

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
December 16, 2013
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Jose R. Rodriguez, CPA, President; Bucky Glover, CPA, Vice President; Maria M. Lynch, Esq., Secretary-Treasurer; Tawannah G. Allen, Ed.D.; Barton W. Baldwin, CPA; and John M. Kledis, 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; Buck Winslow, Manager-Licensing; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; Austin Watcher, CPA, NCACPA; Wm. Hunter Cook, CPA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA; Curt Lee, Legislative Liaison, NCSA; and Nanny Staggers.

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

MOMENT OF SILENCE: President Rodriguez asked everyone to observe a moment of silence in remembrance of former Board member Reverend Jordan C. Harris, Jr., of Statesville, NC, who recently passed away.

MINUTES: The minutes of the November 18, 2013, meeting were approved as submitted.

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

LEGISLATIVE AND RULE-MAKING ITEMS: 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: Mr. Brooks provided information regarding the upcoming AICPA BOE practice analysis for the content of the Uniform CPA Examination.

The Board deferred any action on the nomination letter for Ken R. Odom, CPA, for Chair Elect of NASBA until all nominations for this position are made.

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

Case No. C2013072 - Ervin Timothy Johnson - Approve the signed Consent Order (Appendix I).

Case No. C2013137 - Joseph H. Clark, III - Approve the signed Consent Order (Appendix II).

Case No. C2013138 - T. Scott Brumley - Approve the signed Consent Order (Appendix III).

Case No. C2013207-2 - Close the case without prejudice and with a Letter of Warning.

Case No. C2013033 - Close the case without prejudice.

Case No. C2013087 - Close the case without prejudice and with a Letter of Warning.

Case No. C2013164 - Craig S. Kellner - The Board approved the Order (Appendix IV) as consented to by Mr. Kellner.

Case No. C2012379 - Close the case without prejudice and with a Letter of Warning.

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

Original Certificate Application - Staff reviewed and requested disapproval of a hypothetical CPA certificate application. The applicant failed to complete all four sections of the exam within the 18-month period pursuant to 21 NCAC 08F .0105(1). The Committee approved staff recommendation.

Reciprocal Certificate Applications - The application submitted by Debra Michelle DeFelice was approved.

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

Daniel Leo Stilphen, T7635
Ta-Tanisha Braggs Worrell, T7636
Robert Matthew Doran, T7637
Joan Barry Workman, T7638
Andrew John Smith, T7639

Lori Lynn Bothwell, T7640
Ryan Clayton Hamelin, T7641
Kelly Borden Bowman, T7642
Christopher Scott Gearing, T7643
Arnold Grayson Nance, T7644

Helen Blair Diamond, T7645
Jessica Kate Simmons, T7646
Sophie Youssef Malati, T7647
Kristen Michelle Smith, T7648

Matthew Wayne Conner, T7649
Elizabeth Andrea Wellman, T7650
Kelly Cramer Cantwell, T7651

Reinstatements - The following were approved:

John Paul Barbee, #36178
Dale Thomas Massey, #18170

Emily Riche Massey, #26359
Deborah Coltrain Smith, #25306

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

Susan Mary Groover, #29976

Jacquelyn Nelson-Owens #27398

Reissuance of New Certificate and Consent Agreement - An application for reissuance of new certificate and consent agreement submitted by Grady Siler Patterson, IV, #35795, was approved.

Firm Registrations - James W. Wallace, CPA, PLLC, was approved by the Executive Director and ratified by the Board:

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:

Valerie Kartanson Carter, #11615
John Dunn Midyette, III, #4341

Thomas J. Overton, Jr., #6816
Gerald W. Schultheiss, #2108

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

James Aaron
Nathaniel Adams
Christopher Anderson
Natalie Angell
Katie Anthony
Beren Armstrong
LeAnn Bagasala
William Baldwin
Deanna Banovsky
Rebecca Bechtel
Tyler Betts

Christine Black
Danielle Bradshaw
Chase Branham
Andrea Bridges
Danielle Brischke
Nichole Brown
Lori Bruorton
Holly Buzgo
Ashley Canady
Rinz Nichole Carino
Jamison Carpenter

Brendan Cei
Joel Chambers
Ning Chen
An Thu Chu
Tyler Cima
Christina Clarke
Tonya Coates
Matthew Collier
Lorena Contreras-Hall
Juanita Cook
Christopher Cox
Zeynep Cukro
Victor D'Alesio
Morris Davis
Thomas Dobbins
Michael Doggett
Elena Dusenbury
Antoinyce Eaton
Agatha Eggers
Anna Elzey
Maria Errazo
Sean Feeley
Joshua Ferrin
Jordan Frazier
Justin Freed
George Freeman
Ashton Garcia
Kameron Gress
Kristen Griffith
Allison Hajj
Anne Hampshire
JiaJia Hao
Ashley Hare Massey
Lindsey Harper
Brandon Hedrick
Jeremy Hiatt
Nancy Higuera Lopez
Steven Hogan
Joy Holleman
Kelsie Houck
Gregory Howard
Stephanie Hubbard
Erin Hurd

Stephanie Jarvis
Ashleigh Joyner
Elizabeth Kay
Bradley Kenkel
Euna Kim
Anna Kinast
David King
Kristina Klier
John Tyler Knox
LaShanda Lane
Adam Lanier
Jacob Lawier
Bronwyn Lawrence
Larysa Lim
Minxue Lin
Russell Liston
Stuart Long
Christopher Lovitt
Travis Lowman
Todd Major
Gurband Mann
McKay Matthews
Timothy Mausolf
Dananjaya Mayadunne
Adam McCutcheon
Meredith McDonald
Matthew McLean
Joshua Minor
Ryan Moore
Andrew Mossman
Elizabeth Moy
Kaelyn Mulvey
Steven Myers
Stephanie Nachtrieb
Marina Nesic
Eric Ogilvie
Miles Onafowora
Tina Papakonstantionu
Meagan Parrott
Andrew Parsons
Thomas Pash
Nimisha Patel
Urvish Patel

Emily Payne
Andrew Pearson
Wendy Pendergraph
William Perrault
Hang Plemmons
Diani Popoca
Kun Qian
Lindsay Quinn
Malcolm Ramsammy
Jason Redinbo
Ann Reinking
Jenna Rheuark
Megan Ring
Amber Roberts
Fred Robinson
Elizabeth Senczy
Richard Sincerbeaux, Jr.
Kelsey Smith
Hannah Stamey
Kent Stanton
Alicia Starnes
Michael Stoltz

Jennifer Sumler
Kelly Sun
Jenni Swartout
Jacob Taitague
Anthony Tallarico
Heather Tapscott
Ryan Tatem
Charles Taylor
Genessa Tetterton
George Tutor
David Walker
Sarah Watkins
Shauna Whitener
Heather Whittington
Jaamal Whittington
Edwin Wotortsi
Jason Wray
Ruoyu Wu
Inja Yoon
Mina Yu
Hadeel Zaben
Michael Zimmerman

Miscellaneous

The Committee reviewed an Independent Assessment Report for the course "Greatest Coaches Ever: Leadership Lessons from Dean Smith, Roy Williams, Coach K, and Jimmy V."

The Committee reviewed information collected by staff on the accounting concentration. Staff recommended no change to the current rule. Ms. Lynch and Dr. Allen moved to approve that no change be made to 21 NCAC 08A .0309(a)(1) and the staff publish information on the rule to the universities, colleges, and community colleges for their accounting students. Motion passed with four (4) affirmative votes and two (2) negative votes.

Staff presented results from a pilot program of background checks for exam applicants. The Committee instructed staff to bring back to the Committee revised language on the applications regarding moral character in light of recent law changes: on expunction of convictions.

Messrs. Rodriguez and Baldwin moved to request that any changes to the procedures regarding applications to the Board be presented to the Professional Education and Applications Committee and then to the Board for final approval. Motion passed.

RESOLUTION: President Rodriguez read and presented a Resolution thanking John M. Kledis, CPA, for his service to the Board and the citizens of North Carolina. Messrs. Glover and Baldwin moved to make the Resolution (Appendix V) a part of the minutes. Motion passed. Mr. Rodriguez also presented Mr. Kledis with a plaque.

OATH OF OFFICE: Wm. Hunter Cook, CPA, was sworn the Oath of Office by President Rodriguez.

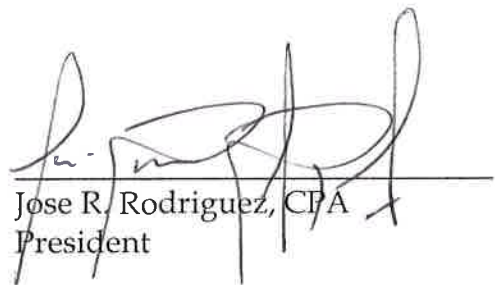
ADJOURNMENT: Mr. Cook and Dr. Allen moved to adjourn the meeting at 10:53 a.m. Motion passed.

Respectfully submitted:

Attested to by:



Robert N. Brooks
Executive Director


Jose R. Rodriguez, CPA
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013072

IN THE MATTER OF:

Ervin Timothy Johnson, #9524
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. Ervin Timothy Johnson (hereinafter "Respondent") is the holder of North Carolina certificate number 9524 as a Certified Public Accountant.
2. In 2008 and again in 2011, Respondent was charged with assault on a female. Those charges were dismissed as unfounded. Nevertheless, he did not disclose those charges on his subsequent online certificate renewals which asked the following question:

Have you been party to a civil suit, bankruptcy action, administrative proceeding, or binding arbitration the basis of which is an allegation of negligence, dishonesty, fraud, misrepresentation, or incompetence, since filing your last renewal?
3. By failing to affirmatively respond to the aforementioned questions on his renewal, Respondent misrepresented the renewal information that he provided to the Board.
4. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina

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Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent's misrepresentations on his annual renewals constitute violations of 21 NCAC 08N .0202.
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 is censured.

CONSENTED TO THIS THE 12th DAY OF NOVEMBER, 2013
(Day) (Month) (Year)

Ervin Timothy Johnson
Respondent

APPROVED BY THE BOARD THIS THE 16 DAY OF DECEMBER,
(Day) (Month)
2013
(Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NC BOARD OF
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CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013137

IN THE MATTER OF:
Joseph H. Clarke, #33214
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 33214 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 requirements.
5. Respondent was unable to provide documentation of an approved ethics course taken between January 1, 2011, and June 30, 2012, from a CPE provider registered with either the National Association of State Boards of Accountancy ("NASBA") or the Board 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 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

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- d. Forty-two (42) 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.

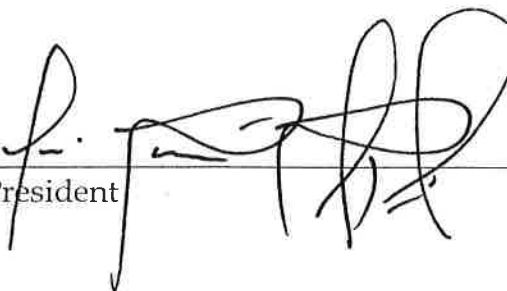
CONSENTED TO THIS THE 5 DAY OF NOVEMBER, 2013.


Respondent

APPROVED BY THE BOARD THIS THE 16 DAY OF DECEMBER, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 
President

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NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013138

IN THE MATTER OF:
T. Scott Brumley, #14637
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 14637 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 requirements.
5. Respondent was unable to provide documentation for forty (40) hours of 2011 CPE that he claimed 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.

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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. Eighty (80.0) 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.

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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 9th DAY OF November, 2013.

T Scott Brumley
Respondent

APPROVED BY THE BOARD THIS THE 16 DAY OF DECEMBER, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NC BOARD OF
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NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2013164

IN THE MATTER OF:
Craig S. Kellner, #N282
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. Craig S. Kellner (hereinafter "Mr. Kellner") is the holder of a valid and unrevoked certificate as a certified public accountant issued by the State of New York. Mr. Kellner has a principal place of business outside of the State of North Carolina, but has, as set forth below, exercised a practice privilege to perform services in this State. As such, Mr. Kellner is subject to the laws, rules, jurisdiction, and disciplinary authority of this Board, per N.C. Gen. Stat. § 93-10(b). Additionally, Mr. Kellner has filed a North Carolina "Intent to Practice" number N282 as a Certified Public Accountant.
2. Mr. Kellner failed to timely renew or cancel the annual firm registration for Eldredge, Fox & Porretti, LLP, 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. Pursuant to 21 NCAC 08J .0111(3), because Mr. Kellner's infraction was for a period of more than 120 days, the appropriate penalty is \$500.00.
4. Mr. Kellner has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.
5. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Kellner's payment as full resolution of the aforementioned rules violation.

This the 10 day of DECEMBER, 2013.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____
President

A handwritten signature in black ink, appearing to be "P. Kellner", is written over a horizontal line. The signature is stylized and cursive.

**NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS**



RESOLUTION

WHEREAS, John M. Kledis, CPA, has served as a member of the North Carolina State Board of Certified Public Accountant Examiners since 2012;

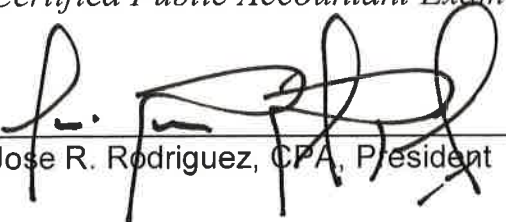
WHEREAS, during his tenure he served on the Professional Education and Applications Committee;

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

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

This the 16th day of December 2013.

*North Carolina State Board of
Certified Public Accountant Examiners*



Jose R. Rodriguez, CPA, President

