

# **THE VIRGINIA BOARD OF ACCOUNTANCY**

## **MEETING MINUTES**

The Virginia Board of Accountancy (Board) met on Tuesday, November 28, 2006, in Salon A of the Richmond Marriott West, 4240 Dominion Boulevard, Glen Allen, Virginia 23060.

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  
Regina P. Brayboy, MPA  
William E. Hunt, CPA

The Board members absent for the whole meeting were:

Dian T. Calderone, MTX, CPA  
Tyrone E. Dickerson, CPA

The Board staff members present for the entire meeting were:

Nancy Taylor Feldman, Executive Director/Agency Head  
Katherine Idrissi, Special Assistant to the Executive Director  
Mark D'Amato, Board Administrator

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  
Emily P. Walker, Regulatory Specialist, Virginia Society of Certified Public Accountants

Chairman Holton called the meeting to order at 10:00 a.m.

**Call to Order**

Chairman Holton determined that a quorum was present.

**Determination of Quorum**

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

**Approval of Agenda**

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

Call to Order  
Determination of Quorum  
Approval of Agenda  
Public Comment Period

- A. Discussion of CPA Inauguration Event Proposal – Update
- B. Approval of Minutes from October 24, 2006, Board Meeting
- C. Committee Reports:
  - 1. Legislative/Regulatory:
    - Stephen D. Holton, CPA, Committee Chairman
    - (a) Petition for Rulemaking – Read for CPA Exam
    - (b) Legislative Working Group

Recess for Board Luncheon

Reconvene

- C. Committee Reports (cont’d):
  - 1. Legislative/Regulatory (cont’d)
    - Stephen D. Holton, CPA, Committee Chairman
    - (b) Legislative Working Group (cont’d)
  - 2. Enforcement
    - Dian T. Calderone, CPA, Committee Chairman
    - (a) Final Board Orders:
      - (1) File Number 2006-U12 (John McCauley)  
(Calderone & Samuel)
      - (2) File Number 2005-D14 (Priscilla Myerson)  
(Calderone & Samuel)

- (3) File Number 2006-U06 (William E. Young)  
(Calderone & Samuel)
- (4) File Number 2006-E02 (Brian O'Neill)  
(Broome & Hunt)
- (b) Consent Orders:
  - (1) Number DC07-2005 (Halt, Buzas & Powell, LTD)
  - (2) Number DC09-2006 (Jodee Hecht)  
(Calderone)

D. NASBA

- 1. Report on 2006 Annual Meeting – William E. Hunt, CPA, Board Member
- 2. NASBA Comment Letter on PEEC Omnibus Proposal

E. Request for Transfer of Funds

F. Handouts—Informational

- 1. Email Distribution Set-Up
- 2. BOA Newsletter Draft
- 3. Peer Review Results
- 4. Senior Tax Tips

G. Future Meetings

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 and Ms. Walker from the Virginia Society of Certified Public Accountants (VSCPA) introduced themselves.

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

The Board members and staff discussed the CPA Inauguration Event. Ms. Norwood was asked to contact the Texas state board of accountancy attorney to discuss the oath of office used by that board to swear in its CPA licensees.

**Public Comment  
Period**

**A. Discussion of  
CPA Inauguration  
Event Proposal –  
Update**

Chairman Holton asked whether any members had changes to the

**B. Approval of**

minutes for the Board meeting held on October 24, 2006.

Upon a motion by Ms. Brayboy, and seconded by Dr. Broome, the Board by unanimous vote approved the minutes from the Board meeting on October 24, 2006, as amended. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, and Mr. Hunt.

Chairman Holton moved this agenda item up.

He and Mr. Samuel led a detailed discussion about the Legislative Working Group’s draft proposed accounting statutes.

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

The Board members continued their discussion about the Legislative Working Group’s draft proposed accounting statutes.

The Board recessed from 2:45 p.m. to 2:56 p.m.

Since Ms. Calderone was absent, Chairman Holton informed the other members about their task. The Board would address the four Final Board Orders together, first in open session, and then in a closed session to discuss them. Once back in open meeting, the Board would provide its decision in the cases.

**Minutes from  
October 24, 2006,  
Board Meeting**

**C. Committee  
Reports:  
1. Legislative/  
Regulatory –  
Stephen D. Holton,  
CPA, Committee  
Chairman  
(b) Legislative  
Working Group**

**Board Luncheon**

**C. Committee  
Reports (cont’d):  
1. Legislative/  
Regulatory  
(cont’d)– Stephen D.  
Holton, CPA,  
Committee  
Chairman  
(b) Legislative  
Working Group**

**Board Recess**

**2. Enforcement –  
Dian T. Calderone  
CPA, Committee  
Chairman  
b. Meeting Reports:  
(2) File Number**

Mr. Samuel stated that he would recuse himself from any action on File Number 2006-U12 (John McCauley).

Ms. Grant presented information to the Board members about each case.

Ms. Myerson was present and made a brief statement.

**2005-D14 (Priscilla Myerson) – Ms. Myerson was attending (Calderone & Samuel)**  
**(3) File Number 2006-U06 (William E. Young)**  
**(Calderone & Samuel)**  
**(4) File Number 2006-E02 (Brian O’Neill)**  
**(Broome & Hunt)**  
**(1) File Number 2006-U12 (John McCauley)**  
**(Calderone & Samuel)**

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*. The following non-members will be in attendance to reasonably aid the consideration of the topic: **Ms. Norwood, Ms. Feldman, Ms. Idrissi, Ms. Grant, and Ms. Gilliam**. The members voting “AYE” were Mr. Holton, Dr. Broome, Ms. Brayboy, 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: **C. Committee Reports: 5. Enforcement: (a) Final Board Orders: (2) File Number 2005-D14 (Priscilla Myerson), (3) File Number 2006-U06 (William E. Young), (4) File Number 2006-E02 (Brian O’Neill), and (1) File Number 2006-U12 (John McCauley)**.

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.

**End Closed Meeting**

The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, 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 – Absent  
O. Whitfield Broome, Ph.D., CPA – Aye  
Regina P. Brayboy, MPA – Aye  
Dian T. Calderone, MTX, CPA – Absent  
Tyrone E. Dickerson, CPA – Absent  
William E. Hunt, CPA – Aye

VOTE

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Samuel, Calderone, and Dickerson.

ABSENT DURING MEETING: Calderone, and Dickerson.

In the matter of **Final Board Order File Number 2005-D14 (Priscilla Myerson)**, the Board reviewed the IFF Report with the recommendations of the Presiding Officer, which included its findings of fact, conclusions of law and actions. Ms. Myerson was present, but an attorney was not present to represent her.

Upon a motion by Ms. Brayboy, and seconded by Mr. Hunt, the Board by unanimous vote approved the IFF Report's finding of fact that there was no violation of **Board Regulation 18 VAC 5-21-120.F** to indicate failure to provide Due Professional Care. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Samuel was not present and did not participate in the discussion or vote.

In the matter of **Final Board Order File Number 2006-U06 (William E. Young)**, 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. Young was not present, nor was an attorney present to represent him.

Upon a motion by Ms. Brayboy, and seconded by Mr. Hunt, the Board by unanimous vote approved (1) the IFF Report's finding of fact whereby: (Count 1) Young used the CPA title by listing his name on his business cards as "William E. Young, CPA"; (2) the IFF Report's conclusion of law whereby: (Count 1) Young's action constitutes a violation of **Section 54.1-4413.1** of the *Code of Virginia*; and (3) the IFF Report's actions whereby Young: (a) shall not practice as a CPA in the Commonwealth until the Virginia Board of Accountancy has re-issued a license to Young to practice as a CPA; and (b) shall pay a monetary penalty of eight thousand dollars (\$8,000) within ninety (90) days of the entry date of the Final Order. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Samuel was not present and did not participate in the discussion or vote.

In the matter of **Final Board Order File Number 2006-E02 (Brian O'Neill)**, 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. O'Neill was not present, nor was an attorney present to represent him.

Upon a motion by Ms. Brayboy, and seconded by Mr. Samuel, the Board by unanimous vote approved the IFF Report's finding of fact

**2. Enforcement –**  
**Dian T. Calderone**  
**CPA, Committee**  
**Chairman**  
**b. Final Board**  
**Orders:**  
**(2) File Number**  
**2005-D14 (Priscilla**  
**Myerson) – Ms.**  
**Myerson was**  
**attending**  
**(Calderone &**  
**Samuel)**  
**(3) File Number**  
**2006-U06 (William**  
**E. Young)**  
**(Calderone &**  
**Samuel**  
**(4) File Number**  
**2006-E02 (Brian**  
**O'Neill)**  
**(Broome & Hunt)**  
**(1) File Number**  
**2006-U12 (John**  
**McCauley)**  
**(Calderone &**  
**Samuel)**

whereby O'Neill's request to be deemed eligible to sit for the CPA Examination in Virginia under the regulations in effect prior to July 1, 2006, as contained in **Board Regulation 18 VAC 5-21-30.B.1**, be approved due to O'Neill not being appropriately informed by the Virginia Board of Accountancy's agent, CPA Examination Services, Inc. (CPAES), of the requirement to take one part of the CPA Examination prior to the July 1, 2006, deadline. In addition, O'Neill was to be issued a Notice to Schedule (NTS) that was valid for the period April 18, 2006 to October 18, 2006, implying that O'Neill could take his first section of the exam after July 1, 2006. The members voting "AYE" were Mr. Holton, Mr. Samuel, and Ms. Brayboy. Dr. Broome and Mr. Hunt were not present and did not participate in the discussion or vote.

In the matter of **Board Order File Number 2006-U12 (John McCauley)**, 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. McCauley was not present, nor was an attorney present to represent him.

Upon a motion by Ms. Brayboy, and seconded by Mr. Hunt, the Board by unanimous vote approved (1) the IFF Report's finding of fact whereby: (Count 1) McCauley used the CPA title by offering to provide services to the public without a valid Virginia CPA license by advertising on the internet through his website of <http://www.vchnow.com>; (2) the IFF Report's conclusion of law whereby: (Count 1) McCauley's action constitutes a violation of **Sections 54.1-4413.1 and 54.1-4414 of the Code of Virginia**; and (3) the IFF Report's actions whereby McCauley: (a) shall not practice as a CPA in the Commonwealth until the Virginia Board of Accountancy has granted a license to McCauley to practice as a CPA; and (b) shall pay a monetary penalty of four thousand dollars (\$4,000) for using the CPA title without a valid Virginia license within ninety (90) days of the entry date of the Final Order. The members voting "AYE" were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Samuel was not present and did not participate in the discussion or vote.

The members reviewed a request from Halt, Buzas & Powell, LTD, Consent Order Number DC07-2005, to suspend payment of the monetary penalty of ten thousand dollars (\$10,000).

**(b) Consent Orders:**  
**(1) Number DC07-**  
**2005 (Halt, Buzas &**  
**Powell, LTD)**

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board by unanimous vote denied the request from Halt, Buzas & Powell, LTD) to suspend the payment of the monetary penalty of ten thousand dollars (\$10,000). The members voting "AYE" were Mr.



Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Samuel was not present for the discussion or vote.

In the matter of **Consent Order Number DC09-2006 (Jodee Hecht)**, the Board reviewed the consent order with its findings of fact, conclusions of law and actions. Ms. Hecht was not present, nor was an attorney present to represent her.

**(2) Number DC09-2006 (Jodee Hecht)**

Upon a motion by Mr. Holton, and seconded by Mr. Samuel, the Board by unanimous vote approved the Consent Order Number DC09-2006 whereby, based on the findings of fact and conclusions of law and the consent of Ms. Hecht, she violated **Section 54.1-4413.A.5** of the *Code of Virginia* and **Board Regulation 18 VAC 5-21-120.M:** (1) by failing to file her Federal individual tax return (Form 1040) for tax years 2002, 2003, and 2004. In addition, she failed to timely file Form 1040 for tax years 2000 and 2001. This pattern of non-compliance, on her personal returns, suggests a violation of section 10.51 (f) of Circular 230; and (2) by signing the “Consent To Suspension From Practice Before the Internal Revenue Service” on May 3, 2006, pursuant to section 10.61 (b) of the Treasury Department Circular No. 230 offering her consent to suspension from practice before the Internal Revenue Service for an eighteen-month period. She is ordered (1) to pay a monetary penalty of five hundred dollars (\$500) within ninety (90) days of the entry date of the Order; (2) to submit a written report to the Board with the signed Consent Order summarizing Hecht’s responsibilities under Circular 230 regarding her personal conduct; and (3), by the due dates (including extensions) of the 2006, 2007, and 2008 personal tax returns (Forms 1040 and 760), to provide the Board with a notarized Affidavit that she has timely filed all of her personal tax returns. This Affidavit shall include a statement showing the date the tax returns were filed with the appropriate taxing authorities. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, and Mr. Hunt.

The members agreed to defer consideration of this matter to the Board’s next meeting on Monday, January 8, 2007.

**1. Legislative/  
Regulatory (cont’d)  
(a) Petition for  
Rulemaking – Read  
for CPA Exam**

Mr. Hunt presented a brief report on what occurred at the 2006 Annual Meeting sponsored by the National Association of State

**D. NASBA:  
1. Report on 2006**

Boards of Accountancy (NASBA).

**Annual Meeting –  
William E. Hunt,  
CPA, Board  
Member**

The members reviewed two documents: (1) the Exposure Draft of the Omnibus Proposal of Professional Ethics Division Interpretations and Rulings prepared by the Professional Ethics Executive Committee (PEEC) of the American Institute of Certified Public Accountants (AICPA); and (2) the comment letter on the PEEC proposal prepared by NASBA. The Board had no response to the Exposure Draft and no response to the NASBA letter.

**2. NASBA  
Comment Letter on  
PEEC Omnibus  
Proposal**

Upon a motion by Mr. Holton, and seconded by Dr. Broome, the Board by unanimous vote authorized the transfer of \$200,000 to the Board of Accountancy Trust Account.

**E. Request for  
Transfer of Funds**

The Board members reviewed several items presented for informational purposes by the staff.

**F. Handouts—  
Informational**  
**1. Email  
Distribution Set-Up**  
**2. BOA Newsletter  
Draft**  
**3. Peer Review  
Results**  
**4. Senior Tax Tips**

Chairman Holton reaffirmed the date for the next Board meeting: Monday, January 8, 2007.

**G. Future Meetings**

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

**Conflict of  
Interests Forms**

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

**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 4:30 p.m. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy and Mr. Hunt.

**Adjournment**

**APPROVED:**

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Stephen D. Holton, CPA, Chairman

**COPY TESTE:**

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Nancy Taylor Feldman, Executive Director/Agency Head