New Version of Exam Requires Procedural Changes

In late March, the National Association of State Boards of Accountancy (NASBA) announced several procedural changes required by the new version of the Uniform CPA Exam that will launch next year. In anticipation of an increased number of candidates wanting to sit for the Exam before the new version starts in April 2017, testing windows will be extended through June 10, 2016, September 10, 2016, December 10, 2016, and March 10, 2017.

Due to the commonality of content and sections between the current and next version of the Exam, any combination of passing current Exam sections and future Exam sections will count toward completing the Exam requirement for licensure.

For example, candidates who have conditional credit in BEC will retain credit for that section until its expiration date (18 months). This holds true for all sections of the Exam.

Upon launch, only the newly-released “Next Version of the Exam” sections will be available for testing. Candidates already in the process will complete any final sections necessary using the next version of the Exam.

On the new version of the Exam, the length of both the REG and BEC sections will increase from three (3) hours to four (4) hours. Therefore, the total Exam testing time will be lengthened from 14 hours to 16 hours.

Upon the launch of the next Exam, one standardized 15-minute break will be offered to candidates during each section. Each standardized break will not count against testing time and the standardized break will be offered approximately midway through each Exam section.

Consistent with current practices, candidates may take optional breaks between testlets. These optional breaks do count against the candidate’s testing time.

After the launch of every new Exam, the passing score must be established to ensure that scoring validity/accuracy essential to the legal defensibility of the Exam is maintained. Following the close of the anticipated launch window, all candidate performance data will be fully analyzed in order to establish a passing score. Scores for this testing window will be released approximately 10 weeks after the close of the window.

Additional candidate performance reviews will be conducted following the close of the third and fourth testing windows of 2017. Scores for those testing windows will be released approximately 10 days after the close of each window.

Additional information on the new version of the Exam will be available to candidates in the coming months.
Disciplinary Actions

Pursuant to NCGS 93-12(9), civil penalties are remitted to the North Carolina Civil Penalty and Forfeiture Fund (“Fund”) in accordance with NCGS 115C-457.2. NCGS 115C-457.1(b) states, “The Fund shall be administered by the Office of State Budget and Management. The Fund and all interest accruing to the Fund shall be faithfully used exclusively for maintaining free public schools.”

Battelle Rippe Kingston, LLP
Dayton, OH 03/23/2016

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 performed multiple audits of a retirement plan sponsored in North Carolina (“ERISA audits”).
3. The North Carolina Accountancy Act, at N.C. Gen. Stat. §93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.
4. Respondent Firm did not provide the Board with a Notification of Intent to Practice (“Notice”) prior to performing the ERISA audits.
5. 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. By exercising the practice privilege afforded by N.C. Gen. Stat. §93-10(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. Respondent Firm’s failure to comply with N.C. Gen. Stat. §93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.
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 shall remit, with this signed Order, a one thousand dollar ($1,000) civil penalty.

Clarus Partners
Columbus, OH 03/23/2016

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. Clarus Partners (hereinafter “Respondent Firm”), has a principal place of business outside of North Carolina and has no office in North Carolina. Respondent Firm is not a registered certified public accounting firm in North Carolina.
2. Respondent Firm performed multiple audits of retirement plans sponsored in North Carolina (“ERISA audits”).
3. The North Carolina Accountancy Act, at N.C. Gen. Stat. §93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.
4. Respondent Firm did not provide the Board with a Notification of Intent to Practice (“Notice”) prior to performing the ERISA audits.
5. Respondent Firm subsequently provided a Notice to the Board.
6. 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. By exercising the practice privilege afforded by N.C. Gen. Stat. §93-10(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

3. Respondent Firm’s failure to comply with N.C. Gen. Stat. §93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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 shall remit, with this signed Order, a two thousand dollar ($2,000) civil penalty.

2. Respondent Firm shall remit, with this signed Order, a five hundred dollar ($500) payment for administrative costs.

**Conner Ash, P.C.**  
**St. Louis, MO  03/23/2016**

**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 performed multiple audits of a retirement plan sponsored in North Carolina (“ERISA audits”).

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. §93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. Respondent Firm did not provide the Board with a Notification of Intent to Practice (“Notice”) prior to performing the ERISA audits.

5. Respondent Firm subsequently provided a Notice to the Board.

6. 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. By exercising the practice privilege afforded by N.C. Gen. Stat. §93-10(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

3. Respondent Firm’s failure to comply with N.C. Gen. Stat. §93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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 shall remit, with this signed Order, a one thousand dollar ($1,000) civil penalty.

2. Respondent Firm shall remit, with this signed Order, a five hundred dollar ($500) payment for administrative costs.

Follow us on Facebook:  
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Follow us on Twitter:  
twitter.com/NCCPABOARD
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2. Respondent Firm performed an audit of a retirement plan sponsored in North Carolina (“ERISA audit”).

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. §93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. Respondent Firm did not provide the Board with a Notification of Intent to Practice (“Notice”) prior to performing the ERISA audit.

5. Respondent Firm subsequently provided a Notice to the Board.

6. 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.

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2. By exercising the practice privilege afforded by N.C. Gen. Stat. §93-10(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

3. Respondent Firm’s failure to comply with N.C. Gen. Stat. §93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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 shall remit, with this signed Order, a one thousand dollar ($1,000) civil penalty.

2. Respondent Firm shall remit, with this signed Order, a five hundred dollar ($500) payment for administrative costs.

Mize Houser & Company, P.A.
Topeka, KS    03/23/2016

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2. Respondent Firm performed multiple audits of a retirement plan sponsored in North Carolina (“ERISA audits”).

3. The North Carolina Accountancy Act, at N.C. Gen. Stat. §93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.

4. Respondent Firm did not provide the Board with a Notification of Intent to Practice (“Notice”) prior to performing the ERISA audits.

5. Respondent Firm subsequently provided a Notice to the Board.

6. 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. By exercising the practice privilege afforded by N.C. Gen. Stat. §-9310(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.

3. Respondent Firm’s failure to comply with N.C. Gen. Stat. §93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.

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 shall remit, with this signed Order, a one thousand dollar ($1,000) civil penalty.

2. Respondent Firm shall remit, with this signed Order, a five hundred dollar ($500) payment for administrative costs.
Disciplinary Actions Resulting from CPE Audit

The following matters are excerpted from Consent Orders issued by the Board in response to the findings of the Continuing Professional Education (CPE) audit. To view the full text of a Consent Order, use the Licensee Search function of the Board’s website, nccpaboard.gov, to look up the licensee’s record. In the record, click on the “Details” link and select “View” under the Public Documents heading.

Lisa Lee McDonall, #19628
Winston-Salem, NC 01/25/2016
The Board opened a case against Lisa Lee McDonall (Respondent McDonall) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.
Respondent McDonall signed a Consent Order in which she accepted 1) the denial of the renewal of her CPA license; 2) the forfeiture, for at least one year, of her CPA license; and 3) the imposition of a $1000 civil penalty.
Respondent McDonall may apply for reissuance of her CPA license by complying with the terms set forth in the Consent Order.
The terms include completing at least 59 hours of CPE including an eight-hour group study accountancy law course offered by the NCACPA in the 12-month period preceding her application for reissuance.
Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent McDonall’s CPA license.

William Tracy Mitchell, #15201
Fleming Island, FL 01/25/2016
The Board opened a case against William Tracy Mitchell (Respondent Mitchell) for failure to complete sufficient CPE, including an ethics course, as required for renewal of his North Carolina CPA license.
Respondent Mitchell signed a Consent Order in which he accepted 1) the denial of the renewal of his CPA license; 2) the forfeiture, for at least one year, of his CPA license; and 3) the imposition of a $1000 civil penalty.
Respondent Mitchell may apply for reissuance of his CPA license by complying with the terms set forth in the Consent Order.
The terms include completing at least 40 hours of CPE including an eight-hour group study accountancy law course offered by the NCACPA, in the 12-month period preceding her application for reissuance.
Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Mitchell’s CPA license.

Heather Phillips, #36494
Cary, NC 01/25/2016
The Board opened a case against Heather Phillips (Respondent Phillips) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.
Respondent Phillips signed a Consent Order in which she accepted 1) the denial of the renewal of her CPA license; 2) the forfeiture, for at least one year, of her CPA license; and 3) the imposition of a $1000 civil penalty.
Respondent Phillips may apply for reissuance of her CPA license by complying with the terms set forth in the Consent Order.
The terms include completing at least 40 hours of CPE including an eight-hour group study accountancy law course offered by the NCACPA in the 12-month period preceding her application for reissuance.
Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Yarborough’s CPA license.

Mi Zhou, #36873
 Blacksburg, VA 01/25/2016
The Board opened a case against Mi Zhou (Respondent Zhou) for failure to complete sufficient CPE, including an ethics course, as required for renewal of his North Carolina CPA license.
Respondent Zhou signed a Consent Order in which he accepted 1) the denial of the renewal of his CPA license; 2) the forfeiture, for at least one year, of his CPA license; and 3) the imposition of a $1000 civil penalty.
Respondent Zhou may apply for reissuance of his CPA license by complying with the terms set forth in the Consent Order.
The terms include completing at least 40 hours of CPE including an eight-hour group study accountancy law course...
Reclassifications

On March 23, 2016, the Board approved the following applications for reclassification:

**Reinstatement**

- Carleen Richardson Berndt, #16170
  - Boone, NC
- Nancy Hembree Flynn, #24803
  - Los Gatos, CA
- Kenneth Wayne Hanner, #16593
  - Thomasville, NC
- Thomas Eugene Hastings, #4160
  - Charlotte, NC
- Scott Taylor Witham, #27751
  - Mount Holly, NC

**Reissuance**

- Summer Leigh Cline, #30048
  - Belmont, NC
- Torgrim Christopher Forberg, #31865
  - Ijamsville, MD
- Anna Passantino Grofic, #35154
  - Chapel Hill, NC
- Stephen Mark Himmelberg, #21904
  - Durham, NC

**Inactive Status**

Between February 1, 2016, and March 18, 2016, the individuals listed below were approved for inactive status by the Board.

- Rosalind Castillo Compton, #17372
  - Charleston, SC
- Lyria Vanderboom Sims, #36473
  - Kalamazoo, MI
- Henry Anthony Duperier, #21472
  - Charlotte, NC
- Derrick Clark Hensley, #19048
  - Woodbridge, VA
- Lisa Marie Kahler, #37142
  - Clemmons, NC
- Jack Thomas Davis, #13813
  - Raleigh, NC
- Ernest Preston Rhyne, III, #12021
  - Hickory, NC
- Mee-Dong Son, #22837
  - Raleigh, NC
- Dennis W. Wesney, #31850
  - High Point, NC
- Patrick Timothy Fagin, #30489
  - Wake Forest, NC
- Phyllis Dixon Rainey, #25371
  - Asheboro, NC
- Karen Kirkland Shaw, #24721
  - Asheville, NC
- Pamela Boyes Bruno, #16017
  - Miami, FL
- Christopher J. Duke, #36789
  - Indian Trail, NC
- Karen Torrence Stewart, #18347
  - Raleigh, NC
- Denise Elizabeth McKNight Patten, #32459
  - Greer, SC
- B. Ellen Sewell, #16393
  - Beaufort, NC
- Johnny Carl Alcon, Jr., #14550
  - High Point, NC
- Linda Crede Ostermann, #13520
  - Oakland, ME
- Richard Lane Eudy, #11660
  - Charlotte, NC
- Thomas Madison Johnson, II, #7561
  - Raleigh, NC
- Harold Dean Sellers, #13627
  - Charlotte, NC
- Cheryl Lynn Witt, #19570
  - Fernandina Beach, FL
- Tricia Rebecca Eitel, #29156
  - Mt. Holly, NC
- Candace Fay Chapman, #36219
  - Evansville, IN
- Ronald E. Clanton, #32107
  - Cary, NC
- Joseph Paul Karpinski, #32865
  - Hilton Head Island, SC

Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Zhou’s CPA license.

**CPA Inauguration**

The 2016 CPA Inauguration will be held June 22, 2016, at the Grandover Resort and Conference Center in Greensboro.

The Inauguration recognizes all new North Carolina CPAs licensed between May 1, 2015, and April 30, 2016.

Notice of Address Change

Please Print Legibly

Full Name: __________
Certificate No.: __________ Last 4 Digits of SSN: __________
Home Address: __________
City/State/Zip: __________
Home Phone No: __________ Home Fax: __________
Personal Email: __________
Firm/Business Name: __________
Business Address: __________
City/State/Zip: __________
Business Phone No: __________ Business Fax: __________
Business Email: __________
Signature: __________
Date: __________ Send mail to: __________ Home __________ Business

Mail form to: PO Box 12827, Raleigh, NC 27605
Fax form to: (919) 733-4209

Pursuant to 21 NCAC 08J .0107, all certificate holders & CPA firms shall notify the Board in writing within 30 days of any change in home address & phone number; CPA firm address & phone number; business location & phone number; & email address.