PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
October 21, 2010
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Michael C. Jordan, CPA, President; Jose R. Rodriguez, CPA, Vice President; Maria M. Lynch, Esq., Secretary-Treasurer; Barton W. Baldwin, CPA; Wm. Hunter Cook, CPA; Bucky Glover, CPA (via telephone); and Jordan C. Harris, Jr.

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 Jack Nichols, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; Debbie Lambert, CPA, Chair, NCACPA; Joan Pharr, CPA, NCACPA; Joanne Phillips, CPA, NCACPA; Wesley Casteen, CPA, Esq., NCACPA; Curt Lee, Legislative Liaison, NCSA; and Suzanne Jolicoeur, AICPA.

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

MINUTES: The minutes of the September 20, 2010, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The September 2010 financial statements were accepted as submitted.

LEGISLATIVE AND RULE-MAKING ITEMS: Mr. Baldwin and Ms. Lynch moved to approve all rules, except for 21 NCAC 08 M .0105 as amended (Appendix I), as filed with the Office of Administrative Hearings and as published in the August 16, 2010, issue of the North Carolina Register. Motion passed with seven (7) affirmative votes and zero (0) negative votes.

NATIONAL ORGANIZATION ITEMS: Mr. Cook reported on his attendance at the AICPA Fall Council Meeting held October 17-19, 2010, in New Orleans, LA.

STATE AND LOCAL ORGANIZATION ITEMS: Mr. Jordan and Mr. Brooks reported on their attendance at the NCACPA Board of Directors Meeting held September 24-25, 2010, in New Bern, NC.

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

Case No. C2010022 – Robert G. Drumwright, Jr. – Messrs. Baldwin and Jordan moved to approve an Emergency Order for Revocation and Notice (Appendix II). Motion passed with seven (7) affirmative votes and zero (0) negative votes.
Case No. C2010082 – Barry J. Hodges – Approve a Notice of Hearing for February 21, 2011, at 10:00 a.m.
Case No. C2006222 – Close the case without prejudice.
Case No. C2009227 – Close the case without prejudice.
Case No. C2010056 – John C. Compton – Approve a Notice of Hearing for May 26, 2011, at 10:00 a.m. Mr. Baldwin did not participate in the discussion of this matter, nor did he vote on this matter.
Case No. C2010094 – David H. Harris – Approve the signed Consent Order (Appendix III).

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

Transfer of Grades Applications - The following were approved:

Sarah D. Barron
Emmett Ferri
Paul Timothy O’Donohue

Original Certificate Applications - The following were approved:

Sarah D. Barron
Judith Dorotea Boyce
Brett Olivia Boyd
Ana Cristina Brugh
Cory Vincent Bunger
Tiffany L. Bussard
Meredith Virginia Carithers
Eddie Lee Clifton
Tara Rachael Clontz
Thomas R. Crawford Jr.
Michelle Callan Davis
Kent Joseph De Hart
Jin Deng
Daniel Gordon Doss
Scott DuBois
Lindsay Michelle Ferguson
Emmett Ferri
Jonathan Farrell Geis
Candace Anneke Gibson
Nathan Chad Goldman
Whitney Elizabeth Goodson
Tracy Waterman Green
Lucy Marie Hagan
Elizabeth M. Hamilton
Victoria Leigh Heafner

Robert Carswell Parsley
Deborah Sue Rod

Anna Nicole Henson
Patrick Hill Holland
Amy Newsome Johnson
Lauren Diane Kitson
Justin Ryan Lewis
Kristin Alaine Mangum
Yuying Mao
Jennifer Marie Martin
Brandon Michael Massey
Lindsay Christine Matheus
Ashley Adaire Matthews
Gerri Houston McLendon
Dianna Leigh Melvin
Damon Karl Miklowicz
Lisa Johnson Morgan
Paul Timothy O’Donohue
Robert Carswell Parsley
William Clayton Pelliser II
Olga Pinzari
Jenna Hoover Pritchard
Deborah Sue Rod
Matthew Robert Schanz
William Ward Snell
Mark Christopher Stone
Alexander Fuentes Tiset
Staff reviewed and recommended approval of the original application submitted by Adam Albert Schuett. Mr. Schuett failed to disclose pertinent information with his exam application but provided it 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:

- Adam Joel Barrow
- John Richard Beasley Jr.
- Koreen Herald Billman
- David Scott Black
- Beth Eileen Breneman
- Jude Troy Broussard
- Rachel Allen Brown
- Gisele Odette Caisse
- Jacqueline Roy Causey
- Jennifer Huggins Celentano
- Scott Randolph Cohen
- Tara Lee Colpitts
- Dustin Corie Cotterman
- Ryan J. Cotterman
- Jason Emory Creel
- Kimberly Michele Crouch
- Lisa Michelle Davis
- Candace Dawn Engles
- Wanda Sharon Evans
- Cynthia Smith Fisher
- Samiel M. Fuller
- Dexter Alexander Garner
- William Francis Gerber
- Gary Joseph Gerhards
- Sharilyn Reese Gomilla
- Timothy Alan Grow
- Ute Claudia Haeussermann
- Janis Marie Herrmann
- Mary Jon Hinz
- Candace Anne Hutton
- Seonjin Hwang
- Xiaohui Jiang
- Kara Renée Lane
- Charles Robert Leins
- Stephen Christopher Mangan
- Edward Joseph McGowan Jr.
- Christopher James Morse
- Courtney Hammock Murphy
- David M. O'Connor
- Esha Patel
- Thomas Lee Presley
- Herlin Herawati Pruitt
- Charles Nicholas Pry
- Bijal Dipak Shah
- Michael John Smith
- Veronica Snodgrass

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

- Veronica Snodgrass T6048
- Candace Dawn Engles T6049
- Cynthia Smith Fisher T6050
- Alisha A. Sewell T6051
- Brett Paul Sowell T6052
- William Francis Gerber T6053
- Beth Eileen Breneman T6054
- Lisa Michelle Davis T6059
- Courtney Hammock Murphy T6060
- Michael John Smith T6062
- Joseph Onofrio Noto T6063
- Koreen Herald Billman T6064
Reinstatements - The following were approved:

Alfred Michael Cerretti #20910
Charles Edward Dameron IV #19312
Joseph Thomas Jordan Jr. #4148
Scott Allen Middleton #19165
Robert William Naylor #16464
Lorine Steinbrunner Nemes #23802

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

Jackie Lynn Fryt #34433
William Michael Grady #7716
Gregory Alan Hart #24066
Scott Ronald Hawig #27252
Amy Mills Lehr #28289

Reissuance of New Certificate and Consent Agreement - An application for reissuance of new certificate and consent agreement submitted by Dennis Matthew Giff (#17876) 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:

Brian Boswell CPA, PLLC
Brader Greene, PLLC

Letters of Warning - Staff received and recommended approval of the request to rescind the letters of warning awarded to the individuals listed below. The Committee approved staff recommendation:

Thiru Govender #32345
Cheryl Hilliard Habrat #26932

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

Daniel Acosta
Shelia Adams
Jenny Addison
Amanda Aiken
Stephanie Aldridge

Mary Anacleto
Bryan Angry
Domani Arendtsz
Keara Attamante
Bryan Aust
Amanda Hayes
Elizabeth Hernandez-Soriano
Cassandra Hickey
Michael Hickey
Travis High
Amy Hilfiker
Leslie Holland
Lauren Holt
Andrew Hopfinger
Ronald Hopkins
Claire Hudson
Nicole Hunter
Patricia Hyldburg
Kia Ikpe
Sandra Infantino
Cynthia Isaksen
Kevin Israel
Rachel Ivory
Jennifer Jackson
Tracy Jackson
Kimoi James
George Jauregui
Sadaf Jawahir
Garrett Jernigan
Lauren Jetton
Selena Jimenez
Clarence Johnsey, Jr
Alicia-Michelle Johnson
Shannon Johnson
Natasha Jordan
Lloyd Jordan, III
Virginia Jorgenson
Timothy Joseph
Gregory Journigan
Ashleigh Joyner
Regina Joyner
Kellie Kanie
Thomas Key, Jr
Kelli Kiger
Diana Kincer
Phyllis King
Perry King, Jr
Abby Kinscherf
Adrienne Kralick
Allyson Kuegel
Bryan Lackey
Kelly Lambe
Joseph Laskey
Justin Layton
Michael Leclerc
Kelly Lew
William Lowe, Jr
Lisa Lu
Sabrina Lyle
Stephanie Mabe
Kate MacLeod
Amber Maddox
Rachel Maddox
Genierose Magsino
Stephen Malarz
Arun Malik
Hassaan Malik
Brian Manuel
Brandon Martin
Latrish Martin
Todd Masi
Janessa Mason
Jennifer Massengill
Susanne Matthews
Anna Mayo
Jeffery McClendon
Michael McCord
Raymond McKinney
James McKinnon
Jeffrey McLaurin
Kathleen McMillan
David McNally
Eugenia Medynskaya
Rachel Meinecke
Katherine Merrick
Stephen Messenger
Kelly Meyers
NaQuita Mickie
Ashley Middleton
Brandon Miller
David Mills
Robert Mitchell
Priyanka Modi
Maureen Moloney
Elizabeth Mower
PUBLIC HEARING: President Jordan called the Public Hearing to order to hear Case No. C2010110 – Davin W. Brown. Mr. Brown was present at the Hearing and was not represented by counsel at the Hearing. Mr. Brown, Dr. Robert W. Andrews, and Ms. Jennifer Credle, CPA, were sworn and presented testimony. Ms. Lynch and Mr. Cook moved to enter Closed Session without Executive Staff or Legal Counsel present to discuss the case. Motion passed. The Board re-entered the Hearing. Messrs. Cook and Harris moved to approve a Board Order (Appendix IV) to approve Mr. Brown’s application for modification of discipline. Pursuant to the Order, Mr. Brown may submit an application for reissuance of his CPA certificate. Motion passed with five (5) affirmative votes and two (2) negative votes. The entire Public Hearing is a matter of public record.

RULE-MAKING HEARING: President Jordan called the Rule-Making Hearing to order to take oral and written comments from the public regarding the rules filed with the Office of Administrative Hearings and as published in the North Carolina Register on August 15, 2010. Debbie Lambert, CPA, Chair, NCACPA; and Suzanne Jolicoeur, AICPA, spoke regarding the proposed rules. The Rule-Making Hearing was closed and the matter, including written comments submitted, is a matter of public record.

CLOSED SESSION: Ms. Lynch and Mr. Baldwin moved to enter Closed Session with Executive Staff and Legal Counsel to receive legal advice regarding disciplinary matters and a rule change. Motion passed.

PUBLIC SESSION: Mr. Jordan and Ms. Lynch moved to re-enter Public Session to continue with the Agenda. Motion passed.

ADJOURNMENT: Messrs. Rodriguez and Glover moved to adjourn the meeting at 1:50 p.m. Motion passed.
Respectfully submitted:

Robert N. Brooks
Executive Director

Attested to by:

Michael C. Jordan, CPA
President
21 NCAC 08M .0105 is amended as published in 25:04, pages 491-492, with changes, as follows:

21 NCAC 08M .0105 PEER REVIEW REQUIREMENTS

(a) A CPA or CPA firm providing any of the following services to the public shall participate in a peer review program:

(1) audits;
(2) reviews of financial statements;
(3) compilations of financial statements; and
(4) agreed-upon procedures.

(b) A CPA or CPA firm not providing any of the services listed in Paragraph (a) of this Rule is exempt from peer review until the issuance of the first report provided to a client.

(c) A CPA, a new CPA firm or a CPA firm exempt from peer review now providing any of the services in Paragraph (a) of this Rule shall furnish to the peer review program selected financial statements, corresponding work papers, and any additional information or documentation their first peer review report, the letter of comments, the letter of response, and any work papers required for the peer review program within 24 months of the issuance of the first report provided to a client.

(d) Participation in and completion of one of the following peer review programs is required:

(1) AICPA Center for Public Company Audit Firms;
(2) AICPA Peer Review Program; or
(3) Any other peer review program found to be substantially equivalent to Subparagraph (1) or (2) of this Paragraph in advance by the Board.

(e) CPA firms shall not rearrange their structure or act in any manner with the intent to avoid participation in peer review.

(f) A CPA firm which does not have offices in North Carolina and which has not provided any services as listed in Paragraph (a) of this Rule G.S. 93-10(c)(3) to North Carolina clients is not required to participate in a peer review program.

(g) Subsequent peer reviews of a CPA firm are due three years and six months from the year end of the 12 month period of the first peer review unless granted an extension by the peer review program.

Authority G.S. 93-12(7b); 93-12(8c).
Pursuant to North Carolina General Statute (NCGS) 150B-3(c), the Board finds that there is substantial evidence that Respondent has engaged in general and specific conduct demonstrating that he is no longer fit to continue to hold a certificate as a Certified Public Accountant. Specifically, during the period of time in which he has been a licensee and has been engaged in rendering accounting services to the public, and/or during the period of time when his certificate was forfeited, there is substantial evidence that Respondent committed each of the following acts or omissions in violation of the North Carolina accountancy laws and rules, NCGS 93-3, 93-4, and 93-12 (9) e, and 21 NCAC 08J .0101, 08N .0201, .0202, .0203, .0206, .0207, .0211, and .0212.

1. Respondent Robert G. Drumwright (hereinafter “Respondent Drumwright”) was the holder of North Carolina certificate number 11712 as a certified public accountant.

2. While he was licensed as a certified public accountant, Respondent Drumwright was registered with the Board as an individual practitioner firm.

3. While actively licensed as a CPA, Respondent Drumwright failed to competently prepare individual tax returns for a client, to competently prepare corporate tax returns for the client’s corporation, to timely file tax extensions and returns, and to provide client information to the successor accountant.

4. Respondent Drumwright failed, on at least three (3) occasions, to respond to Board inquiries regarding a complaint filed with the Board by the client.

5. In October 2009, Respondent’s certificate was forfeited for failure to renew. When notified of the forfeiture of his certificate for failure to renew, Respondent Drumwright failed to timely return the forfeited certificate in accordance with NCAC 08J .0101 (d).
Emergency Order - 2
Robert G. Drumwright, Jr.

6. Despite the forfeiture of his certificate, Respondent Drumwright has continued to identify himself as a CPA and his business as a CPA firm on office signage and in telephone directory listings.

7. The Board finds that, in light of the seriousness of the allegations and substantial evidence establishing the conduct in question, as well as evidence of the imminent danger of continued and irreparable harm to the public, the public welfare requires this emergency action.

The Board, therefore, issues this Emergency Order, pursuant to NCGS 150B-3(c), to revoke Respondent Drumwright's certificate as a Certified Public Accountant. Respondent Drumwright shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this state either through CPA mobility provisions or substantial equivalency practice privileges, or in any other manner, nor shall Respondent Drumwright claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate. This Order is effective immediately at the time of service of this Order upon Respondent Drumwright, and shall remain in effect until this proceeding may be concluded pursuant to NCGS 150B. This Order shall constitute the Notice of Hearing to be held for this matter in the Board Office on March 23, 2011, at 1:00 p.m.

Adopted by a vote of 7 to 0 by the Board on this the 21st day of October 2010.

[Signature]
President
NORTH CAROLINA
WAKE COUNTY
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2010094

IN THE MATTER OF:
David H. Harris, #20924
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 20924 as a Certified Public Accountant.

2. Respondent informed the Board on his 2009-2010 individual certificate renewal (renewal) that he had obtained forty (40) hours of continuing professional education (CPE), had completed an annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self study CPE to meet the 2008 CPE requirement.

3. Based on Respondent’s representation, the Board accepted his renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2008 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide the certificates of completion needed to document at least eight (8) hours of non-self study CPE that Respondent claimed he earned between January 1, 2008, and June 30, 2009, as was reported on his renewal.

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 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(8b)a, 93-12(9)c and 93-12(9)e and 21 NCAC 08N.0101(b), 08N.0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(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. Respondent's application for renewal is deemed insufficient and untimely under NCGS 150-B-3(a). Hence, his certificate is automatically forfeited pursuant to NCGS 93-12(8b).

2. Respondent must return his certificate to the Board with this signed Consent Order.

3. Respondent may apply for the reissuance of his certificate after one (1) year from the date the Board approves the Consent Order if Respondent's certificate and the civil penalty required in number five (5) of this Order have been received by the Board.

4. Respondent may apply to return his certificate to active status by submission and approval of a reissuance application which includes:
   a. Application form,
   b. Payment of the application fee,
   c. 3 moral character affidavits, and
   d. Forty (40) hours of CPE in 12 months preceding the application including an eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in a group study format.

5. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted to the Board within six (6) months of the date this signed Order is accepted by the Board.

6. Respondent agrees that failure to timely comply with any terms of this agreement and consent order shall be deemed sufficient grounds for revocation of his license.
Consent Order - 3
David H. Harris

CONSENTED TO THIS THE 15 DAY OF October, 2010.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 21 DAY OF October, 2010.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Stamp]

BY: [Signature]
President
IN THE MATTER OF:
Davin W. Brown, #16483
Applicant

BOARD ORDER

THESE 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 October 21, 2010, 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, 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 not 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 08I .0104.
9. In United States of America v. Davin Walter Brown, (Case NO. 5:02-CR-263-5-BO3), Applicant, under oath, pled guilty to a Criminal Information charging conspiracy to obstruct justice in violation of Title 18, United States Code, Section 1503 and Title 18, United States Code, Section 371. The plea pertained to Applicant’s role as the outside auditor for International Heritage, Inc. Based upon his guilty plea, a judgment of conviction was entered against Applicant.

10. According to the Criminal Information to which Applicant pled guilty, Applicant and others “did knowingly and unlawfully combine, conspire, agree, and confederate with each other, to commit an offense against the United States, specifically, corruptly endeavoring to influence, obstruct, and impede the due administration of justice with respect to a matter within the jurisdiction of the Securities and Exchange Commission (SEC), specifically a lawsuit pending between the SEC and International Heritage, Inc. (IHI), et al. . . . in the United States District Court for the Northern District of Georgia by, among other things, soliciting, preparing, and causing to be materially false and misleading information with the SEC and with the court in said lawsuit, in violation of Title 18, United States Code, Section 1503.”

11. The crime to which Applicant pled guilty and was convicted was a felony under the laws of the United States. Additionally, dishonesty, deceit or fraud was an essential element of the crime.

12. On or about November 15, 2005, Applicant was sentenced based upon his guilty plea, and ordered to serve three years probation along with other conditions and requirements.

13. As a result of a public hearing, on December 19, 2005, the Board ordered that Applicant’s North Carolina certificate be permanently revoked effective beginning on November 19, 2004.

CONCLUSIONS OF LAW

1. The Hearing was duly noticed pursuant to NCGS 150B-38 (b)(c) and 21 NCAC 08C .0103 and conducted with a quorum of Board members and all necessary parties present.

2. Since the discipline in this case imposed by a Board Order was permanent revocation, pursuant to 21 NCAC 08I .0104, the burden of establishing a justification for modifying the earlier discipline is upon the applicant.
Board Order - 3
Davin Walter Brown

3. Applicant has presented persuasive evidence that he has been completely rehabilitated; that, in light of all the facts and circumstances, he is otherwise qualified for modification of the discipline at this time under the applicable rules; and that he has support of the aggrieved parties and the community.

BASED ON THE FOREGOING, the Board orders in a vote of 5 to 2 that:

1. Davin Walter Brown’s application for modification of discipline is approved, and Davin Walter Brown may now submit his application for reissuance.

This the 21st day of October 2010.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: Michael Johnson
President