PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
March 21, 2018
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Wm. Hunter Cook, CPA, President; Cynthia B. Brown, CPA, Vice President; Jeffrey J. Truitt, Esq., Secretary-Treasurer; Justin C. Burgess; L. Samuel Williams, Jr., CPA; Arthur M. Winstead, Jr., CPA; and Michael H. Womble, 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; Hunter Simpson, Board Intern, and Noel L. Allen, Esq., Legal Counsel.

GUESTS: Mark Soticheck, CPA, COO, NCACPA; Nicole Benford, CPA, NCACPA; Edward P. Cooper, CPA; Robert J. Milne, CPA; and Sgt. J.A. Stokes, Raleigh Police Department.

CALL TO ORDER: President Cook called the meeting to order at 1:00 p.m.

PUBLIC HEARING: President Cook called the Public Hearing to order to hear Case No. C2017101 – Edward P. Cooper, NC CPA No. 14723. Mr. Cooper was present at the Hearing and was represented by Frederick K. Sharpless, Esq. David R. Nance, CPA; Robert J. Milne, CPA; and Edward P. Cooper, CPA, were sworn in and presented testimony. Messrs. Truitt and Williams moved to enter Closed Session to discuss the case without the Executive Staff or the Staff Attorney present, but with Noel L. Allen, Esq., Legal Counsel, present. Motion passed. Upon re-entering the Hearing, Messrs. Winstead and Williams moved that Edward P. Cooper pay a $500.00 civil penalty (Appendix I). Motion passed with seven (7) affirmative votes and zero (0) negative votes. The Public Hearing is a matter of public record.

MINUTES: The minutes of the February 19, 2018, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The February 2018 financial statements were accepted as submitted.

ELECTION OF OFFICERS: Messrs. Burgess and Womble moved to nominate and elect L. Samuel Williams, Jr., CPA, for President; Jeffrey J. Truitt, Esq., for Vice President; and Arthur M. Winstead, Jr., CPA, for Secretary-Treasurer effective April 1, 2018. Motion passed with seven (7) affirmative votes.
LEGISLATIVE AND RULE-MAKING ITEMS: Mr. Brooks reported on the March 6, 2018, meeting of the Joint Legislative Administrative Procedure Oversight Committee regarding a presentation on improving financial and performance reporting for oversight of occupational licensing boards.

NATIONAL ORGANIZATION ITEMS: Mr. Nance reported on the attendance of the staff at the NASBA Executive Director and Board Staff Conference and the Legal Counsel Conference held March 13-15, 2018, in Sandestin, FL.

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

Case No. C2017264 - Teresa A. Jones - Approve the signed Consent Order (Appendix II).

Case No. C2017125 - Margaret F. Stampley - Approve a Notice of Hearing for May 24, 2018, at 10:00 a.m.

Case Nos. C2017239 and C2017299 - Close the cases without prejudice.

Case No. C2017245 - Close the case without prejudice.

Case No. C2017268 - Close the case without prejudice.

Case No. C2017293 – Close the case without prejudice. Ms. Brown did not participate in the discussion of this matter nor did she vote on this matter.

Case No. C2017297 – Close the case without prejudice.

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

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

Brody Raymond Ledbetter
Scott Browning McKinney

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

Jovana Bjelica
Daniel Page Blevins

Hunter Thomas Bracy
Matthew Bryon Casey
Richard Lee Cassady  
Grant Taylor Chambers  
Matthew Tyler Chapman  
Jonathan Robert Cucarola  
Michael Reid DeCarlo  
John Gabriel Esposito  
Giovanni Rey Figaro  
Leanne Grace Fredericks  
Tiffany Le-Laneté Goodman  
Heather Cotter Kels  
Katherine Jeanne Kleinknecht  
Chelsea Payne Kuchen  
Brody Raymond Ledbetter  
Elizabeth Mary MacLachlan  
Brendan Charles Madigan  
Scott Browning McKinney  

Alyson Walker Moore  
Trushaben P. Patel  
Susan Hayden Propst  
Kevin Robert Protasewich  
Jeannine Marie Richman  
Hillary Anne Roberts  
Stephanie Marie Ruggeri  
Lindsay Taylor Schilleman  
Joseph John Schmelzle, II  
Shay Taylor Sellati  
Elizabeth Marjorie Senczy  
Matthew David Spivey  
Jason Scott Sturdevant  
Stephanie Regina Walsh  
William Calvin Walters  
Richard Charles Wilson  

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

Peter Anthony Baquero  
Travis Andrew Bower  
Kelly Sue Dreflinger  

Lisa Lynn Fritschel  
Matthew James McFarlin  

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

Brandon David Hall, T10333  
Andrew Alexander Steel, T10334  
Terry Wayne Mullins, T10335  
Shaun Alane Lockhart, T10336  
Alan Erik Turovlin, T10357  
Tory Jay Raether, T10358  
Helene Roth, T10359  
Ann Marie Renze, T10360  
Aimee Lynne Turner, T10361  
Brent Alan Summerfield, T10362  
Jacob Lawrence Green, T10363  

Joanne Marie Seward, T10364  
Svitlana Mykolayivna Loomis, T10365  
Yuhui Zeng, T10366  
Lawrence Anthony Kraujalis, T10367  
Lakshminarayana Bhaskar, T10368  
Paul Edward Huckle, T10369  
Amanda Leigh Bergantino, T10370  
Kara Lynn White, T10371  
Mary Therese Murphy, T10372  
Zachary Page Anderson, T10373  
Colin Michael Caldwell, T10374  

**Reinstatements** - The Committee recommended that the Board approve the following applications for reinstatement:

Mark Causey, III, #35290  

Mary Summers Johnson, #19356
Reissuance of New Certificate - The Committee recommended that the Board approve the following applications for reissuance of new certificate:

Timothy Desmond Nolan, #22413
Toni Mari Thereault, #35658

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

Cherry Cook, CPA, PLLC
Rebecca E. Miller, CPA, PLLC

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

Marcia Achempong
Brent Allison
Luke Allman
Deborah Anderson
Victoria Andreski
Ashlea Armstrong
Margaret Baresh
Kyle Barnhart
Stephanie Baubie
Kyle Beebe
Tyler Bennett
Alison Billman
Brook Birdsong
Angela Blackwell
Catrina Blazer
Stephanie Blonchek
Anjelica Boney
Maris Bowlby
Stefenie Brinson
Michael Brooks
Ryan Brown
Shannon Brown
Ashley Bryant
Haley Bumgardner
Carlton Bunn
Spencer Caldwell
Thomas Camp
Charles Carroll
Tara Carroll
Brendan Cei
Nicholas Chilcutt
Shawna Christie
Kaylyn Clark
Rashaad Clavon
Connor Cleary
James Clements
Jonathan Coleby
Hayden Cooper
Madeline Courtney
Taylor Dahlstrom
Timothy Dannenfelser
James Denam
Kesley Dickerson
Christopher Dickson
Carol Duggins-Sterling
Bradford Dunnagan
Mollie Eckert
Jason Edney
Lucas Elliott
Nikeya Elmore
Brooke English
Travis Evans
Mary Fairecloth
Andy Ferrell
Jordan Gantt
Cory Gantz
Staff recommended that the Committee determine and accept the grades received for the October - December 2017 exams. Twenty-five files with grade reports were haphazardly selected and available at the meeting for review by a Board member. The Committee recommended that the Board approve staff recommendation.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: Mr. Nance provided a brief update on the Board’s strategic plan. The monthly operational metrics and the Executive Staff report were also provided.

CLOSED SESSION: Messrs. Winstead and Williams moved to enter Closed Session to discuss personnel matters with the Personnel Committee and Board without the Executive Staff or Staff Attorney present, but with Mr. Allen present. Motion passed.

PUBLIC SESSION: The Board re-entered Public Session.

ADJOURNMENT: Messrs. Womble and Williams moved to adjourn the meeting at 4:51 p.m. Motion passed.

Respectfully submitted:

Attested to by:

Robert N. Brooks
Executive Director

Wm. Hunter Cook, CPA
President
NORTH CAROLINA          BEFORE THE NORTH CAROLINA STATE BOARD OF
WAKE COUNTY            CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

IN THE MATTER OF:
Edward P. Cooper, CPA, #14723
Respondent

BOARD ORDER

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 March 21, 2018, that:

FINDINGS OF FACT

1. Edward P. Cooper (hereinafter "Respondent") is the holder of North Carolina certificate number 14723 as a Certified Public Accountant.

2. The Board has jurisdiction over Respondent and the subject matter of this action.

3. 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-38(c).

4. Venue is proper and the Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.

5. Respondent did not object to any Board Member's participation in the Hearing of this matter.

6. Respondent was present at the Hearing and was represented by counsel.

7. The Board received a third-party complaint against the Respondent regarding audits performed. Among other things, the Complainant stated that the audit reports prepared by the Respondent for the years ended December 31, 2014, and 2015, respectively, were dated prior to the signing of the management representation letters for each of those years.
8. For the 2014 audit, the audit report and management representation letter were dated July 17, 2015. However, the management representation letter was not signed until November 14, 2016. The audit was issued on that date.

9. Similarly, for the 2015 audit, both the audit report and management representation letter were dated December 1, 2016. However, the management representation letter was not signed until January 30, 2017, and the audit report was not issued until February 10, 2017.

10. At 21 NCAC 08N .0403, the Board has adopted the AICPA Statements on Auditing Standards as generally accepted auditing standards applicable to its licensees.

11. Statement on Audit Standards No. 122 became effective for audits of financial statements for periods ending on or after December 15, 2012. Part of that Statement is codified by the AICPA as AU-C § 580 and AU-C 700.

12. Per AU-C § 700.41, “[t]he auditor’s report should be dated no earlier than the date on which the auditor has obtained sufficient appropriate evidence on which to base the auditor’s opinion on the financial statements, including evidence that . . . management has asserted that they have taken responsibility for those financial statements.”

13. Per AU-C § 580.03, written representations from management are necessary information that the auditor requires in connection with the audit of the client’s financial statements.

14. Because he had not yet obtained signed written representations from management as of the date of the audit report, the Respondent had not obtained sufficient appropriate evidence upon which to base an opinion on that date in violation of AU-C § 700.

15. 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.

CONCLUSIONS OF LAW


2. 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 Respondent’s certificate and to impose civil monetary penalties.

3. The aforementioned Findings of Fact constitute violations of 21 NCAC 08N .0403.

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

1. Respondent, Edward P. Cooper, CPA, shall pay a civil monetary penalty in the amount of five hundred dollars ($500.00).

This the 21st day of March, 2018.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY [Signature]
President
IN THE MATTER OF:
Teresa Ann Jones, #29813
Respondent

CONSENT ORDER

1. Teresa Ann Jones (hereinafter "The Respondent"), was the holder of North Carolina certificate number 29813 as a Certified Public Accountant.

2. The Respondent informed the Board on her 2016-2017 individual certificate Renewal ("Renewal") that between January 1, 2015, and June 30, 2016, she had obtained the requisite forty (40) hours of continuing professional education ("CPE") to meet the 2015 CPE requirements.

3. Based on the Respondent's representation, the Board accepted her Renewal.

4. The Board staff requested that the Respondent provide certificates of completion for the CPE reported to meet her 2015 requirements.

5. The Respondent was unable to provide documentation for fifteen (15) hours of the forty (40) hours of 2015 CPE hours that she claimed on her 2016-2017 annual renewal. In addition, the Respondent failed to provide documentation to substantiate completion of the ethics course mandated to meet her 2015 CPE requirements.

6. 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 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 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 the Respondent agree to the following Order:

1. The Respondent’s failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. The Respondent’s failure to adequately renew her certificate results in a forfeiture pursuant to N.C. Gen. Stat. § 93-12(15).

2. The 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. The 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. The 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. Fifty-five (55) 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.
5. The Respondent shall pay a one thousand dollar ($1,000) civil penalty, to be remitted to the Board prior to submitting a reissuance application.

6. The 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 8 DAY OF February, 2018.

(Teresa Jones)
Respondent


NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

(Brady Henry)
President