PUBLIC SESSION MINUTES  
North Carolina State Board of CPA Examiners  
November 19, 2009  
1101 Oberlin Road  
Raleigh, NC 27605  

MEMBERS ATTENDING: Michael C. Jordan, CPA, President; Jeffrey T. Barber, CPA, Vice President; Maria M. Lynch, Esq., Secretary-Treasurer; Norwood G. Clark, Jr., CPA; Hunter Cook, CPA; Jordan C. Harris, Jr.; and Jose R. Rodriguez, CPA.  

STAFF ATTENDING: Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy Director; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; Buck Winslow, Manager-Licensing; and Noel L. Allen, Legal Counsel.  

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; Joan Pharr, CPA, President, NCACPA; Debbie Lambert, CPA, NCACPA; Cindy Brown, CPA, NCACPA; Bernita Demery, CPA, NCACPA; and Curt Lee, Legislative Liaison, NCSA.  

CALL TO ORDER: President Jordan called the meeting to order at 10:01 a.m.  

MINUTES: The minutes of the October 19, 2009, meeting were approved as submitted.  

FINANCIAL AND BUDGETARY ITEMS: The October 2009 financial statements were accepted as submitted.  

LEGISLATIVE AND RULE-MAKING ITEMS: Messrs. Barber and Rodriguez moved to deny the request from the NCACPA for rule-making on 21 NCAC 08N .0306 and .0307 at this time and to continue the dialogue between the Board’s task force and the NCAPCA’s task force regarding 21 NCAC 08N .0306 and .0307 with a report to be presented at the February 22, 2010 meeting. Motion passed.  

NATIONAL ORGANIZATION ITEMS: Mr. Cook reported on the AICPA Fall Council Meeting held October 18-20, 2009, in Las Vegas.  

Mr. Jordan reported on the NASBA Annual Meeting held November 1-4, 2009, in Phoenix.  

Mr. Cook and Ms. Lynch moved to authorize staff to provide licensing information to the NASBA Accountancy Licensee Database (ALD) for North Carolina’s participation in the ALD. Motion passed.  

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

Case No. 200610-075-1 and 200610-075-2 – John Roger Gregg and Gregg & Company P.A. – Approve a Notice of Hearing for April 26, 2010, at 10:00 a.m.
Case No. C20085957 – Joanna L. Foster – Approve a Notice of Hearing for May 20, 2010, at 10:00 a.m.
Case No. C20085958 – Walter A. Skorski – Approve a Notice of Hearing for February 22, 2010, at 10:00 a.m.
Case No. C2009069-1 and C2009069-2 – Jaylene G. Moss and Jaylene G. Moss LTD – Approve a Notice of Hearing for May 20, 2010, at 10:00 a.m.
Case No. C2009129 – Kenneth Griffin – Approve a Notice of Hearing for February 22, 2010, at 10:00 a.m.
Case No. C2009152 – David L. Fouts – Approve a signed Consent Order (Appendix II).

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:

Katy Marie Buckner

Original Certificate Applications - The following were approved:

Jonathan Chesley Allen
Amy Elizabeth Bailey
Richard Menefee Bean
Ryan L. Beauchamp
Lisa Marie Bergemann
Andrew Scott Bliss
Katy Marie Buckner
Natalie Emory Canipe
Kristen L. Chamberlain
Kristy Greer Coltrain
Heather Marie Cook
Michelle Lee Cook
Dino Crnalic
Paul William Cruess
Jonathan David Dail
Paul M. Demere
Britney Lynn Dimnick
Carolyn Batchelor Duke
Sarah McClendon Elder
Christopher Ryan Ernst
Kyle Patrick Flynn
Jeffrey P. Gragnolati
Lauren A. Halvorson

Jennifer Oliver Hassler
Ashley Denise Higgins
Tawnya M. Hurtt
Michael James Huzl
Natalie Beth James
Dana Hope Jernigan
Daniel Brett Jones
Katie Lynn Jones
Robyn Elizabeth Joyner
Robert Edward Kilgore
Erin G. LaVoi
Michael Thaddeus Lucki
Ali Elizabeth Madigan
Katharine Ann McCanless
Kevin Gregory McKeown
Kristen Leigh McMichael
Melissa Lynn Mikita
Valerie Lynn Mitchell
William Chase Morgan
Ashley M. Motsinger
Sean Patrick Murphy
Russell Benjamin Norris
Samantha L. O'Briant
Elissa Beth Olszewski                          David Louis Stark
Elizabeth Alyson Overby                      Anna Olivia Stocker
Rebecca Barrett Owens                        Matthew Kirk Walker
Kira Ann Parker                               Jennifer May Walls
David Joseph Passante                         Jennifer Kay Weurding
David L. Patterson                            Lisa Marie Wheeler
Wendy White Pope                              Laura Beth Whitley
Snehal G. Prajapati                           Dennis P. Wiener
Seth David Prevette                           Misty Wike
John Scott Reeder                             David Patrick Wilson
Jorge Ezra Rubi                               Megan Elizabeth Wright
Neely Schmidt Rose                            Aiping Ying
Addison Barnhardt Shonts                      George Panagiotis Zangotsis
John Berendt Speckhard

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

Paul Richard Allen Jr.                        Jason Michael Richardson
Stephen Martin Beckwith                       Patrick James Ronca
Whitney Blair Bruce                           Derek Jon Sokoloff
Julie Carla Carroll                            Paul Philip Stamler
William David Ehricht                         Joseph Franklin Stover Jr.
Joshua Stanton Goodwin                        Chad Wesley Swanson
Ko-Chen Huang                                  Eileen Zalkin Taylor
Eileen Fae Perrin                             Michael Christian Wulff
Christopher Ray Purvis

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

Christopher Ray Purvis T5673                   Whitney Blair Bruce T5712
Julie Carla Carroll T5674                      Michael Christian Wulff T5713
Paul Philip Stamler T5675                      Ko-Chen Huang T5714
Kelly Marie Treble T5676                       Kristina L. Weker T5715
Amy Carol Bowden T5677                         Matthew Patrick Wilgus T5716
James Vanmeter Duty T5678                      Kelly Patricia Rifenburg T5717
Derek Jon Sokoloff T5679                       Mark Steven Guenther T5718
Adrian Grenville Henning T5710                 Joseph James Esposito Jr. T5719
Chad Wesley Swanson T5711

**Reinstatements** - The following were approved:

Catherine Blaisdell Ardrey #21173              Sammy Earl Estridge III #22911
Randal Dale Brown #15332                       Blair Tucker Hatcher #14577
Walter Greene Church Jr. #16076                 Melanie Starnes Hood #22779
Reissuance of New Certificate - Applications for reissuance of new certificate submitted by the following were approved.

Willis Clyde Moore, III #18834
Kenneth Taylor III #13916

Adrianna Delores Vaughns #32187
Michelle Lynn Wright #26133

Reissuance of New Certificate and Consent Agreement - Applications for reissuance of new certificate and consent agreements submitted by the following were approved.

Neldon Lee Jarvis #28350
Wilbur Darrell Latham Jr. #11985

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

Duncan Ashe, P.A.
Timothy D. Eisel, CPA, PLLC

C. E. Thorn, CPA, PLLC

Letters of Warning - Staff received CPE audit information from the individuals listed below. These licensees listed 2008 CPE taken between January 1 and June 30, 2009, 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:

Lei Shen Baumgartner #33757
Yolande A. Clarke #33556

Rebecca Hutcherson #21334

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

Pamela Abernethy
Holly Adams
Thomas Aherne
Adam Alfero
Oyebukunola Ande
Sonya Baker
Krista Barnhill
Kala Barton
Adam Bearhalter
Joshua Berry
Michelle Beyer
Allison Bolick
Bonnie Bond

Deborah Boone
Jennilee Botts
Judith Boyce
Sandra Breitschwerdt
Jason Brown
Lindsay Brown
Melvin Brown
Derick Brumley
Craig Bullins
Christina Burnett
Brenda Burton
Kimberly Byrd
Amy Carter
Staff recommended that the committee determine and accept the grades received for the July -
August 2009 exams. Twenty-five (25) files with grade reports were haphazardly selected and
reviewed by a Board member. The Committee approved staff recommendation.

PUBLIC HEARING: President Jordan called the Public Hearing to order to hear Case
No. C2009166 – Lawton D. Johnson. Mr. Johnson was present at the Hearing and was not
represented by counsel at the Hearing. Allison Lee, Robert T. Canner, Deann Brennan, Janet P. Johnson, and Lawton D. Johnson were sworn and presented testimony. Ms. Lynch and Mr. Rodriguez moved to enter Closed Session without Legal Counsel or Executive Staff to discuss the case. The Board re-entered the Public Hearing and Ms. Lynch and Mr. Barber moved to approve a Board Order (Appendix III) to approve modification of Mr. Johnson’s discipline and to allow Mr. Johnson to apply for reissuance of his CPA certificate with certain conditions. Motion passed with five (5) affirmative votes and two (2) negative votes. The entire Public Hearing is a matter of public record.

RESOLUTION: President Jordan read a resolution (Appendix IV) thanking Norwood G. Clark, Jr., CPA, for his service to the Board. President Jordan instructed the Executive Director to make the Resolution a part of the Minutes.

OATH OF OFFICE: Miley W. Glover, CPA, was sworn the Oath of Office by President Jordan.

ADJOURNMENT: Messrs. Rodriguez and Cook moved to adjourn the meeting at 1:14 p.m. Motion passed.

Respectfully submitted:                        Attested to by:

Robert N. Brooks                               Michael C. Jordan, CPA
Executive Director                             President
NOTH CAROLINA
WAKE COUNTY
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2009128

IN THE MATTER OF:
David K. Raye, #20424
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (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. David K. Raye (hereinafter “Respondent”) is the holder of North Carolina certificate number 20424 as a Certified Public Accountant.

2. Respondent was engaged to provide a client with tax advice regarding certain bonds and contributions to the client’s “Simple IRA.”

3. Respondent failed to research the tax advice given to the client and, therefore, to provide the client with adequate tax advice which resulted in a financial loss for the client.

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:

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 demonstrate a lack of due care contrary to applicable standards and constitute violations of NCGS 93-12 (9)e and 21 NCAC 08N .0211 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. Respondent is censured.

2. Respondent shall remit with this signed Consent Order a one thousand dollar ($1,000.00) civil penalty.

CONSENTED TO THIS THE 8TH DAY OF October, 2009.

[Signature]
Respondent


NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Seal]

BY: [Signature]
President

[Seal]
IN THE MATTER OF:
David L. Fouts, #12856
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 #12856 as a Certified Public Accountant.

2. Respondent informed the Board on his 2008-2009 individual certificate renewal (renewal) that he had obtained forty (40) hours of continuing professional education (CPE) and had completed the annual ethics CPE course, at least eight (8) hours of non-self study CPE, and some CPE earned between January 1, 2008, and June 30, 2008, to meet the 2007 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 2007 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, the certificates of completion provided by Respondent only documented thirty-seven (37) hours of the forty (40) hours of CPE that Respondent claimed he earned between January 1, 2007, and June 30, 2008, 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 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 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 not apply for the reinstatement of his certificate for at least one (1) 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 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. 43 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.

CONSENTED TO THIS THE 25\textsuperscript{th} DAY OF October, 2009.

\[\text{Signature}\]

Respondent


NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

\[\text{Signature}\]

BY:

President
IN THE MATTER OF:
Lawton Douglas Johnson, #14238
Applicant

CONSENT 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 19, 2009, 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 March of 1999, Applicant pleaded guilty, pursuant to a plea arrangement, to one (1) felony.

10. Applicant’s felony conviction was a violation of NCGS 99-12 (9) and 21 NCAC 08N .0203.

11. Pursuant to a Consent Order, the Certified Public Accountant certificate issued to Applicant was permanently revoked effective October 18, 1999.

12. In September of 2004, Applicant submitted a request for modification of the discipline imposed by the October 1999 Consent Order.

13. On May 16, 2005, the Board denied Applicant’s request for modification of discipline.


15. In support of his second request for modification of discipline, Applicant has provided supporting recommendations from three (3) certified public accountants and a letter describing Applicant’s rehabilitation efforts. Applicant also presented four witnesses who provided testimony in support of his contention that he has made restitution, that he is no longer on probation, that he has not subsequently engaged in the conduct which led to his 1999 conviction, and that he has been completely rehabilitated.

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 was determined by consent to permanent revocation, pursuant to 21 NCAC 08I .0104, the burden of establishing a justification for modifying the earlier discipline is upon the applicant.

3. Applicant has presented persuasive evidence that he has been completely rehabilitated; 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, in a vote on November 19, 2009, of five (5) to two (2), agreed to the following Order:

1. Lawton Douglas Johnson’s application for modification of discipline is approved. The discipline in the 1999 Consent Order of Permanent Revocation is modified in that it is no longer permanent, and Lawton Douglas Johnson may submit his application for reissuance after he obtains an assessment from Behavioral Technologies, Inc., or a similar accredited provider, submits a copy of the assessment to the Board, and agrees to follow any recommendations in the assessment.

2. The Board further requires, as a condition of his annual certificate renewal, that he obtain an assessment from Behavioral Technologies, Inc., or a similar accredited provider, every six (6) months; that he follow any recommendations in the assessment; that a copy of the assessment be provided to the Board every six (6) months, within thirty (30) days of the issuance of the assessment; and that a written report affirming his compliance with the recommendations in the preceding submitted assessment be provided to the Board. The first assessment is due May 1, 2010, the second assessment on November 1, 2010, and, thereafter, an assessment is due every May 1st and November 1st.

CONSENTED TO THIS THE _____ DAY _______________, 2009.

________________________
Applicant

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: __________________________
President
RESOLUTION

WHEREAS, Norwood G. Clark, Jr., CPA, has served as a member of the North Carolina State Board of Certified Public Accountant Examiners since 2003;

WHEREAS, during his tenure he served as President of the Board;

WHEREAS, during his tenure he served on the Executive Committee and the Professional Standards Committee;

WHEREAS, during his tenure he has served faithfully and tirelessly, and has risen as a leader in his profession and is an eloquent spokesman for the best interest of the public and the profession;

BE IT THEREFORE RESOLVED that the members of the North Carolina State Board of Certified Public Accountant Examiners thank Norwood G. Clark, Jr., CPA, for his dedicated service, his personal sacrifice to serve the public interest, and his leadership to the Board.

This the 19th day of November 2009.

North Carolina State Board of Certified Public Accountant Examiners

Michael C. Jordan, CPA, President