



Activity Review

North Carolina State Board of Certified Public Accountant Examiners

1101 Oberlin Rd., Ste. 104 • PO Box 12827 • Raleigh, NC 27605 • 919-733-4222 • nccpaboard.gov • No. 10-2017

The Annual CPE Requirement: Will You Be in Compliance?

The December 31 deadline for completing CPE for the 2017 compliance year is quickly approaching; are you on track to be in compliance with the annual CPE requirement?

21 NCAC 08G .0401(d) requires that active CPAs complete 40 CPE hours computed in accordance with 21 NCAC 08G .0409 by December 31 of each year.

However, individuals whose certificate applications are approved by the Board in April, May, or June must complete 30 CPE hours during the same calendar year; individuals whose certificate applications are approved by the Board in July, August, or September must complete 20 CPE hours during the same calendar year; and individuals whose certificate applications are approved by the Board in October, November, or December must complete 10 CPE hours during the same calendar year.

For a CPA to claim credit for a CPE course, the CPA must complete the course; the course must meet the requirements set forth in 21 NCAC 08G .0404; and the course must increase the professional competency of the CPA.

Because of differences in the education and experience of CPAs, a course may contribute to the professional competency of one CPA, but may not contribute to the professional competency of another CPA.

How Many CPE Hours Do I Need?

If you were licensed

- before April 2017 = 40 hours
- in April/May/June 2017 = 30 Hours
- in July/August/September 2017 = 20 Hours
- in October/November/December 2017 = 10 Hours



Therefore, each CPA must exercise his or her professional judgment in selecting courses for which CPE credit is claimed and should choose only those courses that contribute to his or her professional competency.

The Board does not register CPE sponsors and does not approve specific CPE courses for an individual to take for compliance with the annual CPE requirement.

21 NCAC 08G .0410, *Professional Ethics and Conduct CPE*, requires that as part of the annual CPE requirement, all active CPAs complete a two-hour group-study course or self-study course on professional ethics and conduct as set forth in 21 NCAC 08N.

The two-hour course may be any course on behavioral or regulatory ethics offered by a CPE sponsor registered with the NASBA Registry of CPE Sponsors (nasbaregistry.org).

Because the ethics requirement is an annual requirement, carry-for-

ward CPE hours cannot be used to satisfy the requirement.

A non-resident CPA (a licensee who neither lives nor works in North Carolina) may satisfy the annual ethics CPE requirement by completing the ethics requirements in the jurisdiction in which he or she is licensed and works or resides.

If there is no ethics CPE requirement in the jurisdiction where a non-resident CPA is licensed and

CPE Requirement
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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."

BOBBY THOMAS MARTIN, #7160 | BOBBY T. MARTIN, CPA, PLLC | CHARLOTTE, NC

THIS CAUSE coming before the North Carolina State Board of Certified Public Accountant Examiners (the "Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing ("Hearing"), with a quorum present, the Board finds, based on the evidence presented at the Hearing on July 24, 2017, that:

FINDINGS OF FACT

1. Bobby Thomas Martin (hereinafter "Respondent") was the holder of North Carolina certificate number #7160 as a Certified Public Accountant.
2. Bobby T. Martin, CPA, PLLC (hereinafter "Firm"), was a registered certified public accounting firm in North Carolina.
3. At all relevant times, the Respondent was the supervising CPA of the Firm and, as such, was the CPA responsible for ensuring that the Board's peer review requirements were satisfied.
4. The Firm is subject to the provisions of Chapters 93, 57D, and 55B of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code. The Board has jurisdiction over the Respondents and the subject matter of this action.
5. The Respondent received at least fifteen (15) days written notice of the Hearing. The notice was achieved by serving a Notice of Hearing by personal service, certified mail, or other method of delivery authorized by N.C. Gen. Stat. §150B-42(a).
6. Venue is proper and the Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
7. The Respondent did not object to any Board Member's participation in the Hearing of this matter.
8. The Respondent was not present at the Hearing and was not represented by counsel.
9. In 2010, the Firm successfully completed a peer review. The final letter of acceptance noted that the Firm's next peer review was due on March 31, 2011.
10. On the Firm's renewal forms for the years 2011 through 2015, the Respondent disclosed to the Board that the Firm had issued audits, reviews, and compilations in each of those years.
11. As such, the Respondents engaged in services that necessitated peer review per 21 NCAC 08M .0105(a), which provided at the time that:
 - A CPA or CPA firm providing any of the following services to the public shall participate in a peer review program:
 - 1) audits;
 - 2) reviews of financial statements;
 - 3) compilations of financial statements; or
 - 4) agreed-upon procedures or engagements to be performed in accordance with the Statements on Standards for Attestation Engagements.
12. Per 21 NCAC 08M .0105(d), the Respondents were required to participate in either the AICPA Peer Review Program or an equivalent peer review program.
13. North Carolina CPA firms must undergo peer review at least once every three (3) years if they provide the aforementioned services.
14. Per his disclosures made on the Firm's renewals, the Respondent should have caused the Firm to undergo an additional two (2) peer reviews since completion of the 2010 peer review.
15. The Firm did not complete any peer reviews since 2010.
16. Upon receiving information that the Respondents had failed to timely complete their peer review requirements, the Board staff sent numerous communications to the Respondents beginning in September of 2016.
17. The Respondent failed to respond to any of the staff's written and emailed communications, until he provided a two-sentence letter on April 5, 2017. His letter did not address any of the staff's inquiries.

CONCLUSIONS OF LAW

1. Per N.C. Gen. Stat. §150B-42, this Board Order constitutes a Final Agency Decision of the Board.

2. 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. Pursuant to N.C. Gen. Stat. §93-12(9), the Board has the authority to impose discipline upon the Respondent and the Respondent's certificate and to impose civil monetary penalties.
3. The Respondents' failures to timely complete peer reviews constitute violations of 21 NCAC 08M .0105 and subject them to disciplinary action.
4. As set forth above, the Respondent's failure to timely cooperate with the Board's inquiries constitutes a violation of 21 NCAC 08N .0206.

BASED ON THE FOREGOING, the Board orders in a vote of 7 to 0 that:

1. The Certified Public Accountant certificate issued to the Respondent Bobby Thomas Martin is permanently revoked.
2. The firm registration for the Respondent Firm is hereby suspended.
3. Neither Respondent Martin nor the Respondent Firm shall offer or render services as a CPA 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 the Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

This the 24th day of July, 2017.

TARA DYE PEEBLES, #31647 | PEEBLES, CPA PC | FUQUAY-VARINA, NC

THIS CAUSE coming before the North Carolina State Board of Certified Public Accountant Examiners (the "Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing ("Hearing"), with a quorum present, the Board finds, based on the evidence presented at the Hearing on August 21, 2017, that:

FINDINGS OF FACT

1. Tara Dye Peebles, (hereinafter "Respondent") was the holder of North Carolina certificate number 31647 as a certified public accountant.
2. Peebles CPA, PC (hereinafter "Firm"), was a registered certified public accounting firm in North Carolina. At all relevant times, the Respondent was listed with the Board as the supervisor of the Firm. The Respondent and the Firm are hereinafter collectively referred to as the "Respondents."
3. The Board has jurisdiction over the Respondents and the subject matter of this action.
4. The Respondents received at least fifteen (15) days written notice of the Hearing. The notice was achieved by serving a Notice of Hearing by personal service, certified mail, or other method of delivery authorized by N.C. Gen. Stat. §150B-38(c).
5. Venue is proper and the Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
6. The Respondents did not object to any Board Member's participation in the Hearing of this matter.
7. The Respondents were not present at the Hearing and were not represented by counsel.

8. The Respondent was the sole owner and CPA employee of the Firm.
9. The Board received a complaint against the Firm, in which the complainant alleged that he had provided the Firm with his 1099s and tax records to prepare his 2015 tax returns, with the understanding that the Respondents would file an extension before preparing the tax returns.
10. Per the complaint allegations, after having no communication from the Respondents, the client attempted to contact the Respondents by telephone, email, and certified mail, with no success. The client stated that the Respondents never completed the tax returns and did not return the documentation he had provided.
11. The Board staff attempted to contact the Firm but did not receive a timely response. Therefore, a complaint was filed against the Respondent.

Peebles continued on page 4

Board Meetings		Office Closed
		<p>In accordance with the calendar adopted by the State of North Carolina, the Board office will be closed on the following dates:</p> <p>November 10 - Veterans Day November 23-24 - Thanksgiving December 25-27 - Christmas</p>
<p>Board meetings are open to the public and unless otherwise noted are held at the Board office and begin at 10 a.m.</p>		

12. Additionally, the Respondent failed to renew the Firm's registration and did not timely respond to correspondence from the Board's Licensing section regarding that failure to renew the Firm.

CONCLUSIONS OF LAW

1. Per N.C. Gen. Stat. §150B-42, this Board Order constitutes a Final Agency Decision of the Board.
2. The Respondents are subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code. Pursuant to N.C. Gen. Stat. §93-12(9), the Board has the authority to impose discipline upon the Respondent and the Respondent's certificate and to impose civil monetary penalties. It also has the authority to suspend the Firm's registration.
3. The Respondent failed to timely cooperate with inquiries from the Board in violation of 21 NCAC 08N .0206.
4. The unrefuted allegations in the complaint indicate that the Respondent did not exer-

cise due professional care in the performance of a tax engagement in violation of 21 NCAC 08N .0212(2).

5. Additionally, because there are no licensed CPAs to own or operate the Firm, the Firm's registration is suspended and may not be renewed.

BASED ON THE FOREGOING, the Board orders in a vote of 7 to 0 that:

1. The Certified Public Accountant certificate issued to the Respondent, Tara Dye Peebles, is hereby permanently revoked.
2. Neither Respondent Tara Dye Peebles nor the 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 Peebles or the Firm claim or attempt to use any practice privileges in any other state based upon Respondent Peebles' permanently revoked North Carolina certificate or the Firm's suspended CPA firm registration.

This the 21st day of August, 2017.

See page 6 for an additional Disciplinary Action.

CPE Requirement *continued from front page*

resides or works, he or she must complete a two-hour group-study or self-study course on behavioral or regulatory ethics offered by a CPE sponsor registered with the NASBA Registry of CPE Sponsors.

CPAs taking self-study courses to fulfill the Board's 40-hour CPE requirement should note that a self-study course is not considered complete until the CPE sponsor issues a Certificate of Completion.

The date the Board will accept for CPE credit is the Certificate of Completion date, not the date the course was completed or the date the completed course was mailed to or received by the sponsor.

Individuals who complete self-study courses late in the year sometimes cannot claim CPE credit for that calendar year because the CPE sponsor issues the Certificate of Completion in the next calendar year.

It is strongly suggested that CPAs who plan to use self-study courses to fulfill the CPE requirement complete the courses and submit them to the sponsor(s) as soon as possible.

CPAs cannot claim reading accounting journals, periodicals, reference guides, or related materials and taking a test designed to assess reading comprehension as credit for CPE. No CPE credit is allowed for examinations alone; CPE credit is only allowed for examinations that test a CPA's knowledge of a particular set of study materials as prepared in a formal CPE program.

If a CPA fails to complete the CPE requirements prior to the end of the previous calendar year, but completes the requirements by June 30, the Board will issue a letter of warning for the first such failure within a five (5) calendar year period.

For the second such failure within a five (5) calendar year period, the Board will deny the renewal of the CPA's certificate for a period of not less than 30 days and until the CPA meets the reinstatement requirements set forth in 21 NCAC 08J .0106.

If you have questions about CPE, please contact the Board's Licensing Specialist, Cammie Emery, by phone at (919) 733-1423 or by email at cemery@nccpaboard.gov.

CPA Exam Performance Summary: 2017 Q2

NORTH CAROLINA

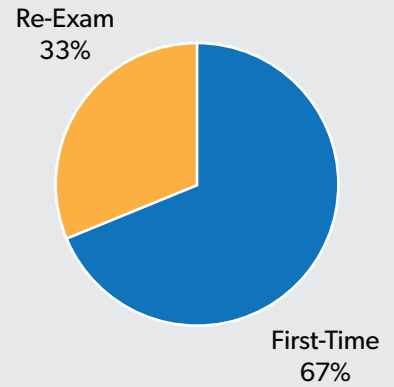
Overall Performance

Unique Candidates	747
New Candidates	233
Total Sections	943
Passing 4th Section	90
Sections/Candidate	1.26
Pass Rate	60.5%
Average Score	74.6

Section Performance

	Sections	Score	%Pass
First-Time	636	75.8	64.9%
Re-Exam	307	72.2	51.1%
AUD	357	75.9	61.9%
BEC	151	78.0	69.5%
FAR	270	73.5	58.2%
REG	165	70.9	52.7%

Exam Type by Percent



Jurisdiction Rankings (1 to 53)

15	14	4	4
Candidates	Sections	Pass Rate	Avg Score

Exam Score Release Dates

October/November/December 2017 (Q4) Testing Window

If you take your test on/before:	And the AICPA receives your examination data files from Prometric by 11:59 pm (EST) :	Target score release date:
December 10	December 11	December 19
December 10	**After December 11	December 21

**The Examination data files received by the AICPA after December 11 will be included in the final target score release date.

January/February/March 2018 (Q1) Testing Window

If you take your test on/before:	And the AICPA receives your examination data files from Prometric by 11:59 pm (EST) between:	Target score release date:
January 20	January 1 - January 20	February 6
February 14	January 21 - February 14	February 23
February 28	February 15 - February 28	March 8
March 11	March 1 - March 11	March 20

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 Moretz Starr (hereinafter “Respondent”) is the holder of North Carolina certificate number 16157 as a certified public accountant.
2. The Board was contacted by the North Carolina Office of the State Auditor (hereinafter “OSA”) regarding the Respondent’s failure to adequately respond to OSA’s request to review her workpapers related to a completed governmental audit.
3. The Board staff contacted the Respondent by telephone, letter, and email. Although the Respondent indicated that she would cooperate with the inquiry, she never followed through with establishing a time-frame for the OSA staff to perform the quality review. The Board staff then requested that the relevant workpapers be provided by January 27, 2017.
4. Throughout the communications with the Respondent, the Board staff was informed that she was having difficulties assembling the audit file, as she was having problems with her computer and was unable to provide copies.
5. The Respondent subsequently provided the Board staff with electronic copies of the workpapers purporting to support the audit. The Board staff reviewed the workpapers and found numerous deficiencies.
6. The Board staff found that the submitted workpaper documentation was not sufficient to support all required audit processes including missing or incomplete: engagement letter, representation letter, audit programs, testing and verification of internal controls, and substantive test of details.
7. 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 Adminis-

trative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. The Respondent’s failure to timely and adequately submit her workpapers to the OSA for their review constitutes a violation of 21 NCAC 08N .0203 and .0212.
3. The workpaper deficiencies, if proven, would constitute a violation of 21 NCAC 08N .0212 and .0403.
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 Respondent, Melanie Moretz Starr, is censured.
2. The Respondent must obtain pre-issuance reviews for all audit engagements in which she participates. The pre-issuance review must be performed by a pre-issuance reviewer approved by the Board until a determination is made by the Board that those engagements can be performed in accordance with applicable professional standards. The Respondent shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report upon its issuance.
3. The Respondent shall pay a one thousand dollar (\$1,000) civil penalty.
4. The Respondent shall reimburse the Board for its administrative costs of five hundred dollars (\$500) related to the investigation of this matter.

Approved by the Board September 18, 2017.

**Exam Fees Effective
October 21, 2017**

ADMINISTRATIVE FEES

Initial Exam Application	\$230.00
Re-Exam Applications	\$75.00

SECTION FEES

Auditing (AUD)	208.40
Financial Accounting & Reporting (FAR)	208.40
Regulation (REG)	208.40
Business Environment & Concepts (BEC)	208.40

Certificates Issued

On September 18, 2017, the Board approved the following applicants for certification as North Carolina CPAs:

Michael Francis Aiello
Stephanie Joyce Baker
Tyler Christopher Chambers
Justin Michael Chestnutt
Patrick Charles Dever
Miranda Ciera Edwards
Clint Justin Fairchild
Xuezhi Feng
Karlie Danielle Gale
Frank Upton Greer, V
Benjamin John Gregory
Maria Alejandra Hernandez Gomez
Tyler Stephen Holland
Kelly Anne Kay
MacKenzie Marie Kinley
Robert B. Linklater
Megan Alexandra Loeper
Megan Elizabeth Meyer
Austin Joseph Miller
Austin James Morgan
Jennifer A. Musso
Dustin Alexander Never
Sarah Kris Nicholls
Addison Bradley Oliver
Vishal Sunil Patel
Benjamin Michael Perron
William Franklin Prevo
Yuliya Sakun
Cynthia Guadalupe Sandoval
Jessica Marie Schallhorn
Andrew Marvin Schuett, Jr.
Dakota Austin Shoe
Nabil A. Sibay
Erynn Bradie Stainback
Kyria Sun
Jacob Edward Cruz Taitague
Christopher Colin Thomas
Maurice Anthony Thompson
Ray Antonio Toney
Katherine Grace Travan
David Kelly Tucker, III
Jonathan Gregory Upham
Jillian Galloway Valk
Andrey Ivanovich Yeremuk

Reclassifications

On Septmeber 18, 2017, the Board approved the following applicants for reclassification:

Reinstatement

Harold Conrad Bradshaw, Jr., #19817	Tampa, FL
Jonathan Thomas Clardy #36402	Raleigh, NC
Cheryl Palmieri Connolly, #21391	Wake Forest, NC
Emily Jo Daly, #37889	Columbus, GA
Patrick Keith Eudy, #34609	Wake Forest, NC
Amy Powell Goss, #15073	Chapel Hill, NC
Frederick Robert Perschau, Jr., #21986	Hillsborough, NC
John William Struble, #29957	Mooresville, NC

Reissuance

Lisa Lee McDonall, #19628	Winston-Salem, NC
Jean Hinnant Buchan, #34358	Goldsboro, NC

Inactive

Between September 1, 2017, and September 30, 2017, the following individuals requested and were approved for inactive status by the Board. "Inactive," when used to refer to the status of a person, describes a person who has requested inactive status and been approved by the Board and who does not use the title certified public accountant nor does he or she allow anyone to refer to him or her as a certified public accountant, and neither he nor she nor anyone else refers to him or her in any representation as described in Rule .0308(b) of this Section [21 NCAC 08A .0301(b)(20)].

Jesse Michael Shipman, #10137	Gastonia, NC
Jackie Lynn Fryt, #34433	Durham, NC
Frederick William Smothers, #18638	Raleigh, NC
Maira Naveed Ahmad, #41029	Worcester, MA
George Lamont Matthews, Sr., #30607	Kernersville, NC
John Wesley Harmon, #10760	Graham, NC
Jennings Ingram Chandler, III, #9210	Burlington, NC
Ashley Cha Moran, #32774	Asheville, NC
Somp "Francis" Thilavanh, #33451	Raleigh, NC
Casey Edward O'Keefe, #34664	Charlotte, NC

Activity Review Available by Mail or Email

The Board gives candidates and licensees the option to receive the *Activity Review* by mail or email. The default delivery method is email.

To receive a paper copy of the newsletter instead of the electronic version, send an email that includes your full name, mailing address, CPA license number (or last four digits of your social security number), and the statement

"send newsletter by USPS" to communications@nccpaboard.gov

To ensure that the email version of the *Activity Review* does not go to your spam or junk folder, add **communications@nccpaboard.gov** to your approved or safe senders list.

Licensees and candidates with non-US addresses will receive the newsletter by email only.



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Notice of Address Change

Please Print Legibly

Full Name:	
Certificate No.:	Last 4 Digits of SSN:
Home Address:	
City/State/Zip:	
Home Phone:	Home Fax:
Home Email:	
Firm/Business Name:	
Business Address:	
City/State/Zip:	
Business Phone:	Business Fax:
Business Email:	
Signature:	
Date:	Send mail to: <input type="checkbox"/> Home <input type="checkbox"/> 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.