

OREGON BOARD OF ACCOUNTANCY
Minutes, August 17, 2009

Conference Call

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

Board Members Present

Ray Johnson, CPA, *Vice-Chair*
Roberta Newhouse, CPA, *Treasurer*
Jessie Bridgham, CPA
Stuart Morris, PA
Kent Bailey, CPA
Eric Lind, *Public Member*

Guests Attending

Jeffrey Dover, Asst. Attorney General
Cheryl Langley, OSCPA
Nichole Kobilha, CPA, OSCPA
Jessica King, 8:20 a.m.
Ron Harmening, 8:30 a.m.
Dale Fox, 9:00 a.m.

Staff Members

Pat Hearn, *Executive Director*
Noela Kitterman, *Investigator*
Kimberly Bennett, *Committee Coordinator*

Excused:

James Gaffney, CPA, *Chair*

1. CALL TO ORDER

A quorum being present, Vice-Chair Johnson called the meeting to order at 8:28 a.m. and assigned Eric Lind to serve as process observer.

2. APPROVAL OF MINUTES

A. May 17, 2009 Work Session

Johnson noted a change on page 4 under the Litigation discussion. Changed to read:
Has any lawsuit been filed or have any tolling agreements been entered into on behalf of the firm or against any owner or manager of the firm since the last renewal application?

BOARD ACTION: Moved by Morris and carried to approve the May 17, 2009 work session minutes.

VOTE: 6 ayes

B. May 18, 2009 Board Meeting

BOARD ACTION: Moved by Morris and carried to approve the May 18, 2009 Board meeting minutes.

VOTE: 6 ayes

3. OTHER CASE MATTERS

A. Request to Stay Final Order, Gary Stapleton, Case No. N-06-08-037

Board Discussion: *Mr. Dover had given the Board legal advice regarding this matter in the executive session, which was held immediately prior to this meeting.*

BOARD ACTION: Moved by Bailey and carried to deny the request to stay the Final Order of Revocation.

VOTE: 6 ayes

4. COMPLAINTS COMMITTEE

A. Acceptance of Meeting Minutes

1. June 19, 2009
2. August 10, 2009

BOARD ACTION: Moved by Johnson to accept the minutes of both meetings

VOTE: 6 ayes

B. Consent Agenda

1. Complaint Investigations

- | | |
|-------------------|-----------|
| a. Randy Jentsch | 08-12-032 |
| b. Rory Foley | 08-12-038 |
| c. Yvonne Zbranek | 09-026CNK |
| d. Jessica King | 09-027CNK |

BOARD ACTION: Moved by Johnson to accept consent agenda

VOTE: 6 ayes

C. Other Investigations

1. Ron Harmening

Board Discussion: Mr. Harmening borrowed \$50,000 from a client. He did not provide the client with a written disclosure of possible conflicting interests. Mr. Harmening signed a note with the client in which he agreed to pay back the loan with interest. Mr. Harmening did not make any payments on principal but did make a payment of \$3,500 for interest. Mr. Harmening also borrowed \$30,000 from an employee. He also signed a note agreeing to repay the loan with interest. The note was to be filed as a lien against real property owned by Mr. Harmening. Mr. Harmening did not file the lien.

Mr. Harmening participated in the meeting by telephone. He stated that he has been practicing for 26 plus years and that he became caught up in the real estate downturn. Mr. Harmening indicated that he had incurred more than \$100,000 in credit card debt and was in the process of filing bankruptcy. He told the Board that he now resides in New Mexico and is seeking a CPA license in that state.

BOARD ACTION: Moved by Morris to impose a civil penalty of \$5,000 as recommended by the Complaints Committee for violation of OAR 801-030-0020(8), differing interests.

VOTE: 6 ayes

BOARD ACTION: Moved by Morris to impose a civil penalty of \$2,500 for violations of OAR 801-030-0020(1)(a) and (1)(b) for failing to repay the loan.

VOTE: 6 ayes

5. OTHER MATTERS

A. Reinstatement Application of Dale Fox

Board Discussion: Mr. Fox participated by telephone. He has been in lapsed status since 1997, seven renewal periods. He applied for reinstatement this year and has indicated that a former employee was to have filed his renewal application for inactive status but apparently failed to do so. The Board concurred that they could not circumvent the administrative rules and could not grant Mr. Fox's request to waive the fees set by rule.

6. CONTINUING PROFESSIONAL EDUCATION

A. Acceptance of minutes of July 28, 2009 CPE Committee Meeting

BOARD ACTION: Moved by Bailey to accept the minutes.

VOTE: 6 ayes

B. Municipal Auditor Applications

Bailey stated that he will not vote on Megan Rae Adams as she is an employee of his firm. Bridgham stated that she will not vote on Tamara Graham as they are co-workers.

1. Megan Rae Adams, approve
2. Joseph A. Colo, approve
3. Melanie Ditton, approve
4. Joe P. Gates, approve
5. Anna Marie McNeil, approve
6. Michelle E. Rich, approve
7. Russell T. Ries, approve
8. Tamara Graham, defer
9. David Kenneth Mears, approve

BOARD ACTION: Morris moved to accept committee recommendations on items 2 through 7 and 9.

VOTE: 6 ayes

BOARD ACTION: Morris moved to accept committee recommendation to defer Tamara Graham.

VOTE: 5 ayes, 1 obtain (Bridgham)

BOARD ACTION: Johnson moved to accept committee recommendation to approve Megan Rae Adams.

VOTE: 5 ayes, 1 abstain (Bailey)

7. PEER REVIEW OVERSIGHT COMMITTEE

- A. Acceptance of minutes of July 20, 2009 meeting.

BOARD ACTION: Moved by Bridgham to accept minutes.

VOTE: 6 ayes

8. QUALIFICATIONS COMMITTEE

- A. Acceptance of minutes of July 22, 2009 meeting.

BOARD ACTION: Moved by Newhouse to accept minutes.

VOTE: 6 ayes

- B. Consent Agenda

Board Discussion: The committee deferred some applications. Many applicants are showing experience that creates questions about supervisor licensees. There are also questions about experience gained in volunteer positions.

1. Recommendations

- a. Shang Cao, approve
- b. Katy Farrald, approve
- c. Neelima Jacangula, deny
- d. Jennifer Jones, approve
- e. Clint Wertz, approve
- f. Michael Yoon, approve

BOARD ACTION: Moved by Bailey to accept consent agenda except Item c.

VOTE: 6 ayes

2. Approval of Applications

- a. CPA Certificates/Permits
- b. PA Licenses/Permits
- c. Firm Registrations
- d. Substantial Equivalency Approval

BOARD ACTION: Moved by Newhouse to accept applications.

VOTE: 6 ayes

3. Removed from Consent Agenda

- a. Neelima Jacangula

BOARD ACTION: Moved by Newhouse to accept recommendation to deny.

VOTE: 6 ayes

9. PROCESS OBSERVER REPORT

Mr. Lind stated that the meeting went well. He complimented Vice-Chair Johnson on leading on the Stapleton matter. Mr. Lind thought that that the Harmening matter was well presented in a short period of time.

10. ADJOURNMENT

The meeting adjourned at 9:56 a.m.

NEXT MEETINGS:

Date/time: October 4, 2009, 9:30 a.m. Work Session
October 5, 2009, 8:00 a.m. Board Meeting

Location: Portland State University
