

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
May 23, 2007
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Arthur M. Winstead, Jr., CPA, President; Michael C. Jordan, CPA, Vice President; Jordan C. Harris, Jr., Secretary-Treasurer; Norwood G. Clark, Jr., CPA; Tyrone Y. Cox, CPA; Thurman L. Gause; and Leonard W. Jones, 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: Sharon Bryson, COO, NCACPA; Jacob J. Cohen, CPA, NASBA Middle Atlantic Regional Director; David L. Hooker, Past President, NCSA.

CALL TO ORDER: President Winstead called the meeting to order at 10:00 a.m.

MINUTES: The minutes of the April 24, 2007, meeting were approved as submitted.

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

Messrs. Harris and Jordan moved to approve the 2007-2008 budget. Motion passed. (Appendix I)

The Board reviewed the certificates of deposit of funds invested for the Board.

LEGISLATIVE AND RULE-MAKING ITEMS: The Board reviewed the status of House Bill 519 (H519) and Senate Bill 777 (S777) regarding NCGS 93-13.

NATIONAL ORGANIZATION ITEMS: Jacob J. Cohen, CPA, NASBA Middle Atlantic Regional Director, presented a report on recent NASBA activities.

Messrs. Jordan and Winstead moved to approve letters of recommendation for Ellis M. Dunkum, CPA, of Virginia, and Jacob J. Cohen, CPA, of Maryland, for Director-at-Large positions with the NASBA Board of Directors, and Donald H. Burkett, CPA, of South Carolina, for Middle Atlantic Regional Director position with the NASBA Board of Directors. Motion passed.

The Executive Staff reported on the 06Q3 and 06Q2 North Carolina Uniform CPA Examination candidates whose Exams were re-scored due to the "cut and paste" issue. The Executive Staff also reported on the re-score issues for the 06Q4 candidates.

Messrs. Winstead, Jordan, and Jones reported on the AICPA Spring Council meeting held in Washington, DC, on May 20-22, 2007.

Messrs. Harris and Jordan moved to recommend Leonard W. Jones, CPA, for nomination to the AICPA Board of Examiners. Motion passed.

STATE AND ORGANIZATION ITEMS: Sharon Bryson, COO, NCACPA, invited the Board and Executive Staff to attend the NCACPA CPA inauguration on June 25, 2007, in Greensboro.

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

200604-036 - Approve a Notice of Hearing for Ralph Q. Summerford and Ralph Q. Summerford, CPA, P.C., for August 20, 2007, at 10:00 a.m. Motion passed. Mr. Clark did not participate in the discussion of this matter nor did Mr. Clark vote on this matter.

200609-073 - Gustaf C. Lundin & Company LLP - Approve the signed Consent Order. (Appendix II)

200104-020 - Dewanda S. Dalrymple and Dalrymple and Grant, Certified Public Accountants, PLLC - Approve the signed Consent Order. (Appendix III)

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:

Morgan Lynn Coppo
Dong Guo
Amy Lauren Homer
Loredana Vacarasu

Original Certificate Applications - The following were approved:

William Jeffrey Assell Jr.
Douglas Wayne Baker
James Hansford Bryant III
Stacey L. Byrum
Joseramon Carrasco
Jeffrey Todd Carter
Kenneth McFarland Clark
Morgan Lynn Coppo
Kyle Stephen Daniels
Melanie Nicole Glover
Dong Guo

David L. Heath
Amy Lauren Homer
Matthew Ryan Jackson
Kristin Keri Lee
Audrey E. Luckeydoo
Christopher Clark McCauley
Katie Leigh Myers
Todd Williams Nunn
Alisha Kelsey O'Reilly
Cynthia Burke Pearson
Amy Marie Peters

Jennifer Ann Pittman
Paul Joseph Reel
Jonathan Willis Stephens
Loredana Vacarasu

Eunice M. Venson
Leo Francis Vasquez
Kristi Rose Waters
Kristen Selvey Yancey

Reciprocal Certificate Applications - The following were approved:

Jonathan M. Gross
Annmarie Reilley Gogle
Robin Hunt
Julie A. Joy

Scott H. Spiegel
Walter George Thomason
Arthur E. Tilley
Susan Michelle Yanka

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

Nancy Mac Brown T4175
T. Peter Oke-Bello T4243
Carolyn Rosa Ryals T4244
Jagruti Patel T4245

Michael P. Richard T4246
Sameh George Francis T4247
Samuel Anthony Maclin T4248

Reinstatements - The following were approved:

Jennifer Alcon Blevins #21953
Robert Philip Flanigan #14048
Jacqueline Mayer Hollingsworth #19162
Yueh-Mei (Meg) Lu #29094

Cynthia Carol Nicholson #30198
Scott John Stevenson #18459
Douglas W. Thomas #23106

Reissuance of New Certificate - An application for reissuance of new certificate submitted by Lisa Page Buff (# 19979) was approved.

Reissuance of New Certificate - Applications for reissuance of new certificate and consent agreement submitted by the following were approved:

Yvonne Leigh Hinson #20851
Lacey Cory Satterfield #22102

Firm Registrations - The following professional corporations were approved by the Executive Director and ratified by the Board:

Elmer C. Brown, CPA, PC
Russell S. Lawrence, CPA, PC
Neumann & Stair, CPAs, PA
Oz Queen CPA, PA

Reclassifications - The Committee approved the following requests for retired status because the individuals are completely retired and do not receive any earned compensation for current personal services in any job whatsoever:

John Albert Bush Jr. #13874
Kirby Roger Willis #12024

Extension Requests - The Committee disapproved Billy G. Barnard (#16987) for extension for completion of CPE.

Firm Renewal and Peer Review Matters - The firms listed below submitted a renewal or termination notice more than 60 days but less than 120 days after the deadline. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation:

Robert Bracy CPA #12112
Jocelyn Merone CPA #31801

The firms listed below submitted a renewal notice more than 120 days after the deadline. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation:

Mark L. Carter CPA #21314
Nesha Pai Singer CPA #24085

OlandTaylor CPAs
Amy Karen Oland #30763
Lisa Taylor #30703

The firms listed below have not submitted a renewal or termination notice more than 120 days after the deadline. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation:

Avery Neaves CPA P.A.
William Avery Neaves #7117
BELLENFANT & MILES P.C.
Bobby Frank Bellenfant CPA #N218
(inactive)
Edgar T. Batson CPA #14282

FITE STABLER & FURRH P.C.
Jeffrey C. Stabler CPA # N398
Julia A. Passmore CPA #20133
Spencer Andrew Thompson CPA #7989
TRAMMELL & COAN PA
Michael David Trammell CPA #22367

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

Mohamed Younus Ahmed
Sahirah Al-Uqdah
Julianna Allen
William Allison

LaShonda Alston
Bruce Andrews
Alexander Arndt
Jennifer Austin

Stephanie Bacik
Adam Barth
Mark Batchek
Amy Batchelor
Melissa Beasley
Blake Bennett
Daniel Bock
Heather Boring
Amy Boswell
Corrine Bowers
Jennifer Brady
Lien Buchanan
Craig Bullins
Allen Bynum
Jason Byrd
Tiffany Byrd
Sarah Cain
Daniela Cammarota
Kelly Cannefax
Melanie Caprara
Rita Carroll
Kristen Chamberlain
Melissa Cipriano
Dora Clay
Brett Cohen
Colleen Colgan
Jesse Crawford
Dino Crnalic
Elizabeth Cunningham
James D'Alton
Calvin Dalrymple
Cedric Davis
Meredith Davis
Robert Davis
Patrick Decareaux
Brian Dermott
Michelle Dias
Jessica Dill
Jennifer Dintsch
Neslihan Dogan
John Donaldson
William Dooley
Paulette Doroshenko

Tracy Downing
Rachelle Drummond
Kathryn Duncan
Amanda Edwards
Delos Elder
Alaeldin Elgaali
Amanda Evans
Kellie Fisher
Lynn Fitch
Matthew Fort
Stephen Foster
Sarah Frei
Brian Gantt
Daniel Gardner
Jason Gettenberg
Matthew Gilbert
Devin Gilreath
Katherine Grant
Brandon Green
John Haddock
Angela Harris
George Harris
Jennifer Harris
Nathanael Harrison
Bradley Hauss
Travis Hedgepeth
Stuart Heffner
Katharine Hendrick
Marissa Hinesley
Michael Hughes
Kate Hwang
Kia Ikpe
Sherry Inman
John Ipock
Anna Johansson Steele
Chrystal Jones
Timothy Joseph
Sarah Khanani
Patrick Kinley
Jerome Kline
Julie Lackey
Nichole Lapointe
Yvette Lardo

Erin LaVoie
Paul Lawler
Sarah Laws
Donald Lawson
Jennifer Lawson
Alex Lehmann
John Lengyel
Michael Leon
Amanda Leong
Jenny Lewis
Jorushia Little
Jiajia Liu
Jie Liu
Xiaoran Lu
Susan Lynn
Teish Martin
Heather McCormack
Sarah McMillan
Renee McNutt
Melissa Mikita
Deidra Miller
Justin Miller
Lindsey Miller
Kaila Mitchell
Eric Modrak
Sean Moran
Daniel Morreale
Johanna Morrison
Ryan Myers
Melissa Neely
Andre Newman
Angela Noblitt
Parker O'Daniel
Joseph O'Neil
Amanda Oakes
Olga Oganosov
Harvey Ogden
Osasere Oluoba
Kendall Overcash
Krystal Parker
Rebecca Parks
Mital Patel
David Patterson

Amanda Patty
Quynh Pham
Matthew Pietras
Melissa Powell
Meghan Pratt
Ashley Prendergast
Michele Primeau
Paige Prusia
Celia Pyle
Mark Reece
Anson Reilly
Omar Robles Maldonado
Latoshia Rouse
Christopher Safadi
Charles Safley
William Sagar
Walker Saik
James Sandy
Alison Scalvini
Samuel Schafer
Susan Scharke
Steven Sherck
Migdalia Silva
Eva Simpson
Joannis Sitaras
Novlette Slade
Dawn Snyder
Kenneth Spayd
Amanda Spittel
David Stewart
Joseph Stewart
Anna Stocker
James Stubbs
Pieter Swanepoel
Emily Taylor
Zachary Taylor
Jenny Thomas
Amy Thompson
Megan Turlington
Christopher Vogel
Yaqi Wang
Kimberly Washington
Randy Werzyn

Benjamin Whited
Sean Wilbur
Raymond Wiley
Shannon Willert
Brienne Williams
Candice Williams
Michelle Wilson

Carole Wilson Pesta
Lance Wingler
Jack Yancey
Qingying Zha
Jing Zhou
Yiping Zhu

PUBLIC HEARING: President Winstead moved to convene the Public Hearing scheduled to hear Case No. C2007511, James M. Best, III. Mr. Best and Mr. Brooks were sworn and presented testimony. Messrs. Cox and Clark moved to enter Closed Session to discuss this matter. The Board re-entered the Public Hearing and Messrs. Jones and Harris moved to approve a Board Order approving Mr. Best's application for modification of discipline as submitted. Motion passed with four (4) affirmative votes and three (3) negative votes of Messrs. Clark, Jordan, and Winstead. The entire Public Hearing is a matter of public record. (Appendix IV)

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Board reviewed a request from Bob Weston of Elon University to change the Board's policy on the sale of mailing lists and labels. The Board chose not to revise the current policy.

Messrs. Cox and Clark moved to approve that the Executive Staff be given the authority to make any changes in building security. Motion passed.

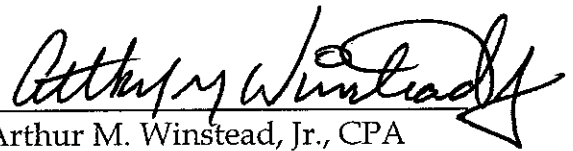
ADJOURNMENT: Messrs. Harris and Jones moved to adjourn the meeting at 3:10 p.m. Motion passed.

Respectfully submitted:

Attested to by:



Robert N. Brooks
Executive Director



Arthur M. Winstead, Jr., CPA
President

NORTH CAROLINA STATE BOARD OF CPA EXAMINERS

Appendix I

2007-2008 OPERATING BUDGET

	2006-07 FISCAL YEAR BUDGET	2006-07 ESTIMATED ACTUAL	2007-08 APPROVED BUDGET	REF.
REVENUES	<u>2,009,309</u>	<u>2,097,864</u>	<u>2,172,544</u>	A
EXPENSES				
PERSONNEL	903,586	887,840	925,892	B
BOARD & LEGAL	265,385	297,668	257,756	C
OFFICE	251,674	254,292	263,331	D
EXAMINATION	538,188	673,296	681,865	E
SCHOLARSHIP	10,000	8,000	10,000	
BUILDING	<u>41,618</u>	<u>31,443</u>	<u>33,700</u>	F
TOTAL	<u>2,010,451</u>	<u>2,152,539</u>	<u>2,172,544</u>	

2007-2008 CAPITAL BUDGET

	2006-07 FISCAL YEAR BUDGET	2006-07 ESTIMATED ACTUAL	2007-08 APPROVED BUDGET
HARDWARE	0		
EQUIPMENT	46,749	39,844	20,000
OTHER FIXED ASSETS	<u>20,000</u>	<u>28,098</u>	<u>20,000</u>
TOTAL	<u>66,749 *</u>	<u>67,942</u>	<u>40,000 *</u>
TOTAL APPROVED BUDGET	<u>2,077,200</u>	<u>2,220,481</u>	<u>2,212,544</u>

* Proposed Funding From Undesignated Net Assets

(Rev 5/07)

2007-2008 REVENUE BUDGET

A

	<u>2006-07</u> FISCAL YEAR <u>BUDGET</u>	<u>2006-07</u> ESTIMATED <u>ACTUAL</u>	<u>2007-08</u> APPROVED <u>BUDGET</u>
EXAMINATION FEES			
INITIAL ADMIN FEES	199,870	185,840	186,000
RE-EXAM ADMIN FEES	91,950	101,100	101,000
EXAM FEES REVENUE	<u>552,895</u>	<u>704,689</u>	<u>705,000</u>
	844,715	991,629	992,000
EXAM REVIEW FEES			
EXAM REVIEW FEES	2,000	1,950	2,000
EQUIVALENCY EXAM FEES	0	0	0
GRADE TRANSFER FEES	<u>300</u>	<u>0</u>	<u>300</u>
	2,300	1,950	2,300
CERTIFICATE FEES			
INITIAL	45,000 (600)	31,875	70,000 (700/100)
RECIPROCAL	40,000 (300/350)	41,225	75,000 (500/500)
RENEWALS	880,000 (17,250/350))	833,900	850,000 (17000)
REINSTATEMENTS	<u>3,750 ((50))</u>	<u>9,025</u>	<u>500 (50/100)</u>
	968,750	916,025	995,500
FIRM REGISTRATIONS			
PARTNERSHIPS	33,000	33,220	33,000
PC INITIAL	7,000	6,200	6,200
PC RENEWAL	<u>27,500</u>	<u>29,385</u>	<u>30,000</u>
	67,500	68,805	69,200
RENTAL INCOME			
	<u>36,544</u>	<u>36,544</u>	<u>36,544</u>
	36,544	36,544	36,544
MAILING LABELS/LISTS			
MAILING LABELS/LISTS	12,500	4,289	0
INTEREST	75,000	76,864	75,000
OTHER	<u>2,000</u>	<u>1,758</u>	<u>2,000</u>
	89,500	82,911	77,000
	<u>2,009,309</u>	<u>2,097,864</u>	<u>2,172,544</u>

2007-2008 PERSONNEL EXPENSE

B

	<u>2006-07</u> FISCAL YEAR <u>BUDGET</u>	<u>2006-07</u> ESTIMATED <u>ACTUAL</u>	<u>2007-08</u> APPROVED <u>BUDGET</u>
FULL TIME STAFF	641,525	640,938	678,871
PART TIME STAFF	12,480	11,711	13,000
TAXES - FICA	50,031	48,424	52,928
RETIREMENT - CONTRIBUTIONS	38,492	38,456	40,732
RETIREMENT - NCLB ADMIN FEE	500	480	500
INSURANCE - HEALTH	121,938	115,992	104,820
STAFF CPE	4,300	3,054	4,300
STAFF TRAVEL	32,820	27,687	29,241
MISCELLANEOUS	<u>1,500</u>	<u>1,098</u>	<u>1,500</u>
	<u><u>903,586</u></u>	<u><u>887,840</u></u>	<u><u>925,892</u></u>

2007-2008 STAFF TRAVEL EXPENSE

	<u>MTGS.</u>	<u>STAFF</u>	<u>DAYS</u>	<u>RATE</u>	
NASBA MEETINGS					
ANNUAL	1	2	5	1000/595/266/50	6,350
REGIONAL	1	2	3	595/206/50	2,726
ADMINISTRATORS/CPE	1	7	4	400/595/225/50	14,665
OTHER MEETINGS					
PROFESSIONAL					2,000
BOARD VEHICLE					<u>3,500</u>
TOTAL MEETING EXPENSE - B					<u><u>29,241</u></u>

2007-2008 BOARD & LEGAL EXPENSE

C

	<u>2006-07 FISCAL YEAR BUDGET</u>	<u>2006-07 ESTIMATED ACTUAL</u>	<u>2007-08 APPROVED BUDGET</u>	<u>REF.</u>
BOARD TRAVEL	70,535	53,975	71,406	C1
PER DIEM	34,600	26,000	33,100	
CLERICAL REIMBURSEMENT	<u>1,750</u>	<u>1,000</u>	<u>1,750</u>	
	106,885	80,975	106,256	
LEGAL COUNSEL FEES - ADMIN	24,000	22,546	22,000	
LEGAL COUNSEL FEES - PROF. STANDARI	110,000	132,351	120,000	
LEGAL COUNSEL FEES - LITIGATION	25,000	56,560	10,000	
INVESTIGATION COST	4,000	5,305	4,000	
COURT REPORTER FEES/LEGAL ADVERTI	3,000	2,141	3,000	
REIMBURSEMENTS	<u>(7,500)</u>	<u>(2,210)</u>	<u>(7,500)</u>	
	158,500	216,693	151,500	
	<u>265,385</u>	<u>297,668</u>	<u>257,756</u>	

2007-2008 BOARD TRAVEL EXPENSE

C1

	NO. MTGS.	BOARD MEMBERS	DAYS	RATE	AMOUNT
REGULAR BOARD MEETINGS					
HOTEL	12	4	1	110	5,280
MEALS	12	4	1	40	1,920
TRAVEL	12	7		110	9,240
					<u>16,440</u>
NASBA ANNUAL MEETING					
HOTEL		7	5	266	9,310
MEALS		7	5	50	1,750
TRAVEL		7		1,000	7,000
REGISTRATION		7		595	4,165
					<u>22,225</u>
NASBA REGIONAL MEETING					
HOTEL		7	3	206	4,326
MEALS		7	3	50	1,050
TRAVEL		7		250	1,750
REGISTRATION		7		595	4,165
					<u>11,291</u>
NASBA/AICPA COMMITTEE MEETINGS					
HOTEL	12	1	3	200	7,200
MEALS	12	1	3	50	1,800
TRAVEL	12	1		400	4,800
					<u>13,800</u>
AICPA COUNCIL MEETINGS					
HOTEL	2	3	2.5	300	4,500
MEALS	2	3	2.5	50	750
TRAVEL	2	3		400	2,400
					<u>7,650</u>
					<u>71,406</u>

2007-2008 PER DIEM EXPENSE

	PER DIEM	BOARD MEMBERS	DAYS	AMOUNT
REGULAR MEETINGS (12)	100	7	2	16,800
PROFESSIONAL MEETINGS	100	7	6	4,200
NASBA				
ANNUAL MEETING	100	7	6	4,200
REGIONAL	100	7	4	2,800
COMMITTEE	100		8	800
AICPA				
COUNCIL	100	3	5	1,500
COMMITTEE	100	1	28	2,800
TOTAL MEETINGS - C				<u>33,100</u>

2007-2008 OFFICE EXPENSE

D

	<u>2006-07 FISCAL YEAR BUDGET</u>	<u>2006-07 ESTIMATED ACTUAL</u>	<u>2007-08 APPROVED BUDGET</u>
OFFICE DECORATIONS	500	22	500
EQUIPMENT RENT	1,000	270	324
PRINTING	42,000	37,857	40,000
POSTAGE	85,000	84,502	89,000
SUPPLIES	12,000	12,429	12,000
TELEPHONE	8,000	7,413	8,000
INTERNET & WEBSITE	22,870	26,135	24,400
SUBSCRIPTIONS	4,500	2,324	3,500
REPAIRS & MAINTENANCE	5,000	2,133	4,000
CLIPPING SERVICE	3,000	3,239	3,500
COMPUTER PROGRAM ASSISTANCE	17,384	19,617	5,000
SOFTWARE MAINTENANCE	0	0	10,000
COMPUTER SOFTWARE	0	420	1,000
DEVELOPMENT	7,090	7,245	7,500
INSURANCE	9,930	9,190	10,000
MISCELLANEOUS	1,000	569	1,000
AUDIT FEES	7,000	5,630	7,000
CREDIT CARD FEES	22,500	33,814	34,607
BANKING FEES	1,500	53	500
CONSULTING SERVICE	0	0	0
PAYROLL SERVICE	<u>1,400</u>	<u>1,430</u>	<u>1,500</u>
	<u>251,674</u>	<u>254,292</u>	<u>263,331</u>

2007-2008 EXAMINATION EXPENSE

E

	<u>2006-07 FISCAL YEAR BUDGET</u>	<u>2006-07 ESTIMATED ACTUAL</u>	<u>2007-08 APPROVED BUDGET</u>
EXAM SITTING & GRADING	499,523	653,536	645,000
EXAM POSTAGE	1,200	1,000	1,200
EXAM SUPPLIES	1,000	176	200
EXAM PRINTING	1,500	0	500
EXAM COUPON	<u>34,965</u>	<u>18,585</u>	<u>34,965</u>
	<u>538,188</u>	<u>673,297</u>	<u>681,865</u>

2007-2008 BUILDING EXPENSE

F

	<u>2006-07 FISCAL YEAR BUDGET</u>	<u>2006-07 ESTIMATED ACTUAL</u>	<u>2007-08 APPROVED BUDGET</u>
BUILDING MAINTENANCE	5,000	<u>2,573</u>	1,000
ELECTRICITY	11,000	11,698	12,000
GROUNDS MAINTENANCE	2,200	1,214	1,200
HEAT & AIR MAINTENANCE	2,800	2,195	2,800
IMPROVEMENTS	8,000	2,071	4,000
INSURANCE	2,183	2,323	2,500
JANITORIAL MAINTENANCE	7,000	7,124	7,500
TRASH COLLECTION	835	21	100
WATER & SEWER	1,000	850	1,000
SECURITY	1,400	1,374	1,400
PEST CONTROL	<u>200</u>	<u>0</u>	<u>200</u>
	<u><u>41,618</u></u>	<u><u>31,443</u></u>	<u><u>33,700</u></u>

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200609-073

IN THE MATTER OF:
Gustaf C. Lundin & Company, LLP
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 Gustaf C. Lundin & Company, LLP (hereinafter "Respondent Firm") is a registered certified public accounting partnership in North Carolina.
2. During the period from July 1, 2005, through February 28, 2006, Respondent Firm conducted audits and issued reports on the financial statements of Scotland County and the City of Laurinburg for the year ended June 30, 2005.
3. An audit working paper review performed by the North Carolina Office of the State Auditor and a review of the financial statements and single audit report performed by the State of North Carolina Department of State Treasurer State and Local Government Finance Division (LGC) disclosed numerous deficiencies and errors in the audit working papers and deficiencies in the financial statements and single audit reports indicating that Respondent Firm failed to comply with Government Auditing Standards and Government Accounting Standards as follows:
 - a. The working papers contained numerous deficiencies in audit documentation that indicate that Respondent Firm failed to obtain sufficient evidence to provide a reasonable basis for the conclusion that was expressed in the audit report and failed to comply with Government Auditing Standard 3.39, Government



Auditing Standard 6.04 a. and b. and Circular A-133 requirements related to the audit of major federal programs.

- b. The financial statements, note disclosures, and supplemental schedules, as submitted to the LGC, were not prepared in accordance with Governmental Accounting and Financial Reporting Principles and contained errors and deficiencies.
 - c. The single audit reports and schedules, as submitted to the LGC, were not prepared in accordance with Circular A-133 requirements and contained errors and deficiencies.
4. Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

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 08N.0103, .0212, .0403, and .0405.

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. Respondent Firm shall obtain pre-issuance reviews of all working papers of all audits of government units and component units of government units until such time that the Board determines pre-issuance review is no longer necessary. The pre-issuance reviewer shall be approved by the Board prior to performing said reviews. Respondent Firm shall authorize and cause the pre-issuance reviewer to provide the board a copy of each pre-issuance review report upon its issuance.
2. Respondent Firm shall reimburse the Board for its administrative costs incurred as a result of monitoring compliance with pre-issuance review requirements.

Consent Order - 3
Gustaf C. Lundin & Company, LLP



CONSENTED TO THIS THE 1ST DAY OF MAY, 2007.

GUSTAF C. LUNDIN & COMPANY, LLP
Respondent Firm

Charles R. Smith
Supervising CPA for Respondent Firm

APPROVED BY THE BOARD THIS THE 23rd DAY OF MAY, 2007.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Anthony Whistead
President

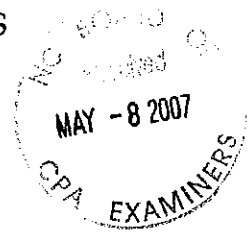
NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200104-020

IN THE MATTER OF:

Dewanda Sullivan Dalrymple, #17790
Dalrymple & Grant, Certified
Public Accountants, PLLC
Respondents

SUPPLEMENTAL
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 Dewanda Sullivan Dalrymple (hereafter "Respondent Dalrymple") is the holder of North Carolina certificate number 17790 as a Certified Public Accountant.
2. Respondent Dalrymple & Grant, Certified Public Accountants, PLLC (hereafter "Respondent firm"), is a licensed certified public accounting firm in North Carolina.
3. Respondent Dalrymple and Respondent firm have been subject to a Consent Order which has required pre-issuance review of all attest and assurance services including work papers. Pre-issuance reviews of the review and compilation services performed by Respondents have shown that these services are being performed in accordance with standards.
4. Respondents wish to resolve this matter by consent and agree that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondents understand and agree that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

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

1. Respondent Dalrymple's request that both she and Respondent firm withdraw for a period of at least five (5) years from the offer, participation in, performance, or review of audit services. After five (5) years, both Respondents may petition the Board for reinstatement of the privilege to offer, participate in, perform, and review audit services. Any request for the reinstatement of said audit privilege would include evidence of the steps taken by Respondents to assure the Board that Respondents would be able to

Consent Order - 2
Dewanda Sullivan Dalrymple
Dalrymple & Grant, Certified Public Accountants, PLLC

offer and perform audit services in a competent manner. A condition of said privilege, in the discretion of the Board, may be a requirement that Respondent Dalrymple retake and pass the audit portion of the Uniform CPA Examination or its equivalent.

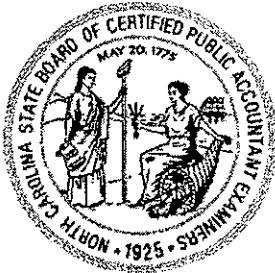
CONSENTED TO THIS THE 7th DAY OF may, 2007.

Dewanda A Dalrymple
Respondent Dalrymple

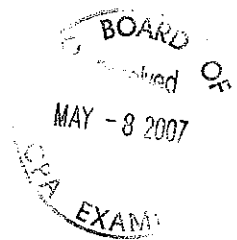
Dalrymple & Grant, CPAs, PLLC
Respondent firm

APPROVED BY THE BOARD THIS THE 23rd DAY OF MAY, 2007.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Cathy W. Wintle
President



NORTH CAROLINA BEFORE THE NORTH CAROLINA STATE BOARD OF
WAKE COUNTY CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2007511

IN THE MATTER OF:
James M. Best, III, #18564
Applicant

BOARD ORDER

THIS CAUSE coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing, with a quorum present, the Board finds, based on the evidence presented at the hearing on May 23, 2007, that:

FINDINGS OF FACT

1. The parties have been properly identified.
2. The Board has jurisdiction over Applicant and this matter.
3. Applicant received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery; or otherwise has no objection to the Notice of Hearing.
4. Venue is proper and the Noticed Hearing was properly held at 1101 Oberlin Road, Raleigh, Wake County, North Carolina.
5. Applicant had no objection to any Board Member's participation in the Hearing of this Matter.
6. Applicant was present at the Hearing and was represented by counsel.
7. Applicant was the holder of a certificate as a Certified Public Accountant in North Carolina and is therefore 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.
8. The matter is before the Board upon application by Applicant for modification of discipline pursuant to 21 NCAC 8I .0104.
9. On August 25, 1995, the Board office received a sworn complaint from Applicant's employer stating that Applicant had misappropriated company funds to his own use.

Board Order - 2
James M. Best, III

10. Applicant's misappropriation of company funds was a violation of NCGS 93-12 (9) and 21 NCAC 8N .0203.
11. Pursuant to a Consent Order, the Certified Public Accountant certificate issued to Applicant was permanently revoked effective January 22, 1996.
12. In support of his request for modification of discipline, Applicant has provided supporting recommendations from four certified public accountants and two members of the general public describing Applicant's rehabilitation efforts.

CONCLUSIONS OF LAW

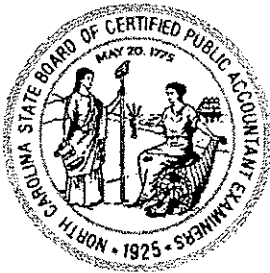
1. The Hearing was duly noticed pursuant to NCGS 150B-38 (b)(c) and 21 NCAC 8C.0103 and conducted with a quorum of Board members and all necessary parties present.
2. Since the discipline in this case was determined by consent to permanent revocation, pursuant to 21 NCAC 8I .0104, the burden of establishing a justification for modifying the earlier discipline is upon the applicant.
3. Applicant has presented persuasive evidence that he has been completely rehabilitated and that he has support of the aggrieved parties and the community.

BASED ON THE FOREGOING, the Board orders in a vote of 4 to 3 that:

1. The application for modification of discipline as submitted by James M. Best, III, is approved.

This the 23rd of May 2007.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Arthur W. Winstead
President