PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
April 23, 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; John M. Kledis, CPA; and Michael H. Womble, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy 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: Linda Poulson, CPA, NCACPA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA and Walter C. Davenport, CPA.

CALL TO ORDER: President Rodriguez called the meeting to order at 10:09 a.m.

MINUTES: The minutes of the March 20, 2013, meeting were approved as submitted.

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

LEGISLATIVE AND RULE-MAKING ITEMS: Mr. Brooks provided an update on legislation that is directed at occupational licensing boards.

STATE AND LOCAL ORGANIZATION ITEMS: Messrs. Kledis and Glover moved to approve the Memorandum of Agreement (Appendix I) with the Local Government Commission, the Office of the State Auditor, and the NCACPA. Motion passed.

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

Case No. C2012058 - Melanie M. Starr - Approved the signed Consent Order (Appendix II).
Case No. C2012304-1 - Sandy M. Dobson, CPA - Approve the signed Consent Order (Appendix III).
Case No. C2012307-1 - David L. French, CPA - Approve the signed Consent Order (Appendix IV).
Case No. C2013006 - Daryl D. Mennen - Approve the signed Consent Order (Appendix V).
Case No. C2012423 - Close the case without prejudice.

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

Transfer of Grades Applications - The following were approved:
Tara Renae Harris                        Fred Joseph Reill

Original Certificate Applications - The following were approved:
Carol Elizabeth Alverson                  Matthew Jordan Miller
Alicia Dawn Angell                        Christopher Roger Mills
Alison Nicole Chilton                     Jennifer Nicole Milton
Kenneth Jamison Crampton                  Megan Elizabeth Morrissey
Kimberly Jean Crocker                      Andrew John Mulvihill
Brandon Joe Culp                           Zhangying Qiu
Kendall Smith Davis                       Meredith Fincher Rawls
Emily Ann Fisher                           Fred Joseph Reill
Patrick Ryan Furlong                      Lana Parker Richards
Nicholas Hahon Granack                     Jonathan Ryan Scarpola
Carson Matthew Guy                         Eva Herron Simpson
Tara Renae Harris                          Kaeli Kristin Sims
Ronald Jeremy Hopkins                      Courtney Martin Smith
Xianlian Huang                             Hannah Comer Stanley
Jarred Scott Hunter                        Clark Dewey Stevens
Kathleen Haley Keating                     Tomokazu Jonathan Takahashi
Thomas Edward Key Jr.                      Andrew Toniolo
Stephen Andrew Lashower                   Ana Vazquez
Judy Mak                                   Benjamin Shaw Walker
Stephen Robert Mason

Reciprocal Certificate Applications - The following were approved:
Deborah Mahler Baum                        Deborah Shutters Butt
Lyndsey Nicole Beasley                    Jonathan Michael Carie
Denise Marie Bennen                       Andrea Rebecca Carlton
Aaron Louis Blackmor                       Joshua Landon Chambers
Wendla Anne Boddy                          Montana Ashley Clelland
Rosanne Jane Brown                         Keri Phifer Cole
Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Patrick McEntee Dunlavey T7277
Wendla Anne Boddy T7278
Jill Rebecca Ruvidich T7279
Murray Sherwood Marsh Jr. T7280
Stacy Michelle Johnson T7281
Thomas Joseph McNeish T7282
Gary Baker T7283
Michael Brian Biglin T7284
J. Thomas Knight T7285

Sonya Carmela Rennick T7286
Deborah Shutters Butt T7287
Monali N. Patel T7288
Kristi Anne Parrotte T7289
Jennifer Lynne Hall T7290
Michael Levy T7291
Margaret Anne Davis T7292
Michael Thomas Drury T7295
Barbara Jean Sonnenschein T7296
Frederick Loel Brye Jr. T7297
Allison Adrienne Cole T7298
Ryan Don Miller T7299
Robert Edward Mayhew T7300
Laura Mangold Hester T7301
Anthony M. Sharper Sr. T7302
Brandon Lee Jessup T7303

Shawn Eric Levesque T7304
Cory Michael Sunderland T7305
Glen Joseph Spiniello T7306
Victoria Maria Sumbs T7307
Patrick James Dunn T7308
Katherine Manning Byrne T7309

Reinstatements - The following were approved:

Elizabeth Ann Brown #31714
Frank Erickson Ciszek #32969
Robert Dodd Haynes #16306
William Watkins Kelly Jr. #20934

James Clarke Murphy Jr. #28717
David Keith Schrenker #34301
Joshua Allen Slagle #34733
Michael Joseph Tracey #24013

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

John Francis Amendola #19716
Kristen Moore Goodlaxson #23677
Daniel A. Landis #23260

Karen Fordham Martinez #30116
Robin Poythress #20326

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:

Claire Lee Chase #8582
Maurice A. Fox #7722

Arthur Ray McGimsey #3268
Harold Dean Sellers #13627

Extension Requests - The Committee approved the following individuals for extension for completion of CPE until the dates noted:

Danica Lynn Little #31533: 5/1/13
Bruce Rosenberg #15508: 3/31/13

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

Danielle Abernathy
Mikhail Alexoudis
Anthony Aliquo
Cassie Allman
David Almonte
Victoria Argus

Douglas Arvin
Sheila Ashley
Danielle Atkinson
Kathy Averett
Luisa Babich
LeAnn Bagasala
Bruce Baird
Elizabeth Baker
Kathryn Bakstad
Jana Ballard
Tommi Barbour
Norma Barnes
Irina Basarabeanu
Daniel Beck
Graham Bielamowicz
Matthew Borders
Kenneth Boyle
Christina Brackins
Amanda Brady
Sally Brame
Terrence Brennan
Ebonyee Brincefield
David Broome
Douglas Brown
Maricia Brown
Michael Bruce
Hope Buttitta
Latesha Byrd
Charles Cadwell
Michelle Campbell
Benjamin Canada
Jenna Caprara
Carolyn Castle
Jonathan Castrey
Melissa Castrey
Saad Chaudhary
Ning Chen
Ray Chen
Shuo Chen
Hannah Childress
Chun-Yuh Chou
Tyler Cole
Sarah Collins
Katherine Conley
Kenneth Cooper
Margaret Correll
Michael Cortes
Evan Crim
Reuben Dalton
Laura Davenport
Emily Dean
Molly Demarest
Miloni Dhulia
Felicia Diggs
Rebecca DiPalazzo
Robert Dobbins
William Dudley
Clifton Dunlap
Antoinyce Eaton
Veronica Edwards
Susan Eisenhardt
Peter Ekenstierna
Ibrahim Elsayed
James Engel
Ashley Epps
John Esposito
Austin Eubanks
Nicole Evanger
Marisa Evans
Claude Felmet
Mary Fischer
Bobby Fitzjohn
Olivia Fong
Jennifer Ford
Sina Forghani
Adam Forsberg
Natasha Foster
Chelsea France
Jonathan Frazier
Russell Frey
Natalie Friedman
Chassidy Gaines
Carleton Gallagher
Matthew Garner
Bria Gilchrist
Carolyn Gile
Andrew Gitt
Adam Glass
Daniel Glasser
Kenneth Golpl
Shirley Gomes
Ashley Good
Deon Goode
James Goodman
Kevin Greats
Matthew Green
Melanie Green
Patrick Griffin
Kaitlyn Haake
Susan Hagan
Phillip Hale
Cara Hall
Brittany Hamm
Joseph Haney
Geri Hare
Elizabeth Harris
Felicia Harris
Warren Harvey
Elizabeth Hasz
Margaret Helton
Tamara Henderson
Matthew Hess
Nicholas Heyland
Kayla Hicks
Eric High
Crystal Hill
Andy Hoang
Mallory Hobbs
Jennifer Horne
Tiffany Howard
Wendi Howard
Julia Howe
HanWen Hsu
Paul Huckle
Daniel Hudson
Rachel Humphries
Mark Hunike
Farabee Hussain
Kevin Ingold
Peter Irvin
Deborah Jackson
Joseph Jackson
Mia Jackson
Alex Jandrisevits
John Jenkins
Tanya Jenkins
Garrett Jernigan
Timothy Jeter
Lisa Johansen
Amy Johnson
Crystal Johnson
Joy Johnson
Stephen Johnson
Nichole Jones
Steven Joseph
Jacob Karr
Harpreet Kaur
Nicole Keating
Steven Khoury
Ryan Kildoo
Dae Kim
Euna Kim
David King
Jonathan Kittel
Joshua Kleinberg
Alyssa Knies
Justin Knight
Larry Knop, Jr
Elizaveta Koneva
Peter Laczynski
Kristen Lambert
Bart Landen
Bailey Langvardt
Adam Lanier
Timothy Lavender
Elizabeth Lawrence
Bao-Tran Le
Brooke Leja
Faye Levy
Wei Li
Edward Linton
Matthew Long
Stuart Long
Amber Lopez
Carrie Love
Sarah Loving
Travis Lowman
Michael MacDermott
Shay Sellati
Elizabeth Senczy
Gabrielle Shahid
Sharon Sharpe
Cheterra Sheff
Chad Sherin
Chon Shoaf
Elton Shoemaker
Joseph Simmons
Chelsea Simon
Richard Sincerbeaux, Jr
Manjeet Singh
Jyoti Singh
Jared Sink
Novlette Slade
Cortney Slater
Erica Sloan
Susan Smitherman
Matthew Spain
Jeffrey Speanburg
Karyn Spillers
Kira Staggers
Kyle Stamp
Dominique Stevenson
Victoria Stewart
Kristen Stiefel
Josh Strehle
Teresa Striblin
Patrick Stultz
Yanming Sun
Premalata Sundaram
Ryan Szwejbka
Julia Taranenko
William Tate
Charles Taylor
Martrice Terry
William Tharrington
Samone Thomas
Zachary Thomas
Matthew Thompson
Andrew Tilley
Thomas Timoney
Robert Tomasula
Tara Tripp
Jamar Turner
Taresa Turner
Pamela Tyson
John Umstead
William Varnedoe, Jr
Kelsey Vaughn
Joseph Vestal
Maya Viknius
Lin Wang
Matthew Welborn
Donald Weymer
Sandy Wheless
Joel White
Katelyn Wiese
Blake Wilcox
Meredith Will
Shannon Williams
Herbert Wilmer
Karneisha Wolfe
Brittany Wurdeman
Mei Xiang
Tiancheng You
Zheng Zhuang
Jonathan Zigman

Staff recommended that the committee determine and accept the grades received for the January - February 2013 exams. Twenty-five (25) files with grade reports were haphazardly selected and reviewed by Board members. The Committee determined and accepted the grades.

Staff reviewed and recommended disapproval of a hypothetical re-exam application. The applicant is currently under court-ordered probation for a DWI conviction. Staff
recommended disapproval of the application until probation is lifted consistent with 21 NCAC 08I .0104(f). The Committee disapproved the application.

Letters of Warning - Staff received and recommended approval of the requests to rescind the letters of warning awarded to the individuals listed below. The Committee approved staff recommendation:

Vernon Keith Gargus #32878
Lee Sun Gauger #24694
Robert Stephen Goodman #14301
Cary Westbrook McCormick #36469
Timothy Adair Smith #33632
Dale Andrew Whetstone #32873

Firm Renewal and Peer Review Matters - The firms listed below submitted a renewal or termination notice less than 60 days after the deadline. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation:

R. Todd Allran #17993
A. F. Beamer #8569
Janice Judy Bourne #33764
Nancy P. Bourne #21558
Lois Kathrine Green #33603
Albert J. Jacobson #934
Ellen M. McMillan #18875
Earl W. Morrow C.P.A., P.C.
Earl Wayne Morrow CPA
Courtney Murphy, CPA PLLC
Courtney Hammock Murphy # 35611
Cindy Neagle #28868
Matthew Reeder #35983
Teresa J. Todd #15906

PUBLIC COMMENTS: President Rodriguez recognized Walter C. Davenport, CPA, who thanked the Board for its nomination and support of him in securing the nomination for NASBA Vice Chair 2013-2014 and NASBA Chair 2014-2015.

CLOSED SESSION: Mr. Glover and Ms. Lynch moved to enter Closed Session to discuss the report of the Personnel Committee. Motion passed.

PUBLIC SESSION: The Board re-entered Public Session to continue with the Agenda.

ADJOURNMENT: Messrs. Rodriguez and Womble moved to adjourn the meeting at 10:51 am. Motion passed.

Respectfully submitted:

[Signature]
Robert N. Brooks
Executive Director

Attest to by:

[Signature]
Jose R. Rodriguez, CPA
President
Memorandum of Agreement
[Revised March 28, 2013]

Background

Compliance with Generally Accepted Government Auditing Standards (GAGAS) and the overall quality of work performed are concerns to the undersigned on behalf of their organizations. In 2005, representatives from state government agencies and the public accounting profession came together to focus on known problems and discuss solutions. One of the solutions agreed upon by all parties was a quality review and referral process. Since then, the undersigned parties have discussed current circumstances and amended the process as described below.

The parties agree that the process represents an effective means of addressing concerns about governmental audit quality. To ensure that the agreement continues to effectively serve its intended purpose, all parties agree to reconsider the provisions of this agreement on an every-other-year basis or in the event that circumstances change to warrant reconsideration.

Process

Local Government Commission (LGC):

Representatives from the LGC, a section within the Department of State Treasurer, routinely receive annual audit reports and perform desk reviews on those reports. LGC representatives issue “white papers” to document this process and then work with CPA firms to correct reporting deficiencies and errors in these audit reports while addressing deficiencies noted in those “white papers.”

The North Carolina State Board of CPA Examiners (State Board), in accordance with state public records law (G.S. Chapter 132), will request, and the LGC staff will provide, copies of “white papers” for rejected audits to the State Board. If, during the course of fulfilling its responsibilities for overseeing local government audits, the LGC obtains other information indicating that there is a significant risk of substandard audits being performed, such information will be provided to the Office of the State Auditor (OSA) and the State Board.

Office of the State Auditor (OSA):

The OSA places reliance on local government audit reports when reporting on the State of North Carolina’s compliance with requirements applicable to major federal programs. In particular, local governments perform a portion of the eligibility function for the State of North Carolina, and this function is audited by local CPAs. To help substantiate the basis for reliance on the other auditors’ work, the OSA performs reviews of audit documentation related to certain federal program eligibility.

The OSA may find it necessary to review other auditors’ work for other reasons. For example, based on the review of an audit contract, report for a state entity or an entity receiving state
funds, or referral from the LGC, the OSA may conclude that a review of the audit documentation is warranted.

At the conclusion of any of these reviews, the OSA provides the reviewed auditor with a letter of comments outlining recommended audit improvements and also requests a written response from the CPA firm. Based on the written response, the OSA may adjust its letter of comments.

The State Board, in accordance with state public records law (G.S. Chapter 132), will request, and the OSA will provide, copies of the final letters of comments, responses, and any related correspondence to the State Board.

**North Carolina State Board of CPA Examiners (State Board):**

State Board staff identifies risks of substandard audits through sources such as official complaints received, referrals from governmental agencies (including the LGC and OSA), and internal risk assessments performed by the State Board. Once a risk of a substandard audit is identified and assessed, the State Board staff may open a case for investigation. Cases opened are not public information.

State Board staff and staff attorney will present the case to the Professional Standards Committee which will determine if further action needs to be taken.

Nothing in this Agreement is intended to limit the authority of the State Board or dictate any particular course of action under that authority in matters dealing with compliance with standards.

**North Carolina Association of CPAs (NCACPA):**

The NCACPA, a voluntary membership association, will acknowledge and promote the process described above to its members so they are aware of the efforts to improve compliance with Generally Accepted Governmental Auditing Standards (GAGAS.) The NCACPA will continue to offer high quality professional development programs to enhance the competency of NC CPAs.

_T. Dence Holloman_  
Local Government Commission  
_S. Worley_  
Office of the State Auditor  
_Jose Ramirez Rodriguez_  
North Carolina State Board of CPA Examiners  
_Stephen A. Feller_  
North Carolina Association of CPAs  

Date
IN THE MATTER OF:
Melanie M. Starr, #16157
Respondent

BEFORE THE NORTH CAROLINA
STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS
CASE #: C2012058

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. Melanie M. Starr (hereinafter "Respondent") is the holder of North Carolina certificate number 16157 as a Certified Public Accountant.

2. Respondent was engaged by a client to prepare a final and a fiduciary tax return for the client's deceased mother.

3. The client filed a complaint with this Board against Respondent making numerous allegations, including an allegation that copies of the returns were not provided to the client.

4. The Board determined that Respondent did in fact provide a copy of the returns to the client. However, a subsequent request from the client's attorney to Respondent went unanswered. As such, Respondent did not timely provide the client with the requested information.

5. Per 21 NCAC 08N .0305(g), CPAs in this State must provide clients with additional copies of their records, even though they may have already provided a previous copy. The CPA may charge a reasonable fee for those copies.

6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

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

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative...
Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent's action as set out above constitutes a violation of 21 NCAC 08N .0305(a).

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 22RD DAY OF March, 2013.

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 23RD DAY OF April, 2013.

[Signature]
President

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Stamp]
NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2012304-1

IN THE MATTER OF:
Sandy Dobson, CPA
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. Respondent Sandy Dobson, CPA (hereinafter "Respondent firm"), is a registered certified public accounting firm in North Carolina.

2. Respondent firm received a “fail” on its most recent system peer review, with an acceptance letter date of August 29, 2011.

3. The failed system peer review noted a material departure from Generally Accepted Auditing Standards ("GAAS") by Respondent firm.

4. Respondent firm 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 firm 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 firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent firm’s failure to comply with GAAS is a violation of 21 NCAC 08N .0403 and .0212.
3. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

2. Since Respondent firm is under a pre-issuance review requirement by the AICPA Peer Review Committee, Respondent firm shall submit to the Board a copy of the pre-issuance reviewer's report.

3. Each of Respondent firm's professional staff participating in engagements subject to peer review shall take a minimum of sixteen (16) hours of group study Accounting and Auditing CPE coursework as part of their annual CPE requirements until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.


CONSENTED TO THIS THE __28__ DAY OF __March__, 2013.

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

APPROVED BY THE BOARD THIS THE __28__ DAY OF __April__, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Signature]
President
IN THE MATTER OF:
David L. French, CPA, P.A.
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:


2. Respondent firm received a "fail" on its most recent system peer review, with an acceptance letter date of July 29, 2010.

3. The failed system peer review noted a material departure from Generally Accepted Auditing Standards ("GAAS") by Respondent firm.

4. Respondent firm 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 firm 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 firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent firm’s failure to comply with GAAS is a violation of 21 NCAC 08N .0403 and .0212.

3. By virtue of Respondent firm’s consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

2. Respondent firm shall provide a written statement to the Board that it will no longer be participating in, performing, or reviewing any engagements subject to peer review.

3. Prior to Respondent firm participating in, performing, or reviewing any engagements subject to peer review, Respondent firm shall be required to complete the following:

   a. Prior to entering into any engagements subject to peer review, Respondent firm shall provide notification to the Board of Respondent firm’s intention to enter into engagements subject to peer review;

   b. Each of Respondent firm’s professional staff participating in SSARS engagements shall take a minimum of eight (8) hours of group study SSARS CPE coursework as part of their annual CPE requirements until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review;

   c. Each of Respondent firm’s professional staff participating in any audit engagements shall take a minimum of eight (8) hours of group study Audit Update CPE coursework as part of their annual CPE requirements until such time as Respondent firm receives a pass on a system peer review; and

   d. Pre-issuance reviews, to be performed by a pre-issuance reviewer approved by the Board, for all peer review engagements until determination is made by the Board that said engagements can be
Consent Order - 3
David L. French, CPA, P.A.

performed by Respondent firm in accordance with applicable standards.

CONSENTED TO THIS THE 2nd DAY OF April, 2013.

[Signature]
David L. French, CPA
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 23 DAY OF April, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: [Signature]
President
IN THE MATTER OF:
Daryl D. Mennen, #31734
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 31734 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that 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 his 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 provided the CPE certificates of completion to the Board as requested. Respondent was unable to provide the certificate or certificates of completion needed to document completion of two (2) hours of an annual ethics CPE course that Respondent claimed he earned between January 1, 2011, and December 31, 2011, as was reported on his Renewal. Respondent was otherwise able to provide certificates of completion to show compliance with the 40-hour annual requirement for 2011.

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. Forty (40) hours of CPE in the twelve (12) months preceding the application including the eight (8) hour Accountancy Law course as
offered by the North Carolina Association of CPAs in 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 14TH DAY OF April, 2013.

[Signature]
Respondent
Daryl D. Mennen

APPROVED BY THE BOARD THIS THE 23 DAY OF April, 2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

[Stamp]

BY: [Signature]
President