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. 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.
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
Amyn 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
Amy Rahman Lakhani
Jane M. Lanier
Joan Hodges Machanic
Preeti Sanjay Mamani
Erin Clancy Mike-Mayer
Jill Hrynick 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
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  
Lei Gu, #31495  
Dan L. Henderson, #13702  
Julian Mark LeRoy, #20053  
Margaret Murphy Sistrom, #23693  
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  
Eric M. Halter CPA #28547  
Eric W. Hill CPA #24348  
Robert E. Howard CPA #28791  
Wm. Rod James CPA #22053  
Robert C. Saunders CPA #11561  
Bruce T. Shell CPA #15776  
Sharon E. Strother CPA #12431  
Albert M. Fickling II, CPA, PA  
Albert Monroe Fickling, II, CPA, #16376  
John T. Overbey Inc.  
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  
Christy Adams  
Snjezana Adams  
Sadruddin Ahmed  
Frederick Alexius  
Matthew Anderson  
Jennifer Barbee  
Brandon Barkley  
Adam Basch  
Sherry Bear  
Alan Bennett  
Christina Blaine  
Adrienne Blume  
Stephen Bogdon  
Robert Borbet  
Jennifer Bosley  
Michael Brake  
David Branton  
Laura Brown  
Melanie Burke
Jin Niedermuller
Caryn Nivens
Kathleen O'Connor
Parker O'Daniel
Harvey Ogden
Sean O'Leary
Anastasios Omiridis
Mital Patel
Cynthia Pearson
Ashley Perkinson
Quynh Pham
Suzanne Plunket
Paul Polk
Jimmy Prassas
Suzanne Pridgen
Ewa Pszenney
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
Latrenka 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
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

[Signature]

President
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:


2. Respondent Ray Jackson Jordan (hereinafter “Respondent Jordan”) is the holder of North Carolina certificate number 3310 as a Certified Public Accountant.


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.
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
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


NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BOARD SEAL

BY: President