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

STAFF ATTENDING: Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; 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; and Jim Holmes, NCSA.

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

MINUTES: The minutes of the April 24, 2012, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The April 2012 financial statements were accepted as submitted.

Deputy Director Barham presented the proposed 2012-2013 budget to the Board. Ms. Lynch and Mr. Cook moved to approve the budget as amended (Appendix I). Motion passed.

NATIONAL ORGANIZATION ITEMS: Messrs. Baldwin and Cook commented on their attendance at the AICPA Spring Council meeting held in Washington, DC, May 15-18, 2012.

STATE AND LOCAL ORGANIZATION ITEMS: Messrs. Baldwin, Cook, Glover, Barham, and Brooks attended the NCACPA Annual Business Meeting held in Greensboro, NC, May 1, 2012. At the meeting, Mr. Cook was awarded the Raymond Rains Outstanding Service Award by the NCACPA.

Messrs. Baldwin, Cook, and Glover presented a question-and-answer session at the NCACPA Leadership Summit held in Greensboro, NC, May 2, 2012.
REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Baldwin moved and the Board approved the following recommendations of the Committee:

Case No. C2011085 - Deanna J. Peltz - Approve the signed Consent Order (Appendix II).

Case No. C2011217 - Nathan T. Garrett, Jr. - Approve the signed Consent Order (Appendix III).

Case No. C2011221 - Jacqualyn Nelson-Owens - Approve the signed Consent Order (Appendix IV).

Case No. C2011237-1 and Case No. C2011237-2 - Cody LeGrant McKinney and Cody LeGrant McKinney, CPA, PC - Messrs. Baldwin and Glover moved to suspend for five (5) years the NC CPA certificate issued to Cody LeGrant McKinney (Appendix V). Motion with six (6) affirmative votes and zero (0) negative votes.

Case No. C2012132 - Donald Phillip Smith - Approve the Order (AppendixVI).

Case No. C2011044 - George A. Watson - Approve the Notice of Hearing for September 24, 2012, at 10:00 a.m.

Case No. 2011068 - Peter A. Gimbal - Approve the Notice of Hearing for August 20, 2012, at 10:00 a.m.

Case No. C2011088 - Jawnza Jackson - Approve the Notice of Hearing for August 20, 2012, at 10:00 a.m.

Case No. C2011219 - Karen L. Nenstiel - Approve the Notice of Hearing for August 20, 2012, at 10:00 a.m.

Case No. C2011222 - Darrell R. Scarbrough - Approve the Notice of Hearing for August 20, 2012, at 10:00 a.m.

Case No. C2012022 - Close the case without prejudice.

Case No. C2012035 - Close the case without prejudice with a Letter of Warning.

Case No. 200611-078 - Stephen M. Himmelberg - Approve the signed Consent Order (Appendix VII).

Case No. C2011890 - Mark A. Konyndyk - Approve the signed Consent Order (Appendix VIII).
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 was approved:

Mengliang Zhang

Original Certificate Applications - The following were approved:

Benjamin Gerald Allison
Lauren Elizabeth Barnes
Cassandra Marie Brooks
Brandi Dawn Cox
Christina Kurek Cox
Andrew Garrett Davis Jr.
Eric Timothy Dowd
Alison Marie Dwyer
Bryan Christopher Faulkner
Sheryl L. France
Courtney Renee Gleason
Rachel Ellen Greene
Robin Noblett Heyer
Robyn Michelle Jones
Jerod Keith Lenderman
Jenna Rae Lesker
Rustin Tate Lynch
Caitlin Reed McGowan
Brad Michael McKeiver
Ricardo Cortes Mendonsa
Ryan Thomas Musumeci
Christopher Mark Nelson
Derek Christopher Niese
Stephanie Gordon Pflum
Joseph Denard Reid
Lisa Kelly Rich
Evan Wicker Rives
Irene Jilma Ross-Piazza
Matthew Eugene Rukasuwan
Amanda Kay Scarbrough
Kourtney Brooke Shelar
Wilfred Alexander Smith Jr.
April Virginia Stocks
Jason Alexander Tarlton
William Dwayne Walker
Margaret Dorsett Young
Mengliang Zhang
Mi Zhou

Reciprocal Certificate Applications - The following were approved:

Stephen Douglas Carey
Philip Yancey Fernandez
Tamara Lynn Langton
Courtney Marie Lee
Scott Charles McLean
John Peter Schefke
Peter Christopher Schmutz
Brian Joseph Smith

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

Kenneth Ian Deutsch T6805
Scott Robert Saville T6806
Melanie Rose Castillo T6807

Tracie Davis Youngblood T6808
Steve Leo Schilling T6809
Carol Ann Dellapenna T6810
Reinstatements - The following were approved:

Teresa Cothran Ellis #20546
Donna Isley Staley #24939
Brian E. Stringfellow #35294

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

Dudley Ross Coppage II #14079
Roger Lee Dillard III #20544
William David Murley #19169

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

Frank Richard Lopes, Jr., CPA, PLLC
Mary M. Martin, CPA, PLLC
Whitfield Elliott, 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:

Martin Eric Gentle #18221
Ralph Huddin #30544
Charles J. Hupfer #4097
Sherry B. Mabry #26256

Extension Requests - The Committee approved George Jaques Harrington (#14093) for extension for completion of CPE until May 31, 2012.

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

Emily Acker
Emmeline Aghapour
Christopher Albers
Rehan Ali
Justin Allen
Lee Allen
Chad Antley
Michael Arena
James Badgett
LeAnn Bagasala
Lien Bailey
Elena Baker
Mayumi Ishimatsu
Anna Ivey
Ashley Ivey
Jessica Johansson
Matthew Johnson
Myra Johnson
Preston Johnson
Ronnie Johnson
John Jones
Joshua Jones
Stephen Jones
David Joyner
Jacob Joyner
Gary Kapalka
Travis Keever
Catherine Kelly
Elaina King
Perry King
Ruth Kinyua
Messavi Komlavi
Pieter Kreuk
Brittany Lacy
Dhara Lakhani
Lyndsey Lamb
Adam Lazovik
Rachel Leaprot
Christian Lebron
Adam Lee
Faye Levy
Lauren Lewis
Fred Lewis, III
Larysa Lim
Andrew Linville
Hristos Lironis
Sahvanna Locklear
John Loewer
Matthew Long
Stuart Long
Kiri Longa
Carrie Love
Jacquelyn Loy
John Lucas
Moiz Lukmanji
Van Ly
William MacMinn
Isabell Maegebier
Evelyne Makatiani
Hassaan Malik
Joseph Marks
Amelia Martin
Timothy Mausolf
Brant Mayer
Katie Mazzeo
Marcus McAllister
George McClanahan
Chad McManus
William Mebane
Mackenzie Meier
Todd Michalske
Ashley Middleton
Kevin Moody
Hona Moore
Jennifer Morgan
Paul Morris
Stefanie Muise
Jean Murphy
Joseph Murphy
Jeffrey Myers
William Nazal
Anthony Neal
Porsha Neal
Bradley Netherwood
Donna Newton
Phillip Norriss
Sara Nowlin
Garrett Oakley
Matthew Ostuni
Lida Pace
Andrea Pack
Michael Palmer
William Parks
Jessica Pearson
William Perrault
Adrienne Phillips
Michelle Phillips
Ljubica Pilipovic
Anthony Pinzari
Kathryn Fletcher
Ralph Polk
Irina Poroshina
Gregory Portal
Kristen Potter
Jason Priest
Meredith Principe
Benjamin Pulliam
Ellen Quinby
Michael Raible
Katherine Rebmann
Kathryn Reddick
Nghi Reilly
Virginia Reynolds
Daniel Riebesell
Justin Rink
Maribeth Roach
Amber Roberts
Craig Roisum
Amanda Rose
Marissa Santiago
Lauren Sargent
Mark Schaivone
Brian Schutz
Pamela Seward
Stephen Sheller, Jr
Michael Shortall
Gary Sigafous
Chelsea Simon
Manjeet Singh
Daniel Smeyon
Kimberly Smith
Mark Smith
Sydney Smith
Kc Spangle
Hannah Stamey
Christopher Stanley
Elizabeth Stanley
Jonathan Stark
Patrick Starnes
Adam Steele
Melissa Stephenson
Andrea Storck
Laurie Strumski
Megan Sudnik
Timothy Summers,Jr
Kourtney Swan
Cole Taylor
David Trautmann
Samuel Upton
James Van Dorn
Travis Vanhoy
Joshua VanNamee
Benjamin Walters
Shuo Wang
Christian Ward
Desmond Ward
Jelissa Ward
Lilia Warren
Zeno Weidenthaler
Sendy Wheless
Shauna Whitener
David Williams
Laronda Williams
Shona Williamson
Michael Wills
Michael Wolff
Joseph Wood
Bradley Worthen
Ko Yun Yang
Christopher Yeager
Stephen Yeh
Teresa Yurtkuran
Andrea Zahran
Lindsay Zech
Jessica Zemonek
Zhiqiang Zhang
Xiaojie Zheng
Letters of Warning - Staff received and recommended approval of the request to rescind the letter of warning awarded to Robert Nolan (#34624). The Committee approved staff recommendation.

Firm Renewal and Peer Review Matters - The firm, Joshua Chertoff, CPA #32757 submitted a renewal or termination notice more than 60 days but less than 120 after the deadline. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: Messrs. Glover and Cook moved to endorse the September 21, 2012, North Carolina CPA Day of Service as proclaimed by Governor Beverly E. Perdue (Appendix IX). Motion passed.

Mr. Allen reported on the NC Dental Board’s case with the Federal Trade Commission.

ADJOURNMENT: Messrs. Cook and Harris moved to adjourn the meeting at 10:44 a.m. Motion passed.

Respectfully submitted: Attested to by:

Robert N. Brooks Jose R. Rodriguez, CPA
Executive Director President
### 2012-2013 APPROVED OPERATING BUDGET

<table>
<thead>
<tr>
<th></th>
<th>2011-12 BUDGET</th>
<th>2011-12 ESTIMATED ACTUAL</th>
<th>2012-13 APPROVED BUDGET</th>
<th>REF.</th>
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<td>OVER &amp; SHORT</td>
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### 2012-2013 APPROVED CAPITAL BUDGET

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(Rev 4/12)
### 2012-2013 APPROVED REVENUE BUDGET

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<th>2011-12 FISCAL YEAR BUDGET</th>
<th>2011-12 ESTIMATED ACTUAL</th>
<th>2012-13 APPROVED BUDGET</th>
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<td>EXAMINATION FEES</td>
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<td>INITIAL ADMIN FEES</td>
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<td>CERTIFICATE FEES</td>
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<td>56,000 (560/100)</td>
<td>54,300 ((543/100))</td>
<td>54,300 (543/100)</td>
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<tr>
<td>RECIPROCAL</td>
<td>23,000 (230/100)</td>
<td>24,000 ((240/100))</td>
<td>24,000 (240/100)</td>
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<tr>
<td>RENEWALS</td>
<td>1,080,000 (18000/60)</td>
<td>1,104,220 (18000/60)</td>
<td>1,128,000 (18800/60)</td>
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<td>REINSTATEMENTS</td>
<td>16,000 (160/100)</td>
<td>10,780 ((108/100))</td>
<td>10,800 (108/100)</td>
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<td><strong>Total</strong></td>
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<td><strong>1,193,300</strong></td>
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<td>FIRM REGISTRATIONS</td>
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<td><strong>Total</strong></td>
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<td>RENTAL INCOME</td>
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<tr>
<td>OTHER</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>2,836,191</strong></td>
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## 2012-2013 APPROVED PERSONNEL EXPENSE

<table>
<thead>
<tr>
<th></th>
<th>2011-12 FISCAL YEAR BUDGET</th>
<th>2011-12 ESTIMATED ACTUAL</th>
<th>2012-13 APPROVED BUDGET</th>
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<tbody>
<tr>
<td>FULL TIME STAFF</td>
<td>829,630</td>
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<td>PART TIME STAFF</td>
<td>12,960</td>
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<td>13,550</td>
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<td>TAXES - FICA</td>
<td>64,458</td>
<td>61,861</td>
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<td>RETIREMENT - CONTRIBUTIONS</td>
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<td>RETIREMENT - NCLB ADMIN FEE</td>
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<td>STAFF TRAVEL</td>
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## 2012-2013 APPROVED STAFF TRAVEL EXPENSE

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<th>MTGS</th>
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<td>3 695/230/50</td>
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<tr>
<td>ADMINISTRATORS/CPE</td>
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<td>9</td>
<td>4 500/675/250/50</td>
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</table>

| OTHER MEETINGS     | PROFESSIONAL | 6,000 | BCARD VEHICLE | 6,000 |

**TOTAL MEETING EXPENSE - B** | 48,280
### 2012-2013 APPROVED BOARD & LEGAL EXPENSE

<table>
<thead>
<tr>
<th></th>
<th>2011-12 FISCAL YEAR BUDGET</th>
<th>2011-12 ESTIMATED ACTUAL</th>
<th>2012-13 APPROVED BUDGET</th>
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### 2012-2013 APPROVED BOARD TRAVEL EXPENSE

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<th>AMOUNT</th>
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<th>RATE</th>
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**Total: 55,445**

### 2012-2013 APPROVED PER DIEM EXPENSE

<table>
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<tr>
<th>PER DIEM</th>
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<td>NASBA ANNUAL MEETING</td>
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<td>TOTAL MEETINGS - C</td>
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## 2012-2013 APPROVED OFFICE EXPENSE

<table>
<thead>
<tr>
<th>Item</th>
<th>2011-12 FISCAL YEAR BUDGET</th>
<th>2011-12 ESTIMATED ACTUAL</th>
<th>2012-13 PROPOSED BUDGET</th>
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<tbody>
<tr>
<td>Office Decorations</td>
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<td>Equipment Rent</td>
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<td>Internet &amp; Website</td>
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<td>Subscriptions</td>
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<td>Repairs &amp; Maintenance</td>
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<td>Consulting Fees</td>
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## 2012-2013 APPROVED EXAMINATION EXPENSE

<table>
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<th>Item</th>
<th>2011-12 FISCAL YEAR BUDGET</th>
<th>2011-12 ESTIMATED ACTUAL</th>
<th>2012-13 APPROVED BUDGET</th>
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<td>Service</td>
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<td>2011-12 ESTIMATED ACTUAL</td>
<td>2012-13 APPROVED BUDGET</td>
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<tr>
<td>------------------------------</td>
<td>-----------------------------</td>
<td>--------------------------</td>
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<td><strong>43,566</strong></td>
<td><strong>45,800</strong></td>
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IN THE MATTER OF:  
Deanna J. Peltz, #28651  
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 N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 28651 as a Certified Public Accountant.

2. Respondent informed the Board on her 2010-2011 individual certificate renewal ("Renewal") that she had obtained twenty (20) hours of continuing professional education ("CPE"), at least two (2) of which were to have been ethics courses, as required by the State of Missouri, Respondent’s home state of licensure, to meet the 2009 CPE requirement.

3. Based on Respondent’s representation, the Board accepted her Renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet her 2009 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide the certificate or certificates of completion needed to document completion of nine (9) hours of CPE that Respondent claimed she earned between January 1, 2009, and December 30, 2009, as was reported 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 and Title 21, Chapter 08 of the North Carolina Administrative Code 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 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent’s consent to this Order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent’s failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. Respondent’s failure to adequately renew her certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).

2. Respondent must return her certificate to the Board within thirty (30) days of the Board’s approval of this Consent Order.

3. Respondent may not apply for the reinstatement of her certificate for at least one (1) year from the date the Board approves this Consent Order 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 reinstatement application which includes:
   a. Application form,
   b. Payment of the application fee,
   c. Three (3) moral character affidavits, and
   d. Forty-nine (49) hours of CPE in the twelve (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 prior to submitting a reissuance application.
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 certificate.

CONSENTED TO THIS THE 10 DAY OF April 1, 2012.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 21 DAY OF May 2012.

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 #: C2011217

IN THE MATTER OF:
Nathan T. Garrett, Jr., #21965  CONSENT ORDER
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 N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 21965 as a Certified Public Accountant.

2. Respondent informed the Board on his 2010-2011 individual certificate renewal ("Renewal") that he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual ethics CPE course, and had completed at least eight (8) hours of non-self study CPE to meet the 2009 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 2009 and 2010 CPE requirements.

5. Respondent provided CPE certificates of completion to the Board as requested. However, Respondent failed to provide the certificate or certificates needed to document completion of sixteen (16) hours of CPE that Respondent claimed he earned between January 1, 2009, and June 30, 2010, 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 and Title 21, Chapter 08 of the North Carolina Administrative Code 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 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent’s consent to this Order, Respondent is subject to the discipline set forth below.

BASED upon the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent’s failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. Respondent’s failure to adequately renew his certificate results in an automatic forfeiture pursuant to N. C. Gen. Stat. § 93-12(8b).

2. Respondent must return his certificate to the Board within thirty (30) days of the Board’s approval of this Consent Order.

3. Respondent may not apply for the reinstatement of his certificate for at least one (1) year from the date the Board approves this Consent Order 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 reinstatement application which includes:
   a. Application form,
   b. Payment of the application fee,
   c. Three (3) moral character affidavits, and
   d. Fifty-six (56) hours of CPE in the twelve (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 prior to submitting a reissuance application.
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 certificate.

CONSENTED TO THIS THE 13th DAY OF APRIL, 2012.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 21st DAY OF MAY, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President
IN THE MATTER OF:
Jacqualyn A. Nelson-Owens, #27398
Respondent

CONSENT ORDER

1. Respondent is the holder of North Carolina certificate number 27398 as a Certified Public Accountant.

2. Respondent informed the Board on her 2010-2011 individual certificate renewal (" Renewal") that she had obtained forty (40) hours of continuing professional education (" CPE"), had completed the annual ethics CPE course, and had completed at least eight (8) hours of non-self study CPE to meet the 2009 CPE requirement.

3. Based on Respondent's representation, the Board accepted her Renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet her 2009 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide the certificate or certificates of completion needed to document completion of six (6) hours of CPE, including four (4) hours of non-self-study and an annual ethics CPE course, that Respondent claimed she earned between January 1, 2009, and June 30, 2010, as was reported 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 and Title 21, Chapter 08 of the North Carolina Administrative Code 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 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent's failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. Respondent's failure to adequately renew her certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).

2. Respondent must return her certificate to the Board within thirty (30) days of the Board's approval of this Consent Order.

3. Respondent may not apply for the reinstatement of her certificate for at least one (1) year from the date the Board approves this Consent Order 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 reinstatement application which includes:
   a. Application form,
   b. Payment of the application fee,
   c. Three (3) moral character affidavits, and
   d. Forty-six (46) hours of CPE in the twelve (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 prior to submitting a reissuance application.
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 certificate.

CONSENTED TO THIS THE 23 DAY OF April 2012.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 21 DAY OF May 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President
IN THE MATTER OF:
Cody LeGrant McKinney, #19585
Cody LeGrant McKinney, CPA, P.C.
Respondents

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 N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Cody LeGrant McKinney (hereinafter “Respondent McKinney”) is the holder of North Carolina certificate number 19585 as a Certified Public Accountant.

2. Cody LeGrant McKinney, CPA, P.C. (hereinafter “Respondent Firm”), is a registered certified public accounting professional corporation in North Carolina. Respondent McKinney is the sole owner of Respondent Firm, and has been individually responsible for the conduct of Respondent Firm.


4. An audit work paper review performed by Board staff, and a review of the financial statements and single audit report performed by the Local Government Commission (“LGC”) disclosed numerous deficiencies in the audit work papers and deficiencies in the financial statements and single audit reports indicating that Respondent Firm failed to comply with Generally Accepted Auditing Standards (GAAS), Generally Accepted Government Auditing Standards (GAGAS), and OMB Circular A-133 as follows:

a. The working papers contained numerous deficiencies in audit documentation that indicate Respondent Firm failed to obtain sufficient evidence to provide a reasonable basis for the conclusion that was expressed in the audit report and failed to comply with
Consent Order - 2
Cody LeGrant McKinney
Cody LeGrant McKinney, CPA, P.C.

numerous GAAS as documented in the Board staff’s review. By failing to comply with GAAS, Respondent Firm failed to comply with GAGAS, specifically 4.03 (AICPA Fieldwork Standards), 4.19 (Audit Documentation), 4.26 (Materiality in GAGAS Financial Audits), and 4.27 (Consideration of Fraud and Illegal Acts).

b. Respondent Firm could not provide documentation to substantiate that any single audit compliance audit procedures were performed during the Town’s 2010 audit. However, Respondent Firm issued a single audit opinion and attested in the Reports on Compliance With Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and State Single Audit Implementation Act that single audit compliance procedures were performed. This is a violation of OMB circular A-133 requirements related to major federal programs.

c. The financial statements, note disclosures, and supplemental schedules, as submitted to the LGC, were not prepared in accordance with Governmental Accounting and Financial Reporting Principles and contained errors and deficiencies.

5. The single audit reports and schedules, as submitted to the LGC, were not prepared in accordance with Circular A-133 requirements, and contained errors and deficiencies.

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 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 08N .0201, .0202(a), .0203(b)(1), .0204, .0206 .0209, .0212, .0403, .0405 and .0409.
3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent’s consent to this order, Respondent is subject to the discipline set forth below.

   BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Cody LeGrant McKinney, is suspended for five (5) years from the date this Order is approved by the Board.

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

3. The firm registration for Respondent Firm, Cody LeGrant McKinney, CPA, P.C., is hereby cancelled.

4. Respondent McKinney is suspended from participating in, reviewing, or performing audits, reviews of financial statements, compilations of financial statements, or agreed-upon procedures engagements ("Attest and Assurance Services") for any entity for the five (5) years that his CPA certificate is suspended.

5. Respondent may apply for the reissuance of his certificate after five (5) years from the date the Board approves this Consent Order.

6. 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. Three (3) moral character affidavits, and
   d. Forty (40) hours of CPE in the twelve (12) months preceding the application, including the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in group-study format.

7. After the reissuance of Respondent McKinney’s CPA certificate, Respondent McKinney shall be required to obtain pre-issuance reviews of all attest or assurance services, which Respondent CPA performs, reviews, or participates in, until such time that the Board determines that pre-issuance review is no
longer necessary. The pre-issuance reviewer shall be approved by the Board prior to performing said reviews. Respondent shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report upon its issuance.

8. Respondent McKinney shall reimburse the Board for its administrative costs incurred as a result of monitoring compliance with pre-issuance review requirements.

9. Respondent agrees that failure to comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of his certificate.

CONSENTED TO THIS THE ___ day of _____, 2012.

[Signature]

Respondent

APPROVED BY THE BOARD THIS THE ___ day of ______, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]

President
IN THE MATTER OF:

Donald Phillip Smith, #25381  
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Donald Phillip Smith (hereinafter "Mr. Smith") was the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Smith failed to timely file the annual firm registration for D. P. Smith, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. Mr. Smith failed to renew his firm registration in excess of 120 days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(3), because Mr. Smith’s infraction was for a period in excess of 120 days, the appropriate penalty is $500.00.

5. Mr. Smith has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Donald Phillip Smith’s payment as full resolution of the aforementioned rules violation.

This the 21 day of MAY, 2012.

[Signature]

President

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
NORTH CAROLINA  
WAKE COUNTY  
BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200611-078

IN THE MATTER OF:  
Stephen M. Himmelberg, #21904  
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 N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Stephen M. Himmelberg (hereinafter "Respondent") is the holder of North Carolina certificate number 21904 as a Certified Public Accountant.

2. Respondent under-reported income taxes to the Internal Revenue Service ("IRS") and North Carolina Department of Revenue for the tax years 2002-2005. The under-reported income constituted between 10% to 20% of Respondent’s income during those years.

3. 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 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 repetitive under-reporting of a large portion of his income displays, at the least, a reckless disregard of his duty to timely and accurately pay his income taxes and constitutes violations of 21 NCAC 08N .0201, .0203(b)(2), and .0207.

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent’s consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Stephen M. Himmelberg, is suspended for at least one (1) year from the date this Order is approved by the Board.

2. The firm registration for Respondent’s CPA firm is hereby suspended.

3. Respondent must return his suspended certificate and firm registration to the Board with this signed Consent Order.

4. Respondent may apply for the reissuance of his certificate after one (1) year from the date the Board approves the Consent.

5. Respondent shall pay a four-thousand dollar ($4000.00) civil monetary penalty.

6. Respondent shall pay the administrative costs associated with this action.

7. 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. Three (3) moral character affidavits, and
   d. Forty (40) hours of CPE in the twelve (12) months preceding the application, including the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in self-study or group study format.
Consent Order - 3
Stephen M. Himmelberg

CONSENTED TO THIS THE ___9___ DAY OF ________, 2012.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE ___21___ DAY OF ________, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President

[Stamp]
RECEIVED
MAY 11, 2012
NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2011290

IN THE MATTER OF:
Mark A. Konyndyk, #31322
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 N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Mark A Konyndyk (hereinafter "Respondent") was the holder of North Carolina certificate number 31322 as a Certified Public Accountant. In June 2011, Respondent requested that his certificate be placed on "Inactive" status.

2. The Securities and Exchange Commission ("SEC") filed a complaint against Respondent in the federal court for the District of Columbia alleging that he violated Exchange Act Rule 14(e) by trading in advance of a tender offer for total profits of $9,725.00.

3. In November 2011, Respondent agreed to settle the SEC’s charges without admitting or denying the allegations made in the SEC’s complaint.

4. As part of the settlement, Respondent consented to entry of a final judgment imposing a total of $21,239.28 in disgorgement, interest, and civil penalties.

5. After the court entered its judgment, the SEC entered its own administrative order on December 5, 2011, suspending Respondent’s ability to practice before the SEC as an accountant for two years.

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 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.

2. Respondent’s discipline by the SEC constitutes prima facie evidence of a violation of 21 NCAC 08N .0204.

3. If proven, the factual allegations underlying the SEC complaint constitute violations of 21 NCAC 08N .0201 and .0203.

4. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent’s consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Mark A. Konyndyk, is suspended for two (2) years from the date this Order is approved by the Board.

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

3. Respondent may apply for the reissuance of his certificate after two (2) years from the date the Board approves this Consent Order.

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. Three (3) moral character affidavits, and
   d. Forty (40) hours of CPE in the twelve (12) months preceding the application, including the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in self-study or group-study format.
5. Prior to reissuance of his certificate, Respondent shall remit a one thousand dollar ($1,000.00) civil penalty to the Board.

6. Respondent 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 claim or attempt to use any practice privileges in any other state based upon his suspended North Carolina certificate.

7. Respondent agrees that failure to comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of his certificate.

CONSENTED TO THIS THE ___ DAY OF ____, 2012.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE ___ DAY OF ___, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President

[Stamp: May 17, 2012]
STATE OF NORTH CAROLINA

BEVERLY EAVES PERDUE
GOVERNOR

NORTH CAROLINA CPA DAY OF SERVICE

2012

BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

A PROCLAMATION

WHEREAS, the fiscal health and well-being of North Carolina citizens, businesses, and institutions are critical to the continued vitality and prosperity of the state; and

WHEREAS, certified public accounting requires significant educational and professional experience, as well as the successful completion of the Uniform CPA Examination and the completion of substantial certification and licensure requirements; and

WHEREAS, certified public accounting in North Carolina maintains a high standard of ethics, professionalism and knowledge by maintenance and enhancement of skills through lifelong professional education; and

WHEREAS, certified public accounting provides valuable accounting and auditing services, management advisory services, individual and corporate tax services, financial planning advice, and many other services; and

WHEREAS, North Carolina’s certified public accountants continuously draw upon their unique knowledge and experiences to provide sound, reliable financial counsel to protect and promote the growth of business, the soundness of government operations, excellence in higher education and confidence of investors; and

WHEREAS, the State of North Carolina joins the North Carolina Association of Certified Public Accountants in recognizing the contributions certified public accounting makes to the financial well-being and success of citizens and commerce in North Carolina and across the nation;

NOW, THEREFORE, I, BEVERLY EAVES PERDUE, Governor of the State of North Carolina, do hereby proclaim September 21, 2012, as “NORTH CAROLINA CPA DAY OF SERVICE” in North Carolina and commend its observance to all citizens. I further call upon North Carolina certified public accountants to engage in public and community service, on this day and throughout the year.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of North Carolina at the Capitol in Raleigh this sixteenth day of April in the year of our Lord two thousand and twelve and of the Independence of the United States of America the two hundred and thirty-sixth.