PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
March 19, 2019
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: L. Samuel Williams, Jr., CPA; President; Jeffrey J. Truitt, Esq., Vice President; Arthur M. Winstead, Jr., CPA, Secretary-Treasurer; Wm. Hunter Cook, CPA; Gary R. Massey, CPA; and Michael S. Massey, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Communications Officer; Jean Marie Small, Professional Standards Specialist; Buck Winslow, Licensing Manager; and Noel L. Allen, Esq., Legal Counsel.

GUESTS: Michelle Tracz, CPA, NCACPA Board of Directors, Teka Miller, Director of Membership, NCACPA; and Officer E. H. Patton, Raleigh Police Department.

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

OATH OF OFFICE: Wanda B. Taylor, Esq., was sworn the Oath of Office by President Williams.

ELECTION OF OFFICERS: Messrs. Cook and Truitt moved to nominate and elect Arthur M. Winstead, Jr., CPA, for President; Michael S. Massey, CPA, for Vice President; and Gary R. Massey, CPA, for Secretary-Treasurer, effective April 1, 2019. Motion passed with seven (7) affirmative votes and zero (0) negative votes.

MINUTES: The minutes of the February 18, 2019, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The February 2019 financial statements were accepted as submitted.

LEGISLATIVE AND RULE-MAKING ITEMS: The draft CPE rules from the Joint CPE Task Force were presented for discussion by those in attendance.

Mr. Brooks presented a draft revised version of 21 NCAC 08F.0105 due to the inability of NASBA to guarantee a date for continuous testing to be begin. Messrs. Cook and Winstead moved to approve the revised rule for rule-making. Motion passed.

NATIONAL ORGANIZATION ITEMS: Mr. Brooks reviewed the progress report on the CPA Evolution Project of the joint working group of NASBA and the American Institute of Certified Public Accountants.

STATE AND LOCAL ORGANIZATION ITEMS: Mr. Brooks reviewed the March 19-20, 2019, schedule for the joint activities with the Board and NCACPA.
REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Winstead moved and the Board approved the following recommendations of the Committee:

Case Nos. C2017220-1 and C2017220-2 - Maxton C. McDowell and Maxton C. McDowell, CPA - Approve the signed Consent Order (Appendix I).

Case Nos. C2015314-1, C2015314-2 and C2018005 - Angela Davenport Elliott, CPA - Approve the signed Consent Order (Appendix II). Mr. Williams did not participate in the discussion of this matter nor did he vote on this matter.

Case No. C2018262 – Douglas G. Spaeth, CPA – Approve the signed Consent Order (Appendix III).

Case No. C2019001 – Close the case without prejudice with a Letter of Warning.

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

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

Katherine Elizabeth Landi

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

Brandi Michelle Burkhart
Richard Nicholas Dawson
Andrew Francis Deal
Monica Elizabeth Devlin
Peter Michael Ekenstierna
Juliana Mia Filippini
William Conrad Glidewell, IV
Kaitlyn Marie Hastings
Jonathan Heath Huggins
Jeffrey Hoyle Joyce, Jr.
Timothy James Kay
Kathryn Elizabeth Kosick
Katherine Elizabeth Landi
Susan Nicole Lansberry
Leah June Fedorka Lloyd
Robert Andrews Metzger, III

Erin Leigh Mirante
Corry Molter
Jack Ronald Stewart Mordey
Morgan Barkley Nash
Caitlin Moira O'Neil
Kiera Danielle Orris
Haley Lynn Rosenbach
Autumn LeeAnn Rubio
Cameron Elliott Smith
Amanda Rose Thompson
William Festus Turlington, Jr.
Cassandra Nicole Wagner
Karl Stephens Weickgenannt
Laura Marie Welch
Catherine Lynn Wilson

Staff reviewed and recommended approval of the original application submitted by Brent Matthew Allison. Mr. Allison failed to disclose pertinent information with his Exam application but provided it with his certificate application. Staff recommended approval of the application with a...
one-year probationary period. The Committee recommended that the Board approve staff recommendation.

Staff reviewed and recommended approval of the original application submitted by James Brandon Merritt. Mr. Merritt failed to disclose pertinent information with his Exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee recommended that the Board approve staff recommendation.

Staff reviewed and recommended approval of the original application submitted by Michelle Frances Romagnoli. Ms. Romagnoli to disclose pertinent information with her Exam application but provided it with her certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee recommended that the Board approve staff recommendation.

Staff reviewed and recommended approval of the original application submitted by Connor Martin Wulff. Mr. Wulff failed to disclose pertinent information with his Exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee recommended that the Board approve staff recommendation.

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

Brendan Andrew Bioren
Barbara S. Lukens
Mabel M. Machin
Michael John Roche
Juan Camilo Rodas
Henrique Luiz Alves Rodrigues
Don Nelson Tidwell

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

Arthur Roy Collier, T11096
Brianna Nicole Wickham, T11097
Joseph Edward Sutton, T11098
John D. Quinones, T11099
Stacie Ann Miller, T11100
Veronica Kirby Burke, T11101
Ana Lynne Townsend, T11102
Anastassia Satchko, T11103
Wendy Meyers Mease, T11104
Zhongyan Hu, T11105
Gary Nelson Gregory, T11106
Todd A. Bickford, T11107
Daniel Rajiv Lall, T11108
Jacqueline R. Beck, T11109
Paul Michael Soyk, T11110
Keith Lober, T11111
Olufemi D. Aina, T11112
Michael Patterson Klein, T11123
Joseph John Yglesias, Jr., T11124
Angel W. Schneider, T11125
Christopher David Wilson, T11126
Emily Jo Melton, T11127
Gertruida Sophia Alexander, T11128
Megan Rebecca Roberts, T11129
Heather Victoria Kizer, T11130
Lauren Brooke Ayers, T11131
Ruth Damaris Montijo, T11132
Justin Lyman Bishop, T11133
Heidi Gwen Alles, T11134
John Philip Rotchford, T11135
Ceili Suzanne Callaghan, T11137
William Edward Hutchinson, T11138

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

Tammy René Albright-Coreil, #23623
Teri L. Alexander, #25951
Joshua Lane Bryant, #40497

Clifton Ross Stancil, #28877
Lynn Harris Williams, #36229

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

Kristen Marie Lewis, #35638

Etim Jeremiah Udoh, #29680

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

Hammack, Lane & Company, PLLC
Marie Hopkins, CPA, PLLC

Murray Group CPA, PLLC

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

John Michael Hill, II, #41736 – 4/20/19
David Marvin Stone, #37858 – 6/30/19

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

Shoaib Ahmed
Kyle Albertelli
Gary Almond
Alec Altman
Douglas Angle
Christopher Bauguess
Michael Bean
Ryan Beckman
Christopher Bernardon
Robert Bett
Christopher Biddle
James Brace
Caroline Britton
Landria Brown
Mackenzie Brown
Taylor Brown
William Buddendiek
Connor Bunker
Kristen Burke

Loretta Burleson
Brigitte Butler
Ryan Byrd
Jacob Carter
An Thu Chu
McKenna Coker
Morgan Coley
Kayla Corbett
Lydia Cote
Carliza Crawmer
Joshua Crespi
Matthew Crimmins
Lindsay Crook
Diandra Crowley
Thomas Davenport
Abbey Davis
Eliza Davis
Morgan Dean
Lillian DuBlina
EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: The monthly operational metrics, Executive staff report, and strategic plan update were provided.

CLOSED SESSION: Messrs. Cook and Winstead moved to enter Closed Session to discuss the report of the Personnel Committee without the Executive Staff and Staff Attorney but with Noel L. Allen, Esq., Legal Counsel. Motion passed.

PUBLIC SESSION: The Board re-entered Public Session to continue the meeting.

REPORT OF THE PERSONNEL COMMITTEE: Mr. Williams moved and the Board approved the report of the Committee.

ADJOURNMENT: Messrs. G. Massey and Winstead moved to adjourn the meeting at 2:13 p.m. Motion passed.

Respectfully submitted: 

Attested to by: 

Robert N. Brooks
Executive Director

L. Samuel Williams, Jr., CPA
President
IN THE MATTER OF:
Maxton C. McDowell, #7802
Maxton C. McDowell, CPA
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 the Respondent Firm stipulate to the following:

1. Maxton C. McDowell ("Respondent"), was the holder of North Carolina certificate number 7802 as a Certified Public Accountant.

2. Maxton C. McDowell, CPA (hereinafter "Respondent Firm"), was a registered certified public accounting firm in North Carolina. The Respondent and the Respondent Firm shall hereinafter be collectively referred to as the "Respondents."

3. On December 29, 2018, the Respondent requested that his CPA certificate be placed on inactive status. At that time, he also informed the Board that he had sold his firm.

4. In August 2017, the Board received a referral from the Local Government Commission ("LGC") regarding the audit of the Town of Spring Hope. The audit contract was with Maxton C. McDowell, CPA.

5. When requested by the Board staff, the Respondents were unable to provide copies of the audit workpapers.

6. After a period of several months, the Respondents were able to produce audit workpapers. Upon review of those workpapers, numerous material audit deficiencies were identified.

7. The Respondents wish to resolve this matter by consent and agree 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 Respondents understand and agree 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 Respondents are 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 initial inability to produce audit workpapers and the deficiencies identified after those workpapers were produced constitute violations of 21 NCAC 08N .0403.
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Maxton C. McDowell

3. The Respondents did not adequately supervise the audit of the Town of Spring Hope resulting in a violation of 21 NCAC 08N .0212(3).

4. Per N.C. Gen. Stat. § 93-12(9), and also by virtue of the Respondents' consent to this order, the Respondents are subject to the discipline set forth below.

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

1. The Respondent, Maxton C. McDowell's, CPA certificate is currently on inactive status. In the event that he desires to reactivate that certificate, his ability to perform attest services, as set forth in 21 NCAC 08M .0105(a), is revoked.

CONSENTED TO THIS THE 28 DAY OF February 2019

Respondent

APPROVED BY THE BOARD THIS THE 19 DAY OF March 2019

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

BY: [Signature]
President
IN THE MATTER OF:
Angela Davenport Elliott, CPA, #13353
Angela D. Elliott, CPA, P.A.
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, the Respondent and the Respondent Firm stipulate to the following:

1. Angela Davenport Elliott, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 13353 as a Certified Public Accountant.

2. Angela D. Elliott, CPA, P.A. (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina. Hereinafter, the Respondent and the Respondent Firm shall collectively be referred to as the "Respondents."

3. The Respondent Firm underwent a system peer review for the period ending December 31, 2012, which resulted in a Fail. The report identified issues with compilations, reviews, and audits issued by the Respondent Firm.

4. As a condition of acceptance of that peer review report, the Respondent Firm had agreed not to perform audits of employee benefit plans unless they were subjected to pre-issuance review.

5. In a subsequent peer review conducted for the period ending December 31, 2015, it was discovered that the Respondent Firm had issued an employee benefit plan audit during that time without first having it reviewed.

6. The Respondent Firm received a Fail on the peer review for the period ending December 31, 2015, but that peer review has never been finalized.

7. Subsequently, the Board received a complaint from a member of the public regarding a tax engagement performed by the Respondent.
8. The Complainant alleged that the Respondent had not prepared and filed the Complainant's taxes for 2011 through 2014 per the terms of that tax engagement. The Complainant further alleged that the Respondent had not provided the Complainant with copies of those returns.

9. The Complainant provided IRS Account tax transcripts showing that the taxes had not been filed.

10. The Respondent eventually provided copies of the tax returns, but did not provide any documentation showing that they had been filed or that she had attempted to file them.

11. During the course of the investigation, the Respondent was often unresponsive to Board communications, and multiple communications needed to be sent before the Respondent provided a response.

12. The Respondents contend that the ability to address these matters sooner was complicated by unexpected family health issues which required time away from the office for approximately four weeks. It was during that time that the matters set forth in this Consent Order arose. The deadlines for correcting those matters were set during that time when the Respondent was not available. Subject to the restrictions set forth below, the Respondent's CPA certificate and the Respondent Firm's registration will remain unaffected by this consent order due to the uncontrollable circumstances that did not allow the Respondent to address all of these matters in a more timely manner.

13. The Respondents wish to resolve this matter by consent and agree 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 Respondents understand and agree 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 Respondents are 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 Respondents' failure to perform audit services in accordance with generally accepted auditing standards constitutes a violation of 21 NCAC 08N .0403, and .0212.

3. The Respondents' failure to perform review or compilation services in accordance with SSARS constitutes a violation of 21 NCAC 08N .0404 and .0212.

4. The Respondents' failure to obtain a pre-issuance review of an employee benefit plan audit, after informing the peer review committee that such review would be obtained, constitutes a violation of 21 NCAC 08N .0202.

5. The Respondents' failure to adequately fulfill the terms of a tax engagement constitutes a violation of 21 NCAC 08N .0212.

6. The Respondents' failures to respond to all Board communications within twenty-one (21) days constitute violations of 21 NCAC 08N .0206.

7. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of the Respondents' consent to this order, the Respondents are subject to the discipline set forth below.

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

1. The Respondent's CPA certificate is suspended for a period of three (3) years. However, the suspension is stayed if all requirements of this Consent Order are met during that period.

2. The Respondent Firm's registration is suspended for a period of three (3) years. However, the suspension is stayed if all requirements of this Consent Order are met during that period.

3. The Respondents have agreed to no longer perform audits, reviews or compilation services.
4. The Respondent has agreed to pay a one-thousand dollar ($1000.00) civil penalty to be remitted with this signed Consent Order.

CONSENTED TO THIS THE 8th DAY OF March, 2019.

[Signature]
Individual authorized to sign on behalf of Respondent Firm

[Signature]
Respondent

APPROVED BY THE BOARD THIS THE 19th DAY OF March, 2019.

[Signature]
President

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

NC BOARD OF CPA EXAMINERS
IN THE MATTER OF:  
Douglas G. Spaeth, CPA, #13166  
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. Douglas G. Spaeth, (hereinafter “Respondent”) is the holder of North Carolina certificate number 13166 as a certified public accountant.  

2. The Respondent was a partner in the firm Austin, Hedgepeth, Foreman & Spaeth, Ltd. (hereinafter “Firm”). The Respondent was one of two living partners in the Firm. The other partner passed away in May of 2017, leaving the Respondent as the sole surviving partner in the Firm.  

3. The Respondent renewed the Firm’s registration on December 18, 2017, but he did not note that the other partner was deceased.  

4. On July 16, 2018, the Board staff wrote the Respondent, informing him that the Firm name needed to be changed. The Board staff again wrote the Respondent regarding the Firm name on August 8, 2018.  

5. The Respondent completed the necessary paperwork to change the Firm name, and the Articles of Amendment were filed on October 3, 2018.  

6. In early January 2019, the Board was informed that although the Respondent had changed the Firm name, he had not changed the Firm’s signage. The Board staff again wrote the Respondent on January 10, 2019, informing him that even though the Firm name had been changed, the Firm’s building still had the old sign up. The Respondent replied on January 28, 2019, that he had removed the old sign and would replace it with a sign with the correct name.  

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