PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
August 18, 2008
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; Jeffrey T. Barber, CPA; Norwood G. Clark, Jr., CPA (via telephone); Tyrone Y. Cox, CPA; and Maria M. Lynch, Esq.

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; John Morgan, CPA, Esq., NCACPA; J.R. Shearin, CPA, NCACPA; Suzanne Jolicoeur, AICPA; Curt Lee, Legislative Liaison, NCSA; Michael Weisel, Esq.; and David Coats, Esq.

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

MINUTES: The minutes of the July 21, 2008, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The July 2008 financial statements were accepted as submitted.

NATIONAL ORGANIZATION ITEMS: By September 8, 2008, Board members are to send the Executive Staff any comments on the FASB Exposure Draft, Reducing Complexity in Reporting Financial Investments.

REQUEST FOR DECLARATORY RULING: Michael Weisel, Esq., and David Coats, Esq., attorneys for Crowe Chizek & Company LLC ("Crowe"), provided additional information to the Board regarding the Request for Declaratory Ruling submitted by Crowe. The additional information included new information for the Request for Declaratory Ruling and as not admitted as part of this public record.

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

C2006558 – Carley Walker – Approve the signed Consent Order (Appendix I).
C20071288 – Robert Cooper - Approve the signed Consent Order (Appendix II).
200509-051 – Approve a revised Notice of Hearing for Mary Alayne Ferguson for November 17, 2008, at 10:00 a.m.
200511-063 – Approve a revised Notice of Hearing for Frederick Charles Garges for
November 17, 2008, at 10:00 a.m.
200604-038 – Approve a Notice of Hearing for Jennifer Anne Moulton for December 17, 2008, at
10:00 a.m.
C2007719 – Approve a Notice of Hearing for Israel W. Rwejuna for January 20, 2009, at
10:00 a.m.
C2007735 – Approve a revised Notice of Hearing for Matthew K. Howard for October 20, 2008,
at 10:00 a.m.
C2007599 – Close the case without prejudice.
UT20082507 – Suzanne Henderson – Accept a signed Notice of Apparent Violation and
Demand to Cease and Desist (Appendix III).
200408-028 – Pete A. Harward – Messrs. Cox and Harris moved to approve the Consent Order
for permanent revocation of the NC CPA certificate issued to Mr. Harward. Motion passed
with seven (7) affirmative and zero (0) negative votes (Appendix IV).
C20081039 – Dennis Alan Whiting – Messrs. Winstead and Jordan moved to approve the
Consent Order for permanent revocation of the NC CPA certificate issued to Mr. Whiting.
Motion passed with seven (7) affirmative and zero (0) negative votes (Appendix V).

Messrs. Harris and Jordan moved to approve the CPE compliance policy. Motion passed with
seven (7) affirmative and (0) negative votes.

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

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE

Original Certificate Applications - The following were approved:

Stephanie L. Bacik
Mary Chandler Batchelor
Ian Arthur Bradley
Michael Leigh Bushnell
James Allen Canady
James Andrew Carros
Diane Samantha Clavier
Catherine Collins Csar
Andrew Scott Essees
Michael Peter Fanelli
Veroniek Marieke Cyrilla Fraeye
Alexander Edward Geranmayeh
Jessica Carol Gorrell
Peter Loren Gross
Cindy Kay Kelly

Timothy Paul Kindem
Lindsay N. Mank
Yiep Mat
Christine Hinman McKinney
Brett Stephen Miller
Amanda Marie Patty
Gilbert Mark Pieper Jr.
David Gordon Raiford Jr.
Stacy Leigh Roberson
Matthew Paul Seale
Jinga J. Shah
Brandon Dustin Spears
Lee-Jane W. Sun
Bradley Wade Whitley
Stephen Brian Williams
Robert Joseph Winckelmann  Karlotta Nord Young

**Reciprocal Certificate Applications** - The following were approved:

Matthew Joseph Blickley  Valerie Cathey Lamar
Martin James Bonifer  Andrew Micah Largen
Scott Alan Cottrill Sr.  Yuxin Liu
April Shannon Gauger  Paul Stephen Mills
Domingos Dias Henriquez Jr.  Joshua John Morgan
Matthew T. Illuzzi  David Andrew Motsinger
Jamesine M. Killorin  Thomas Fletcher Poulik
Frank Nolan Kissel  Stephen Michael Vanscoy
Daniel Paul Knapke  Dong Yang

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

Edward Joseph Steh T4967  Laurie Dawn Cole T4976
Walter Phillip Miller T4968  Donika Lee Muckler T4977
Geoffrey Ronald Mize T4969  Barry G. Long T5047
Thomas Clayton Davis T4970  Alicia Helen Rockwell T5048
Scott Thomas Matheson T4971  David Alexander Paulsen T5049
Ginger Elkins Doherty T4972  Victor Manuel Feliciano T5050
Christina Marie Pouza T4973  Karen Percent T5051
David Michael Woodworth T4974  Michael Joseph Haragos T5052
Sarah Lynn Kennedy T4975  George George Pawlush IV T5053

**Reinstatements** - The following were approved:

Marvin Jeffery Armstrong #22371
Lewis Blake Smyth Jr. #32784

**Reissuance of New Certificate** – An application for reissuance of new certificate submitted by Patricia Elizabeth Perkins (#27558) was approved.

**Firm Registrations** - The following professional corporation and professional limited liability company were approved by the Executive Director and ratified by the Board:

Abalos & Associates, PLLC
Bharti Sudan, CPA, Inc.
Retired Status Applications - The Committee approved the request for retired status submitted by Fred T. Denning (#3962) because he is completely retired and does not receive any earned compensation for current personal services in any job whatsoever.

CPE Matters - The individuals listed below failed to comply with 2006 or 2007 CPE requirements. Staff recommended referral to the Professional Standards Committee. The Committee approved staff request:

William Babcock #22028
Emory Steven Daniel #9074
April Hardison #28413
Tracy E. Quill #26464

Ms. Lynch and Mr. Jordan moved to remove the moratorium on the approval of non-current ethics courses. Motion passed.

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

Olusola Abisuga
April Adam
Nathaniel Adams
Sahirah Al-Uqdah
Frederick Alexius
Julianna Allen
Rebecca Allison
Sheila Ammons
Oyebukunola Ande
Thomas Arman
Anne Asplin
Elizabeth Atkins
Shahin Bahadori
Dwayne Baker
Katherine Baker
Eurydice Barge
Karen Barker
Kelly Barnes
Richard Bean
Lonnie Bewernitz
Alexis Blake
Sarah Boodman
Michael Brafford
Brandon Brake
Michele Brewer
Caroline Brown
Melvin Brown
Thomas Brown
John Bruschi
Craig Bullins
Darlene Burgess
Heather Bush
Roy Bush
Jason Byrd
Kimberly Byrd
Travis Carswell
Kristen Chamberlain
Ourray Clark
Daisy Colmer
Evgeniya Comfort
Charlene Cook Controne
Jeffrey Cooper
Christopher Cox
Melissa Craig
Patrick Craig
Jason Creel
Frank Crutchfield
Jonathan Dail
The Committee determined and accepted the grades received for the April - May 2008 exams.

CLOSED SESSION: Ms. Lynch and Mr. Harris moved to enter Closed Session with Executive Staff and Legal Counsel to discuss legal matters. Motion passed.

PUBLIC SESSION: Messrs. Winstead and Jordan moved to re-enter Public Session to continue with the Agenda. Motion passed.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: Messrs. Jordan and Harris moved to approve the proposed Board meeting dates for 2009. Motion passed.

ADJOURNMENT: Ms. Lynch and Mr. Barber moved to adjourn the meeting at 12:28 p.m. Motion passed.

Respectfully submitted:

Attested to by:

Robert N. Brooks
Executive Director

Arthur M. Winstead, Jr., CPA
President
IN THE MATTER OF:
Carley Walker, #14461
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 14461 as a Certified Public Accountant.

2. Respondent was engaged by a client to perform monthly accounting services, perform payroll services, and prepare personal and corporate tax returns.

3. Upon demand for the return of client records, Respondent failed to return the requested client records, to make those records available to the client’s new CPA, or to respond in any manner to the client’s request.

4. In November of 2006, the client filed a complaint with the Board detailing Respondent’s failures to return client records and to respond to the client’s requests for the return of those records.

5. Board staff sent at least three letters to Respondent’s last known mailing address and two emails to Respondent’s last known email address before Respondent responded to the Board’s inquiry.

6. Respondent responded that all client records would be made available to the new CPA within one week of the date of Respondent’s letter.

7. However, Respondent did not provide the client records to the new CPA until Board staff sent another letter to Respondent regarding the status of the return of client records.

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.
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 failures to return client records upon demand constitute violations of NCGS 93-12 (9)e and 21 NCAC 8N .0305 (a).

3. Respondent failures to timely respond to a Board inquiry and to claim certified mail from the Board constitute violations of NCGS 93-12 (9)e and 21 NCAC 8N .0206.

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 is censured.

2. Respondent shall remit a one thousand dollar ($1,000.00) civil penalty.

CONSENTED TO THIS THE 30th DAY OF June, 2008

[Signature]

Respondent


NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]

President
NORTH CAROLINA   BEFORE THE NORTH CAROLINA STATE BOARD OF
WAKE COUNTY     CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
                CASE #: C20071288

IN THE MATTER OF:  CONSENT ORDER
                    Robert Cooper, #15401
                    Respondent

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 was the holder of North Carolina certificate number 1288 as a Certified Public Accountant.

2. While Respondent was actively licensed, Respondent failed to prepare an elderly client's tax return and failed to respond to repeated requests from the client's family for the return of the client's records.

3. The client's family filed a complaint with the Board.

4. Board staff sent a copy of the complaint to Respondent, but, citing Respondent's ill health, a member of Respondent's family (who was acting pursuant to a durable general power of attorney from Respondent) contacted the Board to resolve the return of the client's records. The client's records were returned.

5. After the complaint had been filed and Respondent had been written regarding the complaint, Respondent requested and was granted inactive status.

6. In response to Board staff's request for additional information, Respondent informed the Board that he had sold his firm in October of 2007.

7. 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
Consent Order - 2
Robert Cooper

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 21 NCAC 8N .0212 and .0305.

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 is censured.

CONSENTED TO THIS THE 1st DAY OF August, 2008.

Respondent

APPROVED BY THE BOARD THIS THE 18 DAY OF August, 2008.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: President
THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

IN THE MATTER OF:
Suzanne Henderson
Respondent

NOTICE OF APPARENT VIOLATION
AND DEMAND TO CEASE AND DESIST

TO THE ABOVE NAMED RESPONDENT:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners (Board) is authorized by N.C.G.S. §93-12 (16) to enforce the provisions of the North Carolina Certified Public Accountant Act (Act) through actions for injunctive relief regarding “a single violation” of this Chapter; and,

WHEREAS, pursuant to N.C.G.S. §93-1, a “certified public accountant” is defined as “a person who holds a certificate as a certified public accountant issued to him under the provisions of this chapter;” and,

WHEREAS, pursuant to N.C.G.S. §93-6, “It shall be unlawful for any person to engage in the public practice of accountancy in this State who is not a holder of a certificate as a certified public accountant issued by the Board, unless such person uses the term ‘accountant’ and only the term ‘accountant’ in connection with his name on all reports, letters of transmittal, or advice, and on all stationery and documents used in connection with his services as an accountant, and refrains from the use in any manner of any other title or designation in such practice;” and,

WHEREAS, pursuant to N.C.G.S. §93-13, the Board may institute proceedings in an appropriate court seeking civil penalties of $1,000.00 for each violation of the Act; and,

WHEREAS, Respondent Suzanne Henderson (hereinafter “Respondent Henderson”) is not licensed by the Board as a certified public accountant; and,

WHEREAS, Respondent Henderson allowed her name to appear on a Power of Attorney and Declaration of Representative and identified herself on that document as a “Certified Public Accountant,” Respondent Henderson thereby conveyed the false impression that she is authorized to engage in the public practice of accountancy, using a title other than ‘accountant’ when, in fact, she is not lawfully authorized to use the title “certified public accountant” or “CPA” in this State. Such representations are misleading and contrary to N.C.G.S. §93-6.

THEREFORE, Respondent Henderson is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that she immediately cease and desist from use of the title “certified public accountant” or “CPA,” and identify herself only as “accountant.”

North Carolina State Board of Certified Public Accountant Examiners

BY:  

Robert N. Brooks, Executive Director

DATE:  

Aug 30, 2008

In lieu of civil proceedings authorized by N.C.G.S. §93-12(16), the Board will accept Respondent’s consent to this Demand.
Consented to:

BY: Suzanne Henderson DATE: 7/10/08

Suzanne Henderson
North Carolina
Wake County

Sworn to (or affirmed) and subscribed before me this day by Suzanne Henderson

[I have personal knowledge of the identity of the principal(s)] [I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a Az Drivers License] [a credible witness has sworn to the identity of the principal(s) ]

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Notary Public Signature

Rodney A. Stambaugh

Notary Public Printed Name

July 10th, 2008

Date

Feb 24th, 2010

My Commission Expires

*ATTENTION NOTARY: NCGS 10B-24(a) states, “Near the notary's official signature on the notarial certificate of a paper record, the notary shall place a sharp, legible, permanent, and photographically reproducible image of the official seal.”
IN THE MATTER OF:
Peté Alexander Harward, #13977
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 Peté Alexander Harward ("Respondent") was the holder of North Carolina certificate number 13977 as a Certified Public Accountant.

2. In August of 2004, Respondent informed the Board that he and his firm had been named as parties in a civil complaint which alleged that he and his firm had failed to comply with generally accepted auditing standards and generally accepted accounting principles in the preparation of audits for a client. (Exhibit A) The civil complaint was dismissed with prejudice upon settlement and release between the parties.

3. During the pendency of the Board staff investigation, Respondent Harward requested and was granted retired status; however, Respondent Harward was informed by Board staff that his retired status request was temporarily granted and that he continued to be subject to the Board’s jurisdiction until such time as the Board’s current disciplinary matter was resolved.

4. The 1998 and 2001 peer reviews for Respondent’s firm which did not include the audits covered by the civil complaint were unmodified. However, in the 1998 and 2001 peer reviews, problems were identified in the areas of audit planning and assessment of fraud risk, audit documentation, analytical review, and financial statement disclosures.

5. Board staff’s review of the 1999, 2000, and 2001, working papers for this client proved the allegations as set forth in the civil complaint that Respondent on behalf of Respondent’s firm did not conduct the audits in accordance with Generally Accepted Auditing Standards and failed to comply with Generally Accepted Accounting Principles.

6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board
Consent Order - 2
Pete Alexander Harward

ex parte, whether or not the Board accepts this Consent Order as written. Respondent understand 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. Respondents' actions as set out above constitute violations of NCGS 93-12 (9) e and 21 NCAC 08N .0201, .0202, .0203, .0209, .0212 and .0403.

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, Pete Alexander Harward, is hereby permanently revoked.

CONSENTED TO THIS THE 11 TH DAY OF August, 2008.

Pete Alexander Harward
Respondent

APPROVED BY THE BOARD THIS THE 10 DAY OF August, 2008.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: ____________________________
President

[Stamp: NC Board of Certified Public Accountant Examiners]
NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C20081039

IN THE MATTER OF:
Dennis Alan Whitling, #14043
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 14043 as a Certified Public Accountant.

2. In an Affidavit signed on July 2, 2008, and submitted to the North Carolina State Bar (NC Bar), Respondent acknowledged as true the material facts of the NC Bar’s investigation of Respondent regarding allegations of his misappropriation of funds from his employer, his diversion of legal fees to himself from an estate trust account for which he was a trustee, filing a false accounting with the Clerk regarding the disbursements of those fees, and disbursements of other fees which had not been approved by the Clerk. (Exhibit 1)

3. Based on the statements in his July 2, 2008, Affidavit, the NC Bar issued an Order of Disbarment in which it accepted the surrender of Respondent’s license and disbarred him from the practice of law in North Carolina. (Exhibit 2)

4. 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
Dennis Alan Whitling

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 (e) and 21 NCAC 8N .0201, .0202, .0203, and .0204.

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, Dennis Alan Whitling, is hereby permanently revoked.

CONSENTED TO THIS THE 12th DAY OF August , 2008.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 18 DAY OF August , 2008.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President