

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
February 19, 2007
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Leonard W. Jones, CPA, President; Arthur M. Winstead, Jr., CPA, Vice President; Jordan C. Harris, Jr., Secretary-Treasurer; Norwood G. Clark, Jr., CPA (via telephone); Tyrone Y. Cox, CPA; Thurman L. Gause; and Michael C. Jordan, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy Director; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; Buck Winslow, Manager-Licensing; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; and Ronald Powell, NCSA

CALL TO ORDER: President Jones called the meeting to order at 10:06 a.m.

MINUTES: The minutes of the January 22, 2007, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The January 2007 financial statements were accepted as submitted.

NATIONAL ORGANIZATION ITEMS: Messrs. Harris and Gause moved to approve the response to the GASB Exposure Draft on the Proposed Statement on Pension Disclosures. Motion passed.

Messrs. Jordan and Winstead moved to approve the response to the PCAOB Exposure Draft on the Proposed Auditing Standard—An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements. Motion passed.

Messrs. Cox and Gause moved to direct the Executive Staff to submit a letter to the NASBA CPA Licensing Examinations Committee regarding the lack of a written report justifying the 2006-2007 increased fees for Uniform CPA Examination candidates by NASBA and the AICPA. Motion passed.

REQUEST FOR DECLARATORY RULING: The Board reviewed the Request for Declaratory Ruling submitted by R. Andrew Kromer, CPA, of Andrew Kromer, CPA, PLLC. The Board reviewed, discussed, and revised the draft Declaratory Ruling as

prepared by the Board staff. Messrs. Cox and Winstead moved to approve the Declaratory Ruling. Motion passed with seven (7) affirmative and 0 (zero) negative votes. (Appendix I)

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Winstead moved and the Board approved the following recommendations of the Committee:

200603-033 - Approve a Notice of Hearing for Clifton C. West for April 24, 2007, at 10:00 a.m.

200403-009 - James William Bass, Ray Jackson Jordan, and Jordan Bass & Associates, PA - Approve the signed Consent Order. (Appendix II)

200607-058 - Close the case without prejudice.

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Mr. Cox moved and the Board approved the following recommendations of the Committee:

Transfer of Grades Applications - The following were approved:

Christopher Ryan Holmes
Amyr Rahman Lakhani
Jon Alan Rasmussen

Cheri Wallace Robinson
Jennifer Gredlein Yovanovich

Original Certificate Applications - The following were approved:

Joshua D. Adams
Matthew Walker Arnold
Mary Shandra Auger
James William Baley
Douglas W. Bazley
Elizabeth Tyler Berry
Richard Douglas Bray Jr.
Jeffrey Gene Campbell
Kendell Gore Cangelosi
Rachel Cecilia Cone
Greg M. Cooley
Rebecca Anne Davidson
Amanda Marie Devore
Nancy A. Dusanenko
Marysol Diaz-Colon
Beverly Carroll Eckard
Lisa Marie Foley
Jeffrey Keith Graham

Allen K. Gray
Robert Taylor Griffin Jr.
Erika Marie Hill
Pamela Pruitt Hipp
Christopher Ryan Holmes
Elizabeth John
Juna Rachel John
Robert Morgan Kershner
Juliana Therese Kingsley
Timothy Kinney
Amyr Rahman Lakhani
Jane M. Lanier
Joan Hodges Machanic
Preeti Sanjay Mamani
Erin Clancy Mike-Mayer
Jill Hrynich Pope
Michael J. Raburn
Jon Alan Rasmussen

Heather Richter
Cheri Wallace Robinson
Steven Scott Saunders
Johnny Sobolewski
Lauren Marie Spegal
William Kendrick Springs
John E. Tillman
Kellie Christine Tripp
Jacqueline Dodson Vaughn

Michael Caleb Vuljanic
Stephanie A. Weil
Stephanie Anne Whaley
Thomas John Wilson Jr.
William Roderick Wilson Jr.
Chen Wu
Jennifer Gredlein Yovanovich
Nga Ly Zimmerman

Staff reviewed and recommended approval of the original application submitted by Misty Lucille Moser. Ms. Moser failed to disclose a DWI charge with her exam application, but provided pertinent information with her certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Staff reviewed and recommended approval of the original application submitted by David Christopher Willis. Mr. Willis failed to disclose an underage drinking charge with his exam application, but provided pertinent information with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Reciprocal Certificate Applications - The following were approved:

Steven Craig Anderson
Eun Kyung Bang
Aaron Wayne Bauck
Lori Jeanne Carmichael
Lisa D. Carroll
Michael François Cavanagh
Joseph Ryder Cobbe
Terry Michael Dawkins
Todd S. Eldredge
Robert P. Elmore Jr.

Eleanor C. Haymond
Edward F. Lovill Jr.
Joseph Lewis Oringel
Paige Myria Otos
Paula Robinson Parker
John Thomas Reisch
Marisa Samoyedny
Michael A. Seelig
Shelley D. White

Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Tiffany Michelle Richter T4015
Darlene M. Rich T4016
Charles B. Sklar T4017
Anne Marie Wright T4018
John G. DeBona T4019

Bradford C. Johnson T4020
Jan Andrew Spaeth T4021
Terry A. Liles T4022
Vernon Keith Gargus T4057
Julie M. Ratcliffe T4058

Scott H. Dykes T4059
Gregory Jon Turkovich T4060
Rakhee Chatterjee T4061
Kimberly Dawn Winstead T4062
Kathryn Marie Livingston T4064

Jeremy R. Sobon T4065
Joseph Paul Karpinski T4066
Elynette Marrero Martens T4067
Margaret S. Dietrich T4068
Nanette Faith Crowley T4069

Reinstatements - The following were approved:

Michael John Addison #29777
Susan Rothe Arnold #28503
Phillip Edward Braxton #20606
Leigh Anne Chabreck #26992
Karla Yarger Diener #18691
Steven Daniel Hardison #26811
Julia Beyer Harrison #27682

Mark Gregory Hofer #16942
Frances Ippolito #23929
Charles William Myers #9714
Deanna Lea Neal #24252
Glen Paul Pinkston #13751
Daniel Ray Robertson #9471
Monica Overman Wilson #20068

Reissuance of New Certificate - Applications for reissuance of new certificate submitted by the following were approved.

Carol Ann Autry, #17424
Lisa Ann Fox, #27035

Douglas Alan Schrift, #27168

Reissuance of New Certificate - An application for reissuance of new certificate and consent agreement submitted by Thomas Edison Leary, Jr., #15572, was approved.

Firm Registrations - The following professional corporations, professional limited liability companies, and limited liability partnerships were approved by the Executive Director and ratified by the Board:

Collis and Associates CPAs, P.C.
James E. Colotta, CPA, PLLC
Michael Durham Certified Public
Accountant, PC
Richard L. Farrell, CPA, PLLC.
Fisher & Martin, PLLC
James L. Gregory, CPA, P.C.

Belinda Johnson, CPA, PA
Roger M. Jones CPA, PLLC
Won S. 'David' Lee, CPA, PC
Lloyd B. McConnell, CPA, P.A.
Peebles CPA, PC
Stroud & Woodruff, LLP
Pamela J. Williams, CPA, CFE, PLLC

CPE Matters - Staff approved the following CPE Sponsors and the Committee ratified staff approval:

EXETER 1031 EXCHANGE SERVICES LLC - San Diego CA
Softech Int. Inc. DBA 360training - Austin TX

Messrs. Cox and Jordan moved to approve a new ethics CPE course, "Ethics 101" submitted by Martin Starnes & Associates CPAs, PA. Motion passed.

Extension Requests - The Committee approved Jimmie Ruth Rice, #22221, for extension for completion of CPE until June 30, 2007.

Requests submitted by the following individuals were disapproved:

William W. Bland, #28986

Julie Starr, #23369

Conditional Licenses - Staff has recommended approval of the requests to rescind the conditional licenses awarded to the individuals on listed below. The Committee approved staff recommendation:

Alice Cagle Boyette, #22032

Julian Mark LeRoy, #20053

Lei Gu, #31495

Margaret Murphy Sistrom, #23693

Dan L. Henderson, #13702

George H. Sperry, Jr., #24182

Firm Renewal and Peer Review Matters - The firms listed below submitted a renewal or termination notice less than 60 days after the deadline. A conditional license until February 19, 2008, is applicable for all firm owners pursuant to 21 NCAC 8J .0111(1). The Committee approved staff recommendation:

Mitzi H. Arzani CPA #19118

Bruce T. Shell CPA #15776

Eric M. Halter CPA #28547

Sharon E. Strother CPA #12431

Eric W. Hill CPA #24348

Albert M. Fickling II, CPA, PA

Robert E. Howard CPA #28791

Albert Monroe Fickling, II, CPA, #16376

Wm. Rod James CPA #22053

John T. Overbey Inc.

Robert C. Saunders CPA #11561

John T. Overbey, CPA #19377

Examinations - The Committee reviewed and approved the following staff-approved applicants to sit for the Uniform CPA Examination:

Terry Aaseby

Alan Bennett

Christy Adams

Christina Blaine

Snjezana Adams

Adrienne Blume

Sadruddin Ahmed

Stephen Bogdon

Frederick Alexius

Robert Borbet

Matthew Anderson

Jennifer Bosley

Jennifer Barbee

Michael Brake

Brandon Barkley

David Branton

Adam Basch

Laura Brown

Sherry Bear

Melanie Burke

Tenita Burton
Michael Bushnell
Lin Cai
Wendell Campbell
Katelin Carnahan
Rita Carroll
Billie Case
Ronald Castelino
Elizabeth Cepull
Lorraine Chapman
Daniel Chun
Eric Clements
Julia Collins
Joyce Comer
Jason Crabtree
Charlie Dail
Sarah Davidson
Jaclyn Deason
Yiioshi Deberry
Allison Delcollo
Margaret Dempsey
Raj Desai
Anthony Dinola
John Donaldson
Megan Donohue
Josette Edwards
Emily Evans
Jennifer Evans
Ashley Flouhouse
Veroniek Fraeye
Victor Gaines
Kevin Garrison
Anna Gibbs
Ana Gonzalez
Penny Gray
Richard Grimstad
James Harmon
Brandon Harris
George Harris
William Havird
Kimberly Hawkins
James Heyward
Heather Hines

Michelle Hodges
Rhea Hollars
Lindsay Horton
Robert Howell
Cameron Hudson
Laura Hughes
Michael Hughes
Michael Jackyra
Brian Jones
Katherine Jones
John Jordan
Anthony Keys
Nancy Kissane
Storey Koket
Niketu Kothadia
Ashley Kristiansen
Julie Lackey
Michael Lail
William Landis
Audra Lawson
Jennifer Leary
Amanda Leong
Lisa Lewis
Rebecca Lightfoot
Kathleen Lukens
Yan Ma
Shannon Malmstrom
James Markham
Brooks Mayton
Emily McAdams
Kelly McCoy
Richard McLawhorn
Andrew Medlin
Mary Mercer
Brian Messer
Robby Messick
Danielle Moody
Alice Morris
Meyona Moses
Azita Movahed
Maguin Murguia
Michael Murray
Michelle Myers

Jin Niedermuller
Caryn Nivens
Kathleen O'Connor
Parker O'Daniel
Harvey Ogden
Sean Oleary
Anastasios Omiridis
Mital Patel
Cynthia Pearson
Ashley Perkinson
Quynh Pham
Suzanne Plunket
Paul Polk
Jimmy Prassas
Suzanne Pridgen
Ewa Pszenny
David Raiford
Elizabeth Ray
Mary Roberson
Stacy Roberson
Meggan Robinson
Matthew Rogers
Carrie Russell
Morgan Rutherford
Bethaney Ryals
Summer Ryan
Kalonji Samuel
Ruben Sanchez
Samuel Sanders
Alison Scalvini
April Sherman
Christy Sigmon
Roger Slagle

Jade Sloan
Patricia Smith
Latreka Snipes
Meredith Snyder
Brandon Spears
Priscilla Staten
Anna Stocker
Rebecca Stone
Lee-Jane Sun
David Sutliff
Jeffery Swicegood
Michael Szulak
Gregory Topolski
Rhonda Trollinger
Rhonda Tucker
Vue Vang
Anna Vernon
Gayathri Vijayagopalan
John Vollmer
Crystal Waddell
David Wallin
Lindsey Ward
Janice Warren
Kimberly Washington
John Wayne
Roger White
Aubrey Wilford
Robert Winckelmann
Landon Woollett
Karlotta Young
Amy Yuen
Lei Zhi
Jing Zhou

The Committee determined and accepted the grades received for the October - November 2006 exams.

Staff reviewed and requested committee guidance regarding an exam application submitted by Daniel Jakob Morreale. Mr. Morreale has a criminal record and has provided details with his initial application to take the exam. The Committee approved his application.

Information Items - Individuals listed below have been removed from the list of second conditionals because they provided documentation that they did comply with the 2005 CPE requirement on time:

Angelica Willeford #28619

Janice Anne Young #28994

CPAs on conditional status who are unable to document compliance with 2005 CPE requirements by June 30, 2006, will be automatically forfeited by staff. If the licensee still feels that he or she complied, in contradiction to the documentation provided, he or she may request a public hearing.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Executive Staff made a presentation to the Board regarding the process of addressing the mobility of CPAs in light of the Uniform Accountancy Act Exposure Draft on Section 23 on the mobility of CPAs.

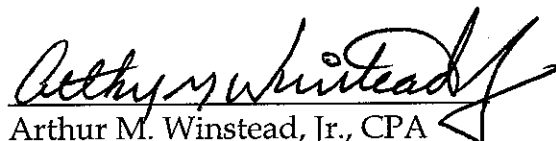
ADJOURNMENT: Messrs. Jordan Gause moved to adjourn the meeting at 12:40 p.m. Motion passed.

Respectfully submitted:

Attested to by:



Robert N. Brooks
Executive Director



Arthur M. Winstead, Jr., CPA
President

DECLARATORY RULING

RE: 21 NCAC 8N .0205 (b)(2)

PETITIONER: R. Andrew Kromer, CPA
Andrew Kromer, CPA, PLLC
6525 Morrison Boulevard, Suite 400
Charlotte, North Carolina 28211

DATE REQUEST RECEIVED: January 5, 2007

BACKGROUND INFORMATION:

Petitioner is the sole owner of a professional limited liability company who is initiating a lawsuit against a former corporate client and its two owners for non-payment of fees. In order to pierce the corporate veil and to attach legal liability to the two owners, Petitioner wants to disclose confidential client information by providing Petitioner's attorney with documentation of the co-mingling of business and personal activities by the corporate client and its owners.

QUESTION:

1. May Petitioner disclose confidential client information to Petitioner's attorney?
2. May Petitioner use confidential client information in litigation against Petitioner's client?

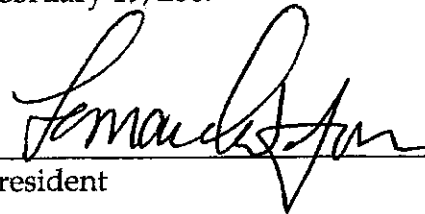
CONCLUSION:

1. Yes, so long as the confidential client information being disclosed to Petitioner's attorney is disclosed subject to attorney client privilege.
2. No. Neither Petitioner nor Petitioner's attorney may disclose confidential client information to others including the Court unless Petitioner and/or his attorney take adequate cautionary

Declaratory Ruling
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disclosed such as a "validly issued subpoena or summons" or order of the Court that would protect the confidentiality of the information. 21 NCAC 8N .0205 states that a "CPA shall not disclose any confidential information obtained in the course of employment or a professional engagement except with the consent of the client or employer", or unless the CPA is presented with a "validly issued subpoena or summons enforceable by this Board or by order of a court."

Approved by the Board
February 19, 2007



President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200403-009

IN THE MATTER OF:
James William Bass, Jr., #12581
Ray Jackson Jordan, #3310
Jordan Bass & Associates, P.A.
Respondents

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent James William Bass, Jr., (hereinafter "Respondent Bass") is the holder of North Carolina certificate number 12581 as a Certified Public Accountant.
2. Respondent Ray Jackson Jordan (hereinafter "Respondent Jordan") is the holder of North Carolina certificate number 3310 as a Certified Public Accountant.
3. Respondent Jordan Bass & Associates, P.A. (hereinafter "Respondent firm") is a registered certified public accounting corporation in North Carolina.
4. In October of 2004, the Board approved a Consent Order with Respondent Bass and Respondent firm which disciplined both Respondent Bass and Respondent firm for failures to complete the terms of engagements in a timely fashion.
5. As a part of that Consent Order, Respondent Bass and Respondent firm were required to complete, by December 31, 2004, the audits for two governmental entities currently under contract. Further, that Consent Order required Respondent Bass and Respondent firm to pay, for each governmental audit, a one thousand dollar (\$1,000.00) civil penalty for every month that the audits were not completed after December 31, 2004.

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Jordan Bass & Associates, P.A., et al.

6. One audit was completed in May of 2005 but there were deficiencies in that audit that were not finally corrected until March of 2006.
7. The second governmental audit was completed in August of 2005.
8. In that Respondent firm did not complete one governmental audit until May of 2005 (five months later than required by the October 2004 Consent Order) and the other governmental audit until August of 2005 (eight (8) months later than required by the October 2004 Consent Order), Respondent firm was required and paid civil penalties to the Board totaling \$13,000.00 pursuant to the October 2004 Consent Order.
9. During the pendency of the Board's investigation of Respondent Bass' and Respondent firm's compliance with the terms of the October 2004 Consent Order, Respondents failed, in a timely fashion, to respond or ensure that a response was provided to the Board regarding Board inquiries about compliance with the October 2004 Consent Order.
10. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12 (9)e and 21 NCAC 8N .0203, .0206, and .0212.

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondents are suspended from participating in, performing, or reviewing any audit services for at least three (3) years and until Respondents petition the Board for reinstatement of the privilege to participate in, perform, or

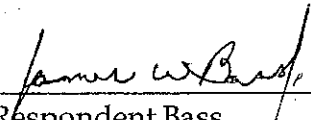
Consent Order - 3

Jordan Bass & Associates, P.A., et al.

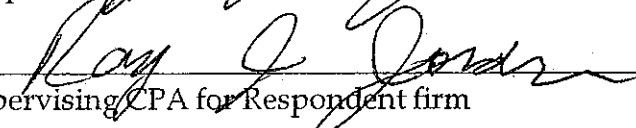
review attest services. A condition of said privilege, in the discretion of the Board, may be a requirement that Respondents Bass and Jordan pass the audit portion, or its equivalent, under the Uniform CPA Examination requirements.

2. Respondents shall cease offering audit services from the date this order is approved by the Board. However, for purposes of concluding prior work covered by this order or transitioning those files to other CPA firms, this order shall otherwise be effective January 1, 2007 and the three years suspension described above shall commence on that date.

CONSENTED TO THIS THE 29th DAY OF December, 2006.


Respondent Bass

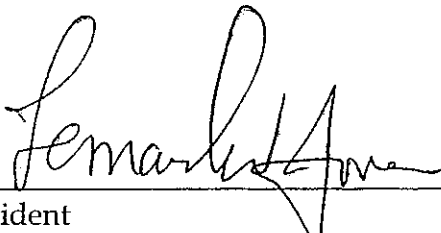

Respondent Jordan


Supervising CPA for Respondent firm

APPROVED BY THE BOARD THIS THE 19th DAY OF February
~~2006.~~
2007.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BOARD
SEAL

BY: 
President