

**BOARD OF PUBLIC ACCOUNTANCY**  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii

MINUTES

Date: Tuesday, October 1, 2013

Time: 8:30 a.m.

Place: King Kalakaua Conference Room  
King Kalakaua Building  
335 Merchant Street, 1<sup>st</sup> Floor  
Honolulu, Hawaii 96813

Present: Nelson K.M. Lau, CPA, Chairperson  
Gregg M. Taketa, CPA, Vice-Chairperson  
Wendy M. Glaus, CPA, Member  
Craig K. Hirai, CPA, Member  
Darryl T. Komo, CPA, Member  
Steven R. Oberg, CPA, Member  
Keith A. Regan, Member  
Carleton L. Williams, CPA, Member  
Rodney J. Tam, Deputy Attorney General  
Laureen M. Kai, Executive Officer  
Lori Nishimura, Secretary

Excused: Gabriel Lee, Member

Guests: Rodney Harano, CPA, CW Associates, CPAs  
Marilyn M. Niwao, J.D., CPA, Hawaii Association of  
Public Accountants ("HAPA")  
John W. Roberts, CPA, President, HAPA

Agenda: The agenda for this meeting was filed with the Office  
of the Lieutenant Governor, as required by Hawaii  
Revised Statutes ("HRS") section 92-7(b).

Call to Order: There being a quorum present, the meeting was called  
to order at 8:30 a.m. by Chairperson Lau.

Additions/Revisions  
to Agenda: None.

Approval of  
Minutes of the  
September 4, 2013  
Board Meeting:

After discussion, it was moved by Mr. Regan, seconded by Mr. Oberg, and unanimously carried to approve the minutes of the September 4, 2013 Board Meeting as circulated.

Executive  
Session:

At 8:32 a.m., it was moved by Mr. Regan, seconded by Mr. Oberg, and unanimously carried for the Board to enter into Executive Session to consider and evaluate personal information relating to individuals applying for licensure in accordance with HRS section 92-5(a)(1), and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with HRS section 92-5(a)(4).

EXECUTIVE SESSION

At 9:08 a.m., it was moved by Ms. Glaus, seconded by Mr. Oberg, and unanimously carried for the Board to move out of Executive Session and to immediately recess the meeting to discuss and deliberate on the following adjudicatory matter pursuant to Chapter 91, HRS:

Chapter 91, HRS,  
Adjudicatory Matters:

A. In the Matter of the Certified Public Accountant's License and Permit of FRANK L. ROBAR; ACC 2013-4-L

Deputy Attorney General ("DAG") Tam provided a summary of the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order; Exhibits "1" & "2" on Frank L. Robar. DAG Tam stated that Mr. Robar received a Letter of Admonishment from the Colorado Board of Accountancy for holding out and providing services for a fee as a CPA while his license was lapsed. This Letter of Admonishment is reflected in the Colorado Board of Accountancy's records as a disciplinary action. Mr. Robar did not report this Letter of Admonishment to the Board within 30 days, as

required by HRS section 436B-19(13) and 436B-19(15).

Terms of Settlement Agreement:

- \$1000 administrative fine
- Failure to fully and timely comply with terms of the Settlement Agreement will result in the automatic revocation of Respondent's license.

After discussion, it was moved by Mr. Oberg, and seconded by Vice-Chairperson Taketa, and unanimously carried to approve the Settlement Agreement.

At 9:18 a.m., the Board reconvened its scheduled meeting.

Applications for  
CPA Certification:

After discussion, it was moved by Mr. Regan, seconded by Ms. Glaus, and unanimously carried to approve the following applications for certification:

1. ACHESON, Cliff C.
2. HO, Andrew O.H.S.
3. ITOH, Anna
4. NAKAGAWA, Dane Y.
5. STAPLES, Cristy L.
6. TAKAHASHI, Yoshihiro N.

After discussion, it was moved by Mr. Regan, seconded by Ms. Glaus, and unanimously carried (Chairperson Lau recused himself from the vote) to approve the following application for certification:

1. ORNELLAS, Lynn Y.

After discussion, it was moved by Mr. Regan, seconded by Ms. Glaus, and unanimously carried (Mr. Williams recused himself from the vote) to approve the following application for certification:

1. OSHIRO, Lloyd

Ratification of  
Individual CPA  
Permits to Practice:

After discussion, it was moved by Mr. Regan, seconded by Mr. Oberg, and unanimously carried to ratify the approval of the following individual CPA Permits to Practice:

1. CHANG, Ivy X.
2. CHENG, Yujie G.
3. FLEMING, John D.
4. HONDA, Kazuko
5. IKEHARA, Kaitlyn
6. RICHARDS, Michael E.

After discussion, it was moved by Mr. Regan, seconded by Mr. Oberg, and unanimously carried (Mr. Williams recused himself from the vote) to ratify the approval of the following individual CPA Permit to Practice:

1. CHOW, Ka Lee

Approval/Ratification  
of Firm Name:

After discussion, it was moved by Mr. Oberg, seconded by Mr. Regan, and unanimously carried to approve the following Firm Name:

1. C&Y CPAs LLC

After discussion, it was moved by Mr. Oberg, seconded by Mr. Regan, and unanimously carried to ratify the approval of the following Firm Name:

1. Ivy X Chang CPA LLC

Chairperson's  
Report:

- A. National Update
- B. Industry Update

Chairperson Lau reiterated that the National Association of State Boards of Accountancy ("NASBA") Annual Meeting will be held in Lahaina, Maui on October 27 – 30, 2013. He stated that Vice-Chairperson Taketa, Mr. Hirai,

himself, and Executive Officer Kai would be attending the meeting. A welcome speech by Mr. Regan, as Acting Mayor, is scheduled; and it was further noted that Mr. Regan would not be participating in the meeting due to his responsibilities as Acting Mayor.

Executive Officer's Report:

A. Proposed Informational Announcement on Board Website Regarding Peer Reviewer Licensure and Permit Requirements

The Board was provided with a draft of the proposed informational announcement regarding peer reviewer licensure and permit requirements to be posted on the Board's website. The Board provided their feedback and instructed the Executive Officer to work on revisions to the draft for review at the Board's next meeting.

B. Regulated Industries Complaints Office ("RICO") Public Accountancy Advisory Committee

The Regulated Industries Complaints Office ("RICO") provided to the Board for its consideration and approval, the RICO Public Accountancy Advisory Committee List – Effective January 1, 2014:

- Michael T. McEnerney
- Ross R. Murakami
- Gary T. Nishikawa

The Rico Public Accountancy Advisory Committee list also included "Addendum to RICO Public Accountancy Advisory Committee List" which states that "The RICO Public Accountancy Advisory Committee also includes any additional interim appointees that RICO deems necessary to aid in its investigations."

After discussion, it was moved by Mr. Williams, seconded by Mr. Oberg, and unanimously carried to approve the RICO Public Accountancy Advisory Committee List and the Addendum – Effective January 1, 2014.

C. Proposed 2014 Board Meeting Schedule

After discussion, it was moved by Mr. Williams, seconded by Mr. Regan, and unanimously carried to approve the 2014 Board Meeting schedule as follows:

- January 10, 2014
- February 14, 2014
- March 7, 2014
- April 4, 2014
- May 2, 2014
- June 6, 2014
- July 11, 2014
- August 1, 2014
- September 5, 2014
- October 3, 2014
- November 14, 2014
- December 12, 2014

Standing Committee Reports:

A. Legislation and Rules

Committee Chairperson Hirai stated that he, DAG Tam, and Daria Loy-Goto (Complaints and Enforcement Officer from the Regulated Industries Complaints Office) met with State Representative Karl Rhoads, Chairperson of the House Judiciary Committee, to discuss House Bill No. 716, Relating to the Disciplinary Authority of the Board of Public Accountancy, a carryover bill from the 2013 State Legislative Session. Mr. Hirai commented that a follow-up meeting should be scheduled with Representative Rhoads prior to the start of the 2014 Legislative session.

B. Uniform CPA Examination

Committee Chairperson Regan had no report.

C. Ethics

Committee Chairperson Hirai stated that he, Committee Vice-Chairperson Taketa, Mr. Lau, and Ms. Kai are scheduled to meet with AICPA, regarding the *Ethics Codification Project* at the NASBA Annual Meeting on Maui and will provide a report to the Board at its next meeting.

D. Peer Review

Committee Chairperson Oberg stated that his report is combined with his report as Chairperson of the Investigative Committee on Peer Review.

E. Continuing Professional Education

Committee Chairperson Glaus had no report.

F. Communications

There was no report, as Committee Chairperson Lee was excused from the meeting.

Investigative  
Committee Reports:

A. Investigative Committee on Peer Review

Investigative Committee on Peer Review ("ICPR") Chairperson Oberg stated that the ICPR will attend the Peer Review Oversight Committee ("PROC") meeting, that is scheduled to convene at the conclusion of this Board meeting.

Open Forum:

Mr. Williams informed the Board of an article in the Journal of Accountancy that reported the State of New York is proposing to regulate tax return preparers. He

mentioned that the federal court threw out the IRS's registered tax return preparer program. The New York State Department of Taxation and Finance has proposed amendments to its Personal Income Tax Regulations and Procedural Regulation to regulate tax return preparers. Current New York law requires tax return preparers to register with the state. The proposal would add to the registration only requirements by:

1. Imposing minimum standards on who can become a tax return preparer;
2. Instituting a continuing education requirement; and
3. Requiring a competency exam.

Mr. Williams stated that this proposal may not involve the New York State Board of Public Accountancy, and further that the IRS has appealed the proposal.

Vice-Chairperson Taketa provided an update on the progress of the proposed possibility of Neighbor-Island testing, stating that Prometric is in contact with the University of Hawaii at Hilo on Hawaii Island and also that Prometric's main concern is with seating capacity; the school may have three (3) seats available, but Prometric wants six (6) seats. He stated he will meet with the Dean of College of Business and Economics.

Discussion ensued on the testing possibilities on the other neighbor islands, which Vice-Chairperson Taketa commented that the University of Hawaii at Hilo is just the start since they have an accounting program, thus a "natural progression".

Next Board Meeting: Friday, November 8, 2013  
8:30 a.m.  
King Kalakaua Conference Room  
King Kalakaua Building  
335 Merchant Street, 1<sup>st</sup> Floor  
Honolulu, Hawaii 96813



Announcements:            There were no announcements.

Adjournment:            There being no further discussion, the meeting  
adjourned at 9:35 a.m.

Taken and recorded by:

/s/ Lori Nishimura

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Lori Nishimura, Secretary

Reviewed and accepted by:

/s/ Lauren M. Kai

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Lauren M. Kai, Executive Officer

LMK:ln

10/31/13

Minutes approved as is.

Minutes approved with changes. See Minutes of \_\_\_\_\_.