

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
June 26, 2007
Grandover Resort & Conference Center
Greensboro, NC

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; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; David Horne, Legal Counsel, NCACPA; John Morgan, CPA, Esq., NCACPA; Rick Niswander, CPA, NCACPA; Jeff Odom, CPA, NCACPA; Pamela Fox, CPA, Esq., NCACPA; Greg Allison, CPA, NCACPA; Bob Colwell, CPA, NCACPA; and David Hooker, NCSA.

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

MINUTES: The minutes of the May 23, 2007, meeting were approved as submitted.

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

LEGISLATIVE AND RULE-MAKING ITEMS: The Executive Staff reported that Senate Bill 777/House Bill 519 had passed in both chambers and was signed by Governor Easley on June 14, 2007. The act becomes effective December 1, 2007.

NATIONAL ORGANIZATION ITEMS: Messrs. Jordan and Jones moved to approve the response to the AICPA Exposure Draft of the *Proposed Revisions to the Standards for Performing and Reporting on Peer Review (Standards)* and Interpretations to the *Standards*. Motion passed.

STATE AND LOCAL ORGANIZATION ITEMS: The Board and representatives of the NCACPA held an open discussion on the mobility issues of CPAs as related to the exposure draft of the NASBA/AICPA Uniform Accountancy Act, Section 23.

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

200009-038, 200101-002, and 200104-041 - Calvin Lewis Blanton - Approve the signed Consent Order (Appendix I).

C2007351 - Bunch & Company L.L.P. - Approve the signed Consent Order (Appendix II).
C2007441- Close the case without prejudice and with a Letter of Caution.
C2007519 - Mitzi Harris Arzani - Messrs. Harris and Cox moved to approve the signed Consent Order permanently revoking Ms. Arzani's CPA certificate. Motion passed with a vote of 7 to 0 (Appendix III).

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

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

Jose Miguel Simon T4249	Peter Michael Vinci T4278
Jennifer Mertes Ash T4250	Remona Lynn Wade T4279
Mary Anne Prascak T4251	Jennifer Alise Hogge T4280
Erin Elizabeth Puls T4252	Steven F. Astren T4281\
Richard Francis Cornetta T4253	Jerry Wayne Hiles T4282
Caryn Elizabeth Kauffman T4254	Hadassah Baum T4283
Kelly Elizabeth Barnes T4255	William Guy Thoms T4284
Candace Lynn Scappator T4256	John Eric Michos T4285
Steven L. Cook T4257	Mark Norwich T4286
Alice McManua Mariano T4258	Nicholas Cohran Reed T4287
Gary Freundlich T4259	William Frank Kauder T4288
Marie Carolina Knobloch T4260	Ira Richard Weiss T4289
Ericka Michelle Krzyzaniak T4261	Maryam Munir Shabon T4290
Meghan Elizabeth Metzler T4262	Elaine R. Stevenson T4291
Teresa Maher DeHart T4263	Robert Charles Kirnard T4292
Terry Lynn Bowling T4264	Mark James Koziel T4293
Gunjan Sanghi T4265	Ruth S. Morrison T4294
Constantinos Theofanous T4266	John A. Switzer T4295
Edjuardo Massalenus Barbee T4267	Miku Negishi T4296
John P. Somerville T4276	Diana Lynn Kennedy T4297
Kevin Dawson Burns T4277	

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

Michael G. Adkisson, P.C., CPA	Brian C. Hass, P.C.
Aidman, Piser & Company, P.A.	R. Wayne Hutchins, CPA, P.A.
Paul N. Badgley, P.C.	RL Jennings & Company, PC
BearmanCPA PLLC	R Michael LaBounty & Associates, P.C.
Carr, Riggs & Ingram, P.L.L.C.	Lewis, Kaufman & Co., P.C.
Herbert C. Freeman, CPA, P.C.	McDimit Davis & Company, PLLC

Susan Phares-Aldrich, CPA, PLLC
Ricky S. Son, CPA, P.C.

Richard C. Tirrell, CPA, PA
Ward & Foust, CPAs, 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:

Woodrow Joseph Bergeron Jr. #21755
Moses G. Farmer #12924
Willis Stanton Hardesty #2529
Harry David Harkey III #2979

Henry Nelson Harrell #10049
Gillian Elizabeth Quadlin Hough #14607
Sylvia H. Marshall #17252
William H. Witbrodt #16567

Extension Requests - The Committee disapproved Caroline Zanation Shepherd (#12998) for an extension for completion of CPE:

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

Robert Acuff
Suzanne Adams
Danielle Adams Monore
Fardus Ahmed
Matthew Andersen
Timothy Avent
Leslie Bailey
Awaaz Baksh
David Bardin
Erica Bartilucci
Elizabeth Bemisderfer
Alan Bennett
Jonathan Bennett
Laura Bennett
James Berenson
Donnie Berry
Lee Blackmon
Heather Blake
Elizabeth Boone
Candice Bradner
Margaret Bradshaw
Melissa Brady
Julie Brantley
Kenji Brantley
Jing Brooks

Colleen Brophy
Adam Brotherton
Jonathan Buford
Kimberly Byrd
Julia Cahoon
Robert Caylor
Natalie Centeno
Kristen Chamberlain
Yi-Chun Chung
Chadwick Collins
Starcha Cook
Bradley Cox
Chad Dancy
Yiioshi Deberry
Joseph Demers
Margaret Dempsey
Christopher Dickman
Dustin Didawick
Paulette Doroshenko
Julie Durham
Kellie Earnhardt
Catherine Eastwood
Nathan Edgerly
Linda Elam
Ashley Epps

Jennifer Evans
Martina Fetzter
Kellie Fisher
Nancy Furman
Angela Gangemi
Erin Garner
Steven Garvin
Teresa Gault
Wesley Glover
Jason Golenbiewski
April Goodman
Jamie Gouard
Katherine Grant
Kameron Gress
Peter Greve
Camille Gruesbeck
Emily Hansen
Benjamin Harmon
James Harmon
Jennifer Harold
Avery Harrison
Justin Hartman
Teresa Hawk
Christopher Hazelwood
Debra Heard
Tana Henault
Jennifer Hicks
Jeffrey Hillison
Heather Hines
Ashley Hollenbeck
Matthew Howell
Darren Hunicutt
Tifini Isom
Michael Ives
Christopher Jandebour
Paragi Jariwala
Jared Johnson
James Jones
Kelly Jones
Toria Jones-Miles
Michael Kahill
Melissa Kever
Kavita Khetia

Jeffrey Kim
Stephen King
Stephanie Kirby
Niket Kothadia
Teresa Krieg
Darren Labean
Mark Lake-Nestor
Hunter Lane
John Lengyel
Chunxiao Li
Timothy Ligay
Paige Littlejohn
Howard Lucas
Ian Luhrs
Susan Lynn
Sarah MacLeod
Jessica Mapes
Frank Martenies
Brian Mascia
Michael Massey
Joseph Maxim
Joseph McCausland
Sally McClure
John McDonald
Jason McKenzie
Alap Mehta
Christopher Meidenbauer
Allison Mitchell
Nelvin Modoor
Charles Mohn
Laura Moore
Adam Morris
Patty Myers
Jin Niedermuller
Christina Norman
Jennifer Norris
Kathleen O'Connor
Lenora Osborne
Kennethia Owens
Alexander Pappas
Shoolin Patel
Jill Peloquin
Sandra Penny

William Perrault
Joseph Philpott
John Pinnix
Suzanne Pitsiniagas
Suzanne Plunket
Leonard Politowicz
Jason Porter
Shital Raja
John Rauback
Heidi Ray
Marc Rhodes
Mary Roberson
Amanda Robinson
Sue Robinson
William Robinson
Susi Rojas
Hunter Rooker
Patrick Ryan
Amy Rydzy
Alison Scelvini
Allison Scarborough
Jacob Schachle
Katherine Scheffel
Louis Scheibla
Elizabeth Schmid
David Schmidt
Mary Shafer
Jatinder Sharma
Olanrewaju Shofoluwe
Christopher Shrewsbury
Thomas Simonik
Lori Sirotek
Bryce Smith
Candace Smith
Leslie Spain

Amy Stafford
Clinton Stanley
Jennifer Stevens
Michael Stone
Laurie Strumski
Shirley Swanson
Lee Thaxton
Somp Thilavanh
Nashica Thompson
Kendrick Tillman
Lee Tinsley
James Truax
James Upton
Tracy Vance
Crystal Waddell
Andrew Walker
Joseph Walker
Kristen Wallace
David Wallin
Jonathan Ward
Kelly Watson
David Watts
Krista Waugh
Caitlin Webster
Joseph Wellborn
Patrick White
Misty Wike
Raymond Wiley
Matthew Wilson
Crystal Wingo
Jan Winnek
Kelly Woods
Sarah Work
Lisa Wright
Mary-Jo Zimmerman-Sanchez

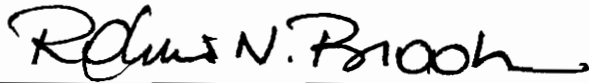
Request for CPE Course Approval - Staff reviewed and requested committee guidance regarding a hypothetical situation in determining Advanced Pastoral Counseling fits into one of the seven approved fields of study. The Committee disapproved the course.

Rescind Form of Practice Statements -David Rodney Perry (#27856) signed a Form of Practice Statement due to his employment. However, due to a change in the licensee's employment, staff recommended that the statement be rescinded. The Committee approved the recommendation.

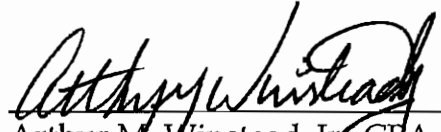
ADJOURNMENT: Messrs. Harris and Jordan moved to adjourn the meeting at 12:11 p.m.
Motion passed.

Respectfully submitted:

Attested to by:



Robert N. Brooks
Executive Director



Arthur M. Winstead, Jr., CFA
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

CASE #: 200009-038, 200101-002, and 200104-041

IN THE MATTER OF:
Calvin Lewis Blanton, #16066
Respondent

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 is the holder of North Carolina certificate number 16066 as a Certified Public Accountant.
2. In July of 2001, the Board approved a signed Consent Order with Respondent which suspended Respondent's certificate for one year, and required that, upon reissuance of his certificate, Respondent and Respondent's firm must obtain a pre-issuance review of all audits and that the pre-issuance reviewer be approved by the Board. Said Order further mandated Respondent "to cooperate at all times with the Board in the supervision and investigation of compliance" and "to make all files, records, or other documents available immediately upon the demand of the Board."
3. On October 12, 2004, Respondent signed an engagement letter with a client to perform an audit for the years ended December 31, 2002 and 2003. The audit was to begin no later than October 18, 2004, and the audit report was to be issued no later than November 15, 2004.
4. On October 12, 2004, Respondent signed an engagement letter with a client to perform an audit for the year ended December 31, 2004. The audit was to begin on or about May 31, 2005, and the audit report was to be issued no later than July 15, 2005.
5. In letters dated May 4, 2004; July 13, 2005; September 19, 2005; November 14, 2005; January 20, 2006; and February 13, 2006, Board staff requested that Respondent inform the Board as to the status of the audits and the

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Calvin Lewis Blanton

pre-issuance reviews. Respondent failed to respond in a timely manner to each of these letters, and Board staff had to send certified mail and telephone Respondent in order to obtain a response.

6. In a response letter dated December 17, 2005, Respondent provided false and misleading information regarding the status of the pre-issuance reviews of the two audits.
7. In a response letter dated March 3, 2006, Respondent stated that the two audits had not yet been completed. As of November 17, 2006, Respondent had failed to provide the Board with any further updates regarding the status of said audits or pre-issuance reviews.
8. Respondent 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)d and (9)e and 21 NCAC 8N .0201, .0202(b)(3), .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. Effective the date this Order is approved by the Board, Respondent and Respondent firm shall not participate in, perform, or review any audit, review, compilation, agreed-upon procedure, and SSARS 8 engagements for at least five (5) years and until Respondent petitions the Board for reinstatement of the privilege to participate in, perform, or review audit,

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Calvin Lewis Blanton

review, compilation, agreed-upon procedure, and SSARS 8 engagements. A condition of said privilege, in the discretion of the Board, may be a requirement that Respondent pass the audit portion of the CPA exam or its equivalent under the Uniform CPA Examination requirements.

2. Respondent shall refund all monies received from Paradise Outreach Ministries and Saint Matthews Baptist Church for audit engagements Respondent contracted to perform.
3. Respondent shall reimburse the Board the administrative costs regarding this matter.

CONSENTED TO THIS THE 29th DAY OF May, 2007.

Calvin L. Blanton
Respondent

APPROVED BY THE BOARD THIS THE 26 DAY OF JUNE, 2007.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY Attyy Whitehead
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2007351

IN THE MATTER OF:
Bunch & Company, L. L. P.
Respondent

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 Bunch & Company, L. L. P. (hereinafter "Respondent Firm"), is a registered certified public accounting corporation in North Carolina.
2. During the period from July 1, 2005, through December 15, 2005, Respondent Firm conducted an audit and issued a report on the financial statements of Tyrrell County Board of Education 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.

Consent Order - 2

Bunch & Company, L. L. P.

- 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.
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 Firm 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 Firm 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
Bunch & Company, L. L. P.

CONSENTED TO THIS THE 24 DAY OF May, 2007.

Bunch & Company LLP
Respondent Firm

Eugene Holland, Sr.
Supervising CPA for Respondent Firm

APPROVED BY THE BOARD THIS THE 20 DAY OF JUNE, 2007.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Anthony Whitehead
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2007519

IN THE MATTER OF:
Mitzi Harris Arzani, #19118
Respondent

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 is the holder of North Carolina certificate number 19118 as a Certified Public Accountant.
2. During the period of time from 1999 through August of 2005, Respondent was engaged by a client to provide the client with accounting services which gave Respondent access to the client's banking records and accounts.
3. During the course of Respondent's engagement, Respondent misappropriated client funds totaling \$77,864.18.
4. On October 24, 2005, Respondent signed an Agreement in which she admitted that she had misappropriated client funds and agreed to repay the client \$84,461.18 which included the misappropriated funds, the costs incurred by the client in investigating the misappropriation, and the legal fees incurred by the client in resolving the matter. In this Agreement, Respondent agreed to a repayment plan.
5. Respondent 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:

Consent Order - 2
Mitzi Harris Arzani

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 21 NCGS 93-12 (9) d and (9)e, and 21 NCAC 8N .0201, .0202(a), and .0203(a)(1).

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. The Certified Public Accountant certificate issued to Respondent, Mitzi Harris Arzani, is hereby permanently revoked.

CONSENTED TO THIS THE 4th DAY OF June, 2007

Mitzi Harris Arzani
Respondent

APPROVED BY THE BOARD THIS THE 26 DAY OF JUNE, 2007.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: Arthur W. Winstead
President