desist holding himself out to the public as a Certified Public Accountant and remove all references to being a CPA.

Formal Complaints Issued

Board Action March 16, 2005

Violation NRS 628.390(1)(c)(d)
 NAC 628.210 and 628.250

Formal disciplinary complaints have been issued by the board on March 16, 2005 to the following individuals for failure to obtain an annual permit, pay the 2005 renewal fee and furnish evidence of compliance with the CPE requirements:

- | | | | |
|----------------|------------------|-------------------|-------------------|
| Dean A. Bone | Susan Eisenberg | Loren Goldtooth | Jeffrey Heath |
| Bruce Hendrix | Rafael Herrera | Lori Hoover | Albert Kayal |
| Thomas Hearin | Robert Kittredge | Robert Martindale | Robert Mohler |
| Louis Musso | Kimberly Nunley | Lawson Peters | Norman Richardson |
| Jackie Royle | Erik Sandhu | Harold Snyder | David Steffey |
| Chris Thompson | Christine Vear | David Williams | |

Disciplinary Hearings are scheduled for April 28, 2005 at the board's office at 1325 Airmotive Way, Suite 220, Reno NV 89502. Non-response will result in the revocation of the CPA Certificate.

Revocation Rescinded – Active Status Reinstated

Board Action March 16, 2005

Shawn A. Morrow, CPA Certificate No. 3409, was revoked by the board in a hearing decision entered September 22, 2004 for failure to obtain the required number of continuing education hours for the years 2002 and 2003. Mr. Morrow has since provided the board the required continuing education and evidence to indicate reasonable cause for the delay in obtaining the required CPE. The Board at its meeting on March 16, 2005 reinstated Mr. Morrow's CPA Certificate No 3409.

CPE Administrative Complaints Issued

The board office has issued 53 Complaints for Violation of Continuing Professional Education (CPE). Licensees are required to obtain CPE annually during the calendar year of January 1st through December 31st. The amount of CPE is based on 80 hours over a rolling 2 year period. If the licensee fails to obtain the required CPE during the calendar year, a complaint is issued giving an extension of time associated with penalties.