PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
December 14, 2015
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Michael H. Womble, CPA, President; Wm. Hunter Cook, CPA, Vice President; Jeffrey J. Truitt, Esq., Secretary-Treasurer; Murchison (Bo) Biggs, CPA; Cynthia B. Brown, CPA; Justin C. Burgess; and George W. Rohe, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Communications Manager; Jean Marie Small, Professional Standards Specialist; Buck Winslow, Licensing Manager; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; Eddie Sams, CPA, NCACPA; Mark Soticheck, CPA, NCACPA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA; Curt Lee, Legislative Liaison, NCSA; Officer Travis Goodman, Raleigh Police Department.

CALL TO ORDER: President Womble called the meeting to order at 10:05 a.m.

MINUTES: The minutes of the November 16, 2015, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The November 2015 financial statements were accepted as submitted.

Mr. Brooks informed the Board that the lease agreement with Family Resource Center of Raleigh was not being renewed effective December 1, 2015. The Executive Staff will proceed with obtaining a listing agent to solicit a new tenant.

Mr. Brooks informed the Board that a real estate firm had approached the Executive Staff regarding the purchase of the Board property. The real estate firm will contact the Board in the upcoming months regarding this matter.

STRATEGIC PLANNING SESSION: President Womble provided the Board with an update on the Board’s Strategic Planning Session scheduled for January 9, 2016, at the Grandover in Greensboro. Ed Barnicott of NASBA will contact the Board members prior to the meeting.
LEGISLATIVE AND RULE-MAKING ITEMS: Messrs. Cook and Truitt moved to approve the rules as published in the NC Register, Volume 30, on October 1, 2015. Motion passed with seven (7) affirmative votes and zero (0) negative votes.

NATIONAL ORGANIZATION ITEMS: The Board reviewed and approved the response to the NASBA Regional Directors’ focus questions as submitted by President Womble and Mr. Brooks.

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

Case No. C2013175-2 - Gary A. House, CPA, PA - Approve the signed Consent Order (Appendix I).

Case No. C2015206 - Kevin M. Madden - Approve the signed Consent Order (Appendix II).

Case No. C2015266 - Close the case without prejudice.

Case No. C2015264 - Close the case without prejudice.

Case No. C2015263 - Close the case without prejudice.

Case No. C2015250 - Close the case without prejudice and with a Letter of Caution.

Case No. C2015251 - Close the case without prejudice and with a Letter of Warning.

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

Reciprocal Certificate Applications - The Committee recommended that the Board approve the following:

Johnnie Scott Dick
Ryan Andrew Halbrook

Temporary Permits - The Committee recommended that the Board approve the following temporary permits that were approved by the Executive Director:

Jamison Walter Buehler, #T8872
Kevin Martin Tate, #T8873
Lisa Ryan Blair, #T8874

Sneha Satishkumar Somani, #T8875
Peter Eric Baisch, Jr., #T8876
Michael Miano Mellow, #T8877
Reinstatements - The Committee recommended that the Board approve the following:

Hampton Croson Hager, III, #26710
Jennifer Leigh Handshumacher, #26589

Reissuance of New Certificate - The Committee recommended that the Board approve the following applications for reissuance of new certificate:

Alexander Steven Arndt, #33341
Shao Dong Wang, #38582

Reissuance of New Certificate and Consent Agreement - The Committee recommended that the Board approve the following application for reissuance of new certificate and consent agreement submitted by Denise Rene Wainright, #30003.

Firm Registrations - The Committee recommended that the Board approve the following professional limited liability companies that were approved by the Executive Director:

Michael P. Mattimore, PLLC
Wiggins CPA, PLLC

Letter of Warning - The Committee recommended that the Board approve the request to rescind the letter of warning awarded to Stephanie G. Caragher, #32392.

Examinations - The Committee recommended that the Board approve the following staff-approved applicants to sit for the Uniform CPA Examination:

Matthew Albert
Naida Aliyeva
Anna Auslander
Pommy Aynu
Claire Babashanian

James Badgett
Assane Badjji
Nicholas Barnas
Mason Barringer
Anthony Bechtel
Erica Merriman  Michael Shortall
Jessica Metts   Lanita Slaughter
Megan Meyer     Krista Smith
Jenni Middlebrook Meaghann Smith
Robert Mitchell Sandra Smith
Steven Montross Tammy Southerland
Austin Morgan   Seth Spencer
Joseph Morrow   Stephen Spivey
Donna Multerer  Charles Sprouse
Connor Murdock  Charles Steffenella
William O'Donnell Maren Stephenson
Abigail Odette  Quasha Stinson
Meera Ogale     Bennett Strickland
Ashley Oliver   Andrew Sudran
Alynn Parker    Qianxiang Tang
Taylor Parks    Charnice Taylor
Urvish Patel    Lindsay Tippett
Tonette Peace   Jeffrey Turner
Philip Pearce   Petra Tyndall
Armand Perez    Edward Vallejo
Mark Perlberg   Patrick Walsh
Lynda Peterson  Andrew Wasilick
Marquis Pullen   Samuel Watson
Brian Reynolds  Shelby Webb
Devan Riley     BreAnn Weeda
Connor Ritchey  Haley West
Dredlin Rodriguez-Ramos Lindsey Willis
Carol Ruffin    Nellie Wilson
Stephanie Ruggeri Adam Woeller
Ayanna Schlick  Logan Wolfe
Vanessa Seigle  Kate Woltz
Elizabeth Senczy Garrett Wydysh
Shelly-Ann Serrette Nia Wylie
Pamela Seward   Patricia Young
Payal Shah      Serafim Zaravelis

Staff recommended that the Committee determine and accept the grades received for the July - August 2015 exams. Twenty-five files with grade reports were haphazardly selected and available at the meeting for review by a Board member. The Committee recommended that the Board approve staff recommendation.

ADJOURNMENT: Messrs. Cook and Biggs moved to adjourn the meeting at 10:37 a.m. Motion passed.
Respectfully submitted:

Robert N. Brooks
Executive Director

Attested to by:

Michael H. Womble, CPA
President
NORTH CAROLINA
WAKE COUNTY
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2013175-2

IN THE MATTER OF:
Gary A. House, 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 engagement peer review, with an acceptance letter date of February 23, 2015.

3. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, the Respondent firm was required to submit to the Board a package to include the Peer Review Report, Letter of Response, and Final Letter of Acceptance.

4. Respondent firm failed to provide any of the required documents within the time period required by 21 NCAC 08M .0106.

5. Per 21 NCAC 08N .0212, and .0404, Respondent firm was required to perform attest and assurance services in accordance with standards of generally accepted accounting principles.

6. The peer review report noted a failure to use the proper report language and a failure to obtain written engagement letters as required by professional standards.

7. 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 submit to the Board copies of its Peer Review Report and Letter of Response constitutes a violation of 21 NCAC 08M .0106(a)(4), resulting in disciplinary action per 21 NCAC 08N .0213.

3. Respondent firm's failure to perform attest and assurance services in accordance with standards constitutes a violation of the Statements on Standards for Accounting and Review Services in violation of 21 NCAC 08N .0404 and .0212.

4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also 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 pay a one thousand dollar ($1,000) civil penalty to be remitted with this signed Consent Order.

   3. 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.

CONSENTED TO THIS THE 17th DAY OF November 2015.

[Signature]

Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 14 DAY OF DECEMBER 2015

[Signature]

President

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

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[Signature]

NC BOARD OF CPA EXAMINERS

[Signature]

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NORTH CAROLINA  
WAKE COUNTY  
BEFORE THE NORTH CAROLINA STATE BOARD OF 
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS 
CASE #C2015206

IN THE MATTER OF: 
Kevin Michael Madden, CPA, #18616  
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 is the holder of North Carolina certificate number 18616 as a Certified Public Accountant.

2. Respondent informed the Board on his 2014-2015 individual certificate Renewal ("Renewal") that between January 1, 2013, and June 30, 2014, he had obtained the requisite forty (40) hours of continuing professional education ("CPE") to meet the 2013 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 2013 requirements.

5. Respondent was unable to provide documentation for twelve (12) hours of the 2013 CPE hours that he would need to meet the forty (40) hour requirement that he claimed on his 2014-2015 annual 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  
NOV 12 2015
BASEd upon the foregoing, the Board makes the following Conclusions of Law:

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

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

3. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) 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 apply for the reissuance of his certificate after one (1) year from the date the Board approves this Consent Order as long as the civil penalty required in number five (5) of this Order has 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. Fifty-two (52) 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.

NC BOARD OF

NOV 12 2015

CPA EXAMINERS
Consent Order - 3
Kevin Michael Madden, CPA

5. Respondent shall pay a one thousand dollar ($1,000) 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 12__ DAY OF NOVEMBER, 2015
(Day) (Month) (Year)

Kevin M. Madden
Respondent

APPROVED BY THE BOARD THIS THE 14__ DAY OF DECEMBER, 2015
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: ___________________________
President

NC BOARD OF
NOV 12 2015
CPA EXAMINERS