

**PUBLIC SESSION MINUTES**  
**North Carolina State Board of CPA Examiners**  
**November 17, 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; 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; Paulette Martin, Assistant-Professional Standards; Mary Beth Britt, Assistant-Professional Standards; and Noel L. Allen, Legal Counsel.

**GUESTS:** James T. Ahler, CEO, NCACPA; J.A. Lesemann, Jr., CPA, NCACPA; Dianne L. Uzzel, CPA, NCACPA; Hilda G. Watson, CPA; Frederick C. Garges, CPA; William D. Harazin, Esq.; Curt Lee, Legislative Liaison, NCSA; Suzanne Jolicoeur, AICPA; and Frederick K. Sharpless, Esq.

**CALL TO ORDER:** President Winstead called the meeting to order at 10:02 a.m.

**MINUTES:** The minutes of the October 20, 2008, meeting were approved as submitted.

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

**LEGISLATIVE AND RULE-MAKING ITEMS:** J.A. Leseman, Jr., NCACPA Board member, requested that the Board defer voting on the proposed draft NCCGS 93 legislation until the Executive Directors and Legal Counsels of the Board and the NCACPA could meet and discuss the draft legislation in light of questions raised by the NCACPA's Mobility Committee. The matter was deferred to the December 17, 2008, meeting.

**NATIONAL ORGANIZATION ITEMS:** Messrs. Cox and Jordan moved to approve the response to the FASB Exposure Draft, *Earnings Per Share – An Amendment of FASB Statement No. 128*. Motion passed.

Mr. Jordan reported on the NASBA Annual Meeting which was held in Boston, MA, on October 26-30, 2008.

Mr. Barber reported on the Forum of International Accountancy Regulators held in Boston, MA, on October 29-30, 2008.

The Board discussed the ramifications of North Carolina licensees issuing reports to North Carolina clients using the International Financial Reporting Standards which have not yet been adopted by the Board. The Board instructed the Executive Staff to report back to the Board regarding any necessary rule-making on this matter.

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

C20085143 – Cynthia C. Tang – Approve the signed Consent Order (Appendix I).

C20085168 – Kelly R. Pope – Approve the signed Consent Order (Appendix II).

200605-040 – Close the case without prejudice.

C2007717 – Close the case without prejudice and with a Letter of Caution.

C20084371 - Close the case without prejudice.

C20084640 - Close the case without prejudice.

C20085567 - Close the case without prejudice.

**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:

Jessica Liz Capitaine  
Lyndi Kathryn Freund  
Brianna Sue Myers

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

Ryan Joseph Adkins  
Jeanette Danielle Atkins  
Brandon Allynn Barkley  
Jennifer Brooke Bosley  
David Wilson Bryan  
Edward Paul Byron  
Jessica Liz Capitaine  
Rita Hope Carroll  
Branden Wilson Chopelas  
Paul Brandon Coble  
Brittainy Hardin Crawford  
Bradley Shuford Crossley  
Sarah Rebecca Davidson

E. Michelle Davis  
Elizabeth Smith Demm  
Angela Maria DePoy  
Debbie Kay Dryer  
Carole A. Earwood  
Josette Renee Edwards  
Karanda Velvet Fletcher  
Amy Lynn Ford  
Andrew Charles Francis  
Lyndi Kathryn Freund  
Lisa Michelle Goerke  
Jason Ross Golenbiewski  
Sumiko Saito Greer

William Benjamin Harvird  
Natalie Stevison Henley  
Christopher David Holland  
Amy Williams Howard  
Katherine Taylor Jones  
John Dickson Jordan III  
Peter William Knerr  
Hunter Brandon Lane  
Larry Lee Jr.  
Lisa Nicole Lewis  
Xiaoran Lu  
Kristen Amy Maier  
Brian Andrew Messer  
Robert Patrick Messing  
George Wright Meyer III  
Stephen Andrew Justin Mills  
Venus Layvette Moore  
Johanna Elise Morrison  
Luciana Suehara Mullen  
Sarah Lewis Murphy  
Brianna Sue Myers  
Tara Christie Notaro

Richard D. Offield  
Hannah Sadler Panella  
Bradley Copper Patterson  
Aaron Lance Pearson  
Megan Ashley Phillips  
Kevin Edward Quinn  
Mary Jane Shafer  
Laura Nicole Smallwood  
Brittany Lynn Smith  
Patricia Gale Smith  
Darrin Lamont Spears  
Gregory Alan Stevenson Jr.  
Ashley Christine Sullivan  
Amy Brisson Thompson  
Kendall Overcash Tyson  
Jonathan James Vitello  
Meredith Ashley Snyder Walser  
Sunny Rae Ward  
Sean Donald Wilbur  
Paul Michael Wolff  
Kenneth Bradford Wooten

Staff reviewed and recommended approval of the original application submitted by Deidra M. Francis. Ms. Francis failed to disclose a citation for misdemeanor disorderly conduct with her exam application but provided pertinent information with her certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

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

Lindsey Kay Angus  
Michael Joseph Bodah  
Ivanna Lafinis Cole  
Paul Edwin Daniel Jr.  
Nancy Jean Hune  
John Francis Izzo  
Debra Ann Jensen  
Eleanor Caperton Lauver  
Hayden Miles Lee  
Diana Reynolds Mahaffey  
Michael Joseph McLaughlin Jr.  
Maria Anna Newell

Jacqueline Anne O'Connell  
Shawn Anita Pack  
Carolyn Devine Saint  
David Charles Schwartz  
Elizabeth Anne Smith  
Pamela Susan Stearns  
Patricia Ann Sutherland  
Malcolm Carvel Taylor  
Marion Patricia White  
David Lamar Willis  
Willard Henry Young  
Michael Moneir Zahabi

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

Ivanna Lafinis Cole T5143  
Diana Reynolds Mahaffey T5144  
Willard Henry Young T5145  
Debra Ann Jensen T5146  
Michael Moneir Zahabi T5147  
Hayden Miles Lee T5148  
Carolyn Devine Saint T5149  
Marion Patricia White T5150  
Ivory Michelle Isaacson T5151  
Reneé Lynch Teasdale T5152  
Karl Richard Ruben T5153  
Diana Elizabeth Militello T5154

Elizabeth Ann Smith T5155  
Paul Edwin Daniel T5156  
Eleanor Caperton Lauver T5205  
Malcolm Carvel Taylor T5206  
Gaetano David Sperduto T5207  
Najla Rajeeyah Shareef T5208  
Nancy Jean Hune T5209  
David Lamar Willis T5210  
Brenda Joyce Willner T5211  
Patricia Ann Sutherland T5212  
Nathan Douglas Benn T5213  
Brooke Boles Whalen T5214

**Reinstatements** - The following were approved:

Gretchen Stocks Britt #21561  
James Wesley Doggett Jr. #14083  
Lee Alan Dworsky #24523  
Cynthia Burgess Fischer #24886  
E. Johnston LeDuke #21733

Myles Andrew MacDonald #19157  
Thomas Jay Stowe #19690  
Scott Michael Wells #17126  
Shannon Taylor Williams #28473

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

John Henry Davis #12013  
Melissa M. Dean #28525  
Robert Grover Drumwright Jr. #11712  
Millard Filmore Hodnett #21973

Jurgen Jost #22729  
Clint James Pete #24495  
Melanie Tomlinson Townsell #28966

**Reissuance of New Certificate and Consent Agreement** - An application for reissuance of new certificate and consent agreement submitted by each of the following individuals was approved:

Catherine Bispo Allen #19382  
Lisha Anne Davis #31411  
Mongy Mahmoud Ibrahim #15084

**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:

KAREN L. CRANFORD, CPA, PC  
GREIG DAVIS CPA, P.C.  
Jared G. Johnson, CPA, PLLC  
Smith and Shin, Certified Public Accountants, PLLC

**Retired Status Applications** - 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:

Eric R. Indermaur #11805  
Kay Lee Walker #21053

**Letters of Warning** - Staff received a renewal from Stanley Albart Wilson (#32537) which lists 2007 CPE taken between January 1 and June 30, 2008, without an approved extension. Staff recommended a letter of warning for a first offense pursuant to 21 NCAC 08G .0406(b)(1). The Committee approved staff recommendation.

Staff received and recommended approval of the requests to rescind the Letters of Warning issued to the individuals listed below. The Committee approved staff recommendation.

Tammy Bridges #22848  
Lori Gayle #32134  
Cheryl L. Hennen #32431

Robert Knox #27257  
Michael. J. Ryan #26081  
Robert S. Segal #13105

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

Robert Alexander  
Donna Alston  
Snjezana Andrews  
Julie Auman  
Rebecca Barker  
Bonnie Bond  
Jacklyn Braschler  
Justin Bregman  
Christina Burnett  
Mark Causey  
Hong Chen  
Ruth Christian

Kevin Cole  
Kelly Colf  
Leah Coveleski  
Jason Creel  
Cedric Davis  
Alfred Dawson  
Andrew Deal  
Tejbir Dhillon  
Anna Dunbar  
Susan Fleck  
Cheryl Fluhr  
Meghan Flynt

Antonia Forbes	Renee McNutt
Mark Furlong	Amanda Melton
Lisa Garcia	Randolph "Morris, Jr"
David Geci	Emily New
Audrey George	Lori O'Quinn
Joshua Glienke	Odaro Omoruyi
Anise Hage	Matthew Paddock
Forrest Hall	Joseph Pancamo
Crystal Hamilton	Stephen Peoples
Brittany Harkey	Sonja Peterson
Eric Harris	Adam Pierson
Mandi Harris	Melissa Powell
Stephen Hensley	Jimmy Prassas
John Hillhouse	Ashley Prendergast
Susan Hilliard	Seth Prevette
Ann Hobson	Jennifer Reilly
Stefanie Holmes	Marc Rhodes
LaToya Horton	Susi Rojas
Christina Howard	John Rooney
Kate Hwang	Mindy Sammons
Letitia Jones	Dustin Shever
Jolene Jurss	April Sparks
Wissam Karout	Kourtney Swan
Kevin Koonts	Jerry Tejchma
William Kroncke	Essie Teya McLoughlin
Gonca Kurt	Cristen Vaughn
Jared Lashley	Matthew Walker
Mazalenia Lee	Lindsey Wallace
Heather Livingston	Zhaoxi Wang
Regina Lloyd	Desmond Ward
Cara Loose	Stephen Watkins
John Marks	John Wiles
Raymond McKinney	James Williams
Brian McNeil	Samantha Zigmont
Jennifer McNeilus	

Staff reviewed and requested guidance regarding two hypothetical exam applications. The Committee provided guidance to staff.

**PUBLIC HEARING:** President Winstead called the Public Hearing to order to hear Case No. 2007541 and Case No. 2005646 – Hilda G. Watson, CPA, #17930, and Hilda G. Watson, CPA, PA. Ms. Watson was present for the Hearing and was not represented by counsel at the Hearing. Ms. Watson and Mr. Brooks were sworn and presented testimony. Messrs. Clark and

Jordan moved to approve a Board Order permanently revoking the North Carolina CPA certificate issued to Hilda G. Watson by the Board and cancelling the firm registration of the firm, Hilda G. Watson, CPA, PA (Appendix III). Motion passed with seven (7) affirmative votes and zero (0) negative votes. The entire Hearing is a matter of public record.

**PUBLIC HEARING:** President Winstead called the Public Hearing to order to hear Case No. 200511-063 – Frederick Charles Garges, CPA, #7734. Mr. Winstead recused himself from participating in the Hearing and Vice President Jordan presided over the Hearing. Mr. Garges was present at the Hearing and was represented by counsel, Frederick K. Sharpless, Esq., at the Hearing. Mr. Garges, Mr. Brooks, and Mr. Sharpless were sworn and presented testimony. The Board entered Closed Session with William Harazin, Esq., and without the Executive Staff or Noel L. Allen, Esq., to discuss the matter. The Board re-entered the Hearing. Messrs. Barber and Harris moved to approve a Board Order requiring Mr. Garges to pay the assessed administrative costs of \$3,567.00 within ninety (90) days of the date of the Order (Appendix IV). Motion passed with four (4) affirmative votes and two (2) negative votes. The entire Public Hearing is a matter of public record.

**ADJOURNMENT:** Ms. Lynch and Mr. Barber moved to adjourn the meeting at 2:42 p.m. Motion passed.

Respectfully submitted:

Attested to by:



Robert N. Brooks  
Executive Director



Arthur M. Winstead, Jr., CPA  
President

NORTH CAROLINA  
WAKE COUNTY

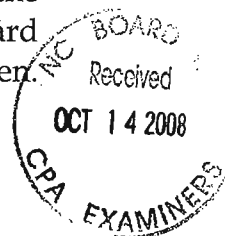
BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C20085143

IN THE MATTER OF:  
Cynthia C. Tang, #28196  
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 28196 as a Certified Public Accountant.
2. Respondent informed the Board on her 2007-2008 individual certificate renewal (renewal) that she had obtained fifty-six (56) hours of continuing professional education (CPE) to meet the 2006 CPE requirement. Further, Respondent informed the Board on the renewal that she earned some of said CPE between January 1, 2007, and June 30, 2007.
3. Based on Respondent's representation that prior to June 30, 2007, she had completed a total of fifty-six (56) hours of CPE which included seventeen (17) hours of carryforward from 2005, the Board accepted her renewal.
4. Board staff requested, by letter, that prior to January 11, 2008, Respondent provide course listings for the CPE reported to meet her 2006 CPE requirement.
5. Respondent provided CPE course listings to the Board indicating four (4) hours of CPE taken between January 1, 2007, and June 30, 2007. However, said course listings showed that Respondent had not taken eight (8) hours of non-self-study CPE between January 1, 2006, and June 30, 2007, despite her statement in her renewal that she had complied with the requirements on her 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 08J .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 insufficient and untimely under NCGS 150-B-3(a). Hence, her certificate is automatically forfeited pursuant to NCGS 93-12(8b).
2. Respondent must return her certificate to the Board with this signed Consent Order.
3. Respondent may not apply for the reissuance of her certificate for at least one year from the date the Board receives Respondent's forfeited certificate and until the civil penalty required in number five (5) of this Order has been paid by Respondent.
4. Respondent may apply to return her 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 within six months of the date this signed Order is accepted by the Board.



Consent Order - 3  
Cynthia C. Tang

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 her license.

CONSENTED TO THIS THE 11<sup>th</sup> DAY OF October, 2008.

Cynthia C. Tang  
Respondent

APPROVED BY THE BOARD THIS THE 17<sup>th</sup> DAY OF November, 2008.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Athy W. Whitehead  
President



NORTH CAROLINA  
WAKE COUNTY

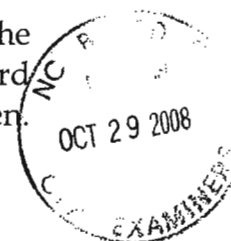
BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C20085168

IN THE MATTER OF:  
Kelly R. Pope, #31391  
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 31391 as a Certified Public Accountant.
2. Respondent informed the Board on her 2007-2008 individual certificate renewal (renewal) that she had obtained fifty-five (55) hours of continuing professional education (CPE) to meet the 2006 CPE requirement. Further, Respondent informed the Board on the renewal that she earned some of said CPE between January 1, 2007, and June 30, 2007.
3. Based on Respondent's representation that prior to June 30, 2007, she had completed a total of fifty-five (55) hours of CPE which included fifteen (15) hours of carryforward from 2005, the Board accepted her renewal and issued a letter of warning to her dated December 10, 2007.
4. Board staff requested, by letter, that prior to January 11, 2008, Respondent provide course listings for the CPE reported to meet her 2006 CPE requirement.
5. Respondent provided CPE course listings to the Board indicating twenty (20) hours of CPE taken between January 1, 2007, and June 30, 2007. However, said course listings showed that Respondent had not taken a CPE ethics course between January 1, 2006, and June 30, 2007, despite her statement in her renewal that she had complied with the requirements on her 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.



Consent Order - 2

Kelly R. Pope

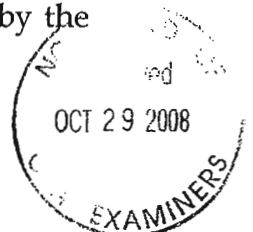
Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

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 08J .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 insufficient and untimely under NCGS 150-B-3(a). Hence, her certificate is automatically forfeited pursuant to NCGS 93-12(8b).
2. Respondent must return her certificate to the Board with this signed Consent Order.
3. Respondent may not apply for the reissuance of her certificate for at least one year from the date the Board receives Respondent's forfeited certificate and until the civil penalty required in number five (5) of this Order has been paid by Respondent.
4. Respondent may apply to return her 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 or self- study format.
5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted within six months of the date this signed Order is accepted by the Board.



Consent Order - 3  
Kelly R. Pope

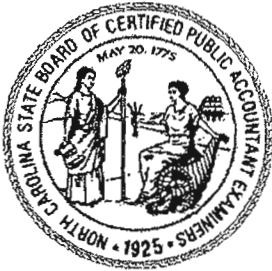
6. Respondent agrees that failure to timely comply with any terms of this agreement and consent order shall be deemed sufficient grounds for revocation of her license.

CONSENTED TO THIS THE 23 DAY OF October, 2008.

Kelly Richmond Pope  
Respondent

APPROVED BY THE BOARD THIS THE 17<sup>th</sup> DAY OF November, 2008.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Atty Wintead  
President



NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2007541 and C20085646

IN THE MATTER OF:  
Hilda G. Watson, #17930  
Hilda G. Watson, CPA, PA  
Respondents

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 November 17, 2008, that:

FINDINGS OF FACT

1. The parties have been properly identified.
2. The Board has jurisdiction over the Respondents and this matter.
3. Respondents received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery.
4. Venue is proper and the Noticed Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
5. Respondents had no objection to any Board Member's participation in the Hearing of this Matter.
6. Respondents were present at the Hearing and were not represented by counsel.
7. Respondent Hilda G. Watson (hereinafter "Respondent Watson") is the holder of a certificate as a Certified Public Accountant in North Carolina and is subject to the provisions of Chapter 93 of the General Statutes of North Carolina and Title 21, Chapter 8 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

Board Order - 2

Hilda G. Watson

Hilda G. Watson, CPA, PA

8. Respondent Hilda G. Watson, CPA, PA (hereinafter "Respondent firm") is a licensed certified public accounting professional corporation in North Carolina. Respondent Watson is the sole shareholder of Respondent firm. At all times relevant, Respondent Watson was the principal shareholder, president and individual responsible for Respondent firm's compliance with state and federal tax laws as well as North Carolina's accountancy laws. Respondent firm's actions and failures to act are attributable to Respondent.
9. In December of 2006, the United States Department of the Treasury (US Treasury) obtained a tax lien against Respondent Watson for failure to pay her individual federal income taxes for 2000, 2002, and 2004 which amounted to \$28,498.03.
10. Respondent Watson informed the Board that she was making monthly payments on the federal tax owed as well as interest and penalties for tax years 2000 (\$13,305.29), 2002 (\$13,745.59), 2004 (\$13,529.64), and 2005 (\$6,397.47).
11. In February of 2008, the US Treasury obtained a tax lien against Respondent firm for failure to timely pay 941s for the quarters ending June 30, 2007, and September 30, 2007, with the "Unpaid Balance of Assessment" totaling \$7,637.40.
12. In a prior case, Respondent Watson consented to a censure and other discipline in an order dated November 19, 2001, for violations related to her failure to disclose federal tax liens that had been filed against her for failure to pay individual income taxes. Respondent Watson complied with the terms of that prior order and the facts of the present matter do not involve the tax years or conduct which was the subject of the prior order. However, a prior offense involving the failure to comply with tax laws is an aggravating factor in the present case.

CONCLUSIONS OF LAW

1. Respondents' actions constitute violations of NCGS 93-12 (9)e and 21 NCAC 8N .0201, .0203, .0204, and .0207.

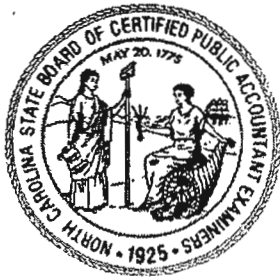
BASED ON THE FOREGOING, the Board orders in a vote of 7 to 0 that:

1. The Certified Public Accountant certificate issued to Respondent Watson, Hilda G. Watson, is hereby permanently revoked.

Board Order - 3  
Hilda G. Watson  
Hilda G. Watson, CPA, PA

2. The firm registration for Respondent firm, Hilda G. Watson, CPA, P.A., is hereby canceled.

This the 17<sup>th</sup> day of November 2008.



NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BY: Atthey Winstead  
President



NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200511-063

IN THE MATTER OF:  
Frederick Charles Garges, #7734  
Respondent

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 November 17, 2008, that:

FINDINGS OF FACT

1. The parties have been properly identified.
2. The Board has jurisdiction over the Respondent and this matter.
3. Respondent received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery.
4. Venue is proper and the Noticed Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
5. Respondent had no objection to any Board Member's participation in the Hearing of this Matter.
6. Respondent was present at the Hearing and was represented by counsel.
7. Respondent is 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. Respondent signed a Consent Order on December 3, 2007, "in lieu of further proceedings" in which he agreed to "reimburse the Board for the administrative costs incurred in this matter."

9. The Consent Order resolved all allegations of various violations arising out of a complaint filed by former clients as well as facts discovered by Board staff in the course of its investigation.
10. Based upon Respondent's representation in the signed Consent Order that "Respondent Garges wishes to resolve this matter by consent," Board staff recommended to the Board that the Consent Order be approved. The Board approved the Order at its December 19, 2007, meeting.
11. At no time prior to the Board's approval of the Consent Order did Respondent inquire about or question the amount of the "administrative costs incurred in this matter" nor did Respondent suggest that the term "this matter" referred to anything less than all the allegations. As is the practice of the Board, after the Board approved the Order, Board staff informed Respondent on December 26, 2007, that he was to reimburse administrative costs in the amount of \$3,567.00.
12. Respondent has refused to reimburse the Board as agreed in Paragraph #3 of the Consent Order. Ultimately, on or about April 2, 2008, Respondent tendered a check in the amount of \$500 "as payment of what [Respondent] contend[s] and believe[s] to be the maximum possible reasonable administrative costs."

CONCLUSIONS OF LAW

1. Respondent's conduct as set out above constitutes violations of NCGS 93-12(9)e and 21 NCAC 08N .0203(b)(3).

BASED ON THE FOREGOING, the Board orders in a vote of 4 to 2 that:

1. Respondent, Frederick Charles Garges, is hereby ordered to pay the assessed administrative costs in the amount of \$3567.00 within ninety (90) days of the date of this Order.

This the 17<sup>th</sup> day of November 2008.



NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BY: \_\_\_\_\_

*Frederick C. Garges*