

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
May 19, 2016
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: Sharon Bryson, CEO, NCACPA; Mark Soticheck, CPA, COO, NCACPA; Amanda Davis, Director of Learning and Development, NCACPA; Andrea W. Eason, CPA; Tina Purvis, CPA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA; Belinda Johnson, CPA; James Finch; Nathan Standley, Esq., Allen & Pinnix, PA; and Officer J.A. Stokes, Raleigh Police Department.

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

PUBLIC HEARING: President Womble called the Public Hearing to order to hear Case Nos. C2014266-1, C2014266-2, and C2014120 - Belinda L. Johnson, NC CPA Certificate No. 31871, and Belinda Johnson, CPA, PA. Ms. Johnson was present at the Hearing and was not represented by counsel. Ms. Johnson, David R. Nance, CPA; Robert N. Brooks; Andrea W. Eason, CPA; and Tina Purvis, CPA; were sworn in and presented testimony. Messrs. Cook and Biggs moved to enter Closed Session to discuss the matter with Noel L. Allen, Esq., without the Executive Staff, Staff Attorney, or Mr. Truitt present. Mr. Truitt did not participate in any discussion of these matters nor did he participate in any votes related to these matters. The Board re-entered the Hearing and Ms. Brown and Mr. Cook moved to order that 1) Ms. Johnson's firm registration shall be suspended for three (3) years or until Ms. Johnson provides proof that she has fulfilled the terms of her 2013 peer review engagement in compliance with 21 NCAC 08N .02013(b)(4), whichever occurs first; 2) Ms. Johnson shall pay a \$1000.00 civil penalty for her violation to comply with Government Auditing Standards and generally accepted auditing standards in violation of 21 NCAC 08N .0409, .0403, and .0212 and causing her firm to not comply with those same regulations; 3) Ms. Johnson shall pay a \$1000.00 civil penalty for her failure to cooperate with the Board in violation of 21 NCAC 08N .0206; and 4) Ms. Johnson's NC CPA certificate is revoked for a period of five (5) years, however, the revocation is stayed provided that Ms. Johnson complies

with all NC accountancy laws and rules during the period of the stayed revocation. The Board Order will be written and then reviewed and approved at the June 23, 2016, meeting of the Board. The entire Public Hearing is a matter of public record.

MINUTES: The minutes of the April 25, 2016, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The April 2016 financial statements were accepted as submitted.

The Board instructed the Executive Staff to place the draft 2016-2017 Board budget on the June 23, 2016, meeting agenda.

LEGISLATIVE AND RULE-MAKING ITEMS: The Executive Director provided several draft rules that may be considered for rule-making.

The Executive Director provided the Board with copies of current occupational licensing board-related legislation before the General Assembly.

NATIONAL ORGANIZATION ITEMS: Mr. Cook and Ms. Brown moved to approve the draft response to the NASBA/AICPA *Statement on Standards for Continuing Professional Education (CPE) Program Standards*. Motion passed.

STATE AND LOCAL ORGANIZATION ITEMS: The Board recognized and welcomed Sharon Bryson to her first Board meeting in her new role as CEO of the NCACPA.

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

Case No. C2015148 - Warren H. Pennington - Approve the signed Consent Order (Appendix I) accepting the voluntary permanent surrender of the NC CPA certificate issued to Warren H. Pennington.

Case No. C2015252 - Rui-ru Bao - Accept the signed Consent Order (Appendix II).

Case No. C2012391 - Albert M. Edwards, Jr. - Approve a Notice of Hearing for July 25, 2016, at 10:00 a.m.

Case No. C2014374-1 and Case No. C2014374-2 - Close the cases without prejudice and with a Letter of Warning.

Case No. C2016012 - Close the case without prejudice.

Case No. C2016022 - Close the case without prejudice.

Case No. C2016049 - Close the case without prejudice.

Case No. C2016084 - Close the case without prejudice.

Case No. C2015270 - Deborah G. Jenkins - Approve a Notice of Hearing for August 23, 2016, at 10:00 a.m.

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

Transfer of Grades Applications - The Committee recommended that the Board approve the following:

Megan Alexandra Morava

Zachary Lee Raborn

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

Tonya Sharee Agent
Chloe Bailey
Jess McCall Bankhead
Meridith Leigh Belcher
Daniel Aaron Benjamin
Christopher Richard Berube
James Robert Buda
Bethany Renee Breeden
John Matthew Capasso
Michele Roberts Capel
Karina Josefa Romero Carranza
Hillary Leone Colvin
Martin William Durrence
Joshua Charles Ferrin
Timothy Alan Hayes
Michael John Huber
John Preston Irvin
Andrew Phillip LaDuke
Ying Ying Lang
Larysa V. Lim
Theresa Louise Lynch

Anthony James Mangano
Darren Joseph Marshall
Wilson Andrew McGuire
Kelly Thompson Monahan
Megan Alexandra Morava
Lisa Stunda Morrow
Jamie Renee Murphy
Maddison McDaniel Paul
Catherine Ann Pettus
Zachary Lee Raborn
Andrew Houston Rector
Richard Sparks Segal
Matthew David Shekletski
Jessica Anne Sheridan
Tony Peter Spirakis
Jamie Lynn Stevens
Bennett Palmer Strickland
Joshua A. Timms
Lee Vang
Alex John White
Alan Tyler Wise

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

Joanna Atkinson
Jordan Leonhardt Daniel
Steven Scott Davitte, Jr.
Steven Karl Evjen
William Owen Charles Fitzpatrick
Millicent Jean Frias
Rachel Marie Gordon
Robert Alexis Green, III
Carmie Lee Howell

Patricia White Hunt
Jamie-Lee Lavelle
Lindsey Andrews Metzger
Joseph David Peak, III
Lisa Bertolini Ringelman
Abdullah Ayid Saleh
Evan George Schroedel
Megan Ruth Schuler
Alex Douglas Taylor

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

Jeremy John Gilbert, T9101
Xiaojuan Chen, T9102
Lauren Nicole McClune, T9103
Darryl Robert Jackson, T9173
Dominic Joseph Fillippa, Jr., T9174

Shannon Marie Titch, T9175
Thomas Edward Riley, Jr., T9176
Olga Zevin-Bushe, T9177
Michael Edward Ellis, T9178

Reinstatements - The Committee recommended that the Board approve the following:

Jeffrey Wade Crumpley, #31088
Mary Teresa Fischer, #16258
Richard Thurston Holderness, Jr., #25486
Mary Anne Jackson, #23190
Brent Henry Kasey, #15567

Gail Shell Miller, #14501
Joseph Charles Perkins, Jr., #21224
Eugenia Knox Sekaly, #23498
Akbar Saeed Sharfi, #22773
Randall Adam Wilson, #33306

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

David Stanfred Poisson, #35763

Julia Tauras, #25043

Extension Requests - The Committee recommended that the Board approve the following individuals for extension for completion of CPE until the dates noted:

Suzanne Hall Wood, #17579
January 10, 2016

Lydia E. Jensen, #34435
June 30, 2016

Letter of Warning - Staff reviewed the random CPE audit submitted by Cheryl Ann Duncan, #23912, which listed 2014 CPE taken between January 1 and June 30, 2015,

without an approved extension. Staff recommended a Letter of Warning for a first offense pursuant to 21 NCAC 08G .0406(b)(1). The Committee recommended that the Board approve staff recommendation.

Staff recommended approval of the requests to rescind the Letters of Warning issued to the individuals listed below. The Committee recommended that the Board approve staff recommendation:

Harold Manasa, #37836

Cassandra Robinson, #32055

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

Rhonda Abernathy
Matthew Abrams
Alisha Adams
Esra Al-Shawafi
Catherine Albury
Zachary Anderson
Brian Antoszyk
Chandler Archer
James Badgett
Assane Badji
Bernice Badu
Alicia Barbour
Benjamin Baumer
Stephen Belcher
Jennifer Bell
Adam Bellefeuille
Josie Below
Gregory Bennett
Carrie Benton
James Benz
Anitra Black
Travis Blackmon
Dillon Blake
Joseph Bodenheimer
Brigitte Borucki
Keith Bristol
Barry Brown
Connecia Brown
Sarah Brown
Ashley Bryant

Christine Buchanan
Cassie Bumgarner
Katherine Cadungog
Steven Caponi
Alan Cardoso
Matthew Carrick
Cara Chabreck
Grant Chambers
Wendy Cheek
Cameron Clavin
Alexander Clute
Patrick Collins
Christin Connor
Chas Cook
Sarah Courtney
Lynn Couturier
Landon Crist
Rebecca Currie
Daniel Dapkiewicz
Susan Darnell
Willis Davenport
Cody Davidowski
Erin Delph
Marian DeLuca
Paul Demick
Heather Deyarmin
Cyprian Dickson
Nicole Dickson
Austin Donze
Stefan Dosa

Christina Drake
Doina Duca
Kyle Ebinger
Kelsey Elggren
Kasie Elmore
Maura Emery
Gary Farley
Rida Fatima
Xuezhong Feng
Andy Ferrell
Lauren File
Erica Fink
Daniel Fisher
Holly Fisher
John Fisher
Sean Fitzgerald
Brennan Fox
Tyler Frank
Jordan Frazier
Leanne Fredericks
George Freeman
Jordan Gantt
Ruben Garratt
Philip Garrigan
Plair Gennarelli
Mary Gibbons
Christina Gilbert
Timothy Gilbert
Matthew Gochis
Kelly Gooderham
Christian Goodwin
Randall Greer
Benjamin Gregory
Samantha Griffiths
Sarah Harnitchek
Susan Haskins
John Haus
Hannah Hayes
Kelsey Helin
Anna Hergenrader
Danielle Hindt
Daniel Hobbs
Terrie Hoover

Donna Horne
Jack Howell
Chun Huang
Bradley Hulker
Erin Hunter
Jonn Irving
Laura Isaacs
Mario Jarrett
Angela Johnson
William Johnson
Nicole Jones
Gregory Journigan
Jacob Joyner
Gurpreet Kaur
Jordan Kay
Soonam Kim
Kieran Kinnare
Walter Kleckley
Joseph Koon
Laura Krawczyk
Austin Lee
Sydney Lee
Steven Leerberg
Meng Li
Vanessa Loftis
Van Ly
Christopher Lynagh
Colby Lynch
Joshua Lyons
Joseph Maganga
Sarah Mali
Anna Martin
Craig Martin
Corey Marum
Candace Maynard
William McCarter
Charles McCarthy
Andrea McCullagh
Miranda McDowell
Seth McGroder
Sarah McKinney
Eugene McManus
Jenna Meints

John Metcalf
Jeremy Mikell
Courtney Miller
Joshua Minyon
Kevin Misenheimer
Michael Moody
Robert Moore
April Morris
Donna Morris
Shirley Morton
John Myers
Angela Nave
Dustin Never
Mofopefoluwa Obadina
Addison Oliver
Hamel Patel
Kenan Patel
John Patronis
Neal Pawsat
Alexander Payne
Chelsea Payne
Christina Peck
Joshua Peters
Lynda Peterson
Elna Picton
Erin Priddy
Ryan Prince
Andra Radu
Andrew Renfro
Christopher Rezac
Richard Richards
Devan Riley
Curtis Robinson
Julian Rojas
Debra Roque
Joseph Rosasco
Liliya Sabaleuskaya
John Sajovec
Michael Saulnier
Joseph Schmelzle
Andrew Schuett
Steven Schulz
Leah Scully

Shineece Sellars
Shay Sellati
Hogan Sellers
Daniel Serratos Prudencio
Erin Shaffer
Payal Shah
Nusrat Sharmin
Erin Sherk
Julie Sherrill
Amber Shively
Sawchee Smalley
Brent Smith
Dylan Smith
Julie Smith
Chase Sommer
Kayleigh Spangler
Stephen Spivey
Casey Stallard
Priscilla Staten
Nathanael Stoermann
Courtney Struble
Erin Sturgess
Michael Surles
Everett Swimm
Megan Switick
Willie Tate
James Taylor
Julia Terry
Kim Terry
Palak Thakore
Jeremiah Thayer
Hannah Thomas
Deana Thorps
Lindsay Tippet
Ray Toney
Jack Treesh
Michael Trefzger
Joshua Tulledge
Cody Underwood
Henrica Van Oort
Kenneth VanSparrentak
Matthew Vogler
Daniel Wallace

Myakka Ware
James Watson
Christina Weaver
William Webb
Karl Weickgenannt
Hanna Wentz
Rachelle Westbrook
David Wheeler
Taylor White

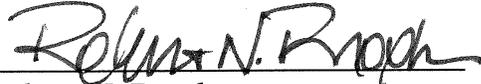
Aviance Williams
Leigh Williams
Patty Wilson
AnnMarie Wood
Heather Wyatt
Juliana Yorio
Alyssa Zeman
Yishan Zhao

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The Board instructed the Executive Staff to place the *Draft Working Strategic Plan Objective – Excellent Customer Service* on the June 23, 2016, meeting agenda.

ADJOURNMENT: Messrs. Womble and Rohe moved to adjourn the meeting at 5:21 p.m. Motion passed.

Respectfully submitted:

Attested to by:


Robert N. Brooks
Executive Director


Michael H. Womble, CPA
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

Case: #C2015148

IN THE MATTER OF:
Warren H. Pennington, #19776
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 Warren H. Pennington (hereinafter "the Respondent") was the holder of a certificate of qualification admitting the Respondent to practice as a Certified Public Accountant in North Carolina ("Certificate"). The Respondent is subject to the provisions of Chapter 93 of the General Statutes of North Carolina 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. On January 28, 2013, the Respondent entered into a Consent Order with this Board permanently revoking his certificate ("Consent Order").
3. The Consent Order was premised upon convictions that occurred in the State of Georgia. The convictions arose from the Respondent's ownership of a payroll service company ("Payroll Company").
4. At the time that he entered into the Consent Order, the Respondent had a pending appeal from those criminal convictions. Therefore, the Consent Order contained the provision that "if Respondent's conviction is overturned as a result of his appeal, Respondent may immediately petition the Board for modification of discipline pursuant to 21 NCAC 08I .0104."
5. On July 16, 2013, the Court of Appeals of Georgia entered an order on the Respondent's appeal. The ruling reversed all but four (4) of the Respondent's convictions on the basis that the applicable statute of limitations had expired prior to the filing of the indictment. The ruling reversed the remaining four (4) convictions and ordered a new trial on the basis that the evidence of the barred allegations was prejudicial to the jury's determination.
6. On remand, the Respondent entered a *nolo contendere* plea to two (2) misdemeanor counts of theft by conversion.

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Consent Order - 2
Warren H. Pennington

7. The Respondent admits that one of his Payroll Company employees embezzled at least \$90,000.00 of his clients' funds while employed at the Payroll Company. The Respondent asserts that he has paid all outstanding sums to the IRS.
8. Following his plea, the Respondent submitted a petition to the Board requesting a modification of the discipline contained in his Consent Order.
9. The Respondent, in his request for modification of discipline, has indicated that he does not desire to return to the State of North Carolina to provide accounting services.
10. The 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. The 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. The 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. The Board hereby determines that it is appropriate to modify the Respondent's prior discipline of permanent revocation due to the success of his appeal. Therefore, the January 28, 2013, Consent Order is rescinded by the Board.
3. However, if proven at hearing, the Respondent's plea of *nolo contendere* on two (2) counts of theft by conversion could constitute a violation of N.C. Gen. Stat. § 93-12(9)(b).
4. Further, if proven at hearing, per 21 NCAC 08N .0103, the Respondent's failure to adequately supervise the employees of the Payroll Company could result in their actions being imputed upon him, resulting in a violation of 21 NCAC 08N .0202.
5. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this order and the Respondent's stated desire not to provide accounting services in the State of North Carolina, the parties agree as follows:

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Consent Order - 3
Warren H. Pennington

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

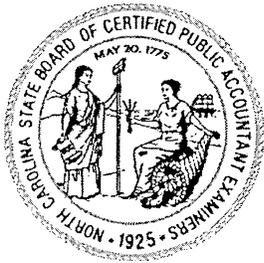
1. The Respondent's request to modify his prior discipline is granted and the revocation of the Respondent's certified public accountant certificate is hereby rescinded.
2. The Respondent, Warren H. Pennington, hereby voluntarily surrenders his certified public accountant certificate permanently.
3. The Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State through an office located in this State, nor shall the Respondent claim or attempt to use any practice privileges in any other state based upon his permanently surrendered North Carolina certificate.

CONSENTED TO THIS THE 29 DAY OF APRIL, 2016.
(Day) (Month) (Year)

Warren H. Pennington
Respondent

APPROVED BY THE BOARD THIS THE 19 DAY OF MAY, 2016.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

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NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2015252

IN THE MATTER OF:

Rui-ru Bao, #32935

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 32935 as a Certified Public Accountant.
2. Respondent informed the Board on her 2014-2015 individual certificate Renewal ("Renewal") that between January 1, 2013, and June 30, 2014, she 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 her Renewal.
4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet her 2013 requirements.
5. Respondent was unable to provide documentation for twenty-two (22) hours of the 2013 CPE hours that she would need to meet the forty (40) hour requirement that she claimed on her 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.

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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 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 her certificate results in an automatic forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).
2. Respondent must return her certificate to the Board within fifteen (15) days of her receipt of the Board's notification of its approval of this Consent Order.
3. Respondent may apply for the reissuance of her 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 her 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-two (62) 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.

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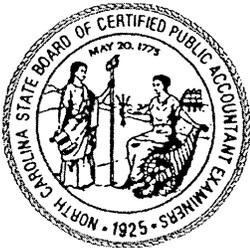
5. Respondent shall pay a one thousand dollar (\$1,000) civil penalty, to be remitted to the Board prior to submitting a reissuance application.
6. Respondent agrees that failure to timely comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of her certificate.

CONSENTED TO THIS THE 30 DAY OF April, 2016.
(Day) (Month) (Year)

Rui-ru Bao
Respondent

APPROVED BY THE BOARD THIS THE 19 DAY OF MAY, 2016
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

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