PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
November 18, 2013
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Jose R. Rodriguez, CPA, President; Maria M. Lynch, Esq., Secretary-Treasurer; Barton W. Baldwin, CPA; John M. Kledis, CPA; and Michael H. Womble, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; and Noel L. Allen, Legal Counsel.

GUESTS: Jay Lesemann, CPA, NCACPA; Andrea W. Eason, CPA, NCACPA; and Curt Lee, Legislative Liaison, NCSA.

CALL TO ORDER: President Rodriguez called the meeting to order at 10:03 a.m.

MINUTES: The minutes of the October 21, 2013, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The October 2013 financial statements were accepted as submitted.

LEGISLATIVE AND RULE-MAKING ITEMS: Mr. Baldwin and Ms. Lynch moved to approve rules 21 NCAC 08A .0301; 08F .0103; 08F .0502; 08G .0401; 08G .0403; 08G .0409; 08G .0410; 08I .0104; 08J .0105; 08M .0105; 08N .0202; 08N .0203; and 08N .0208 as amended with changes, and 08J .0106 and 08J .0107 as amended and published in the September 3, 2013, issue of the North Carolina Register. Motion passed with five (5) affirmative votes and zero (0) negative votes. Messrs. Womble and Baldwin moved to not adopt Rule 21 NCAC 08N .0302 as amended with changes as published in the September 3, 2013, issue of the North Carolina Register. Motion passed with five (5) affirmative votes and zero (0) negative votes (Appendix I).

Mr. Brooks provided an update on the study of occupational licensing boards by the General Assembly as a result of House Bill 74.

NATIONAL ORGANIZATION ITEMS: President Rodriguez and Mr. Nance commented on their attendance at the 106th annual meeting of NASBA.
REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Baldwin moved and the Board approved the following recommendations of the Committee:

Case No. C2013116 - Alexander Arndt - Approve the signed Consent Order (Appendix II).
Case No. C2013121 - Torrell M. Armstrong - Approve the signed Consent Order (Appendix III).
Case No. C2013134 - Thomas Britt Taylor - Approve the signed Consent Order (Appendix IV).
Case No. C2013240 and Case No. C2013060 - Raeford Franklin Lindsay, Jr., and Frankie Lindsay, CPA, PLLC - Approve the signed Consent Order (Appendix V).
Case No. C2013048 - Close the case without prejudice.
Case No. C2013120 - Close the case without prejudice and with a Letter of Warning. Mr. Womble did not participate in the discussion of this matter nor did he vote on this matter.
Case No. C2013179-2 - Close the case without prejudice and with a Letter of Warning.
Case No. C2012239-1 and Case No. C2012239-2 - Roger C. Bowman and Bowman, Peggs & Star, CPAs - Approve the signed Consent Order (Appendix VI).
Case No. C2011260 - Bipin M. Gandhi - Approve the signed Consent Order (Appendix VII).
Case No. 200602-029 - Close the case without prejudice. Mr. Rodriguez did not participate in the discussion of this matter nor did he vote on this matter.

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:

Brandi Overstreet Dupuis
Jeremy Brian Helms
Cong Wang

Original Certificate Applications - The following were approved:

David William Almonte
Peter Constantine Bitounis
Joshua Michael Boos
Albert Michael Boulu
Michael Brandon Branscome
Steven Douglas Bruno
William Edward Callis III
Ryan Patrick William Chadwell
Andrew Robert Chaney
Stacey Lynn Chicelli
Brady Lee Combs
Jonathan Burnette Dean
Grant Matthews Dover
Brandi Overstreet Dupuis
Joseph Daniel Egbers
Suzanne Dunlow Evans
Jeffery Alan Frick
Matthew Addison Godfrey
Philip Charles Gooding
Sarah Elyse Head
Jeremy Brian Helms
Robin Denise Hewett
Elise Marilei Hobbs
Daniel Reed Hudson
Anna Carr Ivey
Jordan Vassar McRae Jernigan
David Lee Joyner
Kathy Elizabeth King
Pieter Volkert Kreuk
Ka Ying Li
Tyler Oliver Lindsey
Justin Patrick Linville
Fahad Nabeel Majeed
Alan Charles McBryer
Dawn Porter Messinger
Tanya Rae Miller
Maaike Gabrielle Mulders
Aastha Jitendryia Naik
Rihen Alberto Nieto

Carroll Dean Oglesby III
Lida Taylor Pace
Jennifer Blane Parker
Amanda Stone Patterson
Nathan Bill Phillips
Benjamin Gregg Pokorney
Jessica Dawn Propps
Jared Daniel Reynolds
Stephanie Ward Rose
John Howard Ross III
Sydney Lauren Smith
Matthew Edwin Spain
Samone Latrice Thomas
Heather Anne Upham
James Maxwell Van Dorn
Morgan Leigh Wallace
Cong Wang
Joel Nathan White
Jonathan David Wood
Matthew Yap

Staff reviewed and recommended approval of the original application submitted by Matthew James Lynch. Mr. Lynch failed to disclose pertinent information with his Exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

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

Abdullah M. Alnawairi
Kari Ann Barrack
Teare Monic Brewington
David Lee Bublick
Joseph Coco
Elizabeth Anne Daniel
Sean B. Gallagher
Graig Sean Harr
Thomas North Howard
Nicole Denise Jones
David Frank Kame
Richard Thomas Livingston
Xingjie Lu

Matthew Patrick McDowell
Elliot Bradford Nickles
Rebekah Armistead Poirier
Kathryn Wallick Riedl
Jonathan Chapman Riley
Christopher Ryan Schaffer
Sara Renee Shelp
Jeremy Robert Shreve
Noel Matthew Swartz
Pamela Jetton Taylor
Robert Thomas Taylor
Edward Lawrence Thompson III
Timothy Francis Wade
Amanda Carrie Bruce Warren  Simon Ho-On Wu
Michael David Wilson  Richard Daren Yan
Margaret Lankford Winn  Joanne Zach

Staff reviewed and recommended approval of the reciprocal application submitted by James Leland Spangler. Mr. Spangler failed to disclose pertinent information with his application that was provided by the Texas State Board on the interstate exchange form. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

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

Abdullah M. Alnawairi T7561  Elliot Bradford Nickles T7625
Xingjie Lu T7562  Jeanne Scruggs T7626
Kathryn Wallick Riedl T7563  Teare Monic Brewington T7627
Noel Matthew Swartz T7617  Jeremy Robert Shreve T7628
Rebekah Armistead Poirier T7618  Robert Thomas Taylor T7629
Joanne Zach T7619  Amanda Carrie Bruce Warren T7630
Pamela Jetton Taylor T7620  Sean B. Gallagher T7631
Graig Sean Harr T7621  John William Dear T7632
Elizabeth Anne Daniel T7622  Christopher Ryan Schaffer T7633
Frank Stephen Ketterly T7623  Lowell Michael McFerrin T7634
Sandra V. Avery T7624

**Reinstatements** - The following were approved:

Deborah McQuitter Ally #18620  Gina Eastridge Reynolds #32540
Susan Balk #33334  Sandra Simpson #15151
Beverly Carroll Eckard #32700  Elizabeth Ann Staker #24297
James Gallatin Mackey III #22187  David Neal Stoessel #12468

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

Brenda Love Armstrong #20155  Jamesine Marsden Killorin #33874
Emma Kaye Atkinson #28072  Robert Anthony LaTourette #36251

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

Katrina Carrington, CPA, PLLC  Junko Gilbert, CPA, PLLC
DENISE C DAMPIER, CPA, PLLC  Hawkins & Hawkins, PC
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:

Robert Lee Everhart #9873
John Cameron Hunt Jr. #7560
William Marshall Lambert #14316
Cynthia S. Marcelais #14810
Jean Harper Scovil #13573
Thomas P. Washburn #7991

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

Michelle Abercrombie
Kodjo Akakpovi
Octavia Allen
James Allred
Michael Badger
Kathryn Bakstad
Deanna Banovsky
Thomas Barker
David Batkiewicz
Avery Bebout
Daniel Beck
Kaitlyn Bell
Tawana Berrier
Michelle Boch
Adrienne Bostic
Audrey Bostic
Alexander Bouknight
Elizabeth Bowman
Joshua Brown
Lynn Bruggeman
Byron Bryan
Joseph Buckland
Matthew Bustamante
Michelle Campbell
Emily Capps
Amy Carter
Jonathan Castrey
Melissa Castrey
Travis Cauble
Rosario Chinchay
Chun-Yuh Chou
Kenneth Cooper
Jeffrey Cornelison
Michell Covey
Evan Crim
Christopher Cuff
Laura Davenport
Lillian Davis
Justin Deal
Megan DeMoss
Bradley Dey
Rebecca DiPalazzo
Robert Dobbins
Brandon Dunham
Clifton Dunlap
Sean Eames
Katlyn Easley
Veronica Edwards
Susan Eisenhardt
Laura English
Austin Eubanks
Lauren Frank
Jonathan Frazier
Samuel Fulp
Rene Gamez Correa
Matthew Gardner
Kenneth Golpl
Natasha Hall
Ruth Hall
Felicia Harris
Elizabeth Hasz
Phillip Hathcock
Ashley Hawkins
Brandon Hedrick
Ryan Williams
Tyler Woitkowski
Brad Woodard
Elizabeth Workman
Bradley Yacenda
Melissa Young
Xia Yu
Hye Zell

Information item - The Committee reviewed an anonymous note from a CPA regarding the CPE requirement.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Board approved the proposed 2014 Board meeting calendar.

ADJOURNMENT: Messrs. Womble and Kledis moved to adjourn the meeting at 10:51 a.m. Motion passed.

Respectfully submitted:

Attested to by:

Robert N. Brooks
Executive Director

Jose R. Rodriguez, CPA
President
21 NCAC 08A .0301 DEFINITIONS

(a) The definitions set out in G.S. 93-1(a) apply when those defined terms are used in this Chapter.

(b) In addition to the definitions set out in G.S. 93-1(a), the following definitions and other definitions in this Section apply when these terms are used in this Chapter:

(1) "Active," when used to refer to the status of a person, describes a person who possesses a North Carolina certificate of qualification and who has not otherwise been granted "Retired"—or "Inactive" status;

(2) "Agreed upon procedures" means a professional service whereby a CPA is engaged to issue a report of findings based on specific procedures performed on financial information prepared by a responsible party;

(3) "AICPA" means the American Institute of Certified Public Accountants;

(4) "Applicant" means a person who has applied to take the CPA examination or applied for a certificate of qualification;

(5) "Attest service or assurance service" means:

(A) any audit or engagement to be performed in accordance with the Statements on Auditing Standards, Statements on Generally Accepted Governmental Auditing Standards, and Public Company Accounting Oversight Board Auditing Standards;

(B) any review or engagement to be performed in accordance with the Statements on Standards for Accounting and Review Services;

(C) any compilation or engagement to be performed in accordance with the Statements on Standards for Accounting and Review Services; or

(D) any agreed-upon procedure or engagement to be performed in accordance with the Statements on Standards for Attestation Engagements;

(6) "Audit" means a professional service whereby a CPA is engaged to examine financial statements, items, accounts, or elements of a financial statement, prepared by management, in order to express an opinion on whether the financial statements, items, accounts, or elements of a financial statement are presented in conformity with generally accepted accounting principles or other comprehensive basis of accounting;

(7) "Calendar year" means the 12 months beginning January 1 and ending December 31;

(8) "Candidate" means a person whose application to take the CPA examination has been accepted by the Board and who may sit for the CPA examination;

(9) "Client" means a person or an entity who orally or in writing agrees with a licensee to receive any professional services performed or delivered in this State;

(10) "Commission" means compensation, except a referral fee, for recommending or referring any product or service to be supplied by another person;
"Compilation" means a professional service whereby a CPA is engaged to present, in the form of financial statements, information that is the representation of management without undertaking to express any assurance on the statements;

"Contingent fee" means a fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service;

"CPA" means certified public accountant;

"CPA firm" means a sole proprietorship, a partnership, a professional corporation, a professional limited liability company, or a registered limited liability partnership which uses "certified public accountant(s)" or "CPA(s)" in or with its name or offers to or renders any attest services in the public practice of accountancy;

"CPE" means continuing professional education;

"Disciplinary action" means revocation or suspension of, or refusal to grant, membership, or the imposition of a reprimand, probation, constructive comment, or any other penalty or condition;

"FASB" means the Financial Accounting Standards Board;

"Forecast" means prospective financial statements that present, to the best of the responsible party's knowledge and belief, an entity's expected financial position, results of operations, and changes in financial position or cash flows that are based on the responsible party's assumptions reflecting conditions the entity expects to exist and the course of action the entity expects to take;

"GASB" means the Governmental Accounting Standards Board;

"Inactive," when used to refer to the status of a person, describes one who has requested inactive status and been approved by the Board and who does not use the title "certified public accountant" nor does he or she allow anyone to refer to him or her as a "certified public accountant," and neither he nor she nor anyone else refers to him or her in any representation as described in 26

fabric of a rule

"IRS" means the Internal Revenue Service;

"Jurisdiction" means any state or territory of the United States or the District of Columbia;

"License year" means the 12 months beginning July 1 and ending June 30;

"Member of a CPA firm" means any CPA who has an equity ownership interest in a CPA firm;

"NASBA" means the National Association of State Boards of Accountancy;

"NCACPA" means the North Carolina Association of Certified Public Accountants;

"North Carolina office" means any office physically located in North Carolina;

"Person" means any natural person, corporation, partnership, professional limited liability company, registered limited liability partnership, unincorporated association, or other entity;

"Professional" means arising out of or related to the particular knowledge or skills associated with CPAs;
"Projection" means prospective financial statements that present, to the best of the responsible party's knowledge and belief, given one or more hypothetical assumptions, an entity's expected financial position, results of operations, and changes in financial position or cash flows that are based on the responsible party's assumptions reflecting conditions it expects would exist and the course of action it expects would be taken given such hypothetical assumptions;

"Referral fee" means compensation for recommending or referring any service of a CPA to any person;

"Retired," when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents related to such services, as a CPA;

"Revenue Department" means the North Carolina Department of Revenue;

"Review" means a professional service whereby a CPA is engaged to perform procedures, limited to analytical procedures and inquiries, to obtain a reasonable basis for expressing limited assurance on whether any material modifications should be made to the financial statements for them to be in conformity with generally accepted accounting principles or other comprehensive basis of accounting;

"Reviewer" means a member of a review team including the review team captain;

"Suspension" means a revocation for a specified period of time. A CPA may be reinstated after a specific period of time if the CPA has met all conditions imposed by the Board at the time of suspension;

"Trade name" means a name used to designate a business enterprise;

"Work papers" mean the CPA's records of the procedures applied, the tests performed, the information obtained, and the conclusions reached in attest services, tax, consulting, special report, or other engagement. Work papers include programs used to perform professional services, analyses, memoranda, letters of confirmation and representation, checklists, copies or abstracts of company documents, and schedules of commentaries prepared or obtained by the CPA. The forms include handwritten, typed, printed, word processed, photocopied, photographed, computerized data, or any other form of letters, words, pictures, sounds or symbols;

"Work product" means the end result of the engagement for the client which may include a tax return, attest or assurance report, consulting report, and financial plan. The forms include handwritten, typed, word processed, photocopied, photographed, computerized data, or in any other form of letters, words, pictures, sounds, or symbols.
(c) Any requirement to comply by a specific date to the Board that falls on a weekend or federal holiday shall be received as in compliance if postmarked by U.S. Postal Service cancellation, by that date, if received by a private delivery service by that date, or received in the Board office on the next business day.

History Note: Authority G.S. 93-1; 93-12;
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006; January 1, 2004; April 1, 1999; August 1, 1998; February 1, 1996; April 1, 1994; September 1, 1992.
21 NCAC 08 F.0103 is amended as published in 28:05, pages 381-382, with changes, as follows:

21 NCAC 08 F.0103  FILING OF EXAMINATION APPLICATIONS AND FEES

(a) All applications for CPA examinations shall be filed with the Board accompanied by the examination fee. The Board sets the fee for each examination at the amount that enables the Board to recover its actual costs of examination services. If a check or credit card authorization fails to clear the bank, the application shall be deemed incomplete and returned. CPA Exam applications and fee information are on the Board’s website at www.mccpboard.gov.

(b) The initial application filed to take the examination shall include supporting documentation demonstrating that all legal requirements have been met, such as:

1. (1) minimum legal age;
2. (2) education, and
3. (3) good moral character.

(c) Any person born outside the United States shall furnish to the Board office evidence of citizenship; evidence of resident alien status; or

1. (1) other bona fide evidence that the applicant is legally allowed to remain in the United States for the purposes of becoming a U.S. citizen; or
2. (2) a notarized affidavit of intention to become a U.S. citizen; or
3. (3) evidence that the applicant is a citizen of a foreign jurisdiction which extends to citizens of this state like or similar privileges to be examined.

(d) Official transcripts (originals – not photocopies) signed by the college registrar and bearing the college seal are required to prove education and degree requirements. A letter from the college registrar of the school may be filed as documentation that the applicant has met the graduation requirements if the degree has not been awarded and posted to the transcript. However, no examination grades shall be released until an official transcript is filed with the Board confirming the information applied for education requirements are stated in the college registrar’s letter.

(e) In order to document good moral character as required by O.S. 92-118(5), three certificates of good moral character signed by persons not related by blood or marriage to the applicant shall accompany the application.

(f) No additional statements or affidavits, regarding education, are required for applications for re-examination.

(g) An applicant shall include as part of any application for the CPA examination a statement of explanation and a certified copy final disposition if the applicant has been arrested, charged, convicted or found guilty of, received a prayer for judgment continued or pleaded nolo contendere to any criminal offense.

(h) If an applicant has been denied any license by any state or federal agency, the applicant shall include as part of the application for the CPA examination a statement explaining such denial. An applicant shall include a statement
of explanation and a certified copy of applicable license records if the applicant has been registered with or licensed
by a state or federal agency and has been disciplined by that agency.

(i) Two identical photographs shall accompany the application for the CPA examination and the application for the
CPA certificate. These photographs shall be of the applicant alone, 2x2 inches in size, front view, full face, taken in
normal street attire without a hat or dark glasses, printed on thin paper with a plain light background and taken
within the last six months. Photographs may be in black and white or in color. Photographs retouched so that the
applicant's appearance is changed are unacceptable. Applicants shall write their names on the back of their photos.

(j) If an applicant's name has legally changed and is different from the name on any transcript or other document
supplied to the Board, the applicant shall furnish copies of the documents legally authorizing the name change.

(k) Candidates shall file initial and re-exam applications to sit for the CPA Examination on forms provided by the
Board.

(l) Examination fees are valid for a six-month period from the date of the applicant's notice to schedule for the
examination from the examination vendor.

(m) No application for examination shall be considered while the applicant is serving a sentence for any criminal
offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally
suspended sentence, any of which are imposed as a result of having been convicted or having plead to a criminal
charge.

History Note: Authority G.S. 93-12(3); 93-12(4); 93-12(5); 93-12(7);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. January 1, 2014; February 1, 2011; January 1, 2006; January 1, 2004; August 1,
1998; February 1, 1996; April 1, 1994; March 1, 1990; May 1, 1989.
21 NCAC 08F .0502 is amended as published in 28:05, page 382, with changes, as follows:

21 NCAC 08F .0502 APPLICATION FOR CPA CERTIFICATE

(a) A person applying for a certificate of qualification must file with the Board an application and an experience affidavit on forms provided by the Board and $66$ other evidence as the Board may require in order to determine that the applicant has met the statutory and regulatory requirement. CPA certificate applications and information are on the Board's website at www.ncacapproveboard.gov.

(b) Three certificates of good moral character signed by CPAs shall be submitted with the application for a CPA certificate.

(c) An applicant shall include as part of any application for a CPA certificate a statement of explanation and a certified copy of final disposition if the applicant has been arrested, charged, convicted or found guilty of, received a prayer for judgment continued or pleaded nolo contendere to any criminal offense. If an applicant has been denied any license by any state or federal agency, the applicant shall also include as part of the application for the CPA certificate a statement explaining such denial. An applicant shall include a statement of explanation and a certified copy of applicable license records if the applicant has been registered with or licensed by a state or federal agency and has been disciplined by that agency.

(d) No application for a certificate shall be considered while the applicant is serving a sentence for any criminal offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally suspended sentence, any of which are imposed as a result of having been convicted or having plead to a criminal charge.

History Note: Authority G.S. 93-12(S);
Eff. December 1, 1982;
Amended Eff. January 1, 2014; March 1, 1990; May 1, 1989; October 1, 1984.
21 NCAC 08G .0401 is amended as published in 28:05, pages 382-383, with changes, as follows:

21 NCAC 08G .0401  CPE REQUIREMENTS FOR CPAS

(a) In order for a CPA to receive CPE credit for a course:

(1) the CPA must attend or complete the course and receive a certificate of completion as set forth in 21 NCAC 08G .0404(a) of this Section;

(2) the course must meet the requirements set out in 21 NCAC 08G .0404(b) of this Section;

(3) the course must increase the professional competency of the CPA.

(b) The Board registers sponsors of CPE courses. A CPE course provided by a registered sponsor is presumed to meet the CPE requirements set forth in 21 NCAC 08G .0404(a) if the sponsor has indicated that the course meets those requirements. However, it is up to the individual CPAs attending the course and desiring to claim CPE credit for it to assess whether it increases their professional competency.

(e)(b) A course that increases the professional competency of a CPA is a course in an area of accounting in which the CPA practices or is planning to practice in the future, or in the area of professional ethics or an area related to the profession.

(d)(e) Because of differences in the education and experience of CPAs, a course may contribute to the professional competence of one CPA but not another. Each CPA must therefore exercise judgment in selecting courses for which CPE credit is claimed and choose only those that contribute to that CPA's professional competence.

(d)(f) Active CPAs must complete 40 CPE hours, computed in accordance with 21 NCAC 08G .0409 of this Section by December 31 of each year, except as follows:

(1) CPAs having certificate applications approved by the Board in April-June must complete 30 CPE hours during the same calendar year.

(2) CPAs having certificate applications approved by the Board in July-September must complete 20 CPE hours during the same calendar year.

(3) CPAs having certificate applications approved by the Board in October-December must complete 10 CPE hours during the same calendar year.

(d)(g) There are no CPE requirements for retired or inactive CPAs.

(e)(f) Any CPE hours completed during the calendar year in which the certificate is approved may be used for that year's requirement even if the hours were completed before the certificate was granted. When a CPA has completed more than the required number of hours of CPE in any one calendar year, the extra hours, not in excess of 20 hours, may be carried forward and treated as hours earned in the following year. Ethics CPE hours may not be included in any carry forward hours. A CPA may not claim CPE credit for courses taken in any year prior to the year of certification.

(h)(g) Any CPE hours used to satisfy the requirements for change of status as set forth in 21 NCAC 08J .0105, for reinstatement as set forth in 21 NCAC 08J .0106, or for application for a new certificate as set forth in 21 NCAC 08J .0104 may also be used to satisfy the annual CPE requirement set forth in Paragraph (e)(d) of this Rule.
(h) It is the CPA's responsibility to maintain records substantiating the CPE credits claimed for the current year and for each of the four calendar years prior to the current year.

(i) A non-resident licensee may satisfy the annual CPE requirements including 21 NCAC 08G .0401 in the jurisdiction in which he or she is actively licensed and currently works or resides. If there is no annual CPE requirement in the jurisdiction in which he or she is actively licensed and currently works or resides, he or she must comply with Paragraph (e) (d) of this Rule.

History Note: Authority G.S. 93-12(8b);
Eff. May 1, 1981;
Amended Eff. January 1, 2014; January 1, 2007; January 1, 2004; August 1, 1995; April 1, 1994;
May 1, 1989; September 1, 1988.
21 NCAC 08G .0403 is amended as published in 28:05, pages 383-384, with changes, as follows:

21 NCAC 08G .0403 QUALIFICATION OF CPE SPONSORS

(a) The Board registers shall and register sponsors of CPE courses and not courses. The Board will maintain a list of sponsors which have agreed to conduct programs in accordance with the standards for CPE set forth in this Subchapter. Such sponsors shall indicate their agreement by signing a CPE program sponsor agreement form provided by the Board. These sponsors are registered sponsors.

(b) Notwithstanding Paragraph (a) of this Rule, sponsors of continuing education programs which are listed in good standing on the National Registry of CPE Sponsors maintained by NASBA shall be considered registered CPE sponsors by the Board if compliant with the CPE requirements with the Board. These sponsors are not required to sign a CPE program sponsor agreement form with this Board.

(c) In the CPE program sponsor agreement with the Board, the registered sponsor shall agree to:

(1) allow the Board to audit courses offered by the sponsor in order to determine if the sponsor is complying with the terms of the agreement and shall refund the registration fee to the auditor if requested by the auditor;

(2) have an individual who did not prepare the course review each course to be sure it meets the standards for CPE;

(3) state the following in every brochure or other publication or announcement concerning a course:

(A) the general content of the course and the specific knowledge or skill taught in the course;

(B) any prerequisites for the course and any advance preparation required for the course and if none, that should be stated;

(C) the level of the course, such as basic, intermediate, or advanced;

(D) the teaching methods to be used in the course;

(E) the amount of sponsor recommended CPE credit a CPA who takes the course could claim; and

(F) the date the course is offered, if the course is offered only on a certain date, and, if applicable, the location;

(4) ensure that the instructors or presenters of the course are qualified to teach the subject matter of the course and to apply the instructional techniques used in the course;

(5) evaluate the performance of an instructor or presenter of a course to determine whether the instructor or presenter is suited to serve as an instructor or presenter in the future;

(6) encourage participation in a course only by those who have the appropriate education and experience;

(7) distribute course materials to participants in a timely manner; participants;
use physical facilities for conducting the course that are consistent with the instructional techniques used;

(9) assign accurately the number of CPE credits each participant may be eligible to receive by either:
   (A) monitoring attendance at a group course; or
   (B) testing in order to determine if the participant has learned the material presented;

(10) provide, before the course's conclusion, an opportunity for the attendees to evaluate the quality of
     the course by questionnaires, oral feedback, or other means, in order to determine whether the
     course's objectives have been met, its prerequisites were necessary or desirable, the facilities used
     were satisfactory, and the course content was appropriate for the level of the course;

(11) inform instructors and presenters of the results of the evaluation of their performance;

(12) systematically review the evaluation process to ensure its effectiveness;

(13) retain for five years from the date of the course presentation or completion:
   (A) a record of participants completing course credit requirements;
   (B) an outline of the course (or equivalent);
   (C) the date and location of presentation;
   (D) the participant evaluations or summaries of evaluations;
   (E) the documentation of the instructor's qualifications; and
   (F) the number of contact hours recommended for each participant;

(14) have a visible, continuous and identifiable contact person who is charged with the administration
     of the sponsor's CPE programs and has the responsibility and is accountable for assuring and
     demonstrating compliance with this Rule by the sponsor or by any other organization
     working with the sponsor for the development, distribution or presentation of CPE courses;

(15) develop and promulgate policies and procedures for the management of grievances including, but
     not limited to, tuition and fee refunds; and

provide persons completing course requirements with written proof of completion indicating the
participant's name, the name of the course, the date the course was held or completed, the
sponsor's name and address, and the number of CPE hours calculated and recommended in
accordance with 21 NCAC 08G .0409.

(d) Failure of a registered sponsor to comply with the terms of the CPE program sponsor agreement shall be
grounds for the Board to terminate the agreement, to remove the registered sponsor's name from the list of registered
sponsors and to notify the public of this action.

(e)(d) Failure of a National Registry of CPE Sponsor to comply with the terms of this Rule shall be grounds for the
Board to disqualify the sponsor to be registered as a CPE sponsor compliant with the CPE requirements with this
Board and to notify NASBA and the public of this action.

History Note: Authority G.S. 93-12(8b);
Eff. May 1, 1981;

Amended Eff. January 1, 2014; January 1, 2007; January 1, 2004; March 1, 1990; May 1, 1989;
August 1, 1988; February 1, 1983.
21 NCAC 08G .0409 is amended as published in 28:05, pages 384-385, with changes, as follows:

21 NCAC 08G .0409  COMPUTATION OF CPE CREDITS

(a) Group Courses: Non-College. CPE credit for a group course that is not part of a college curriculum shall be given based on contact hours. A contact hour shall be 50 minutes of instruction. One-half credits shall be equal to 25 minutes after the first credit hour has been earned in a formal learning activity. For example, a group course lasting 100 minutes shall be two contact hours and thus two CPE credits. A group course lasting 75 minutes shall be only one and one-half contact hours and thus one and one-half CPE credits. When individual segments of a group course shall be less than 50 minutes, the sum of the individual segments shall be added to determine the number of contact hours. For example, five 30-minute presentations shall be 150 minutes, which shall be three contact hours and three CPE credits. No credit shall be allowed for a segment unless the participant completes the entire segment. Internet based programs shall employ a monitoring mechanism to verify that participants are actively participating during the duration of the course. (Participation in the NASBA Statement on Standards For CPE Programs: Standards 6.1 and 6.2 apply)

(b) Completing a College Course. CPE credit for completing a college course in the college curriculum shall be granted based on the number of credit hours the college gives the CPA for completing the course. One semester hour of college credit shall be 15 CPE credits; one quarter hour of college credit shall be 10 CPE credits; and one continuing education unit (CEU) shall be 10 CPE credits. However, based on the amount of credit given, no CPE credit shall be given to a CPA who audits a college course.

(c) Self Study. CPE credit for a self-study course shall be given based on the average number of contact hours needed to complete the course. The average completion time shall be allowed for CPE credit. A sponsor must determine, on the basis of pre-tests or word count formula, the average number of contact hours it takes to complete a course.

(d) Instructing a CPE Course. CPE credit for teaching or presenting a CPE course for CPAs shall be given based on the number of contact hours spent in preparing and presenting the course. No more than 50 percent of the CPE credits required for a year shall be credits for preparing for and presenting CPE courses. CPE credit for preparing for and presenting a course shall be allowed only once a year for a course presented more than once in the same year by the same CPA.

(e) Authoring a Publication. CPE credit for published articles and books shall be given based on the number of contact hours the CPA spent writing the article or book. No more than 25 percent of a CPA’s required CPE credits for a year shall be credits for published articles or books. An article written for a CPA’s client or business newsletter is not applicable for this CPE credit.

(f) Instructing a College Course. CPE credit for instructing a graduate level college course shall be given based on the number of credit hours the college gives a student for successfully completing the course, using the calculation set forth in Paragraph (b) of this Rule. Credit shall not be given for instructing an undergraduate level course. In addition, no more than 50 percent of the CPE credits required for a year shall be credits for instructing a college course and, if CPE credit shall also be claimed under Paragraph (d) of this Rule, no more than 50 percent of the CPE
credits required for a year shall be credits claimed under Paragraph (d) and this Paragraph. CPE credit for instructing a college course shall be allowed only once for a course presented more than once in the same year by the same CPA.

History Note: Authority G.S. 93-12(8b);
Eff. May 1, 1989;
Amended Eff. January 1, 2014; February 1, 2012; January 1, 2007; January 1, 2004; February 1, 1996; April 1, 1994; March 1, 1990.
21 NCAC 08G .0410 is amended as published in 28:05, page 385, with changes, as follows:

21 NCAC 08G .0410 PROFESSIONAL ETHICS AND CONDUCT CPE
(a) As part of the annual CPE requirement, all active CPAs shall complete CPE on professional ethics and conduct. They shall complete either two content hours in a group study format or in a self-study format of a course on regulatory or behavioral professional ethics and conduct. This CPE shall be offered by a CPE sponsor registered with the Board, or with NASBA pursuant to 21 NCAC 08G .0402 (a) or (b) Rule 08G .0403(b) of this Section.

(b) A non-resident licensee whose primary office is in North Carolina must comply with Paragraph (a) of this Rule. All other non-resident licensees may satisfy Paragraph (a) of this Rule by completing the ethics requirements in the jurisdiction in which he or she is actively licensed as a CPA and works or resides. If there is no ethics CPE requirement in the jurisdiction where he or she is actively licensed and currently works or resides, he or she must comply with Paragraph (a) of this Rule.

History Note: Authority G.S. 93-12(8b);
Eff. January 1, 2005;
21 NCAC 08I .0104 is amended as published in 28:05, page 385, with changes, as follows:

21 NCAC 08I .0104 MODIFICATION OF DISCIPLINE AND NEW CERTIFICATE

(a) A person's certificate or CPA [person's] [CPA] [person's certificate] that has been disciplined permanently revoked by the Board may apply to the Board for modification of the discipline at any time after the effective date of the Board's decision imposing it; however, if any previous application has been made with respect to the same discipline, no additional application shall be considered before the lapse of one year following the Board's decision on that previous application. Provided, however, that an application to modify permanent revocation shall not be considered until after five years from the date of the original discipline, nor more often than three years after the Board's last decision on any prior application for modification.

(b) The application for modification of discipline [person's certificate] [CPA] [person's certificate] for issuance of the revoked certificate or [registration] shall be in writing, shall set out and, as appropriate, shall demonstrate good cause for the relief sought. The application for an individual shall be accompanied by at least three supporting recommendations, made under oath, from CPAs who have personal knowledge of the facts relating to the revocation and [registration] of the activities of the applicant since the discipline was imposed. The application for a CPA firm shall be accompanied by at least three supporting recommendations, made under oath, for each CPA partner, CPA member, or CPA shareholder from CPAs who have personal knowledge of the facts relating to the revocation and [registration] of the activities of the CPA partner, CPA member, or CPA shareholder since the discipline was imposed.

(c) "Good cause" as used in Paragraph (b) of this Rule means that the applicant is completely rehabilitated with respect to the conduct which was the basis of the discipline. Evidence demonstrating such rehabilitation shall include evidence:

(1) that such person has not engaged in any conduct during the discipline period which, if that person had been licensed or registered during such period, would have constituted the basis for discipline pursuant to G.S. 93-12(9);

(2) [with respect to any criminal conviction which constituted any part of the previous discipline,] the person has completed the sentence imposed; and

(3) [with respect to a court order, civil settlement, lien or other agreement, that restitution has been made to any aggrieved party.

(d) In determining good cause, the Board may consider all the applicant's activities since the disciplinary penalty was imposed, the offense for which the applicant was disciplined, the applicant's activities during the time the applicant was in good standing with the Board, the applicant's rehabilitative efforts, restitution to damaged parties in the matter for which the penalty was imposed, and the applicant's general reputation for truth and professional probity. For the purpose of this Paragraph, "applicant" shall, in the case of a CPA firm, include CPA partners, CPA members, or CPA shareholders.

(e) Any person who applies for a modification of discipline and for a new certificate after revocation shall, in addition to the other requirements of this Section, comply with all qualifications and requirements for initial certification which exist existed at the time of the original application.
(f) No application for a new certificate or for modification of discipline shall be considered while the applicant is serving a sentence for any criminal offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally suspended sentence, any of which are imposed as a result of having been convicted or plead to a criminal charge.

(g) An application shall ordinarily be ruled upon by the Board on the basis of the recommendations and evidence submitted in support thereof. However, the Board may make additional inquiries of any person or persons, or request additional evidence it deems appropriate.

(h) As a condition for a new certificate or modification of discipline, the Board may impose terms and conditions it considers suitable to ensure the licensee or CPA firm future compliance with the statutory and regulatory requirements of the Board, including the rules of professional ethics and conduct.

History Note: Filed as a Temporary Amendment Eff. September 15, 1983, for a period of 108 days to expire January 1, 1984;
Authority G.S. 55B-12; 93-2; 93-12(7a); 93-12(7b); 93-12(9);
Eff. September 1, 1982;
Amended Eff. January 1, 2014; April 1, 1999; August 1, 1998; February 1, 1996; April 1, 1994;
March 1, 1990; May 1, 1989.
21 NCAC 08J .0105 is amended as published in 28:05, page 386, with changes, as follows:

21 NCAC 08J .0105  RETIRED-AND INACTIVE STATUS: CHANGE OF STATUS
(a) A CPA may apply to the Board for change of status to retired-status or inactive status provided the CPA meets the description of the appropriate inactive status as defined in 21 NCAC 08A .0301. Application for any status change must still be made on the annual certificate renewal form or another form provided by the Board.
(b) A CPA who does not meet the description of inactive or-retired as defined in 21 NCAC 08A .0301 may not be or remain on inactive or-retired status.
(c) A CPA on retired inactive status may change to active status by:
   (1) paying the certificate renewal fee for the license year in which the application for change of status is received;
   (2) furnishing the Board with evidence of satisfactory completion of 40 hours of acceptable CPE courses during the 12-month period immediately preceding the application for change of status. Eight of the required hours must be credits derived from a course or examination in North Carolina accountancy statutes and rules (including the Code of Professional Ethics and Conduct contained therein) as set forth in 21 NCAC 08F .0504 08G .0404(a); and
   (3) furnishing three certificates of moral character and endorsements as to the eligibility signed by CPAs holding valid certificates granted by any state or territory of the United States or the District of Columbia.
(d) A CPA on retired status may request change to inactive status by application to the Board;
(e) Any individual on inactive status may change to active status by complying with the requirements of 21 NCAC 08J .0106(e).

History Note:  Authority G.S. 93-12(8); 93-12(8b);
Eff. December 1, 1982;
Curative Adopted Eff. January 25, 1983;
Legislative Objection Lodged Eff. January 31, 1983;
Amended Eff. January 1, 2014; February 1, 2012; February 1, 2011; August 1, 1998; August 1, 1995; April 1, 1994; March 1, 1990; May 1, 1989.
21 NCAC 08J .0106 FORFEITURE OR INACTIVATION OF CERTIFICATE AND REISSUANCE OR
REINSTATEMENT FORFEITURE OF CERTIFICATE AND REISSUANCE

(a) A certificate holder who determines that the certificate of qualification issued by the Board is no longer needed
or desired may request inactive status by application to the Board.

(b)(a) A person who is inactive or has forfeited a certificate is no longer a CPA and thus is not subject to the
renewal fee or CPE requirements contained in these Rules.

(e)(b) A person who desires to reinstate an inactive certificate or reissue requests reissuance of a forfeited certificate
shall make application and provide the following to the Board:

(1) payment of the current certificate application fee;
(2) three certificates of moral character and endorsements as to eligibility signed by CPAs holding
valid certificates granted by any state or territory of the United States or the District of Columbia;
and
(3) evidence of satisfactory completion of the CPE requirement described in 21 NCAC 08J
.0105(c)(2).

(d)(c) The certificate may be reinstated or reissued if determined by the Board that the person meets the
requirements as listed in Paragraph (e)(b) of this Rule.

History Note: Authority G.S. 93-12(5); 93-12(8a); 93-12(8b);
Eff. October 1, 1984;
Amended Eff. January 1, 2014; July 1, 2010; August 1, 1998; February 1, 1996; April 1, 1994;
May 1, 1989.
21 NCAC 08J .0107 is amended as published in 28:05, page 386, as follows:

21 NCAC 08J .0107 MAILING ADDRESSES OF CERTIFICATE HOLDERS AND CPA FIRMS
All certificate holders and CPA firms shall notify the Board in writing within 30 days of any change in address home address and phone number, CPA firm address and phone number or business location and phone number, and email address.

History Note: Authority G.S. 55B-12; 93-12(7b)(5); 93-12(9);
Eff. October 1, 1984;
Amended Eff. January 1, 2014; April 1, 1999; April 1, 1991; August 1, 1986.
21 NCAC 08M .0105 is amended as published in 28:05, pages 386-387, with changes, as follows:

21 NCAC 08M .0105 PEER REVIEW REQUIREMENTS

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

(1) audits;
(2) reviews of financial statements;
(3) compilations of financial statements; and
(4) agreed-upon procedures or engagement to be performed in accordance with the Statements on Standards for Attestation Engagements.

(b) A CPA or CPA firm not providing any of the services listed in Paragraph (a) of this Rule is exempt from peer review until the issuance of the first report provided to a client. A CPA of CPA firm shall register with the peer review program as listed in (d) of this Rule within 30 days of the issuance of the first report provided to a client.

(c) A CPA, a new CPA firm or a CPA firm exempt from peer review providing any of the services in Paragraph (a) of this Rule shall furnish to the peer review program selected financial statements, corresponding work papers, and any additional information or documentation required for the peer review program within 24-18 months of the issuance of the first report provided to a client.

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

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

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

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

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

History Note:  Authority G.S. 93-12(8c);
Eff. January 1, 2004;
21 NCAC 08N .0202 is amended as published in 28:05, page 387, with changes, follows:

21 NCAC 08N .0202  DECEPTIVE CONDUCT PROHIBITED

(a) Deception Defined. A CPA shall not engage in deceptive conduct. Deception includes fraud or misrepresentation and representations or omissions which a CPA either knows or should know have a capacity or tendency to deceive.

Deceptive conduct is prohibited whether or not anyone has been actually deceived.

(b) Prohibited Deception. Prohibited conduct under this Section includes, but is not limited to, deception in:

1. obtaining or maintaining employment;
2. obtaining or keeping clients;
3. obtaining or maintaining certification, retired inactive status, or exemption from peer review;
4. reporting CPE credits;
5. certifying the character or experience of exam or certificate applicants;
6. implying abilities not supported by education, professional attainments, or licensing recognition;
7. asserting that services or products sold in connection with use of the CPA title are of a particular quality or standard when they are not;
8. creating false or unjustified expectations of favorable results;
9. using or permitting another to use the CPA title in a form of business not permitted by the accountancy laws or rules;
10. permitting anyone not certified in this state (including one licensed in another state) to unlawfully use the CPA title in this state or to unlawfully operate as a CPA firm in this state; or
11. falsifying a review, report, or any required program or checklist of any peer review program.

History Note: Authority G.S. 55B-12; 57C-2-01; 93-12(9);
Eff. April 1, 1994;
21 NCAC 08N .0203 is amended as published in 28:05, page 387, with changes, as follows:

21 NCAC 08N .0203  DISCREDITABLE CONDUCT PROHIBITED

(a) Discreditable Conduct. A CPA shall not engage in conduct discreditable to the accounting profession.

(b) Prohibited Discreditable Conduct. Discreditable conduct includes but is not limited to:

1. acts that reflect adversely on the CPA's honesty, integrity, trustworthiness, good moral character, or fitness as a CPA in other respects;
2. stating or implying an ability to improperly influence a governmental agency or official;
3. failing to comply with any order issued by the Board; or
4. failing to fulfill the terms of a peer review engagement contract;
5. misrepresentation in reporting CPE credits; or
6. entering into any settlement or other resolution of a dispute that purports to keep its contents confidential from the Board.

History Note: Authority G.S. 55B-12; 57C-2-01; 93-12(9);
Eff. April 1, 1994;
21 NCAC 08N .0208 is amended as published in 28:05, page 387, with changes, as follows:

21 NCAC 08N .0208 REPORTING CONVICTIONS, JUDGMENTS, AND DISCIPLINARY ACTIONS

(a) Criminal Actions. A CPA shall notify the Board within 30 days of any [strike] conviction or finding of guilt of, pleading of nolo contendere, or receiving a prayer for judgment continued to any criminal offense.
(b) Civil Actions. A CPA shall notify the Board within 30 days of any judgment or settlement in a civil suit, bankruptcy action, administrative proceeding, or binding arbitration, the basis of which is grounded upon an allegation of professional negligence, gross negligence, dishonesty, fraud, misrepresentation, incompetence, or violation of any federal or state tax law and which was brought against either the CPA or a North Carolina office of a CPA firm of which the CPA was a managing partner.
(c) Settlements. A CPA shall notify the Board within 30 days of any settlement in lieu of a civil suit or criminal charge which is grounded upon an allegation of professional negligence, gross negligence, dishonesty, fraud, misrepresentation, incompetence, or violation of any federal, state, or local law. Notification is required regardless of any confidentiality clause in the settlement.
(d) Investigations. A CPA shall notify the Board within 30 days of any inquiry or investigation by the Internal Revenue Service (IRS) or any state department of revenue Criminal Investigation Divisions pertaining to any personal or business tax matters.
(e) Liens. A CPA shall notify the Board within 30 days of the filing of any liens by the Internal Revenue Service (IRS) or any state department of revenue regarding the apparent failure to pay or failure to pay any amounts due any tax matters.

History Note: Authority G.S. 55B-12; 57C-2-01; 93-12(9);
Eff. April 1, 1994;
Amended Eff. January 1, 2014; January 1, 2006; April 1, 2003; April 1, 1999.
NORTH CAROLINA
WAKE COUNTY
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013116

IN THE MATTER OF:
Alexander Arndt, #33341
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 33341 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal (“Renewal”) that between January 1, 2011, and June 30, 2012, he had obtained forty (40) hours of continuing professional education (“CPE”), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2011 CPE requirements.

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 2011 and 2012 requirements.

5. Respondent was unable to provide documentation for twenty-five (25) hours of the 2011 CPE hours that he claimed on his 2012-2013 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.

NC BOARD OF
CPA EXAMINERS

OCT 22 2013
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 herein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

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 his certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).

2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.

3. Respondent may not apply for the reissuance 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 reissuance application which includes:

   a. Application form,
   b. Payment of the application fee,
   c. Three (3) moral character affidavits, and
   d. Sixty-five (65) 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 a group-study format.

NC BOARD OF

OCT 22 2013

CPA EXAMINERS
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 15th DAY OF October, 2013.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 10th DAY OF November, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President
IN THE MATTER OF:
Torrell M. Armstrong, #32980
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 32980 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that between January 1, 2011, and June 30, 2012, he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2011 CPE requirements.

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 2011 and 2012 requirements.

5. Respondent was unable to provide documentation for nineteen (19) hours of the 2011 CPE hours that he claimed on his 2012-2013 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 herein by the Board.

2. Respondent’s actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

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 his certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93 12(15).

2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent’s receipt of the Board’s notification of its approval of this Consent Order.

3. Respondent may not apply for the reissuance 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 reissuance application which includes:
   a. Application form,
   b. Payment of the application fee,
   c. Three (3) moral character affidavits, and
   d. Fifty-nine (59) 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 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 15th DAY OF October, 2013.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 13 DAY OF November, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President

[Stamp]
NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013134

IN THE MATTER OF:
Thomas Britt Taylor, #30836
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 to the following Findings:

1. Respondent is the holder of North Carolina certificate number 30836 as a
   Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate
   Renewal ("Renewal") that between January 1, 2011, and June 30, 2012, he had
   obtained forty (40) hours of continuing professional education ("CPE"), had
   completed the annual approved ethics CPE course, and had completed at
   least eight (8) hours of non-self-study CPE to meet the 2011 CPE
   requirements.

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 2011 and 2012 requirements.

5. Respondent provided the CPE certificates of completion to the Board as
   requested. Respondent was able to provide documentation for forty (40)
   hours of continuing professional education ("CPE"), to meet the 2011 and
   2012 CPE requirements. For 2011, Respondent was unable to provide
   documentation of an acceptable ethics course taken between January 1, 2011,
   and June 30, 2012 to meet the 2011 ethics CPE requirement.

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 herein by the Board.

2. Respondent’s actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

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 Consent Order:

1. Respondent’s failure to provide adequate documentation of ethics 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(15).

2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent’s receipt of the Board’s notification of its approval of this Consent Order.

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

4. Respondent may apply to return his certificate to active status by submission and approval of a reissuance application which includes:

   a. Application form,
   b. Payment of the application fee,
   c. Three (3) moral character affidavits, and
   d. Forty (40) 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 27th DAY OF October, 2013.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 18th DAY OF November, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President
IN THE MATTER OF:
Raeford Franklin Lindsay, Jr., #16758
Frankie Lindsay CPA, PLLC
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 Firm stipulate to the following:

1. Respondent Raeford Franklin Lindsay, Jr. ("Respondent") is the holder of North Carolina certificate number 16758 as a Certified Public Accountant.

2. Respondent Frankie Lindsay CPA, PLLC (hereinafter "Respondent Firm") is a registered certified public accounting professional limited liability company in North Carolina. At all times relevant to this matter, Respondent was the sole owner of Respondent Firm.

3. A public entity engaged Respondent Firm to prepare the its audit for the year ending in 2012. The audit was subject to Governmental Auditing Standards and OMB Circular A133.

4. In response to an inquiry by Board staff, Respondent, on behalf of Respondent Firm, provided information including the audit report and working papers for the entity’s audit.

5. The Board’s staff found on review of the audit and working papers that Respondent Firm’s audit of the entity was deficient as audit documentation did not support that the audit complied with professional audit standards and A-133 Single Audit requirements.

6. Respondents wish to resolve this matter by consent and agree 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. Respondents understand and agree that this Consent Order is subject to review and

NC BOARD OF
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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. Respondents are 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. Respondents actions as set out above, if proved, would constitute violations
   of 21 NCAC 08N .0403 and .0409.

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

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

1. Respondent Firm shall obtain pre-issuance reviews, to be performed by a pre-
   issuance reviewer approved by the Board, for all audit engagements until a
determination is made by the Board that said engagements can be performed
by Frankie Lindsay and/or Respondent Firm in accordance with applicable
standards. Respondent Firm shall authorize and cause the pre-issuance
reviewer to provide the Board a copy of each pre-issuance review report
upon its issuance. Respondent Firm shall reimburse the Board for its
administrative costs incurred as a result of monitoring compliance with
pre-issuance review requirements.

2. Respondent Firm shall reimburse the Board for its administrative costs of
three hundred dollars ($300.00) incurred in the investigation of this matter.

CONSENTED TO THIS THE 28   DAY OF  October   , 2013.

Raeford Franklin Lindsay, Jr.  
Frankie Lindsay CPA, PLLC

NC BOARD OF
OCT 30 2013
CPA EXAMINERS
Consent Order - 3
Raeford Franklin Lindsay, Jr.
Frankie Lindsay CPA, PLLC

Respondent

[Signature]
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 18 DAY OF November 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President

NC BOARD OF
OCT 30 2013
CPA EXAMINERS
IN THE MATTER OF:
Roger Bowman, #9869
Bowman, Pegg & Starr, CPAs
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. Roger Bowman (hereinafter "Respondent Bowman") is the holder of North Carolina certificate number 9869 as a Certified Public Accountant.

2. Bowman, Pegg & Starr, CPA (hereinafter "Respondent Firm") is a registered certified public accounting partnership in North Carolina. At all relevant times, Respondent Bowman was the supervising CPA of Respondent Firm.

3. Respondent Firm was engaged by a governmental entity to prepare audits for the years 2008, 2009, and 2010.

4. The Board contends and Respondents deny that Respondents did not conduct the 2008, 2009, and 2010 audits in accordance with Generally Accepted Auditing Standards, and that the 2008 audit was not conducted in accordance with Government Auditing Standards.

5. Respondents wish to resolve this matter by consent and agree 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. Respondents understand and agree that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:
Consent Order - 2
Roger Bowman
Bowman, Pegg & Starr, CPAs

1. Respondents are 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. Respondents’ actions as set out above constitute violations of 21 NCAC 08N .0403 and .0409.

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondents’ consent to this order, Respondents are 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. Respondents shall reimburse the Board for its administrative costs of one thousand eight hundred dollars ($1,800.00) incurred in the investigation of this matter.

2. From and after October 1, 2013 Respondent Firm shall obtain pre-issuance reviews of all working papers and audit reports prior to Respondent Firm’s issuance of any audit report. The pre-issuance reviews shall be conducted until the Board decides that pre-issuance reviews are no longer necessary.

3. The pre-issuance reviews shall be performed by a pre-issuance reviewer approved by the Board, and Respondent Firm shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report upon it issuance.

4. Respondents shall reimburse the Board for reasonable administrative costs incurred as a result of monitoring Respondents’ compliance with the pre-issuance review requirements.

CONSENTED TO THIS THE 7th DAY OF November, 2013.

[Signature]
Respondent Bowman
Consent Order - 3
Roger Bowman
Bowman, Pegg & Starr, CPAs

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 18 DAY OF NOVEMBER 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: [Signature]
President
NORTH CAROLINA  
WAKE COUNTY  
BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: C2011260

IN THE MATTER OF:  
Bipin M. Gandhi, #25176  
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. Bipin M. Gandhi (hereinafter "Respondent") is the holder of North Carolina certificate number 25176 as a Certified Public Accountant.

2. Respondent’s client ("Client") has alleged that Respondent was engaged by the Client to prepare the Client’s income tax returns, and sales and use tax returns for 2005, 2006, and 2007. Respondent contends that he was retained to prepare sales and use tax returns only.

3. When the Client determined that Respondent had not prepared or filed the income tax returns, the Client contends that he demanded that Respondent return all the Client’s records.

4. Respondent was not immediately responsive to subsequent inquiries made by the Client and/or the Client’s successor accountant regarding the Client’s records. Respondent contends that he was out of the country at the time of the request, and provided the information promptly upon his return.

5. After the Client filed a Complaint with the Board, Respondent did respond to the Board’s inquiries, however that response was not made within the 21 day time period set forth in 21 NCAC 08N .0206.
6. Respondent denies any violation of the Board’s laws and rules but 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. Respondent denies any violation of the Board’s laws and rules

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 alleged failure to timely return client records and failure to cooperate with a subsequent accountant regarding those records, if proven, would be violations of 21 NCAC 08N .0305.

3. Respondent’s alleged failures to timely respond to Board inquiries, if proven, would constitute violations of 21 NCAC 08N .0206.

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. Respondent, Bipin M. Gandhi, is hereby subject to a two-year suspension, which suspension is stayed upon successful compliance with the remainder of this Consent Order. The stay will be lifted in the event that, during the next two years, Respondent violates any provision of this Order, subject to Respondent’s opportunity to show cause as to why the stay should not be lifted.

2. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty, to be remitted within sixty (60) days of the Board’s approval of this Consent Order.
3. Respondent shall pay administrative costs in the amount of two-thousand dollars ($2,000.00), to be remitted within sixty (60) days of the Board's approval of this Consent Order.

CONSENTED TO THIS THE 15 DAY OF NOVEMBER 2013.

______________________________
Respondent

APPROVED BY THE BOARD THIS THE 18 DAY OF NOVEMBER 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

______________________________
President