

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
December 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 L. Samuel Williams, Jr., 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; Kelly Goehl, Professional Standards Assistant; Buck Winslow; Licensing Manager; and Noel L. Allen, Esq., Legal Counsel.

GUESTS: Sharon Bryson, CEO, NCACPA; Mark Sotichack, CPA, COO, NCACPA; Donna Taylor, CPA, Chair, NCACPA; Stephanie Saunders, CPA, NASBA Middle Atlantic Regional Director; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA; Nathan Standley, Esq., Allen & Pinnix, P.A.; Sergeant J.A. Stokes, Raleigh Police Department.

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

MINUTES: The minutes of the November 21, 2016, meeting were approved as submitted.

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

NATIONAL ORGANIZATION ITEMS: Ms. Brown and Mr. Burgess moved to approve the draft response to the NASBA Focus Questions. Motion passed.

Stephanie Saunders, CPA, of Virginia and Regional Director of the Middle Atlantic Region of NASBA was recognized by Mr. Womble for comments. Ms. Saunders presented an update on current topics of importance to NASBA and all Boards.

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

Case Nos. C2016190-1 and C2016190-2 - David Wylie - Approve the signed Consent Order (Appendix I).

Case Nos. C2016191-1 and C2016191-2 - Dixon and Higgins, CPA, PLLC - Approve the signed Consent Order (Appendix II).

Case Nos. C2016203-1 and C2016203-2 - Stewart & Satterfield, P.A. - Approve the signed Consent Order (Appendix III).

Case Nos. C2016032, C2016035, C2016219-1, and C2016219-2 - Ernest K. Leonard, CPA, and Leonard CPA, PLLC - Approve the signed Consent Order (Appendix IV).

Case No. C2016125 - Close the case without prejudice.

Case No. C2016159 - Close the case without prejudice.

Case No. C2016162 - Close the case without prejudice with a Letter of Warning.

Case No. C2016189-1 and C2016189-2 - Close the cases without prejudice.

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

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

Daniel Gregory McGovern
John Stevens Norris, III

Daron Seth Tarlton
Anne Marie McCarthy Voutsos

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

Jigna H. Shah, T9518
Alison M. Merkabah, T9519
Susan Ralko, T9520
Kasturi Raghuvveera Shetty, T9521
Brenda Baker Jackson, T9522
Rachel Ann Graham, T9523
Andrew James VanLeeuwen, T9524
Judith A. Kristan, T9525
Mary Thompson Prillaman, T9526
Jason Thomas Kelly, T9527
Alexander Lee Hall, T9528
Daron Seth Tarlton, T9529

Elisa Frey Fernbach, T9530
Robert Rubin Miracle, T9531
Katherine Wells Demick, T9532
Vicky Lynn Enox, T9533
Gaurav Sharma, T9534
Cory Jay Seyl, T9567
Danielle Marie Ponchak, T9568
Jeffrey Lee Edgington, T9569
Brian Vincent Bass, T9570
Wenjing Chen, T9571
Anthony T. Nash, T9572
Sabrina Hawkins Didier, T9573

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

Samuel Wesley Black, #13477
David Andrew Stern, #16896

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

Simion Cerchez, #37920
Phyllis Louise Reynolds, #39208

Extension Requests - The Committee recommended that the Board approve John M. Kunst, #37162 for extension for completion of CPE until June 30, 2016.

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

Geneva J. Dally, #30064
Lisa Gaetano, #39425
John M. Kunst, #37162

Terry D. Smith, #7415
Robert W. Thorburn, #16561
Karen M. Wisniewski, #31206

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

Michael Abbott
Mariam Abebe
James Addison
Ayra Ajel
Megan Aleshire
Jennifer Allen
James Badgett
Tannis Barnes
Faye Barry
Joseph Baxter
Timothy Baynes
Gene Beecher
Duncan Belo
Hirut Benalfew
Jose Benavidez
Tyler Bennett
Abbie Bernard
Shannon Berry

Robert Bett
Lindsay Bobbett
Caley Boggs
Lauren Bolusky
Kenya Borders
Heather Boulden Gurganus
Jocelyn Boyd
Stacie Brandhoefer
Peter Bremhorst
Justin Bruno
Ryan Burke
William Burke
Mary Casey
Michael Cento
Cara Chabreck
Grant Chambers
Robbie Chapman
Wendy Cheek

Jedadiah Chilton
Rodney Clark
Rashaad Clavon
Erich Cloninger
Lindsay Clouse
Drew Coble
Andrea Cole
Brian Combs
Abigail Cooper
Chileen Cooper
Lynn Couturier
Kristin Cox
Joshua Cubitt
Gina Daniels
Casey Davis
Samantha Dawson
Manan Desai
Douglas Dey
Amy Dherckers
Allison Diaz
Kerianne Doran
Dwayne Dowden
Thomas Dowling
Christina Drake
William Dudley
James Durand
Tawanda Dzangare
Jessica Earles
Kellie Earnhardt
Kyle Ebinger
Melissa Edwards
Miranda Edwards
Kelsey Elggren
Anna Etheridge
Kate Etheridge
Andrew Farris
Susan Fenwick
Andy Ferrell
Daniel Fisher
John Fisher
Tyler Frank
Leanne Fredericks
David Friberg

Laura Fulp
Tristan Gales
Aaron Galliher
Jacob Garner
Gerald Gayle
Min Ge
Mary Gibbons
Janeane Gibson
Timothy Gilbert
William Glidewell
Christopher Good
Maria Grant
Eugene Gray
Danez Green
Karl Green
Emily Griffin
Barry Griffith
Cynthia Grose
John Gudauskas
Dana Gulledge
Cara Hall
Brittany Hamilton
Daniel Hathcock
Daniel Healy
Monica Hilburn
Jessica Hilgoe
Mark Horsch
Jonthan Huggins
Alex Hunt
Natalie Hunt
Lucas Hyde
Fatimatu Ingawa
Kelsey Isaacs
Zana Ismail
Kimoi James
Patricia Jimenez
Angela Johnson
Mitchell Johnson
Sarah Johnson
Shan Jones
Jennifer Jordan
Keith Keller
Spencer Kendle

Emma Kenney
Karitsa Kerns
Soonam Kim
Mackenzie Kinley
Erin Kissling
Katherine Kleinknecht
David Komasara
Messavi Komlavi
Joseph Koon
Kyle Kwiatkowski
Bart Landen
Joshua Lawrence
Kizzy Lea
Hannah Leahy
John Lee
Geoffrey Leeker
Steven Leerberg
Haley Long
Cicely Lopez
Travis Lowman
Phuong Luu
Joshua Lyons
Nicholas Lyons
Alison MacKay
Jonathan Macon
Nicholas Mannon
John Marks
Joe Marshall
Brandon Martin
Maria Martinez
Kane Mason
Peter Maxwell
Paula McBride
Mary McCarthy
Matthew McDonald
Morgan McElwee
John McGrotha
William Meador
Brandy Medina
Jeremy Meganck
Shuoyi Meng
Ian Metcalf
Courtney Miller

Ryan Miller
Christopher Mitchell
Andre Monitto
James Morrison
Asia Moses
Nathia Moses
Trenton Mosley
Donna Multerer
Tiana Murchison
Rosemary Murphey
Megan Murphy
Taylor Myers
Laurie Nelson
Ryan Nelson
Dennis Niesborella
Skylar Norris
Zachary Nutter
Albert Ong
Elizabeth Paluso
Kenan Patel
Chelsea Payne
Christina Peck
Ricci Pelland
Denise Penny
William Perrault
Laura Peters
Lynda Peterson
Olivia Petkau
Jeffrey Phillips
Clemson Player
Owen Poole
Kaitlyn Porter
James Post
Tara Potter
Brittany Powell
Alicia Racculia
Matthew Raytick
Tammy Reason
Phillip Robbins
Carter Roberts
Dillon Rogers
Anne Russell
Mason Ryon

Liliya Sabaleuskaya
Allison Schill
Jessica Schisler
Zachary Schumacher
Hannah Seipel
Elizabeth Senczy
Erin Shepard
Erin Sherk
Randy Shin
Constance Short
Katherine Sloat
Dylan Smith
Savannah Stanaland
Matthew Stenmark
Robert Stephenson
Zachary Stevens
Amanda Stillinger
Carter Stinman
Kyle Stinman
Gregory Stone
Courtney Stroud
Allison Sullivan
Michael Surles
Shung Li Tan
Willie Tate
Bryce Taylor

Charnice Taylor
Miki Taylor
Michelle Theron
Kavonda Thrasher
Casper Timberlake
Sarah Vipperman
Phillip Walker
Stephanie Walsh
Sarah Walters
Madeleine Watkins
William Webb
Adelaide Weiss
Harrison Welch
Samuel Weldon
Sharice Wells
Rachelle Westbrook
Chelsea Wiggins
Bailey Wilhelm
Aviance Williams
Tyler Wooten
Ruoyu Wu
Jun Xiong
MaiXong Xiong
Ji Sun Yang
Nathaniel Zarzar
Minghui Zhao

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: Mr. Nance discussed the status of the draft of the Strategic Plan to be reviewed by the Board at the January 14, 2017, Board meeting.

RECESS: Mr. Womble recessed the Board meeting at 10:27 a.m. until 11:00 a.m. for the Rule-Making Hearing.

RULE-MAKING HEARING: President Womble called the Rule-Making Hearing to order at 11:00 a.m. The proposed rules to be considered at this Hearing were submitted in the formal document with the Office of Administrative Hearing. President Womble called for anyone present who would like to speak on the proposed rules. No one came forward to comment. President Womble then inquired from the Executive Director if any written comments had been submitted to the Board to be entered in the public record. Mr. Brooks stated that the Board had not received any written comments on the proposed rules prior to the date of the Hearing. President Womble then adjourned the Rule-Making Hearing at 11:03 a.m. The entire Hearing is a matter of public record.

ADJOURNMENT: Messrs. Womble and Biggs moved to adjourn the meeting at 11:04 a.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 #s C2016190-2

IN THE MATTER OF:
David Wylie, 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. David Wylie, CPA (hereinafter "Respondent firm"), is a registered certified public accounting firm in North Carolina.
2. The Respondent firm received a "fail" on its most recent system peer review, with an acceptance letter date of September 29, 2015.
3. The peer review report noted that the Respondent firm conducted a governmental audit engagement and a yellow-book non-profit audit engagement which were not compliant with professional standards in all respects.
4. The 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. The 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. The 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. The Respondent firm's failure to perform audit services in accordance with Generally Accepted Auditing Standards constitutes a violation of the Statements on Auditing Standards in violation of 21 NCAC 08N .0403 and .0212.
3. The Respondent firm's failure to perform governmental audit services in accordance with Generally Accepted Government Auditing Standards constitutes a violation of Government Auditing Standards in violation of 21 NCAC 08N .0409 and .0212.
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of the Respondent firm's consent to this order, the Respondent firm is subject to the discipline set forth below.

NC BOARD OF

NOV 15 2016

CPA EXAMINERS

Consent Order - 2
David Wylie, CPA

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

1. The Respondent firm is censured.
2. The Respondent firm has signed a written statement acknowledging that the Respondent firm is not currently participating in, performing, or reviewing any audit engagements.
3. Prior to the Respondent firm participating in, performing, or reviewing any audits, the Respondent firm shall be required to complete the following:
 - a. Each staff member participating in engagements subject to peer review must take at least eight (8) hours of group-study A&A CPE related to Audit Documentation annually until the firm receives a pass on a system review or a pass or pass with deficiencies on an engagement review.
 - b. At its own expense, obtain pre-issuance reviews of all audit engagements until such time as the Board determines that pre-issuance review is no longer necessary. The pre-issuance reviewer shall be approved by the Board. The Respondent firm shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report.

CONSENTED TO THIS THE 11 DAY OF November, 2016.
(Day) (Month) (Year)

LOEL
Individual authorized to sign on behalf of Respondent Firm

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

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: _____

President

NC BOARD OF
NOV 15 2016
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s C2016191-2

IN THE MATTER OF:
Dixon & Higgins, CPAs, PLLC
Respondents

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. Dixon & Higgins, CPAs, PLLC (hereinafter "Respondent firm"), is a registered certified public accounting firm in North Carolina.
2. The Respondent firm received a "fail" on its most recent system peer review, with an acceptance letter date of December 1, 2015.
3. The peer review report noted significant deficiencies in the conduct of a compilation engagement and its audit engagements.
4. The 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. The 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. The 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. The Respondent firm's failure to perform audit services in accordance with the Statements on Auditing Standards constitutes a violation of 21 NCAC 08N .0403, and .0212.
3. The Respondent firm's failure to perform accounting services in accordance with the Statements on Standards for Accounting and Review Services constitutes a 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 the Respondent firm's consent to this order, the Respondent firm is subject to the discipline set forth below.

NC BOARD OF

NOV 17 2016

CPA EXAMINERS

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

1. The Respondent firm is censured.
2. The Respondent firm has signed a written statement acknowledging that the Respondent firm is not currently participating in, performing, or reviewing any audit engagements.
3. Prior to the Respondent firm participating in, performing, or reviewing any audits, the Respondent firm shall be required to complete the following:
 - a. Each staff member participating in engagements subject to peer review must take at least eight (8) hours of group-study A&A CPE related to Audit Documentation annually until the firm receives a pass on a system review or a pass or pass with deficiencies on an engagement review.
 - b. At its own expense, obtain pre-issuance reviews of all audit engagements until such time as the Board determines that pre-issuance review is no longer necessary. The pre-issuance reviewer shall be approved by the Board. The Respondent firm shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report.

CONSENTED TO THIS THE 15th DAY OF November, 2016.
(Day) (Month) (Year)

Kathryn Patricia Higgins
Individual authorized to sign on behalf of Respondent Firm

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

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NC BOARD OF

NOV 17 2016

CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s C2016203-2

IN THE MATTER OF:
Stewart & Satterfield, 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:

1. Stewart & Satterfield, P.A. (hereinafter "Respondent firm"), is a registered certified public accounting firm in North Carolina.
2. The Respondent firm received a "fail" on its most recent system peer review, with an acceptance letter date of August 22, 2016.
3. The peer review report noted several significant departures from Generally Accepted Government Auditing Standards ("GAGAS") by the Respondent firm.
4. The peer review also noted other audit standards representing a significant departure from Generally Accepted Auditing Standards ("GAAS") by the Respondent firm.
5. The 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. The 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. The 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. The Respondent firm's failure to perform government auditing services in accordance with the GAGAS constitutes a violation of 21 NCAC 08N .0409 and .0212.
3. The Respondent firm's failure to perform auditing services in accordance with the GAAS constitutes a violation of 21 NCAC 08N .0403 and .0212.
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of the Respondent firm's consent to this order, the Respondent firm is subject to the discipline set forth below.

NC BOARD OF

NOV 28 2016

CPA EXAMINERS

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

1. The Respondent firm is censured.
2. Prior to the Respondent firm participating in, performing, or reviewing any audits, the Respondent firm shall be required to complete the following:
 - a. Each staff member participating in engagements subject to peer review must take at least four (4) hours of group-study A&A CPE related to audit (Audit Update, Audit Documentation, etc.) annually until the firm receives a pass on a system review or a pass or pass with deficiencies on an engagement review.
 - b. Each staff member participating in engagements subject to peer review must ensure the attainment of required Yellow Book CPE for the performance of audits per GAGAS.
 - c. At its own expense, obtain pre-issuance reviews of all audit engagements until such time as the Board determines that pre-issuance review is no longer necessary. The pre-issuance reviewer shall be approved by the Board. The Respondent firm shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report.

CONSENTED TO THIS THE 21ST DAY OF NOVEMBER, 2016.
(Day) (Month) (Year)

Robert A Stewart, CPA
Individual authorized to sign on behalf of Respondent Firm

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

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NC BOARD OF
NOV 28 2016
CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s: C2016032, C2016035, C2016219-1, C2016219-2

IN THE MATTER OF:
Ernest K. Leonard, CPA, #24431
Leonard CPA, PLLC
Respondents

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 Ernest K. Leonard (hereinafter "Respondent") is the holder of certificate number 24431 as a North Carolina Certified Public Accountant.
2. Respondent firm Leonard CPA, PLLC (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina.
3. The Respondent self-reported that he was charged with failing to file and pay the Respondent Firm's withholding taxes and the Respondent's income taxes. The Board opened cases against the Respondent (C2016032) and the Respondent Firm (C2016035).
4. The Respondent pled guilty to one count of failure to file an income tax return and one count of failure to pay income tax. He also pled guilty to one count of failure to file a withholding tax return and one count of failure to pay withholding tax.
5. The Board also received information that the Respondent firm had not undergone a peer review since November 18, 2010. The Board opened cases against the Respondent (C2016219-1) and the Respondent Firm (C2016219-2).
6. Per the North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-12(8c)(c), CPA firms are required to undergo peer review every three years if they are engaged to perform audits, reviews, compilation or other reports issued on financial information in the public practice of accountancy.
7. On the Respondent firm's annual renewals for the years 2010 through 2014, the Respondent represented that the Respondent firm had performed audits, reviews, agreed-upon procedures and compilations for third party use during the prior year.
8. On the Respondent firm's annual renewal for the year 2015, the Respondent represented that the Respondent firm had performed agreed-upon procedures and compilations for third party use during the prior year.

Consent Order - 2
Ernest K. Leonard, CPA
Leonard CPA, PLLC

9. The Respondent firm had undergone previous peer reviews and therefore the Respondent knew, or should have known, that a peer review was required in order perform the engagements identified on the 2010 through 2015 firm renewals.
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. If proven by the North Carolina Department of Revenue, the Respondent's guilty pleas related to the timely filing or payment of withholding taxes would constitute violations of 21 NCAC 08N .0201 (Integrity), .0203(a) (Discreditable Conduct), and .0207 (Violation of Tax Laws).
3. If proven at hearing, the Respondent's failure to undergo timely peer review constitutes a violation of 21 NCAC 08N .0213 (Violation of Other Rules)
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of the Respondent's consent to this order, the 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. The Certified Public Accountant certificate for the Respondent, Ernest K. Leonard, is hereby permanently revoked.
2. The firm registration for the Respondent Firm, Leonard CPA, PLLC, is hereby suspended.
3. Neither Respondent Leonard nor Respondent Firm shall offer or render services as a CPA or CPA firm or otherwise trade upon or use the CPA title in this state either through CPA mobility provisions or substantial equivalency practice privileges or in any other manner, nor shall Respondent Leonard or Respondent Firm claim or attempt to use any practice privileges in any other state based upon Respondent Leonard's permanently revoked North Carolina certificate or Respondent Firm's cancelled CPA firm registration.

Consent Order - 3
Ernest K. Leonard, CPA
Leonard CPA, PLLC

CONSENTED TO THIS THE 18th DAY OF December, 2016.
(Day) (Month) (Year)

Ernest K. Leonard
Respondent

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

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President