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 • www.nccpaboard.gov • No. 01-2011

Should You Provide "Comfort Letters" for Your Clients?

Although the mortgage crisis is no longer the lead story on the nightly news, CPAs continue to receive requests from clients, lenders, and loan brokers for "comfort letters" in which the CPA confirms client information such as the client's self-employed status, verification of income from self-employment, profitability of a client's business, and the impact on a client's business if money is withdrawn to fund the down payment on a real estate purchase.

The letter at issue is usually associated with stated-income loans, which are mortgages that do not require borrowers to document their income. Such loans usually are sought by self-employed people and individuals with investment income or with sales jobs of varying commissions.

Lenders, lacking documentation to support borrower's income claims, take on the risk that borrower's claims are inadequate. To gain more comfort in extending loans, some lenders look to the borrower's CPA for assurance or comfort about certain information.

Most lenders will simply ask the CPA to write a letter indicating that the prospective borrower is self-employed or is employed in a certain profession. Others may attempt to shift the burden of responsibility for due diligence onto the borrower's CPA and provide a script of what they want the letter to say.

Such a letter provides third-party verification of details in the application and could transfer some of the potential liability to the CPA in the event of default on the loan.

There are a few issues with this type of letter that should concern CPAs. First, the proposed letter asks the CPA to attest, when the CPA has not specifically been engaged for that purpose. The report would be issued to a third party that has not contracted with the preparer for that specific purpose.

According to Auditing Standards Board Statement on Standards for Attestation Engagements No. 10, *Attest Engagements*, an attestation engagement is called for if the client wants a written report providing assurance about a specific subject.

Of course, performing an attestation engagement is not prohibited in the case of a lender's comfort letter request, but CPAs must follow the procedures required in an attestation engagement. The client will likely not want to incur the expense of a formal attestation engagement.

It is also important to know what is not permitted under the standards. AT Section 9101, *Attest Engagements: Attest Engagements Interpretations of Section 101*, No. 2, ¶ 25 states that practitioners should not provide any form of assurance that an entity is not insolvent or would not be rendered insolvent upon a proposed condition, or that an entity has the ability to pay debts as they mature.

A lender may want the CPA to make an assurance that the applicant's withdrawal of the funds for a down payment or other purposes would not put a financial strain on the applicant's self-employment business. Any representation to that effect could be construed to be a comment on solvency and would thus be prohibited under the standards.

The types of services permitted in a CPA attest report include an audit, a review, or a compilation of the applicant's personal financial statements. The CPA may also report on *pro forma* financial information or perform an agreed-upon procedures report, as long as those procedures do not provide any assurance on matters of solvency.

The important thing to consider is that this type of engagement requires many procedural steps, which take time and result in significant fees to the client.

If the CPA takes the time to explain to the lender what is involved in presenting a comfort letter in light of profes-

Comfort Letters
continued on page 4

In This Issue

2011 Board Meetings 2
Cease and Desist Order 6
Disciplinary Actions 2
Inactive Status 7
Licensing Activity 4
NC Public Campaign Fund 6
Red Flag Rule 7
Service Project 4

Disciplinary Actions

Debora B. Wentz, #15325
Newton, NC 12/20/2010

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 NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Debora B. Wentz (hereinafter "Respondent") is the holder of North Carolina certificate number 15325 as a Certified Public Accountant. Respondent also holds a firm registration as an individual practitioner firm.

2. On April 3, 2007, Respondent consented to suspension from practice before the IRS for a period of eighteen (18) months in settlement of allegations by the Office of Professional Responsibility and the IRS Office of Chief Counsel that Respondent violated sections of IRS Circular No. 230 in failing to timely file personal tax returns. Said suspension constitutes discipline by a federal agency.

3. A review of Respondent's records indicates that Respondent failed to file her federal and state personal income tax returns for the tax year 2000 until August 2002 (both federal and state returns); for the tax year 2001 until February (federal return) and January (state return) 2003; for the tax year 2002 until October 2005 (both federal and state returns); for the tax year 2003 until January 2007 (both federal and state returns); for the tax year 2004 until February 2007 (federal return) and December 2006 (state return); and for the tax year 2005 until February (federal return) and January (state return) 2007. For some of the above-referenced tax years in which Respondent failed to file, taxes were due and not timely paid.

4. Respondent failed to report her discipline by the IRS on her 2007 certificate renewal, but did report the discipline on her 2008 certificate renewal.

5. 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.

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 (NCGS) and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), 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 NCGS 93-12(9)e and 21 NCAC 08N .0201, .0203, .0204, .0207, and .0208(b).

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. Upon approval of this Order by the Board, Respondent's North Carolina CPA certificate is hereby suspended for eighteen (18) months effective January 1, 2011.

2. Upon approval of this Order by the Board, the firm registration for Respondent's individual practitioner firm is hereby suspended for eighteen (18) months effective January 1, 2011.

3. On July 1, 2012, 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. Forty (40) 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.

4. Respondent shall reimburse the Board for the administrative costs incurred as a result of the investigation of this matter.

Clara Jean Pinkney, #17752
Clara Jean Pinkney, CPA, PLLC
Winston-Salem, NC 12/20/2010

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 NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Clara Jean Pinkney (hereinafter "Respondent Pinkney") is the holder of North Carolina certificate number 17752 as a Certified Public Accountant.

2. Respondent Clara J. Pinkney, CPA, PLLC (hereinafter "Respondent Firm"),

2011 Board Meetings

February 21
March 23*
April 26
May 26
June 20
July 25
August 22
September 19
October 20
November 21
December 19

Unless otherwise noted, meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

*1:00 p.m.

is a registered certified public accounting limited liability company in North Carolina. At all relevant times, Respondent Pinkney was the sole member of Respondent Firm, and has been individually responsible for the conduct of Respondent Firm.

Count 1

3. In July of 2004, the North Carolina Office of State Treasurer, Local Government Commission (LGC) approved an audit contract between Respondent Firm and the Town of Princeville (Town) for audit services for the year ending June 30, 2004.

4. In that Respondent Firm's 2001 peer review was adverse, the LGC's audit contract stipulated that Respondent Firm's audit must be pre-issuance reviewed by a LGC-approved reviewer prior to issuance of the audit to the Town.

5. Despite several requests and warnings by the Town and the LGC, Respondent Firm and Respondent Pinkney failed to complete the audit and submit it to the LGC-approved reviewer as required by the contract.

6. During the course of the audit, the LGC determined that Respondent Firm was no longer independent in that Respondent Firm contracted and paid an individual to perform bookkeeping services for the Town, which included balancing the accounting records. The LGC also determined that Respondent Firm paid the bookkeeper eighty dollars ($80.00) an hour, but billed the Town for one hundred twenty-five dollars ($125.00) an hour for the bookkeeper's services.

7. In November of 2006, over two (2) years after the original contractual due date for the audit, the Town and the LGC determined that the audit would be of no value, and the Town passed a resolution terminating Respondent Firm as the firm engaged to perform the Town's June 30, 2004, audit and requesting that Respondent Firm repay the Town all monies paid to Respondent Firm on the audit. Based on the Town's resolution and the LGC's determination that Respondent Firm lacked independence, the LGC sent a letter, dated December 20, 2006, to Respondent Pinkney, on behalf of Respondent Firm, notifying Respondent Firm and Respondent Pinkney that the audit contract approved by the LGC in July of 2004 was terminated.

8. To date, the monies paid, prior to the audit contract termination, by the Town to Respondent Firm and Respondent Pinkney have not been repaid to the Town.

Count 2

9. On January 29, 2007, Respondent Pinkney filed for Chapter 13 Bankruptcy and failed to report this filing on her 2007-2008 individual certificate renewal.

10. The bankruptcy filing was later dismissed by the Court based upon the Bankruptcy Court's finding that Respondent Pinkney had failed to list a substantial creditor and an asset of the estate at the time the bankruptcy petition was filed with the Court.

11. 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. 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. Respondents are subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondents' actions as set out above constitute violations of NCGS 93-12(9)e and 21 NCAC 08N .0201, .0202(b)(3), .0203, .0204, .0208, .0212, .0402, and .0403.

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 08C, the Board and Respondents agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent Pinkney, Clara Jean Pinkney, is hereby suspended for three (3) years; however, said suspension shall be stayed.

2. The firm registration for Respondent Firm, Clara J. Pinkney, CPA, PLLC, is hereby suspended for three (3) years; however, said suspension shall be stayed.

3. Respondent and Respondent Firm shall not participate in, perform, or review any audits, reviews, and agreed-upon procedures for any client for three (3) years.

4. Respondents may request reinstatement of the privilege to participate in, perform, and review audits, reviews, and agreed-upon procedures after three (3) years, but will be required to participate in pre-issuance review of any audits, reviews, and agreed-upon procedures performed until Respondents receive a pass report in a peer review on each level of the aforementioned services, and in the discretion of the Board may be required to pass the audit section or its equivalent of the Uniform CPA Examination.

5. Respondent Pinkney is required to take the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in a group-study format within six (6) months of the approval of the Consent Order by the Board.

Thomas G. Reynolds, #12484
Raleigh, NC 12/20/2010

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 NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Thomas G. Reynolds (hereinafter "Respondent") is the holder of North Carolina certificate number 12484 as a Certified Public Accountant.

2. Respondent consented to a Final Judgment issued by the United States District Court for the District of Columbia in a complaint filed by the Securities and Exchange Commission (SEC).

3. As a part of said Final Judgment, Respondent consented that he would

Disciplinary Actions
continued on page 5

Comfort Letters

continued from front page

sional standards and the related cost to the applicant of issuing any attestation letter, the lender may be convinced to withdraw its request for a comfort letter.

As an alternative, the CPA may offer to send a copy (with the client's written authorization) of the client's tax forms directly to the lender with a simple cover page stating, "Please find attached the tax forms I prepared for Client for the past two years."

Sometimes the broker does not want the tax forms in the application file because the forms do not provide enough information or may provide information that might cause the loan to be rejected.

Another option is to provide the lender with a CPA letter that basically makes no assurances, therefore limiting the CPA's liability. The letter merely says that the CPA prepared the tax forms and that the lender should not construe the letter to be an audited CPA representation.

Although from a risk management perspective it is preferable to avoid confirming any client information to a lender or broker, a CPA, not wanting to alienate or offend a client, may be tempted to send off a quick letter to the lender confirming that the client is self-employed, or retired, or earning a living from the activities addressed on the tax return.

The CPA should be careful about sending such a letter. Does the CPA really know everything that is occurring with that client? Does the client have other activities on the side that the CPA is not aware of and that conflict with the information on the tax forms? A CPA is certain about what he or she puts on tax forms. Saying anything else in the letter advances the tax engagement to a new level.

When asked to provide a comfort letter for a client, a CPA can best avoid risk by sticking to the professional standards and not caving in to pressure from a client or lender. While clients need to have the flexibility to obtain credit, the responsibility for underwriting the loan lies with the lender, not the CPA.

Board Staff Participates in Service Project

Each year, the Board staff participates in a community service project and this year the Board staff collected non-perishable food items for the Food Bank of Central & Eastern North Carolina.

The 15 staff members collected and donated approximately 325 food items to the Food Bank. In addition, several staff members also made monetary donations.

The Food Bank is a non-profit organization that provides food for people at risk of hunger in 34 counties in central and eastern North Carolina.

The Food Bank serves a network of more than 800 partner agencies such as soup kitchens, food pantries, shelters, and programs for children and adults through warehouses in Durham, Greenville, New Bern, Raleigh, the Sandhills (Southern Pines) and Wilmington.

In fiscal year 2009-2010, the Food Bank distributed more than 41.5 million pounds of food and non-food essentials through these agencies.

For more information on the Food Bank, visit **www.foodbankcenc.org**.

Licensing Activity

Certificates Issued

The Board has approved the following applicants for licensure as North Carolina CPAs:

12/20/10	Seungwong "Andrew" Hong	
12/20/10	Albert John Mixner, Jr.	
12/20/10	Kathryn Leigh Sasser	

Reinstatement

12/20/10	Michael Joseph Auth, #11609	Westford, MA
12/20/10	Lance Lester Farlow, #22350	Raleigh, NC
12/20/10	Joe Channing Minor, #3422	West Palm Beach, FL
12/20/10	Janet Sodano, #22633	Apex, NC
12/20/10	Jared Lee Spencer, #31817	Franklin, NC
12/20/10	Lou Ann Guy Vincent, #14400	Staunton, VA

Reissuance

12/20/10	Hans Timothy Blake, #32578	London, UK
12/20/10	Davin Walter Brown, #16483	Raleigh, NC
12/20/10	David Lynn Fouts, #12856	Wake Forest, NC
12/20/10	Matt Christopher Hinnant, #32535	Wilmington, NC
12/20/10	Andy Hudson, #26813	Charlotte, NC
12/20/10	Sharon Roark Thompson, #22212	Forest City, VA

Retired Status

"Retired," when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

12/20/10	Robert Gregory Holley #9488	Wilmington, NC
12/20/10	Gloria F. Lockerman #2301	Clinton, NC
12/20/10	Gary Walter Ritchie #9265	Shelby, NC

be permanently restrained and enjoined from violating, directly or indirectly, Section 30A of the Securities Exchange Act of 1934 (Exchange Act), and permanently restrained and enjoined from aiding and abetting any violation of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and ordered to pay a civil penalty in the amount of $40,000.00.

4. 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.

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 (NCGS) and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), 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 NCGS 93-12(9)e and 21 NCAC 08N .0201, .0203, .0204, and .0301 (a).

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. Respondent's CPA certificate shall be suspended for one (1) year; however, said suspension shall be stayed.

2. Said suspension shall become active should the Board be advised of any violation by Respondent of the terms and conditions of the Final Judgment issued by the United States District Court.

3. Respondent shall pay a ten thousand dollar ($10,000.00) civil penalty to be remitted with this signed Order.

Carl E. Hansen, #21586
Gibsonia, PA 12/20/2010

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 21586 as a Certified Public Accountant.

2. Respondent informed the Board on his 2009-2010 individual certificate renewal (renewal) that he had obtained forty-two (42) hours of continuing professional education (CPE), had completed the annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self study CPE to meet the 2008 CPE requirement.

3. Based on Respondent's representation, the Board accepted his renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2008 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested, but Respondent failed to provide the certificate of completion needed to document an annual Board-approved North Carolina ethics CPE course that Respondent claimed he earned between January 1, 2008, and December 31, 2008, as was reported on his renewal. Respondent is licensed in Pennsylvania, but did not complete an ethics course in Pennsylvania as Pennsylvania does not have an ethics CPE course requirement.

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.

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 (NCGS) and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), 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 NCGS 93-12(8b)a, 93-12(9)c and 93-12(9)e and 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is deemed insufficient and untimely under NCGS 150-B-3(a). Hence, his certificate is automatically forfeited pursuant to NCGS 93-12(8b).

2. Respondent must return his certificate to the Board with this signed Consent Order.

3. Respondent may apply for the reissuance of his certificate one (1) year from the date the Board approves the Consent Order if Respondent's certificate and the civil penalty required in number five (5) of this Order have been received by the Board.

4. Respondent may apply to return his 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. Forty (40) hours of CPE in 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 or self-study format.

5. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted to the Board within six (6) months of the date this signed Order is accepted by the Board.

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 his license.

Notice of Apparent Violation and Demand to Cease and Desist

Kenneth M. McNees
Raleigh, NC

To the Above-Named Respondent:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners (Board) is authorized by NCGS 93-12(16) to enforce the provisions of the North Carolina Certified Public Accountant Act (Act) through actions for injunctive relief regarding "a single violation" of this Chapter; and,

WHEREAS, pursuant to NCGS 93-1, "A 'certified public accountant' is a person who holds a certificate as a certified public accountant issued to him under the provisions of this Chapter."

WHEREAS, pursuant to NCGS 93-3, "It shall be unlawful for any person who has not received a certificate of qualification or not been granted a practice privilege under NCGS 93-10 admitting the person to practice as a certified public accountant to assume or use such a title, or to use any words, letters, abbreviations, symbols or other means of identification to indicate that the person using same has been admitted to practice as a certified public accountant."

WHEREAS, Respondent Kenneth M. McNees (hereinafter "Respondent McNees") is not currently licensed as a certified public accountant in North Carolina or otherwise authorized by the Board to use the CPA title in this State, but his principal place of business is in North Carolina; and

WHEREAS, Respondent McNees, while working in North Carolina, identified himself as a CPA in the course of his employment with the Wake County Public School System. Respondent McNees' use of the title "CPA" or "Certified Public Accountant" conveys the false impression that he is authorized to use a title other than 'accountant' when, in fact, he is not lawfully authorized to use the title "certified public accountant" or "CPA" in this State. Such a representation is misleading and contrary to NCGS 93-1 and 93-3.

THEREFORE, Respondent McNees is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from offering or using in any manner the title "CPA" or "Certified Public Accountant" in North Carolina unless and until Respondent McNees has been licensed as a CPA by the North Carolina State Board of Certified Public Accountant Examiners.

BY:
Robert N. Brooks, Executive Director
North Carolina State Board of Certified Public Accountant Examiners
11/01/2010

In lieu of civil proceedings authorized by NCGS 93-12(16), the Board will accept Respondent's consent to this Demand.

CONSENTED TO BY:
Kenneth M. McNees
11/19/2010

North Carolina Public Campaign Fund

The following information is printed as a courtesy to the State Board of Elections.

With tax season underway, North Carolina licensees are reminded of their legal obligation to ask clients about a check-off designation for the North Carolina Public Campaign Fund (the Fund) on the North Carolina personal income tax form.

Established by NCGS 163-278.61, and administered by the State Board of Elections, the Fund supports a nationally acclaimed program designed to improve how North Carolina voters elect judges for the North Carolina Supreme Court and Court of Appeals.

The Fund helps voters cast a more informed vote in these elections by paying for the creation of a non-partisan voter guide which describes the functions of the appellate court and profiles the candidates running for those offices.

The Fund also helps protect the impartiality of the courts by providing financial aid to candidates who accept restrictions on their spending and fund-raising, including limits on donations from lawyers and special-interest groups.

Pursuant to NCGS 105-159.2, "a taxpayer must be given the opportunity to indicate an agreement to that allocation...after being presented with the information required."

To participate in the Fund, filers of North Carolina personal income tax returns may designate $3.00 to the Fund by checking a box on their personal income tax returns. Taxpayers must be made aware that designating $3.00 to the Fund does not increase the taxpayer's tax due and does not reduce any refund due the taxpayer.

A paid tax preparer of an individual's personal income tax return may not mark an agreement or objection to the allocation without the taxpayer's consent.

To help licensees explain the Fund to clients, the State Board of Elections web site, **www.sboe.state.nc.us** has fact sheets and small dollar-size flyers ("buck slips") available for printing.

More information on the Fund is available from the non-partisan Democracy North Carolina web site, **www.democracy-nc.org**.

Additional information is also available by calling the State Board of Elections Campaign Finance Division at (919) 733-7173.

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CPAs Exempt from Red Flags Rule

On December 18, 2010, President Obama signed legislation into law exempting accountants from the Federal Trade Commission's Red Flags Rule requiring businesses to implement a written identity theft protection program.

The Red Flags Rule calls for "creditors" to establish a program to protect customers, clients and patients from identity theft.

The law took effect December 31, 2010, after numerous postponements as various industries protested their inclusion under the rule.

The "Red Flag Program Clarification Act of 2010," changes the definition of a creditor and exempts businesses that "advance funds on behalf of a person for expenses incidental to a service provided."

The law also states that the rule should only apply to businesses that obtain or use consumer reports, directly or indirectly, in connection with credit transactions; furnish information to consumer reporting agencies in connection with a credit transaction; and advance funds to or on behalf of a person based on an obligation to repay the funds or repayable from specific pledged property.

The new law also gives the Federal Trade Commission (FTC) the authority to promulgate regulations applying the rule to businesses whose accounts the FTC decides should be "subject to a reasonably foreseeable risk of identity theft."

However, the congressional record contains many instances of lawmakers specifically calling on Congress to exempt accounting practices.

Firm Renewal & Peer Review Compliance Due January 31

January 31, 2011, is the final deadline for firm renewal and peer review compliance. For more information, visit **www.nccpaboard.gov**.

Inactive Status

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

10/26/10	Pamela Manning Myers, #19875	Thomasville, NC
10/28/10	Tony Bradford Cheers, #18774	Supply, NC
11/01/10	Robert Halley Bazemore, Jr., #17298	Raleigh, NC
11/01/10	Douglas A.Fullerton, #32145	Kernersville, NC
11/03/10	John William Graeter, #16199	Hot Springs, NC
11/08/10	Rebecca Thrower, Barnett, #25065	Florence, SC
11/08/10	Paul Douglas Bullard, #14661	Sanford, NC
11/09/10	Sarah Casey Howell, #15817	North Wilkesboro, NC
11/10/10	Heather Ann Edson, #27481	Charlotte, NC
11/10/10	Clarence Randall McGlothlin, #2927	Mooresville, NC
11/10/10	Janine Urbanek, #31196	Seattle, WA
11/15/10	Sue Flowers Bell, #13920	Cary, NC
11/17/10	Michael Joseph Boyle, #15331	Asheboro, NC
11/19/10	Camilla Smith Buie, #14029	Charlotte, NC
11/24/10	Steven Dean Johnson, #31347	Salisbury, NC
11/29/10	Bonnie Ann Hunt, #23188	Fayetteville, NC
11/30/10	Louis Lindsey Crawley, #9514	Raleigh, NC
12/01/10	Michael Eugene Powers, #6623	Taylorsville, NC
12/01/10	John Michael Pownall, #16653	Charlotte, NC
12/06/10	Ray Eugene Barnhardt, #3602	Newton, NC
12/06/10	Edward Evan Bass, #4198	Chapin, SC
12/10/10	Amy Lee Boswell, #33569	Charlotte, NC
12/10/10	Nancy Hunt Brumbaugh, #12142	Surprise, AZ
12/10/10	Garmon G. Dale, Jr., #27921	Grand Prairie, TX
12/15/10	J. Robert Capps, #18290	Huntersville, NC
12/15/10	David Camden Frazier, #15410	Sunset Beach, NC
12/15/10	Dyanne Morrell Frazier, #17327	Cornelius, NC
12/15/10	Alice Gwyn Heusel, #15668	Tacoma, WA
12/15/10	Jamie O. Jonas, #24629	Charlotte, NC
12/15/10	James Roy King, #7758	Sumter, SC
12/15/10	Ronald Ray Moats, #27855	South Daytona, FL
12/17/10	James William Bass, Jr., #12581	Nashville, NC
12/17/10	Margaret A. Stadtler, #33475	Hendersonville, NC
12/20/10	Rebecca Heineck Ferrara, #33084	Fort Mill, SC
12/20/10	Muffin Padgett Gerler, #22045	Raleigh, NC
12/20/10	Amy Nobs Lamar, #32591	Fort Walton Beach, FL
12/23/10	Gerene Sue Bovermann, #34431	Frisco, TX
12/23/10	Edward Paul Byron, #34092	Charlotte, NC
12/23/10	Craig Alan Emrick, #25681	New York, NY
12/23/10	Timothy John Parker, #31603	Keene, NH

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Notice of Address Change

Certificate Holder _____
Last Name Jr./III First Middle

Certificate No. _____ Send Mail to ___Home ___Business

New Home Address _____

City _____ State _____ Zip _____

CPA Firm/Business Name _____

New Bus. Address _____

City _____ State _____ Zip _____

Telephone: Bus. ( ) _____ Home ( ) _____

Bus. Fax ( ) _____ E-mail Address _____

Signature _____ Date _____

Mail: **PO Box 12827**
Raleigh, NC 27605-2827

Fax: **919-733-4209**

Pursuant to 21 NCAC 08J .0107, all certificate holders and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 02-2011

Should My Firm Enroll in a Peer Review Program?

Is your firm enrolled in a peer review program? Should it be? Mary Kelly, the NCACPA's Peer Review Coordinator, and J. Michael Barham, CPA, Deputy Director of the Board, answer these questions and more in the following article.

Which firms should be enrolled in a peer review program? Any CPA firm or CPA (if the CPA is a sole practitioner) that issues a report asserting to be in accordance with AICPA professional standards is required by 21 NCAC 08M .0105, *Peer Review Requirements*, by the AICPA (if the CPA is a member), and by the NCACPA (if the CPA is a member) to enroll in a peer review program.

How does the AICPA define accounting and auditing practice? The AICPA Peer Review Standards define a CPA firm's accounting and auditing practice as all of the CPA firm's engagements performed under the Statements on Auditing Standards (SAS), Statements on Standards for Accounting and Review Services (SSARS), Statements on Standards for Attestation Engagements (SSAEs), Government Auditing Standards ("Yellow Book") issued by the US Government Accountability Office, and audits of non-SEC issuers performed pursuant to the standards of the PCAOB.

Which firms are not required to participate in a peer review program? If a CPA firm's highest level of service is an engagement consisting only of compilations issued without reports for use by the management only and if the CPA firm has signed an engagement letter with the client documenting the understanding of the engagement with the client, then the CPA firm is not required to enroll in a peer review program in North Carolina.

In which peer review program should a CPA firm enroll? The Board has entered into an agreement with the NCACPA for the NCACPA to administer the Peer Review program for all licensees of the Board (regardless of membership in the AICPA or the NCACPA) that are required to participate in a peer review program.

How does a CPA firm enroll in the peer review program? A CPA firm enrolls in the peer review program by submitting an enrollment form to the NCACPA by the report date of their initial engagement. Enrollment forms are available from the NCACPA website, **www.ncacpa.org**, (click on "Resources," then click on "Peer Review") or by contacting Mary Kelly by telephone at (919) 469-1040 ext. 136, or by e-mail at **mckelly@ncacpa.org**.

When is the peer review due? 21 NCAC 08M .0105(c) states that a CPA firm must furnish to the peer review program its first peer review report, the

Peer Review
continued on page 6

Change in Ethics CPE Courses

At its January 24, 2011, meeting, the Board made a change in the approved ethics CPE courses available for licensees to take to meet the annual ethics CPE requirement [21 NCAC 08G .0410].

Effective for the 2011 CPE year (January 1 - December 31, 2011), any ethics CPE course (regulatory or behavioral ethics and conduct) offered by a CPE sponsor that is registered with the Board or with the National Association of State Boards of Accountancy (NASBA) National Registry of CPE Sponsors, is considered to be a Board-approved ethics CPE course that qualifies for compliance with the Board's annual ethics CPE requirement.

If you have any questions regarding the ethics CPE requirement, please contact Cammie Emery at **cemery@nccpaboard.gov**.

In This Issue

2011 Board Meetings 2
Advertising Rule 6
Certificates Issued 7
Disciplinary Action 2
Forfeitures 5
Non-Signers Exempt from Some PTIN Rules 3
Reclassifications 4
Rules Effective February 1 6

Disciplinary Action

Dudley R. Coppage, II, #14079
Raleigh, NC 01/24/2011

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 14079 as a Certified Public Accountant.

2. Respondent represented to the Board on his 2010-2011 individual certificate renewal (renewal) that he had obtained forty-two and one-half (42.5) hours of continuing professional education (CPE), including eight and one-half (8.5) hours of carryforward, had completed the annual ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2009 CPE requirement.

3. Based on Respondent's representation, the Board accepted his renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2009 CPE requirement.

5. Respondent failed to provide the certificates of completion needed to document any CPE that Respondent claimed he earned between January 1, 2009, and June 30, 2010, as was represented on his renewal. Respondent subsequently disclosed to the Board that he did not earn the number of hours he had originally reported for 2009, and stated that he actually completed only eighteen and one-half (18.5) hours of CPE, including a Board-approved ethics CPE course and eight and one-half (8.5) hours of carryforward.

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.

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 (NCGS) and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), 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 NCGS 93-12(8b)a, 93-12(9)c and 93-12(9)e and 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is deemed insufficient and untimely under NCGS 150-B-3(a). Hence, his certificate is automatically forfeited pursuant to NCGS 93-12(8b).

2. Respondent must return his certificate to the Board with this signed Consent Order.

3. Respondent may apply for the reissuance of his certificate after one (1) year from the date the Board approves the Consent Order if Respondent's certificate and the civil penalty required in number five (5) of this Order have been received by the Board.

4. Respondent may apply to return his 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.

5. Respondent shall pay a one thousand ($1,000.00) civil penalty to be remitted to the Board within six (6) months of the date this signed Order is accepted by the Board.

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 his license.

Have a Comment or Question?

Do you have a comment or question about information published in the *Activity Review*? Do you have a suggestion for an article?

We welcome your comments and suggestions; drop us a line by e-mail at **lhearne@nccpaboard.gov** or **rbrooks@nccpaboard.gov**.

2011 Board Meetings

March 23*
April 26
May 26
June 20
July 25
August 22
September 19
October 20
November 21
December 19

Unless otherwise noted, meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

*1:00 p.m.

IRS Exempts Some Non-Signers from New Preparer Rules

In January, the IRS issued Notice 2011-6, *Implementation of Rules Governing Tax Return Preparers*, (**www.irs.gov/irb/2011-03_IRB/ar11.html**) to provide guidance regarding the implementation of new Treasury regulations governing tax return preparers.

The Notice provides guidance regarding the requirement to obtain a preparer tax identification number (PTIN) and identifies the forms that qualify as tax returns or claims for refund for purposes of those regulations.

The Notice also provides interim rules applicable to certain PTIN holders during the implementation phase of the new regulations governing tax return preparers.

Until further guidance is issued, the IRS, in accordance with the authority to provide exceptions to the PTIN rules will permit any individual 18 years or older to pay the applicable user fee and obtain a PTIN permitting the individual to prepare, or assist in the preparation of, all or substantially all of a tax return or claim for refund for compensation if:

- the individual is supervised by an attorney, certified public accountant, enrolled agent, enrolled retirement plan agent, or enrolled actuary authorized to practice before the IRS under Circular 230 §10.3(a) through (e);
- the supervising attorney, certified public accountant, enrolled agent, enrolled retirement plan agent, or enrolled actuary signs the tax returns or claims for refund prepared by the individual;
- the individual is employed at the law firm, certified public accounting firm, or other recognized firm of the tax return preparer who signs the tax return or claim for refund; and
- the individual passes the requisite tax compliance check and suitability check (when available).

For purposes of this provision, a certified public accounting firm is a partnership, professional corporation, sole proprietorship, or any other association that is registered, permitted, or licensed to practice as a certified public accounting firm in any state, territory, or possession of the United States, including a Commonwealth, or the District of Columbia.

Individuals applying for a PTIN under this provision will be required to certify on the PTIN application that they are supervised by an attorney, certified public accountant, enrolled agent, enrolled retirement plan agent, or enrolled actuary who signs the tax return or claim for refund prepared by the individual and provide a supervising individual's PTIN or other number if prescribed by the IRS.

If at any point the individual is no longer supervised by the signing attorney, certified public accountant, enrolled agent, enrolled retirement plan agent, or enrolled actuary, the individual must notify the IRS as prescribed in forms, instructions, or other appropriate guidance and will not be permitted to prepare, or assist in preparing, all or substantially all of a tax return or claim for refund for compensation under this provision.

Individuals who obtain a PTIN under this provision and prepare, or assist in preparing, all or substantially all of a tax return or claim for refund for compensation will not be subject to a competency examination or continuing education requirements.

These individuals, however, may not sign any tax return they prepare or assist in preparing for compensation, represent taxpayers before the IRS in any capacity, or represent to the IRS, their clients, or the general public that they are a registered tax return preparer or a Circular 230 practitioner.

Although individuals who obtain a PTIN under this provision are not practitioners under Circular 230, they are, by preparing, or assisting in the preparation of, a tax return for compensation, acknowledging that they are subject to the duties and restrictions relating to practice in subpart B of Circular 230.

The IRS may, by written notification, revoke a PTIN obtained under this provision if the tax return preparer willfully violates applicable duties and restrictions prescribed in Circular 230 or engages in disreputable conduct.

The Treasury Department and the IRS have proposed rules that will require an individual to pass a registered tax return preparer minimum competency examination (competency examination). The IRS anticipates, however, that the tax returns and claims for refund covered by the competency examination(s) initially offered will be limited to individual income tax returns (Form 1040 series tax returns and accompanying schedules).

Although the IRS anticipates the types of returns and claims for refunds covered by the competency examination(s) may expand in the future, the IRS recognizes that certain compensated tax return preparers do not prepare Form 1040 series tax returns or related claims for refunds and that the tax returns and claims for refunds prepared by some of these individuals may not be covered by the competency examinations for a significant period of time.

The IRS has determined that individuals should not be required, as a condition to obtaining a PTIN, to pass a competency examination covering tax returns and claims for refunds not prepared by the individual. Therefore, until further guidance, any individual eighteen years or older may pay the applicable user fee and obtain a PTIN if:

- the individual certifies that the individual does not prepare, or assist in the preparation of, all or substantially all of any tax return or claim for refund covered by the competency examination(s) for registered tax return preparers administered under IRS oversight (1040 series until further notice); and
- the individual passes the requisite tax compliance check and suitability check (when available).

Preparer Rules
continued on page 4

Preparer Rules

continued from page 3

Individuals who obtain a PTIN under this provision and prepare, or assist in preparing, all or substantially all of a tax return or claim for refund for compensation will not yet be subject to a competency examination.

These individuals are not currently required to satisfy the same continuing education requirements that a registered tax return preparer must complete to renew their PTIN.

In the future, the IRS may require through forms, instructions, or other appropriate guidance that these individuals complete continuing education to renew their PTIN.

Individuals who obtain or renew a PTIN under this provision may sign the tax returns or claims for refunds that they prepare for compensation as the paid preparer.

These individuals may also represent taxpayers before revenue agents, customer service representatives, or similar officers and employees of the IRS (including the Taxpayer Advocate Service) during an examination if the individual signed the tax return or claim for refund for the taxable year under examination.

They may not, however, represent to the IRS, their clients, or the general public that they are a registered tax return preparer or a Circular 230 practitioner. Enrolled retirement plan agents and enrolled actuaries who obtain a PTIN under this provision may continue to practice and represent as provided in Circular 230.

Although individuals who obtain a PTIN under this provision are not practitioners under Circular 230, they are, by preparing, or assisting in the preparation of, a tax return for compensation, acknowledging that they are subject to the duties and restrictions relating to practice in subpart B of Circular 230.

The IRS may, by written notification, revoke a PTIN obtained under this provision if the tax return preparer willfully violates applicable duties and restrictions prescribed in Circular 230 or engages in disreputable conduct.

Reclassifications

Reinstatement

01/24/11	John Allen Barker, #12299	Rocky Mount, NC
01/24/11	Heather Bell Davis, #27765	Charlotte, NC
01/24/11	Steven Gerard Demboski, #19462	Marietta, GA
01/24/11	Dwight Tod Goodnight, #15716	Mooresville, NC
01/24/11	Pamela Sue Smith Hemphill, #19047	Greensboro, NC
01/24/11	Joanna Byrum Page, #27400	Greensboro, NC

Retired Status

"Retired," when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

01/24/11	Roslyn Hirsch Balbirer, #9217	Durham, NC
01/24/11	William E. Self, #2147	Durham, NC
01/24/11	Rex David Williams, #12489	Raleigh, NC

Inactive Status

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

01/03/11	Alice Cagle Boyette, #22032	Star, NC
01/03/11	Marsi Miller Cameron, #29389	Florence, SC
01/03/11	Larry Stephen Coffield, #9676	Matthews, NC
01/03/11	Barbara Burklin Hemphill, #17963	Greensboro, NC
01/03/11	Kevin Michael Leonard, #32821	Winston-Salem, NC
01/03/11	Dennis M. Meyer, #24247	Raleigh, NC
01/03/11	Patrick Raymond Parrish, #26548	Winston-Salem, NC
01/03/11	Melinda Ann Rebholtz, #26176	Ashburn, VA
01/03/11	Ralph Louis Trosclair, #20892	Alcoa, TN
01/03/11	James D. Vick, #22505	Wake Forest, NC
01/03/11	Sherri N. White, #22136	Greenville, SC
01/04/11	Thomas Hansen Cockerline, #25787	Westminster, CO
01/04/11	Alexander Bruch Harding, #29455	Clayton, NC
01/04/11	Angela Taylor Herbin, #18944	Gibsonville, NC
01/06/11	Frances Smith Ellis, #12707	Asheville, NC
01/06/11	Leslie Whitfield Robson, #21816	Glen Allen, VA
01/06/11	George Howard Rogers, Jr., #2733	Asheville, NC
01/10/11	Neal Edward Cody, Jr., #14779	Asheville, NC
01/10/11	Richard Leslie Ungemach, #16404	Harrisburg, NC
01/14/11	James Bruce Dillard, #7977	Raleigh, NC
01/18/11	Jennifer Paige Polson, #26148	Raleigh, NC
01/25/11	Teresa Mann Harris, #13426	Burlington, NC

Forfeitures

Pursuant to NCGS 93-12(5), on August 9, 2010, the following North Carolina CPA certificates were forfeited for failure to submit the 2009-2010 certificate renewal form as required by NCGS 93-12(8). As of January 31, 2011, these individuals had not been approved for reinstatement or reissuance nor did they have an application for reinstatement or reissuance pending.

Philip David Ameen, #7801	New Canaan, CT	Glenda Glenn Leduc, #21914	Covington, GA
Larry Douglas Bailey, Jr., #30139	Waxhaw, NC	Michael Gregory Lieto, #32810	Charlotte, NC
David Michael Baker, #12109	Charlotte, NC	Walter Randall Louis, #31424	Charlotte, NC
Sid F. Baker, #27013	Hoffman, NC	Robert William Martin, II, #17528	Davidson, NC
Michael David Beach, #24221	Asheville, NC	Elizabeth Michelle McEuen, #34273	Durham, NC
Kimberly Elaine Benson, #33604	Phoenix, MD	Timothy Paul McGuire, #19164	New Castle, VA
William Raymond Blum, #5195	Atlanta, GA	C. Douglas Mecimore, Jr., #18621	Greensboro, NC
William Rangeley Brumfield, Jr., #21759	Roanoke, VA	Jamison Ashlee Meredith, #28866	Dallas, TX
Deborah Spencer Butler, #12520	Greensboro, NC	Alison Fowlkes Monroe, #24083	Raleigh, NC
Christy Caldwell, #30341	Argyle, TX	Kristen Elizabeth Nickle, #33671	Charlotte, NC
Patrick Irving Camblin, #33772	Lake Mary, FL	Samuel Richard Odom, Jr., #27395	Ponte Vedra, FL
Matthew Taylor Clark, #32727	Greenwood, SC	Nicole Jeanine Olesen, #31136	Clinton, NY
Courtney Riddick Cloyd, #27884	Corapeake, NC	Travis A. Perry, #30688	Deland, FL
David Cecil Cork, #29084	Trussville, AL	Charles M. Phillips, #25656	Atlanta, GA
Kirby Dean Dellinger, #10949	Charlotte, NC	Richie Darnell Phillips, #27640	Hickory, NC
John Kurth Dohmann, II, #20506	Houston, TX	Julie Barr Plexico, #33883	Charlotte, NC
Lynda Ervin, #16438	Rock Hill, SC	Anthony J. Priore, #31741	Amherst, NY
Virgene Ava Foreman, #29490	Greensboro, NC	Mary Kathryn Joyner Quinn, #21863	Wilson, NC
Harold H. Fortner, #2482	Raleigh, NC	Sylvester Reed, #18333	Clinton, MD
Kristen Moore Goodlaxson, #23677	Cedar Rapids, IA	David Charles Remmells, #34070	Morgantown, WV
Donn Groene, #34670	Belmont, NC	Anthony C. Rispoli, #31139	Meridian, MS
Lance Wayne Gurel, #31992	N Miami Beach, FL	James Lewis Rodefer, #23270	Knoxville, TN
James Edgar Halstead III, #30494	Rocky Mount, VA	John Joseph Salengo, #14755	Durham, NC
Amanda C. Herron, #33223	Dallas, TX	Candace Lynn Scappator, #32978	Charlotte, NC
James Earle Hinton, #29459	Stillwater, OK	Matthew G. Sherwood, #33554	Charlotte, NC
Sybil Ann Hobgood, #20476	Safety Harbor, FL	Angela Quintina Smith, #22222	Lithonia, GA
Henry Anderson Holland, #9297	Lenoir, NC	Elke Sperling, #32429	Raleigh, NC
Michelle B. Holloway, #22955	Fayetteville, NC	Gregory A. Thompson, #30358	Atlanta, GA
Bradley Thomas Hubacher, #21333	Charlotte, NC	Yukon Micheal Tomisato, #24188	Phoenix, AZ
Michael Blair Hughes, #34180	Charlotte, NC	Michael Thomas Umscheid, #25455	Norfolk, VA
L. Bradley Hurrell, #27508	Charlotte, NC	Denise Wright Vaughan, #22504	Cedar Grove, NC
Phyllis S. Ingram, #25734	Montgomery, AL	Joan Henley Vines, #30565	Dallas, TX
Margaret Sawyer Kearney, #27895	Tampa, FL	Matthew G. Walker, #26981	Miami, FL
Jeffrey K. Kerr, #19374	Atlanta, GA	Jerry S. Williford, #25738	Charlotte, NC
James Arthur Klein, Jr., #17655	Raleigh, NC	Chen Zhang, #33597	Charlotte, NC
Patricia DiMaria Korbini, #28097	Reston, VA		

Peer Review

continued from front

letter of comments, the letter of response, and any work papers required for the peer review program within 24 months of the issuance of the first report provided to a client.

Is there more information available about the peer review program? The NCACPA website, **www.ncacpa.org**, has a section dedicated to the peer review program (click on "Resources," then click on "Peer Review"). The section includes links to the AICPA peer review website and a "Peer Review Q & A" by the AICPA.

You may also contact J. Michael Barham, CPA, the Board's Deputy Director, by telephone at (919) 733-4222 or by e-mail at **mbarham@nccpaboard.gov.**

You may also contact the NCACPA's Peer Review Coordinator Mary Kelly, by telephone at (919) 469-1040 ext. 136, or by e-mail at **mckelly@ncacpa.org**.

Rules Effective February 1, 2011

On October 21, 2010, the Board conducted a rule-making hearing to amend the North Carolina Accountancy Rules.

In late January, the Office of Administrative Hearings notified the Board that the Rules Review Commission had approved the rules with a February 1, 2011, effective date.

The amendments were necessary to address changes in the departmental rules, contested cases, the Uniform CPA Exam, reciprocal licensure, registration and renewal, professional corporations and professional limited liability companies, peer review, and professional ethics and conduct.

The specific rules amended are as follows:

- 21 NCAC 08A .0301 & .0309;
- 21 NCAC 08C .0126;
- 21 NCAC 08F .0101, .0103, .0105, .0302, .0304, .0401, & .0410
- 21 NCAC 08H .0101;
- 21 NCAC 08J .0101, .0105, .0108,.0109, & .0111;
- 21 NCAC 08K .0105;
- 21 NCAC 08M .0105 & .0106; and
- 21 NCAC 08N .0206, .0207, .0215, .0302, .0306, .0307, .0402, & .0409.

The final text of the amended rules has been incorporated into the rules portion of the Board's website, **www.nccpaboard.gov**.

An official copy of the North Carolina Administrative Code is available online through the Rules Division of the Office of Administrative Hearings website, **www.oah.state.nc.us/rules**.

If you have questions regarding the rule-making process, the amended rules, or the application of an amended rule, please contact Robert N. Brooks, the Board's Executive Director, by e-mail at **rbrooks@nccpaboard.gov**.

Advertising or Other Forms of Solicitation

As tax season swings into high gear, your CPA firm may plan to run advertisements offering to prepare federal or state income tax returns.

If you choose to run an ad, be sure that you understand the Board's advertising and forms of solicitation rule, 21 NCAC 08N .0306, which addresses advertising which may be deceptive.

Foremost, your advertisement should be accurate and contain meaningful information that is not misleading or deceptive to consumers.

For example, an ad should not include qualitative or quantitative descriptions, such as expert or reasonable, which cannot be documented.

After all, the fees that you deem "affordable" may not be affordable to everyone who reads your advertisement.

What you define as "fast" or "friendly" service, may not be considered "fast" or "friendly" by a client.

Your ad may contain the names of the CPA firm owner(s) and CPAs licensed to practice in North Carolina; however, you must distinguish between the CPAs who are owners and the CPAs considered professional staff.

Although NCGS 93-9 allows CPA firms to hire assistant accountants or clerks who are not CPAs, ads that contain the names of unlicensed staff members are not allowed.

The statute states that "such employees work under the control and supervision of certified public accountants...and do not hold themselves out as engaged in the practice of public accounting." The public should not be led to believe that uncertified employees are CPAs.

21 NCAC 08N .0306(b) addresses the use of specialty designations in advertisements or other forms of solicitation by stating, "A CPA may advertise the nature of services provided to clients but the CPA shall not advertise or indicate a specialty designation or other title unless the CPA has met the requirements of the granting organization for the separate title or specialty designation and the individual is currently on active status and in good standing with the granting organization for the separate title or specialty designation."

The public and the profession's interests are best served when CPA firms or individual CPAs take reasonable steps to avoid advertisements that confuse or mislead consumers.

Annual License Renewal

In mid-March, licensees will be able to complete their annual certificate renewals online through the Board's web site, **www.nccpaboard.gov**. Additional information regarding the renewal process will be published in the March *Activity Review*.

Certificates Issued

At its January 24, 2011, meeting, the Board approved the following individuals as North Carolina CPAs:

Aimee Leigh Yoars Baker
Holly Elizabeth Adams
Matthew Roland Adams
Nneka Atinuke Amuta
K. (Kate) Ellen Anthony
Jennifer Michelle Applegate
George Ronald Atkinson
Sean Ian Baker
Elizabeth Riegel Barry
Tae Christifer Berg
Susan C. Bersch
Patricia M. Powell Biscoe
Jennifer Smyla Brunell
Derek Joseph Bulmer
Loretta Dawn Byrd
Claire Ellington Caldwell
Tara Cicely Carrington
Tong Chen
Catherine Susanne Childers
Matthew Altland Choplin
Melissa Brooks Clapp
Carlton Robert Clarke
Amy Kathleen Claus
Larry Arthur Robert Clever
Shawn Christopher Cornell
Stephen Wray Craver
Emily Allison Daniel
Abby Marie Dattero
Caroline Jane Daughtry
Mary Katherine Davis
Jessica Lynn Daymude
Camilla J. Desmarais
Rebecca Templeton Earnhardt
Fowzia Shoaib Essani
Andrew Vaughn Evans
Chien Fang
Stephanie Nicole Fennimore
Joanne N. Ferguson
Susan Lynn Fleck
Meredith Anne Flittner
Joseph Paul Fullerton
Wendy Jackson Gates
Salvatore Albert Gough
Hannah Elizabeth Grantham
Erin Charlotte Graul
Stephanie Antionette Hairston
Benjamin Ellis Hamilton
Kenrick Ross Handy
Gregory Lawrence Hanford
Corbin Elizabeth Hankins
Elizabeth Ann Hanlon
Jennifer Wagaman Harris
Timothy John Harris
Stephanie Moses Haynes
Shay Fortner Heckard
Bethany Jean Hong
Chunbo Huang
Graham Kevin Hunt
Rodney Paul Jackson
Kevin Lamont James
Andrew Rangeley Jett
Paul David Johnson
Catherine Hyunjung Joo
Megan Ashley Karonis
Jennifer Ellen Kimmel
Jerome Kline
Amanda Jennifer-Rose Koser
Lauren C. Kraselsky
Kevin Louis Kriener
Philip Lewis Kurland
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Casey M. Leonard
Benjamin Zachary Levin
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Dean Michael Luebbe
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Grayson Patrick Miller
Melissa Ellen Cole Miller
Delores Dennis Mills
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Brittany Michelle Murray
Sarah Elizabeth Noone
Sara Morgan Norris
Osasere Daniel Ohuoba
Norma Lafond Parham
Mina Park
Grady Siler Patterson, IV
Amy Leigh Phillips
Avril M. Pinder
David Stanfred Poisson
Tracey Lynne Pordon
Leonard Dale Powell
Adam Lewis Quattlebaum
Darla Kay Redmond
Matthew Heath Schichtel
Daniel Justin Sembler
Christopher David Shrewsbury
Andrew Cameron Small
Regina Phelps Sorrell
Holden Elizabeth Sours
Ryan F. Spaak
Arthur Craig Springer, II
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Jeffrey Daniel Tente
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Notice of Address Change

Certificate Holder _____
Last Name Jr./III First Middle

Certificate No. _____ Send Mail to ___Home ___Business

New Home Address _____

City _____ State _____ Zip _____

CPA Firm/Business Name _____

New Bus. Address _____

City _____ State _____ Zip _____

Telephone: Bus. ( ) _____ Home ( ) _____

Bus. Fax ( ) _____ E-mail Address _____

Signature _____ Date _____

Mail: **PO Box 12827**
Raleigh, NC 27605-2827

Fax: **919-733-4209**

Pursuant to 21 NCAC 08J .0107, all certificate holders and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 03-2011

2011-2012 Individual Certificate Renewal

Online individual license renewal for the 2011-2012 license year is now available on the Board's website, **www.nccpaboard.gov**.

An improvement in the online renewal system is that additional browsers are accommodated; a licensee may renew using Internet Explorer, Mozilla Firefox, Google Chrome, or Apple Safari.

To renew online, a CPA must have his or her NC CPA certificate number, his or her Social Security number, the number of CPE hours completed to meet the 2010 CPE requirement, and a valid MasterCard or VISA account number (including the security code) with the card expiration date and complete billing address.

Please note that each licensee's renewal must be a separate and distinct online transaction.

If a CPA firm has multiple licensees and prefers to submit a lump sum payment by mail and needs renewal forms e-mailed to the firm, please submit a list of the licensees and their certificate numbers to **alices@nccpaboard.gov**.

To access the online renewal, the licensee must navigate to the Board's website, **www.nccpaboard.gov**, and click on the "online renewal" link located at the bottom of the menu on the left-hand side of the page.

When the renewal page displays, the licensee will click on the "individual" link to launch the renewal process.

On the "Licensee Log-In" page, the licensee will enter his or her Social Security number and North Carolina CPA certificate number and click "submit."

NOTE: If a licensee wishes to keep a copy of the information submitted during the renewal process, he or she must print each page of the online renewal after he or she provides the required information, but before clicking the "submit" button.

If the Social Security number and certificate number entered match the information in the Board's records, the first page of the online renewal, "Pertinent Data on File," will display.

This page of the renewal pertains to the licensee's contact information, concentration area, occupation area, job title, and AICPA and NCACPA membership information.

Each licensee must provide the Board with a complete address, including business name, mailing address, e-mail address, and telephone number so that the Board will have complete and accurate contact information.

To update an address, the licensee must click on the blue highlighted link (such as Mailing Address or Home Address) to change each type of address (mailing address, home address, or business/practice address).

If a complete mailing address and e-mail address is not provided, the licensee will not be allowed to continue with the renewal process.

If a licensee is using his or her home address or business/practice address as the mailing address, the licensee does not need to list the same address in two categories (such as mailing address and home address or mailing address and business/practice address).

Please note that the address selected as the licensee's mailing address is the address that will be displayed in the searchable database on the Board's website. If a licensee does not want his or her home address to display on the Board's website, he or she must select the business/practice address as the mailing address.

In the "Certificate and Licensee Information" section, the licensee must select the proper occupation and concentration category from the pop-up lists, type in his or her job title, indicate if he or she is a member of the AICPA and/or NCACPA, and click the "continue" button.

CPE compliance information is entered on Page 2 of the renewal. The licensee must read each item carefully, select the appropriate answer, and click "submit."

NOTE: If the licensee selects answer "B" because he or she was licensed after January 1, 2011, the licensee will not be able to view Page 3 where licensees who report CPE will enter the CPE hours

Renewal
continued on page 2

Renewal *continued from front*

completed. Instead, the licensee will be automatically directed to Page 4.

The third page of the renewal is used to calculate the number of hours of CPE carry-forward from 2009, the CPE credit hours earned in 2010, and the CPE hours for carry-forward into 2011.

If the number of carry-forward hours brought forward from 2009 (Block A) does not agree with the licensee's records, the licensee must contact Cammie Emery by e-mail at **cemery@nccpaboard.gov** for verification of the licensee's CPE hours. After the CPE hours are verified by Board staff, the renewal process may be completed.

The system will automatically add the carry-forward hours earned in 2009 (Block A) to the CPE hours earned in 2010 (Block B), and place the total in the Block C. The hours available for carry-forward will be automatically calculated in Block D (carry-forward hours cannot exceed 20).

NOTE: If the licensee's CPE requirement for 2010 was prorated, he or she may carry forward up to 20 hours in excess of the annual requirement.

After clicking the "submit" button, the licensee will be taken to Page 4 of the renewal, "Moral Character Data."

On this page, the licensee must answer each question and type a brief explanation of each affirmative answer in the text box at the bottom of the page and click "submit."

The moral character data for a licensee who has not previously filed a certificate renewal is applicable for the period since the filing of his or her certificate application. The moral character data for licensees who have previously filed a certificate renewal is applicable for the period since the filing of their last renewal.

Page 5 is an affirmation which states that the licensee has read the North Carolina Accountancy Statutes and Rules. The statutes and rules are available on the Board's website, **www.nccpaboard.gov**.

In addition, the licensee is certifying that the information provided on the renewal form is correct and complete. When the licensee accepts the statement on Page 5 and clicks the "submit" button, he or she will be directed to the payment page.

The Board's website is certified by Comodo (**www.comodogroup.com**) as secure for web-based transactions; all e-commerce transactions are directed through the VeriSign gateway (**www.verisign.com**).

In addition, the underwriters at BB&T, the Board's financial institution of record, have reviewed and approved the payment transaction portion of the Board's website as part of the bank's "Trustkeeper" program.

The 2011-2012 certificate renewal fee is $60.00, an increase of $10.00 from 2010 and the first increase in the certificate renewal fee since 1999.

Please note that the Board accepts only MasterCard and VISA for online payment of the renewal fee. All fields on the payment page of the renewal are required. If the licensee does not fill in all fields properly, the transaction will fail and the licensee will be prompted to correct the information entered.

Account information is not submitted until the "submit" button is clicked; account information is not stored in the Board's records.

After the transaction is complete, the licensee may print the acknowledgment page to confirm that the renewal was processed; the credit card statement serves as the licensee's payment receipt.

A licensee who does not wish to submit credit card information using the secure website, but still wishes to pay by credit card, may submit a copy of his or her online renewal form by answering all questions on each page of the renewal, printing each page as it is completed (but before clicking "submit"), signing the renewal, and faxing the completed pages, including the completed credit card information page, to the Board at (919) 733-4209.

A licensee who wishes to submit the renewal form with a check or money order may do so by answering all questions on each page of the renewal, printing each page as it is completed (but before clicking "submit"), signing the renewal, and mailing the completed pages, with a check or money order for $60.00 payable to "State Board of CPA Examiners," to PO Box 12827, Raleigh, NC 27605-2827.

Online renewals are processed in real time; the Board's database is updated immediately. A licensee may check the status of his or her renewal by using the "Licensee Search" function of the Board's website to confirm that the license expiration date has been changed to June 30, 2012.

Licensees are encouraged to renew early; as the June 30 renewal deadline draws nearer, licensees may experience server slowdowns which may delay or prevent renewals from being processed.

Licensees who do not submit a properly completed renewal and the $60.00 fee prior to July 1, 2011, may receive a Letter of Demand from the Board. Failure to submit the renewal form and fee within 30 days of the mailing of the Letter of Demand will result in an automatic forfeiture of the licensee's NC CPA certificate.

Licensees who elect to be placed on retired or inactive status may do so by submitting the proper form to the Board prior to July 1, 2011. Forms for inactive or retired status are available on the website, **www.nccpaboard.gov**, by calling (919) 733-4222, or by sending an e-mail to **vanessiaw@nccpaboard.gov**.

If you have questions regarding the renewal process, please contact Buck Winslow, Manager of Licensing, by e-mail at **buckw@nccpaboard.gov** or by telephone at (919) 733-1421.

Board Office Closed

In accordance with the State of North Carolina calendar, the Board office will be closed April 22, 2011, in observance of Good Friday.

2011-2012 NORTH CAROLINA ONLINE CERTIFICATE RENEWAL INSTRUCTIONS

The Board staff encourages licensees to renew early. If there is a problem with a licensee's renewal and staff finds it at the beginning of the renewal season, the licensee may have time to correct it. If a licensee renews close to the June 30 deadline, he or she may encounter renewal server slowdowns and may miss the opportunity to correct problems. A licensee who fails to renew will forfeit his or her CPA certificate. A licensee may print the final renewal acknowledgement page to confirm that his or her renewal was processed; a credit card statement also serves as a receipt. If a licensee wishes to keep a copy of the information submitted, he or she may print each page of the online renewal after he or she has completed the information required, but before clicking the "continue" button. A licensee may also check his or her personal record in the "Licensee Search" section of the Board's website, www.nccpaboard.gov, to confirm an updated expiration date for his or her certificate. The website is updated in real time. If a licensee encounters errors during the renewal, he or she should restart his or her computer and try again; restarting the computer fixes the majority of problems that occur.

A licensee will need four things to complete his or her renewal: 1) his or her North Carolina CPA certificate number; 2) his or her Social Security number; 3) the number of CPE hours earned to meet the 2010 requirement; and 4) a valid MasterCard or VISA number (including security code) and valid expiration date. The Board's website is certified as secure by Comodo for web-based transactions. A licensee may use Internet Explorer, Mozilla Firefox, Google Chrome, or the Apple Safari browser to complete the on-line renewal.

I. Page 1 of the online renewal lists the licensee's personal information from the Board's files. The licensee must review and correct the information as necessary so that the Board's records are current and complete. A licensee must provide the Board with a full address, including business name, mailing address, e-mail address, and telephone number so that the Board will have complete, accurate information and will be able to contact the licensee if necessary. Addresses are updated by clicking on the blue highlighted link (such as Mailing Address) and changing each address (mailing address, business/practice address, or home address) as needed. A licensee will not be allowed to complete the renewal and exit the system without providing a mailing address and an e-mail address. If a licensee is using his or her home address or business address as the mailing address, he or she does not need to list the same address in two categories (such as mailing address and home address or mailing address and business/practice address). However, the Board must have a licensee's home and business address on file. Use only the occupation and concentration categories provided in the pop-up lists.

II. Page 2 of the online renewal pertains to the mandatory CPE requirement.

A. If a licensee completed the 40-hour requirement, including at least eight (8) hours of non-self study credit and an ethics CPE course (regulatory or behavioral) offered by a CPE Sponsor registered with the Board or with the NASBA (National Association of State Boards of Accountancy) National CPE Sponsor Registry, in calendar year 2010, check Box A. If a licensee was certified in North Carolina during the second, third, or fourth quarters of 2010, his or her CPE requirement for that year is prorated (30 hours, 20 hours, and 10 hours respectively). Hours earned in excess of the minimum requirement may be carried forward into 2011 (maximum carry-forward is 20).

B. If a licensee was certified in North Carolina after January 1, 2011, check Box B because persons certified after that date may not report any CPE earned in 2010 or any carry-forward from prior years. The licensee will not be able to view Page 3 where licensees who report CPE input the hours taken, but will be automatically redirected to Page 4 instead.

C. If a licensee took some of his or her 2010 CPE after the December 31, 2010, deadline, but before June 30, 2011, and needs to use those courses to meet the 2010 requirement, check Box C. Taking CPE after the deadline may result in a letter of warning pursuant to 21 NCAC 08G .0406(b). If a licensee did not meet the CPE requirement by June 30, 2011, he or she does not qualify for renewal.

continued on page 4

continued from page 3

D. If a licensee took some of the 2010 CPE after the December 31, 2010, deadline, but before June 30, 2011, and the Board granted him or her an extension, check Box D. Note that an extension must have already been formally approved by the Board, and the licensee should have received written confirmation that the extension was granted.

E. If a licensee is a non-resident of North Carolina, he or she may comply with the CPE requirements in the state where he or she is licensed as a CPA and works or resides. [21 NCAC 08G .0410]. To claim compliance with out-of-state CPE requirements, check Box E. If a licensee checks Box E, North Carolina will no longer track any carry-forward hours for the licensee. Note that if a licensee shows a North Carolina address, he or she will not be allowed to choose this option.

III. Report CPE hours on Page 3. The Board will audit a sample of licensees to ensure compliance. Individuals selected for the CPE audit will be contacted by the Board and must provide the required documentation by the deadline specified.

A. Block A shows the number of carry-forward hours brought forward from 2009 (20 maximum). If this number does not agree with the licensee's records, he or she should e-mail Cammie Emery at **cemery@nccpaboard.gov** before completing the online renewal. Staff will verify the licensee's claim so that he or she may properly complete the renewal after the issue has been resolved.

B. Enter the total number of CPE hours for the courses earned in 2010. If a licensee completed courses between January 1 and June 30, 2011, he or she may renew by combining the 2010 and 2011 hours, but he or she may be issued a Letter of Warning.

C. The renewal system will automatically add the carry-forward hours earned in 2009 (Block A) to the CPE hours earned in 2010 (Block B), and put the total in the Total Hours Reported block (Block C). Forty hours is the minimum total unless the 2010 CPE requirement was prorated or the licensee is claiming compliance with another state's CPE requirement [21 NCAC 08G .0401(e)].

D. The hours available for carry-forward will be automatically calculated in Block D (carry-forward hours cannot exceed 20). NOTE: If the CPE requirement for 2010 was prorated, the licensee may carry over up to 20 hours in excess of the requirement.

IV. Moral character data is requested on Page 4. Please answer the appropriate item(s) affirmatively and type a brief explanation in the text box at the bottom of Page 4. The moral character data for licensees who have not previously filed a certificate renewal is applicable for the period since the filing of their certificate application.

V. Page 5 is an affirmation which states that the licensee has read the North Carolina Accountancy Statutes and Rules. The most current copy may be accessed on the Board's website, www.nccpaboard.gov, or by clicking the links embedded in the renewal. The licensee is also certifying that the information provided on the online renewal is correct and complete.

VI. The renewal fee is $60. The Board accepts only MasterCard and VISA or a debit or purchasing card with the MasterCard or Visa logo for payment. The renewal is considered incomplete if a credit card charge is not authorized by the issuing financial institution. If a licensee wishes to mail the completed form with a check or money order, he or she may do so by signing the last page of the renewal and submitting all pages of the completed form and the required fee to the Board at PO Box 12827, Raleigh, NC 27605-2827.

Change of Status: A licensee may elect retired or inactive status by submitting the proper form. CPAs on inactive or retired status are not required to renew their certificates, report CPE, or pay a renewal fee. A licensee may obtain the form for inactive or retired status from the Board's website, **www.nccpaboard.gov**, or by calling the Board office at (919) 733-4222. The deadline to request retired status is June 30. A licensee may qualify for retired status if he or she is completely retired, will not receive compensation for any personal services (accounting or otherwise), and verifies his or her intention never to return to active status. The licensee must also verify that he or she will not sign as a CPA if he or she does any volunteer accounting work. A licensee may request inactive status by submitting the proper form by June 30. CPAs on inactive status may keep their CPA certificates, but must confirm that they will not use the CPA title in any way while on inactive status.

ESSENTIAL CONTINUING PROFESSIONAL EDUCATION (CPE) INFORMATION

General Information — All CPAs on active, "can't use title," or probationary status must comply with the CPE requirements and pay an annual renewal fee. A licensee is required to complete at least 40 hours of CPE per calendar year to renew his or her certificate. The deadline for reporting CPE credit earned is June 30. CPE hours are reported during the online certificate renewal process. Detailed listings of courses taken to meet the requirement are not submitted to the Board unless a licensee receives a letter specifically requesting such documentation. CPE hours must be rounded down to the nearest half-hour after the first full hour of credit has been earned. The Board's CPE rules are found in Title 21, North Carolina Administrative Code (NCAC), Chapter 08G, Section .0400. Please refer to the Board's website, **www.nccpaboard.gov**, for the current CPE rules.

Self-Study Courses — At least eight (8) hours of CPE credit earned in any calendar year must be non-self-study, excluding any carry-forward hours used to meet the minimum requirement. Another self-study rule stipulates that the amount of credit for all self-study courses is based on the average completion time in 50-minute hours as determined by the sponsor. Questions regarding the way the sponsor calculated the hours recommended must be answered by the course provider.

One example of self-study material that does not meet the Board's requirement for appropriate instructional design is a "course" that consists of an examination on periodicals, guides, magazines, subscription services, books, reference manuals and supplements (*e.g.*, Journal of Accountancy, CPE Direct, tax services and handbooks, audit guides, etc.). Such programs do not meet this requirement because the material studied is not designed primarily for CPE purposes [21 NCAC 08G .0404(e)].

Ethics CPE Requirement — 21 NCAC 08G .0410 requires all licensees to take annually either two hours of ethics CPE in a group study format or four hours of ethics CPE in a self-study format. Any ethics CPE course (regulatory or behavioral) offered by a CPE sponsor registered with the Board or registered with the NASBA National CPE Sponsor Registry will be accepted for compliance with the Board's annual ethics CPE course requirement. Submit questions regarding the ethics CPE requirement to Cammie Emery by e-mail at **cemery@nccpaboard.gov**.

Registered Sponsors — The Board registers sponsors that agree to conduct programs that enhance a CPA's professional skills and meet other minimum standards. These organizations have also agreed to keep records of their programs for five years. This requirement removes some of the burden of record-keeping for CPAs taking the course, but it does not automatically mean that a CPA may claim credit for a course. A licensee is responsible for selecting the CPE courses he or she attends, and a licensee should pick only those courses that will improve his or her professional competence. The Board's office maintains a database of registered CPE sponsors on its website, www.nccpaboard.gov. The Board's staff can only confirm that a sponsor is registered, not that a particular course can be used for CPE purposes. Due to the large number of licensees and the volume of courses offered, the Board staff cannot "pre-approve" CPE courses.

Non-Registered Sponsors — Pursuant to 21 NCAC 08G .0404(f), a licensee may claim CPE credit for continuing education programs that are conducted by non-registered sponsors. Please refer to 21 NCAC 08G .0403 and .0404 for the types of coursework that might qualify, as well as the standards that such courses must meet. A licensee does not need to submit his or her documentation to the Board at the end of each year; a licensee should keep the documentation in his or her files for five years. Complete and accurate information regarding sponsors and courses is essential. Such documentation should include, but is not limited to:

1) Proof of completion of a course (must include licensee's name as the course participant, course title, date of completion, and CPE hours recommended). This is the most important piece of documentation that licensees should save. Proof of registration or copies of course agendas are not adequate proof of attendance;

2) The instructor's biography, indicating both general teaching competence and particular mastery of the subject matter of the course;

3) A description of the facilities used and the number of other participants;

continued on page 6

continued from page 5

4) Information about the course developer and sponsor; and

5) A description of course objectives, prerequisites, experience level, content, required advance preparation, teaching method used, and CPE credit recommended.

General Guidelines — CPE courses offered by any sponsor should be on a professional level and should relate to the field of accountancy. The seven approved subject areas for CPE programs as set forth in 21 NCAC 08G .0404(b) are:

1) Accounting and Auditing

2) Consulting Services

3) Ethics

4) Management

5) Personal Development

6) Special Knowledge and Applications

7) Tax

Examples of courses that may not meet such criteria are:

1) Basic courses in accountancy and related technical subjects;

2) Programs not designed for professional competence, such as:

a) Information for the general public on matters such as personal money management, personal investments, elementary income tax, social security, and retirement benefits,

b) Sales-oriented presentations for office equipment and other system applications;

3) Programs that do not contribute to knowledge of the field of accounting, such as:

a) Programs restricted to the policies and procedures of a particular company or organization,

b) Programs presenting sophisticated scientific and technical knowledge generally considered beyond the scope required for the practice of accountancy.

Audit of CPE Reports — Staff will audit a computer-generated, random sample of licensees each year. If selected for the audit, it is the licensee's responsibility to contact sponsors directly and obtain verification from them if needed.

Carry-Forward Hours — Carry-forward hours are designed to be an "insurance policy" to guard against situations where circumstances prevent a licensee from completing the full 40-hour CPE requirement by December 31. If a licensee does not maintain 20 hours of carry-forward, he or she increases the risk of receiving a letter of warning or being ineligible to renew his or her certificate. Twenty (20) hours is the maximum carry-forward. New North Carolina CPAs should also be aware that they may not claim carry-forward from the calendar year before the year they were certified in North Carolina. Carry-forward hours do not maintain their characteristics (*e.g.* self-study, group study, ethics, etc.). Note that a licensee may earn half hours after the first whole hour earned in a single program. Therefore, a licensee may carry forward CPE hours in half-hour increments. CPE credit should be rounded down to the nearest half hour after the first whole hour has been earned. Note that a whole course must be claimed in one calendar year; it cannot be split into two calendar years to satisfy either the Ethics or Non-Self-Study requirements or for any other purpose.

Extensions of Time to Complete CPE — Extensions of time to complete CPE requirements may be requested by submitting a completed extension request form that is available on the Board's website, www.nccpaboard.gov. However, the Board will generally approve extensions only when circumstances indicate a severe personal hardship (*e.g.,* severe illness). Failure to complete courses on time due to business circumstances probably will not be approved. Note that extensions are not granted past June 30. Extension requests should be submitted by April 1.

Penalties for Noncompliance — Licensees who fail to comply with the CPE requirements are subject to a Letter of Warning or forfeiture as outlined in 21 NCAC 08G .0406(b).

Certificates Issued

At its January 24, 2011, and February 21, 2011, meetings, the Board approved the following individuals for licensure as North Carolina CPAs:

Andrea Alyse Abramowski
Rodney Tyler Allison
Philip Richard Andrews
Michelle Pearson Bare
Sarah Wynne Blanchard
Mark Alan Bondo
Joseph R. Bray
Sandra Wolfe Breitschwerdt
Nicholas Eli Cain
Jennifer Maria Capoccia
Anthony Russell Carvelli, III
Jennifer Lauren Cauble
Maya Jean Cohen
Joyce Denise Comer
Ashley Karen Corkery
Jason Cole Crawford
Carla G. Crow
Andrew E. DeMoss
Joseph Christopher Dolan
Matthew Richard Doyle
Russell Alan Eldridge
Frances Elizabeth Ellington
Emily Bievenue Etter
Sonya Renee Evans
Jonathan Edward Grice
Brandon Thomas Hamilton
Megan Aimee Hamilton
Adam James Heinlein
Shannia Nicole King
Mary Elizabeth Kiser
Karen Ann Kotek
Kelley Piner Leach
Joan Ann Lee
Lisa Mei Lu
Anne Yancey Mann
Felecia Monique Manning
Stacey M. McDowell
Rachelle Dawn McKee
Joshua Addison Moore
Robin Hardison Mount
Joanna Louise Muster
Adam Gary Nicholson
Elana Ami O'Neill
Rachael M. Ostrowski
William Murray Owens
Amy Michelle Parker
Lynsey Dianne Parker
Erin Bray Patterson
Richard Charles Pocock, Jr.
Natalie Lynne Podkul
Abigail M. Pope
Jessica Elaine Pruitt
Sarah Hughes Putnam
James Christopher Rogers
Robert Lee Schwarz, III
Jennifer Lawrence Sisk
Elizabeth Larissa Taylor
Nathan Adam Taylor
Justin Ernest Tinder
Dillon Keltz Turner
Jordan Paul Utley
Nicholas Gardiner Vail
Liana Viljoen
Jonathan Ira Ward
George Harmon Webb
Clare Rani Wesley
Amanda Diane Whitley
Kevin McArthur Wilson
Laura Elizabeth Wyllie
Adam Joseph Zafiroff
Amanda Marie Zimmerman

Reclassifications

Reinstatements

02/21/11	Cindy Johnson Abercrombie, #23238	Concord, NC
02/21/11	Jeffrey Rhodes Carper, #28237	Pittsburgh, PA
02/21/11	Frances Harley Gutnick, #16594	Charlotte, NC
02/21/11	Jamie Lemoine Johnson, #22218	Charlotte, NC
02/21/11	Gail Marie Patetta, #23717	Waxhaw, NC
02/21/11	Nechol Priddy Smith, #18049	Winston-Salem, NC
02/21/11	Todd Wayne Strange, #14621	Lincoln University, PA

Reissuance

02/21/11	Sid F. Baker, #27013	Cary, NC
02/21/11	Cameron Paige Gelfo, #29805	Raleigh, NC
02/21/11	James Edgar Halstead, III, #30494	Rocky Mount, NC
02/21/11	Anthony Steven Quinton, #31393	Holly Springs, NC
02/21/11	Scott Stephen Simmons, #27820	Raleigh, NC
02/21/11	Peggy Ann S. Wuest, #25138	Shelby, NC

2011 Board Meetings

April 26
May 26
June 20
July 25
August 22
September 19
October 20
November 21
December 19

Unless otherwise noted, meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

State Board of CPA Examiners

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Licensing
Buck Winslow, Manager
Alice G. Steckenrider
Cammie Emery

Professional Standards
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North Carolina State Board of
Certified Public Accountant Examiners
PO Box 12827
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Notice of Address Change

Certificate Holder _____
Last Name Jr./III First Middle

Certificate No. _____ Send Mail to ___Home ___Business

New Home Address _____

City _____ State _____ Zip _____

CPA Firm/Business Name _____

New Bus. Address _____

City _____ State _____ Zip _____

Telephone: Bus. ( ) _____ Home ( ) _____

Bus. Fax ( ) _____ E-mail Address _____

Signature _____ Date _____

Mail: **PO Box 12827**
Raleigh, NC 27605-2827

Fax: **919-733-4209**

Pursuant to 21 NCAC 08J .0107, all certificate holders and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 04-2011

Responding to a Subpoena for Client Records

There are many reasons that a CPA may receive a subpoena requesting information about the CPA's client. For example, a party in civil litigation or a civil arbitration may seek records from a CPA in order to prove its case against the CPA's client. The prosecutor in a criminal case may attempt to utilize a CPA's records in a criminal charge against a CPA's client. An administrative agency, board, commission,or another entity may wish to utilize a CPA's records for some purpose.

Pursuant to 21 NCAC 08N .0205, which states, "a CPA shall not disclose any confidential information obtained in the course of employment or a professional engagement except with the consent of the employer or client,"a CPA has an ethical duty to keep client information confidential.

However, the CPA's duty of confidentiality is not absolute, and it is inferior to a validly issued subpoena. According to 21 NCAC 08N .0205(b), the confidentiality rule shall not be interpreted "to affect in any way the CPA's compliance with a validly issued subpoena or summons enforceable by this Board or by order of a court."

So, what should a CPA do to determine if he or she must comply with a subpoena for client records?

The CPA should first review the subpoena to determine if it was signed by a judge or an administrative law judge. If the subpoena was signed by a judge or an administrative law judge, then the CPA must comply with the subpoena.

The CPA should inform his or her client that he or she has received a subpoena for client records and the CPA intends to turn over the requested information. By informing the client, the client can make his or her own motion with the Court if he or she believes that the subpoena should not have been issued. Otherwise, the CPA must make a valid attempt to obtain the client's written consent prior to turning the documents over to the requesting party.

If the subpoena was not signed by a judge, then the CPA must determine if the client is the defendant in the matter referenced in the subpoena. If the client is also the defendant, the CPA should contact the client or the client's attorney. Often, the client or the client's attorney will not contest the production of those records and will agree to consent to their production. It is important that the consent be made in writing.

If the client objects to the production of the documents, a written objection referencing 21 NCAC 08N .0205 must be provided to the person or entity seeking the documents. If the client is represented by counsel, the CPA should allow the attorney to review the objection--he or she may prefer to pursue other legal defenses to the subpoena.

For example, if the subpoena is objectionable because it is irrelevant to the case and is merely a "fishing expedition," then the client's attorney will be in the best position to determine whether to fight the subpoena on those grounds.

Be sure to make the attorney seeking the documents aware of the CPA's concern regarding confidentiality; the attorney will likely voluntarily refrain from pursuing the documents until the Court has signed an Order demanding the production of the documents.

If, despite the above actions, the CPA is unable to come to an agreement with the involved parties, then the CPA should consult with an attorney. An attorney will draft an objection to the subpoena and can help identify other privileges that may apply to those documents.

The attorney can also help defend against any ensuing motions and can attempt to obtain witness fees or other costs associated with compliance with the subpoena.

For more information, please contact Frank Trainor at **ftrainor@nccpaboard.gov** or **(919) 715-9185**.

In This Issue

2011 Board Meetings..... 2
Board Milestone: Alice Steckenrider 6
Certificates Issued 7
Disciplinary Actions 2, 5
Inactive Status..... 7
Moral Character Data on Renewals 4
Officers Elected..... 5
Reclassifications..... 3
Unclaimed Property 6
Volunteers Needed 7

Disciplinary Actions

Ronall R. Davis, #12356
Ronall R. Davis, CPA, P.A.
Greensboro, NC 02/21/2011

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, with a quorum present, the Board finds, based on the evidence presented at the hearing on February 21, 2011, that:

FINDINGS OF FACT

1. The parties have been properly identified.

2. The Board has jurisdiction over the Respondents and these Matters.

3. Respondents received at least fifteen (15) days written Notice of Hearing of these Matters by personal service, certified mail, or other approved personal delivery.

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

5. Respondents did not object to any Board Member's participation in the Hearing of these Matters.

6. Respondents were not present at the Hearing and were not represented by counsel.

7. Respondent Ronall R. Davis (hereinafter "Respondent Davis") is the holder of a certificate as a Certified Public Accountant in North Carolina and 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.

8. Respondent Ronall R. Davis, CPA, P.A. (hereinafter "Respondent Firm") is a registered certified public accounting corporation in North Carolina and 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. At all relevant times, Respondent Davis has served as the principal shareholder of Respondent Firm and has been individually responsible for the conduct of Respondent Firm.

9. On June 1, 2009, the Internal Revenue Service (IRS) filed a tax lien totaling $34,125.88 against Respondent Firm for failure to file and pay Respondent Firm's payroll taxes.

10. According to the tax lien, Respondent Davis failed to timely file and to pay Respondent Firm's 941 Employer's Quarterly Payroll Taxes for the periods ending March 31, 2008 ($7,947.24); June 30, 2008 ($12,151.89); September 30, 2008 ($6,589.75); and December 31, 2008 ($7,437.00).

11. In response to Board staff's January 29, 2010, inquiry, Respondent Davis informed the Board that in July of 2009 he entered into an Installment Agreement with the IRS to pay $900.00 each month until all 941 monies are repaid.

12. On Respondent Davis' 2009-2010 individual certificate renewal and Respondent Firm's 2010 firm registration, Respondents failed to inform the Board of the IRS tax lien.

CONCLUSIONS OF LAW

1. Respondents' actions as set out above constitute violations of NCGS 93-12(9) e and 21 NCAC 08N .0201, .0203(a) and (b)1, .0207, and .0208.

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

The Certified Public Accountant certificate issued to Respondent Ronall R. Davis is hereby permanently revoked.

2. The firm registration for Respondent Firm, Ronall R. Davis, CPA, P.A., is hereby cancelled.

3. Respondents shall not 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 Respondents claim or attempt to use any practice privileges in any other state based upon Respondent Davis' permanently revoked North Carolina certificate or Respondent Firm's canceled CPA firm registration.

Barry J. Hodges, #27979
Raleigh, NC 02/21/2011

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, with a quorum present, the Board finds, based on the evidence presented at the hearing on February 21, 2011, that:

FINDINGS OF FACT

1. The parties have been properly identified.

2. The Board has jurisdiction over the Respondent and this Matter.

3. Respondent received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery.

2011 Board Meetings

May 26
June 20
July 25
August 22
September 19
October 20
November 21
December 19

Unless otherwise noted, meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

4. Venue is proper and the Noticed 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 not present at the Hearing and was not represented by counsel.

7. Respondent is the holder of a certificate as a Certified Public Accountant in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

8. Respondent represented to the Board on his 2009-2010 individual certificate renewal (renewal) that he had obtained forty (40) hours of continuing professional education (CPE), had completed an annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2008 CPE requirement.

9. Based on Respondent's representation, the Board accepted his renewal.

10. Board staff subsequently requested that Respondent provide certificates of completion for the CPE Respondent had reported to meet his 2008 CPE requirement. Respondent failed to respond to two written requests for certificates of completion from Board staff.

11. Upon a telephone call to Respondent by Board staff, Respondent stated that he had failed to complete any of the CPE hours in 2008 that he previously claimed he earned between January 1, 2008, and December 31, 2008.

12. Respondent has failed to respond and to claim certified return/receipt mail from the Board regarding his 2008 CPE, as well as Board requests for CPE certificates of completion for prior and subsequent years.

CONCLUSIONS OF LAW

1. Respondent's actions as set out above constitute violations of NCGS 93-12(8b) a, 9312(9)c, and 9312(9)e and 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), .0203(b)(1), and .0206.

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

1. The Certified Public Accountant certificate issued to Respondent Barry J. Hodges is hereby permanently revoked.
2. Respondent shall not 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 Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

Certificate Renewal

In March, North Carolina CPAs began renewing their CPA licenses online through the Board's website, **www.nccpaboard.gov**.

To renew online, a CPA must have his or her NC CPA certificate number; his or her Social Security Number; the number of CPE hours earned to meet the 2010 CPE requirement; and a valid MasterCard or VISA account number, security code, and expiration date.

Detailed information on the online renewal process was published in the March issue of the *Activity Review*.

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Reclassifications

Reinstatements

03/23/11	Paula Hazle DeCuir, #24895	Annandale, VA
03/23/11	Helen Robinson Moore Greer, #15280	Durham, NC
03/23/11	James Allen Hill, Jr., #1701	Raleigh, NC
03/23/11	Haleh Moddasser Mallernee, #20059	Durham, NC
03/23/11	Christopher Todd Murphy, #24365	Chapel Hill, NC
03/23/11	George Emanuel Rickles, III, #11857	Waxhaw, NC
03/23/11	Pamela Sue Rowe, #22236	Asheville, NC

Reissuance

03/23/11	Michael Anthony Buckner, #23283	Graham, NC
03/23/11	Geoffrey Neil Kirby, #16205	Wilmington, NC
03/23/11	James Arthur Klein, Jr., #17655	Durham, NC
03/23/11	Sylvester Lung-Yee Zee, #16674	Concord, NC

Retired

Retired, when used to refer to the status of a person, descibes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

03/23/11	Daniel A. Geddie, #21122	Wilmington, NC
03/23/11	Jean Henderson, #3714	Raleigh, NC
03/23/11	Joseph Adrian Norman, #28588	Jamestown, NC

Providing Moral Character Data on Annual Certificate and CPA Firm Renewals

Every year, the Board staff receives numerous inquiries regarding the moral character questions included in the individual certificate renewal and the CPA firm renewal. This article, written by the Board's staff attorney, is meant to help provide an explanation for responding to the moral character questions.

It should be noted that, when in doubt, you always should err in favor of disclosing information that may be applicable to those questions. You will not be disciplined or denied a renewal simply by answering "yes" to one or more of the moral character questions included in the renewal.

However, you or your firm may be subject to discipline if the underlying conduct is a violation of statute or rule. Failure to answer affirmatively to the questions, when, in fact you or your firm should answer affirmatively, may result in discipline for failure to truthfully answer the questions.

The first moral character question is whether you or any member of your firm has been:

> Charged, arrested, convicted, found guilty of, received a prayer for judgment continued, or pleaded *nolo contendere* to any criminal offense, excluding non-criminal traffic infractions, since filing your last renewal?

This question is meant to encompass any conceivable activity that may be defined as a crime except for moving violations. This includes misdemeanors and crimes which may not have an immediately apparent connection to the practice of accounting. It is not necessary that you be convicted--only that you are charged. Additionally, any plea, including Alford pleas and pleas of no contest, must be reported.

The second question asks whether you, your firm, or any member of your firm has had:

> An application for certificate or license denied or certificate or license suspended, canceled or revoked by a state or federal agency or governing or licensing board or professional organization since filing your last renewal?

This question refers to more than your CPA or firm certificate. For purposes of illustration, but not limitation, any discipline imposed by the State Bar, NASD, NCACPA (or other state CPA society), AICPA, the Department of Insurance, the Real Estate Commission, or the Securities Division of the Office of the Secretary of State would be included in this request.

The third question asks whether you, your firm, or any member of your firm has:

> Been investigated, charged, or disciplined since filing your firm's last renewal, or are you under investigation by a governing or licensing board or professional organization or by a state or federal agency?

When answering this question, it should be noted that ***any*** state or federal investigation is sufficient to trigger an affirmative response. For example, investigations conducted by the IRS, North Carolina Department of Revenue, SEC, GAO, HUD, PCAOB, Securities Division of the Office of the Secretary of State, North Carolina Real Estate Commission, AICPA, NASD, State Bar, North Carolina Bar Examiners, North Carolina Department of Commerce, the FTC, the EEOC or North Carolina Department of Labor would fall within the parameters of this question.

The final question asks whether you, your firm, or any member of your firm has been:

> A party to a civil suit, bankruptcy action, administrative proceeding, or binding arbitration; the basis of which is an allegation of negligence, dishonesty, fraud, misrepresentation or incompetence…"

This question is designed to address any proceeding in which you or your firm have been accused of negligence, dishonesty, fraud, misrepresentation ,or incompetence, regardless of whether you are the defendant, cross-claim defendant, counterclaim defendant or otherwise. The imposition of state or federal tax liens against you or your companies are considered administrative proceedings for purposes of this question. Also, small claims actions are considered to be civil suits. Bankruptcy actions include any bankruptcy or other action where you or your company are the debtor or have been declared insolvent.

If you have any questions regarding your or your firm's responses to these questions please contact the Board's staff attorney, Frank Trainor, by telephone at (919) 715-9185 or by email at **ftrainor@nccpaboard.gov**.

Check Your CPE Carry-Forward Online

Need to know how many carryforward CPE hours you have? You can find out with a quick visit to the Board's website, **www.nccpaboard.gov**.

To verify your hours, use the "Licensee Search" function of the web site to search for yourself using your name or certificate number.

After your record is displayed, click on the "details" link. The number of CPE carryforward hours will be displayed below your address and telephone number.

If there is a discrepancy in the number of carryforward hours, please contact Cammie Emery by e-mail at **cemery@nccpaboard.gov**

Eric J. Bur, #16495
Mission Hills, KS 02/21/2011

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 NCGS 150B-41, the Board and Respondent stipulate to the following Findings:

1. Respondent was the holder of a certificate of qualification to practice as a certified public accountant in the State of North Carolina (the "Certificate").

2. In 1988, Respondent chose not to renew his Certificate. Respondent subsequently forfeited his Certificate and returned it to the Board in February 1989.

3. On January 12, 2011, the SEC filed a complaint against numerous defendants for violations of the Securities Exchange Act of 1934 ("Exchange Act") and certain rules promulgated pursuant to the Exchange Act ("Rules"). Specifically, Respondent was charged with violations of Rules 13a-14 and 13b2-1 and aiding and abetting violations of Exchange Act Sections 13(a), 13(b)(2)(A), 13(b)(2)(B), and 14(a), and Rules 12b-20, 13a-1, 14a-3, and 14a-9. Respondent agreed to settle the Commissions charges without admitting or denying the allegations against him.

4. As part of the settlement with the SEC, Respondent consented to a final judgment ("Final Judgment") enjoining him from violating the aforementioned provisions of the Exchange Act and Rules, and ordering him to pay a $75,000 civil penalty. On January 18, 2011, United States District Court Judge Melgren entered a Final Judgment against Respondent.

5. As part of the settlement, Respondent agreed to resolve an administrative proceeding, by consenting, without admitting or denying the findings, to a Commission order (the "Order") suspending him from appearing or practicing before the Commission as an accountant, with the right to apply for reinstatement in one year. The SEC entered the Order on January 20, 2011.

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.

BASED UPON THE FOREGOING findings, 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. If proven, Respondent's actions, as alleged by the SEC, and which resulted in the entry of the Final Judgment and SEC Order could constitute violations of NC Gen. Stat. § 93-12(9) and 21 NCAC 08N and .0203 (b)(1).

3. The SEC has alleged that Respondent was a cause of his former company not devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurances that transactions were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles ("GAAP"). If proven, those allegations could constitute violations of N.C. Gen. Stat. § 93-12(9) and 21 NCAC 08N .0201.

4. The entry of the Final Judgment and Order constitutes a violation of N.C. Gen. Stat. § 93-12(9) and 21 NCAC 08N .0204(a).

BASED on the foregoing, and in lieu of further proceedings under 21 NCAC Chapter 08C and Chapter 150B of the North Carolina General Statutes, the Board and Respondent agree to the following Order:

1. Respondent's Certificate is revoked for one (1) year from the date this Order is approved by the Board.

2. Respondent shall not 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 Respondent claim or attempt to use any practice privileges in any other state based upon his revoked North Carolina certificate.

3. Respondent shall remit, within thirty (30) days of the Board's acceptance of this Consent Order, a one thousand dollar ($1,000.00) civil penalty pursuant to NC Gen. Stat. § 93-12(9)(e).

4. After his one (1) year revocation and payment of the aforementioned civil penalty, Respondent may apply to return his 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. Forty (40) hours of continuing professional education (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.

2011-2012 Officers Elected

At its March 23, 2011, meeting, the Board elected officers for 2011-2012.

Jose R. Rodriguez, CPA, was elected President; Wm. Hunter Cook, CPA, was elected Vice President; and Maria M. Lynch, Esq., was elected Secretary-Treasurer.

A member of the Board since 2009, Rodriguez is a partner with KPMG, LLP and serves on the KPMG Board of Directors.

Cook, also a member of the Board since 2009, is a member of the CPA firm Dixon Hughes Foodman LLP, and is Member-in-Charge of the firm's Manufacturing and Distribution Industry Group.

A member of the Board since 2007, Lynch is a partner in the law firm of Lynch & Eatman, LLP.

Ethics CPE Courses

As a reminder, effective for the 2011 CPE year (January 1 - December 31, 2011), any ethics CPE course (regulatory or behavioral ethics and conduct) offered by a CPE sponsor that is registered with the Board or with the National Association of State Boards of Accountancy (NASBA) National Registry of CPE Sponsors, is considered to be a Board-approved ethics CPE course that qualifies for compliance with the Board's annual ethics CPE requirement. [21 NCAC 08G .0410]

If you have any questions regarding the ethics CPE requirement, please contact Cammie Emery at **cemery@nccpaboard.gov**.

Unclaimed Property: You May Be Richer Than You Think

The following information is provided as a courtesy to the North Carolina Department of State Treasurer.

The North Carolina Department of State Treasurer holds nearly $400 million in unclaimed property (sometimes referred to as abandoned property or escheated property). With two million properties in the database and nine million North Carolinians, there is almost a one in four chance that a North Carolina citizen has a claim. In the past year, the total number of claims paid was 38,583, totaling over $48 million in unclaimed property that has been returned.

What is Unclaimed Property?

Unclaimed property consists of bank accounts, wages, utility deposits, insurance policy proceeds, stocks, bonds, and contents of safe deposit boxes that typically have been abandoned for one to five years.

Funds become unclaimed because the holder loses track of the owner perhaps due to an incorrect address or misinformation in their claim such as reversing the numbers in their zip code.

According to the State Constitution, the interest earnings on the fund go to needy and worthy North Carolina public university and community college students.

How Can You Find Your Own NC Cash?

Visit **www.nccash.com** to search the online database of unclaimed property. You can print a claim form from **www.nccash.com** or call (919) 508-1000 to request a claim form. Sign the claim form and if the amount is greater than $50, you must have your signature notarized. Attach the requested proof of ownership and mail it to the Unclaimed Property address on the bottom of the claim form. The Department of State Treasurer also provides a staffed booth at conferences, fairs, and meetings.

NC Cash Facts

Approximately $3 million is typically distributed per month to the rightful owners.

The interest earned on the funds goes to the State Educational Assistance Authority (SEAA) in the form of grants, loans and scholarships to North Carolina college students attending public universities and community colleges.

At the end of the 2010 fiscal year, ending June 30, a total amount of $7,343,987 from interest earned and $144,649,786 from the Principal was sent to SEAA to be used for needy and worthy students. In 2010, the unclaimed property program assisted over 100,559 students.

NCCash.com now has over 97,000 subscribers that are automatically notified if they have property.

Additional information on unclaimed property is available at **www.nctreasurer.com**.

Board Milestone: Alice Steckenrider

Congratulations to Alice Steckenrider for 25 years of employment with the North Carolina State Board of CPA Examiners.

As Licensing Specialist Alice is responsible for processing all original and reciprocal certificate applications and all applications for inactive and retired status.

A sincere thank you, Alice, for your hard work over the past 25 years.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on the following date:

May 30, 2011
Memorial Day

Moved or Changed Jobs? Let Us Know!

21 NCAC 08J .0107 requires all licensees and firms to notify the Board in writing within 30 days of any change in address (including telephone number or e-mail address) or business location.

Licensees and firms may make address changes using the "Address Update" link on the Board's website, **www.nccpaboard.gov**, or may submit address changes by fax, e-mail, or US mail.

Exam candidates must submit address changes by fax, e-mail, or US mail.

E-mail your address change to **addresschange@nccpaboard.gov**; fax your address change to (919) 733-4209; or mail your address change to PO Box 12827, Raleigh, NC 27605.

The certificate renewal deadline is June 30. Renew online at **www.nccpaboard.gov**

Certificates Issued

At its March 23, 2011, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Michael Jordan Adkins
Kimberly Suzanne Barbour
David T. Bruno
Raymond James Crane
Robert Timothy Crowley
Amanda Lee Cuthbertson
Andrew Dean DeGregorio
Julie Elizabeth Earls
April Suzanne Brown Erichsen
Mark John Gettig
Matthew Sumner Gill
Keenan Charles Gradoville
Guritno Hermanto
Derek Paul Herr
Matthew Gene Hinson
Caroline Wythe Hodge
Dana S. Jones
Phyllis Diane King
Nancy Ann Kissane
James Christian Lamb, V
Joshua Brian Macy
Brian Thomas Maxwell
Clayton Bing Mitchell
Charles Kirk Neugent
Van Thithanh Nguyen
Ethan Anderson Novick
Jennifer Rae Obernesser
Keith Edward Organ
Kathleen Elisa Palme
Jennifer Anne Parsons
Julie Ward Payne
James Thomas Porter
Andrew William Ray
Mitali M. Shah
Adam Hunter Shay
Mary Benson Smith
Magdalena Wiktor Stevens
Giedre D. Taylor
Amy Hendricks Theys
Brenton Darrell Umphlett
William Darius VanHook
Amelia Griswold Varner
John Michael Vollmer
Alexander Russell Walton
Hannah Elizabeth Webb
Jack Roland Yancey

Inactive Status

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

02/01/11	Kevin Ross Carn, #32778	Wilmington, NC
02/03/11	Peter R. Niemczyk, #29357	Leland, NC
02/03/11	Shonda Y. Prescott, #27431	Charlotte, NC
02/04/11	Jamie Michael Coffey, #29893	Mooresville, NC
02/04/11	Charles Wayne High, #3971	Florence, SC
02/04/11	George K. Hoffman, #29757	Kernersville, NC
02/04/11	Joyce Bernice Price, #24561	Mount Gilead, NC
02/11/11	Carson Lloyd Hayes, #33122	Seattle, WA
02/14/11	Lauren D. Massie, #32465	Rolesville, NC
02/16/11	Jeffrey Lee Horvath, #16519	Charlotte, NC
02/22/11	Frank Erickson Ciszek, #32969	Dallas, NC
02/24/11	Jessica Breeden Moran, #32760	Raleigh, NC
03/01/11	Kiristin Neal Knight, #26249	Jamestown, NC
03/04/11	Mark Hansen Bethers, #27078	Cary, NC
03/08/11	Gerald David Puchir, #13455	Johns Island, SC
03/09/11	Sara E. Stebbins, #28327	Charlotte, NC
03/14/11	Douglas Albert Haddock, #31528	Charlotte, NC
03/14/11	Edward J. Moan, #21272	Seattle, WA
03/21/11	ShaWu, #32168	Apex, NC
03/24/11	Karen Nadine Ansine, #31481	Charlotte, NC
03/24/11	Shantel Ruth Moore, #34854	Raleigh, NC
03/24/11	Karen Elizabeth Saboe, #26280	Charleston, SC

Volunteers Needed to Write IFRS Questions for CPA Exam

The AICPA Examinations Team is seeking professionals with solid skills and knowledge in International Financial Reporting Standards (IFRS) to develop questions ("items") on IFRS for the Uniform CPA Examination.

To qualify, volunteers must have a current CPA license or comparable internationally recognized credential, a minimum of three (3) years of experience as a licensed professional, and three (3) years of experience applying and/or teaching IFRS.

Volunteers may not be affiliated with any Uniform CPA Examination review course. Workshops conducted via Web conference (about 60 minutes) will provide instruction on item development.

Volunteers then will submit a few items to the AICPA Examinations Team staff for review and feedback, so that they can independently develop a minimum of 15 items in prescribed areas.

If interested, send a résumé or *curriculum vitae* to **rwarias@aicpa.org**.

State Board of CPA Examiners

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Notice of Address Change

Certificate Holder _____
Last Name Jr./III First Middle

Certificate No. _____ Send Mail to ___ Home ___ Business

New Home Address _____

City _____ State _____ Zip _____

CPA Firm/Business Name _____

New Bus. Address _____

City _____ State _____ Zip _____

Telephone: Bus. ( ) _____ Home ( ) _____

Bus. Fax ( ) _____ E-mail Address _____

Signature _____ Date _____

Mail: **PO Box 12827**
Raleigh, NC 27605-2827

Fax : **919-733-4209**

Pursuant to 21 NCAC 08J .0107, all certificate holders and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 05-2011

Have You Completed Your 2011-2012 License Renewal?

Since March, North Carolina CPAs have been completing their 2011-2012 license renewals online through the Board's website, **www.nccpaboard.gov**.

To renew online, a CPA must have his or her NC CPA certificate number, his or her Social Security number, the number of CPE hours completed to meet the 2010 CPE requirement, and a valid MasterCard or VISA credit card account number (including the security code) with the card expiration date and complete billing address. A debit card may be used for payment if the card has a MasterCard or VISA logo. Each licensee's renewal must be a separate and distinct online transaction.

To access the online renewal, the user must navigate to **www.nccpaboard.gov** and click on the "online renewal" link located at the bottom of the menu on the left-hand side of the page.

When the renewal page displays, the user will click on the "individual" link to launch the renewal process. On the "Licensee Log-In" page, the user will enter the licensee's Social Security number and NC CPA certificate number and click "submit."

If a licensee wishes to keep a copy of the information submitted during the renewal process, he or she must print each page of the online renewal after he or she provides the required information, but before clicking the "submit" button.

If the Social Security number and certificate number entered match the information in the Board's records, the first page of the online renewal, "Pertinent Data on File," will display.

This page of the renewal pertains to the licensee's contact information, concentration area, occupation area, job title, and AICPA and NCACPA membership information.

Each licensee must provide the Board with a complete address (including business name, mailing address, email address, and telephone numbers) so that the Board will have complete and accurate information.

To update a licensee's address(es), click on the blue highlighted link (such as Mailing Address or Home Address) to change each type of address (mailing address, home address, or business/practice address).

If a complete mailing address is not provided, the user will not be allowed to continue with the renewal process.

If a licensee is using his or her home address or business/practice address as the mailing address, the licensee does not need to list the same address in two categories (such as mailing address and home address or mailing address and business/practice address).

The address selected as the licensee's mailing address is the address that will be displayed in the searchable database on the Board's website. If a licensee does not want his or her home address to display on the Board's website, he or she must use the business/practice address as the mailing address.

In the "Certificate and Licensee Information" section, the user must select the proper occupation and concentration category from the pop-up lists, type in the licensee's job title, indicate if the licensee is a member of the AICPA or NCACPA, and click the "submit" button.

CPE compliance information is entered on Page 2 of the renewal. The user should read each item carefully, select the appropriate answer, and click "submit."

Renewal *continued on page 5*

Correction

The article, "2011-2012 Officers Elected," published in the April issue of the *Activity Review*, included incorrect information regarding Wm. Hunter Cook, CPA. Cook is a partner in the firm Dixon Hughes Goodman, LLP. We apologize for the errors.

In This Issue

2011 Board Meetings..... 2
2011-2012 Committees..... 3
Board Office Closed..... 7
Cease and Desist Orders..... 4
Certificates Issued..... 7
Disciplinary Actions..... 2
Inactive Status..... 6
Reclassifications..... 5

Disciplinary Actions

Leshia H. Smith, #20654
Greensboro, NC 04/26/2011

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 NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Leshia H. Smith (hereinafter "Respondent") was the holder of North Carolina certificate number 20654 as a Certified Public Accountant.

2. In June of 2003, Respondent signed and submitted an Application for Inactive Status.

3. In July of 2003, Board staff notified Respondent that her request for inactive status had been granted by the Board.

4. Prior to April of 2010, the Board had no record of any request or application from Respondent for the reinstatement of her North Carolina CPA certificate.

5. Respondent prepared a review report of financial statements and, on April 4, 2010, signed the review report, as a CPA, on letterhead for a non-CPA accounting business. The financial statements that accompanied the review report were not presented in accordance with generally accepted accounting principles (GAAP). However, Respondent's review report stated that no modifications needed to be made to the financial statements for them to be in conformity with GAAP.

6. On June 28, 2010, the Board office received, via facsimile, an application for the reinstatement of Respondent's CPA certificate which she signed on June 25, 2010.

7. 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.

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 (NCGS) and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), 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 NCGS 93-12(9), 93 -2(9) e and 21 NCAC 08M .0105, 08N .0201, .0202(a), .0203, .0209, .0302(a), and .0404.

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. Respondent shall remit, with the signed Order, a one thousand dollar ($1,000.00) civil penalty.

2. Respondent's current application for the reinstatement of her North Carolina CPA certificate is denied.

3. After one (1) year from the date that the Board approves and signs this Order, Respondent may submit a new application for the reinstatement of her North Carolina CPA certificate.

4. When Respondent's North Carolina CPA certificate is reinstated, Respondent shall obtain pre-issuance reviews of all reports including working papers for any audit, review, agreed-upon procedures, or compilation engagements until such time as Respondent receives a pass report in a peer review on each level of the aforementioned services. The pre-issuance reviewer shall be approved by the Board prior to performing said reviews. 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.

5. Respondent shall reimburse the Board for its administrative costs incurred as a result of monitoring

J. David Fitch, #27246
Charlotte, NC 03/23/2011

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 North Carolina General Statute (NC Gen. Stat.) section 150B-41, the Board and Respondent stipulate the following Findings:

1. J. David Fitch (hereinafter "Respondent") is the holder of North Carolina certificate number 27246 as a Certified Public Accountant.

2. In the Board's investigation of a complaint filed against Respondent, Respondent, on at least two (2) occasions, failed to timely respond to Board inquiries by the requested deadlines.

3. In providing services to clients, Respondent referenced the CPA title "in and with" his company name on letterhead even though that company was not registered with the Board as a CPA firm.

4. 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. Respon-

2011 Board Meetings

June 20
July 25
August 22
September 19
October 20
November 21
December 19

Unless otherwise noted, meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

dent 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. 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 (NCAC), 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 NC Gen. Stat. §93-12(9) and NCAC 08N .0206 and .0302.

BASED ON THE FOREGOING and in lieu of further proceedings under NC Gen. Stat. §§150B-38 *et seq*., and 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. Respondent is censured.

2. Respondent shall remit, with the signed Order, a one thousand dollar ($1,000.00) civil penalty.

Walter P. Miller, #33947
Roanoke, VA 04/26/2011

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 North Carolina General Statute (NC Gen. Stat.) 150B-41, the Board and Respondent stipulate the following Findings:

1. Walter P. Miller (hereinafter "Respondent") was the holder of North Carolina certificate number 33947 as a Certified Public Accountant.

2. In July of 2006, Respondent, prior to applying for his North Carolina CPA certificate, was suspended from practice before the Internal Revenue Service (IRS).

3. In May of 2008, Respondent failed to affirmatively respond, on his application for a North Carolina certificate, to the Board's question regarding any previous suspension.

4. Respondent failed to provide, with his application for a North Carolina certificate, any other information regarding his suspension by the IRS.

5. During the time that Respondent was licensed as a North Carolina CPA, Respondent failed to inform the Board of his suspension by the IRS.

6. On or about November 30, 2010, Respondent received discipline, via a Consent Order, from the Virginia Board of Accountancy.

7. 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.

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 (NCAC), 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 NC Gen. Stat. §93-12(9) and 21 NCAC 08N .0201 and .0202 (a), .0202(b)(3), .0203, .0204, and .0207.

BASED ON THE FOREGOING and in lieu of further proceedings under NC Gen. Stat. §§150B38 *et seq*., and 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. The North Carolina CPA certificate issued to Respondent Walter P. Miller is hereby permanently revoked.

2. Respondent shall not 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 Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

2011-2012 Committees

At the April 26, 2011, Board meeting, President Rodriguez appointed the 2011-2012 Board Committees as follows:

Executive

Jose R. Rodriguez, CPA
President

Wm. Hunter Cook, CPA
Vice President

Maria M. Lynch, Esq.
Secretary-Treasurer

Professional Standards

Barton W. Baldwin, CPA
Chair

Wm. Hunter Cook, CPA

Bucky Glover, CPA

Professional Education and Applications

Maria M. Lynch, Esq.
Chair

Jordan C. Harris, Jr.

Michael C. Jordan

Personnel

Maria M. Lynch, Esq.
Chair

Michael C. Jordan, CPA

Jose R. Rodriguez, CPA

Audit

Wm. Hunter Cook, CPA
Chair

Michael C. Jordan, CPA

Communications

Jose R. Rodriguez, CPA

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Notices of Apparent Violation and Demands to Cease and Desist

Michael Sterling Smith, Respondent
High Point, NC

To the Above-Named Respondent:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners (Board) is authorized by NCGS §93-12(16) to enforce the provisions of the North Carolina Certified Public Accountant Act (Act) through actions for injunctive relief regarding "a single violation" of this Chapter; and,

WHEREAS, pursuant to NCGS §93-1, "A 'certified public accountant' is a person who holds a certificate as a certified public accountant issued under the provisions of this Chapter."

WHEREAS, pursuant to NCGS §93-3, "It shall be unlawful for any person who has not received a certificate of qualification or not been granted a practice privilege under GS 93-10 admitting the person to practice as a certified public accountant to assume or use such a title, or to use any words, letters, abbreviations, symbols or other means of identification to indicate that the person using same has been admitted to practice as a certified public accountant."

WHEREAS, pursuant to NCGS §93-6, "It shall be unlawful for any person to engage in the public practice of accountancy in this State who is not a holder of a certificate as a certified public accountant issued by the Board, unless such person uses the term 'accountant' and only the term 'accountant' in connection with his name on all reports, letters of transmittal, or advice, and on all stationery and documents used in connection with his services as an accountant, and refrains from the use in any manner of any other title or designation in such practice."

WHEREAS, Respondent Smith allowed his name to appear on websites and in a newspaper advertisement in the *High Point Enterprise* which identify him as a "CPA," thereby conveying the impression that he is authorized to use a title other than "accountant" when, in fact, he is not lawfully authorized to use the title "certified public accountant" or "CPA" in this State. Such a representation is misleading and contrary to NCGS § 93-1, 93-3, and 93-6.

THEREFORE, Respondent Smith is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from use of the title "CPA" or "Certified Public Accountant" and identify himself only as "accountant."

BY:

Frank X. Trainor, III, Staff Attorney

North Carolina State Board of Certified Public Accountant Examiners

02/04/2011

In lieu of civil proceedings authorized by NCGS 93-12(16), the Board will accept Respondent's consent to this Demand.

CONSENTED TO BY:

Michael Sterling Smith

02/08/2011

Cheryl Anne Marsh, Respondent
Greenville, NC

To the Above-Named Respondent:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners (Board) is authorized by NCGS §93-12(16) to enforce the provisions of the North Carolina Certified Public Accountant Act (Act) through actions for injunctive relief regarding "a single violation" of this Chapter; and,

WHEREAS, pursuant to NCGS §93-1, "A 'certified public accountant' is a person who holds a certificate as a certified public accountant issued to him under the provisions of this Chapter."

WHEREAS, pursuant to NCGS §93-3, "It shall be unlawful for any person who has not received a certificate of qualification or not been granted a practice privilege under NCGS §93-10 admitting the person to practice as a certified public accountant to assume or use such a title, or to use any words, letters, abbreviations, symbols or other means of identification to indicate that the person using same has been admitted to practice as a certified public accountant."

WHEREAS, Respondent Cheryl Anne Marsh (hereinafter "Respondent") is not currently licensed as a certified public accountant (CPA) in North Carolina or otherwise authorized by the Board to use the CPA title in this state, but resides and works in North Carolina; and

WHEREAS, Respondent, while working in North Carolina, was identified as a "CPA" on the website for East Carolina University's The Brody School of Medicine and as a "certified public accountant" in an article published in Greenville, North Carolina's *The Daily Reflector*. Respondent's use of the title "CPA" or "Certified Public Accountant" conveys the false impression that she is authorized to use a title other than 'accountant' when, in fact, she is not lawfully authorized to use the title "certified public accountant" or "CPA" in this State. Such a representation is misleading and contrary to NCGS §93-1 and §93-3.

THEREFORE, Respondent is hereby notified, and the North Carolina State Board of Certified Public Accountant Examiners demands, that she immediately cease and desist from offering or using in any manner the title "CPA" or "Certified Public Accountant" in North Carolina unless and until she has been licensed as a CPA by the North Carolina State Board of Certified Public Accountant Examiners.

BY:

Frank X. Trainor, III, Staff Attorney

North Carolina State Board of Certified Public Accountant Examiners

02/03/2011

In lieu of civil proceedings authorized by NCGS 93-12(16), the Board will accept Respondent's consent to this Demand.

CONSENTED TO BY:

Cheryl Ann Marsh

02/14/2011

Renewal *continued from front*

NOTE: If the user selects answer "B" because the individual was licensed after January 1, 2011, the user will not be able to view Page 3 where licensees who report CPE will enter the CPE hours completed. Instead, the user will be automatically directed to Page 4.

The third page of the renewal is used to calculate the number of hours of CPE carry-forward from 2009, the CPE credit hours earned in 2010, and the CPE hours for carry-forward into 2011.

If the number of carry-forward hours brought forward from 2009 (Block A) does not agree with the licensee's records, please contact Cammie Emery by e-mail at **cemery@nccpaboard.gov.** The licensee's CPE hours will be verified so that the user may complete the renewal process.

The system will automatically add the carry-forward hours earned in 2009 (Block A) to the CPE hours earned in 2010 (Block B), and place the total in the Block C. The hours available for carry-forward will be automatically calculated in Block D (carry-forward hours cannot exceed 20).

NOTE: If the licensee's CPE requirement for 2010 was prorated, he or she may carry forward up to 20 hours in excess of the annual requirement. If an out-of-state licensee complies with the CPE requirement in the state where he or she lives and works and is licensed, he or she reports the number of CPE hours that he or she earned in 2010, but no carry-forward hours are calculated due to the differences in other states' CPE requirements.

After clicking the "submit" button, the user will be taken to Page 4 of the renewal, "Moral Character Data."

On this page, the user must answer each question and type a brief explanation of each affirmative answer in the text box at the bottom of the page and click "submit."

The moral character data for licensees who have not previously filed a certificate renewal is applicable for the period since the filing of their certificate application.

Page 5 is an affirmation which states that the licensee has read the North Carolina Accountancy Statutes and Rules. The statutes and rules are available on the Board's website, **www.nccpaboard.gov**.

In addition, the user is certifying that the information provided on the renewal form is correct and complete. When the user accepts the statement on Page 5 and clicks the "submit" button, he or she will be directed to the payment page.

The Board's website uses the most current encryption algorithm, Secure Socket Layer Version 3 (SSL3) and the site is scanned regularly by a third-party vendor to ensure a continuous high level of security compliance.

The Board's website is certified by Comodo as secure for web-based transactions using SSL encryption; all e-commerce transactions are directed through the VeriSign gateway.

In addition, the underwriters at BB&T, the Board's financial institution of record, have reviewed and approved the payment transaction portion of the Board's website.

Account information is not submitted until the "submit" button is clicked; account information is not stored in the Board's records.

After the transaction is complete, the user may print the acknowledgment page to confirm that the renewal was processed and that the payment was processed. The Board does not provide

Renewal *continued on page 6*

Reclassifications

Reinstatements

04/26/11	Sarah Ruth Lightfoot Adams, #28500	Kingsport, TN
04/26/11	Jong Gu Choi, #33415	Charlotte, NC,
04/26/11	Thomas Eugene Croffut, #18578	Thompsons Station, TN
04/26/11	Rachel Danner Keller, #29054	Deep Gap, NC
04/26/11	Alison Dubbs Levinson, #17793	Charlotte, NC
04/26/11	Patricia Graff Mynatt, #19004	Charlotte, NC
04/26/11	William Byron Tatum, #4317	Manson, NC
04/26/11	Joni Lynn Yoder, #18549	Winston-Salem, NC

Reissuance

04/26/11	Deborah Spencer Butler, #12520	Greensboro, NC

Retired

Retired, when used to refer to the status of a person, descibes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

04/26/11	Linda East Cagle, #22565	The Villages, FL
04/26/11	John Benjamin Carr, Jr., #3658	Rockingham, NC
04/26/11	Linda Carroway, #15790	Concord, NC
04/26/11	Joseph Thomas Clark, #4369	Hillsborough, NC
04/26/11	William Edwin Palmer, #28803	Raleigh, NC
04/26/11	William Horton Petree, Jr., #8795	Winston-Salem, NC

Renewal *continued from page 5*

any other kind of payment receipts; the credit card statement also serves as the user's payment receipt.

A licensee who does not wish to submit credit card information using the secure web site but still wishes to pay by credit card may submit a copy of his or her online renewal form by answering all questions on each page of the renewal, printing each page as it is completed (but before clicking "submit"), signing the renewal, and faxing the completed pages, including the completed credit card information page (available on the "Forms" page of the Board's website), to the Board at (919) 733-4209.

A licensee who wishes to submit the renewal form with a check may do so by answering all questions on each page of the renewal, printing each page as it is completed but before clicking "submit," signing the renewal, and mailing the completed pages, with a check or money order for $60.00 payable to "State Board of CPA Examiners," to PO Box 12827, Raleigh, NC 27605-2827. The Board does not provide payment receipts; the cancelled check serves as the user's receipt.

Online renewals are processed in real time; the Board's database is updated immediately. To check the status of a renewal, use the "Licensee Search" function of the website to verify that the license expiration date has been changed to June 30, 2012.

Licensees who take advantage of the online renewal will receive a printable renewal confirmation as the last page of the renewal process. Licensees who renew by mail or fax must verify through the "Licensee Search" function of the website that the license expiration date has been changed to June 30, 2012.

Licensees are encouraged to renew early; as the June 30 renewal deadline draws nearer, users may experience server slowdowns which may delay or prevent renewals from being processed.

Licensees who do not submit a properly completed renewal and the $60.00 fee prior to July 1, 2011, may receive a Letter of Demand from the Board. Failure to submit the renewal form and fee within 30 days of the mailing of the Letter of Demand will result in an automatic forfeiture of the licensee's NC CPA certificate.

Licensees who elect to be placed on retired or inactive status may do so by submitting the proper form to the Board prior to July 1, 2011. Inactive or retired status forms are available from the website, **www.nccpaboard.gov**, or by calling (919) 733-4222.

Questions regarding the renewal process should be submitted to Buck Winslow, Manager of Licensing, by email at **buckw@nccpaboard.gov**.

Inactive Status

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

03/28/11	Valerie J. Krasinski, #27147	Waxhaw, NC
03/30/11	Chad Eric Bredernitz, #26401	Waterford, MI
03/30/11	Lorna Gandy, #15857	Concord, NC
03/30/11	Edward Kent Prewitt, Jr., #7811	Concord, NC
04/05/11	Jennifer Lynn Carerros, #33225	Waukesha, WI
04/05/11	Jill Erin Martin, #26603	Raleigh, NC
04/05/11	Sarah Kate Moore, #35331	Covington, VA
04/05/11	Diane Marie Moses, #25922	UNITED KINGDOM
04/05/11	Charles Keerps, Smith, #16357	Charlotte, NC
04/05/11	Cecely Lorrene Tucker, #33003	Garner, NC
04/07/11	Clarence Edward Brooks Jr., #15165	High Point, NC
04/07/11	Lewis R. Ritchie, #4774	Greensboro, NC
04/11/11	Patrick A. Smyth, #26065	Charlotte, NC
04/12/11	Herman Simon, #22026	Highland Beach, FL
04/13/11	Beth Jared Davis, #20027	Cary, NC
04/15/11	Linda Anderson, #2361	Jacksonville, FL
04/15/11	Douglas Barry Kinney, #14872	Sebastian, FL
04/25/11	Aaron Michael Bailey, #33372	Raleigh, NC
04/25/11	William Roscoe Barnes, #7427	Roxboro, NC
04/25/11	Terry Daniel Knause #21912	Greer, SC
04/25/11	Elaine R. Staedeli, #26286	Ellicott City, MD
04/26/11	Trevor H. C. Bynoe, #32423	Baltimore, MD
04/26/11	Erica Porter, #32875	Crestwood, KY
04/27/11	Robert Garland Atkins, Jr., #4189	Charlotte, NC
04/27/11	Jessica Liz Capitaine, #34110	Charlotte, NC
04/27/11	A. JoAn Dear, #19516	Shelby, NC
04/27/11	Teresa Maher DeHart, #32987	Greer, SC
04/27/11	William James Sharrard, #7527	High Point, NC
04/27/11	Jan Myer Winnek, #34776	Charlotte, NC
04/27/11	Pamela M. Witters, #23234	Burnsville, NC

Certificates Issued

At its April 26, 2011, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Pallavi Agarwal
Kimball Rose Andresen
Jason Paul Bailey
Amanda Jeanne Beam
Ginger Lynn Bean
Jason Michael Berke
Shanna Tonia Berry
Harry West Bond
Charles Reginald Buckland
John Michael Cali, III
Cheryl Anna Canfield
Edith Elaine Carroll
Matthew Ryan Chase
James George Chopas
Jeremiah Caleb Cone
Susan Canady Creech
Matthew David Crotty
Lorna Ann DeWalle
Zuo Du
James Bennett Dycus
Billy Joe Emory
Stephen Scott Galbreath
Keri Ann Grant
Cathleen Neble Hardman
Christopher James Hardy
Roberta Michelle Hughes
Martin Philip Hurden
Rebecca Jeanne Jensen
David Bradley Jernigan
Vandana Rao Jillella
Janet A. Jones
Amy Anita Kemp
Amphone Keonakhone
Abby Catherine Kinscherf
Robert Barry Kirby
Christina Marie Kmetz
Guadalupe Baez LaSalle
Chun Woo Lee
Brittney Nicole Lifsey
Tonya Morris Mangum
Matthew John Manna
John Kenneth Matthews
Adam Bruce McLain
Jennifer Lynn Mills
Rayan Anthony Moncrieffe
Faye L. Mitchell Moore
Amy Trethaway Moss
Azita Movahed
Dedrea Lesha Norman
Daryl Craig O'Cain
Mark Joseph Ondash
Jeanne Ormsby
Jeffery Eric Owen
Aparna R. Padala
Richard Anthony Pasqua, Jr.
Ryan Anthony Portal
Paul L. Quast
Kathryn Anne Raymond
Matthew Edward Reeder
Jason Williams Resch
Robert Jason Rickert
Lisa Lorene Ruth
Jeffrey Michael Salvatore
Arvinder Singh
Jeffrey Powell Smith
Krystle Lynn Stainback
Margaret A. Szewczyk
David Michael Tierney
Mark Thomas Vande Guchte
Caifeng Wang
Jing Wang
Pingdao Wang
David Scott Watkins
Haley Gwen Watson
Dale Edward Williams, III
Margaret Virginia Williams
John Douglas Williamson
Stephanie Park Wilson
Isaac Torrey Winsor
Lizabeth Lenell Wyche
Amanda Lynne Young
Donna Lee Young
Laura Pokojni Young
Nancy L. Zablud
Yuri Alexander Zwick

Check Your CPE Carry-Forward Online

Not sure how many carryforward CPE hours you have? You can find out with a quick visit to the Board's website, **www.nccpaboard.gov**.

To verify your hours, use the "Licensee Search" function of the web site to search for yourself using your name or certificate number.

After your record is displayed, click on the "details" link. The number of CPE carryforward hours will be displayed below your address and telephone number.

If there is a discrepancy in the number of carryforward hours, please contact Cammie Emery at **cemery@nccpaboard.gov**

Moved or Changed Jobs? Let Us Know

21 NCAC 08J .0107 requires all licensees and firms to notify the Board in writing within 30 days of any change in address (including telephone number or e-mail address) or business location.

Licensees and firms may make address changes using the "Address Update" link on the Board's website, **www.nccpaboard.gov**.

Exam candidates may email address changes to **addresschange@nccpaboard.gov**; fax address changes to (919) 733-4209; or mail address changes to PO Box 12827, Raleigh, NC 27605.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on the following dates:

May 30, 2011
Memorial Day

July 4, 2011
Independence Day

www.nccpaboard.gov

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Notice of Address Change

Certificate Holder _____
Last Name Jr./III First Middle

Certificate No. _____ Send Mail to ___ Home ___ Business

New Home Address _____

City _____ State _____ Zip _____

CPA Firm/Business Name _____

New Bus. Address _____

City _____ State _____ Zip _____

Telephone: Bus. ( ) _____ Home ( ) _____

Bus. Fax ( ) _____ E-mail Address _____

Signature _____ Date _____

Mail: **PO Box 12827**
Raleigh, NC 27605-2827

Fax : **919-733-4209**

Pursuant to 21 NCAC 08J .0107, all certificate holders and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 06-2011

Engagement Letters: An Essential Risk Management Tool

As the accounting profession takes on more roles in order to remain competitive, lawsuits now delve into a wider range of issues. Where once they were largely generated by tax and audit work, now they also derive from compilation and review, write-up, and management advisory services.

Many lawsuits involving CPAs are the result of a communication breakdown (or "expectation gap") between the CPA and the client. In many situations, the client's understanding of the scope of services to be performed and how the work product will be utilized may be quite different from the CPA's understanding of these issues.

Although engagement letters are not required legally, they are strongly encouraged. A properly drafted engagement letter can serve as a helpful risk-management tool by establishing a legal framework for a working relationship with a client.

While the engagement letter itself may vary with the level of service or type of engagement to be provided, common provisions in most engagement letters include the following:

- Identification of client;
- Description of the engagement and its limitations;
- Timing of the work and staffing of the engagement;
- Client information and responsibilities;
- Designation of the party to work with the CPA;
- Identification of intended users of the CPA's work product;
- Fees and payments;
- Withdrawing from and/or terminating the engagement;
- Responding to discovery requests, subpoenas, and outside inquiries;
- Alternative dispute resolution as a means of resolving disputes;
- Where applicable, disclosures recommended or required by the AICPA; and
- Client signature.

Identification of Client

A properly drafted engagement letter should identify who will receive the CPA's services. The CPA may be working for an individual, a group, an entity, or a portion of an entity. For example, if the CPA's client is a corporation that has subsidiaries or other corporate affiliations, it may be necessary to identify the entities to be included in the engagement.

Description and Limitations of Work to Be Performed

The engagement letter should indicate what services are to be rendered. In general, the CPA should outline the procedures to be performed and any

Engagement Letters
continued on page 4

Certificate Renewal Deadline

June 30, 2011, is the deadline for North Carolina licensees to complete the annual certificate renewal process.

Licensees who do not submit a properly completed renewal and the $60.00 fee prior to July 1, 2011, may receive a Letter of Demand from the Board.

Failure to submit the renewal form and fee within 30 days of the mailing of the Letter of Demand will result in an automatic forfeiture of the licensee's NC CPA certificate.

Licensees are encouraged to renew on-line through the Board's website, **www.nccpaboard.gov**.

For additional information on the annual certificate renewal process, please see the March 2011 and May 2011 issues of the *Activity Review*.

In This Issue

2011 Board Meetings..... 2
Board Office Closed..... 7
Certificates Issued..... 7
Disciplinary Actions..... 2
Ethics CPE Requirement..... 7
Inactive Status..... 6
Reclassifications..... 5
Uniform CPA Exam CSOs/SSOs.... 5

Disciplinary Actions

Ashraf S. Mehdi, #34263
Raleigh, NC 04/26/2011

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 NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Ashraf S. Mehdi (hereinafter "Respondent") is the holder of North Carolina certificate number 34263 as a Certified Public Accountant.

Count 1

2. Respondent was, at all relevant times, operating a firm through which he was offering to perform and performing services for the public, but which was not registered with the Board as a CPA firm.

3. Respondent performed or participated in the preparation of attest services for at least one (1) client of his unregistered CPA firm.

4. Respondent and his unregistered CPA firm also failed to register and participate in a peer review program.

5. During the time that these services were being provided, Respondent was identified as a CPA in advertising for the unregistered CPA firm.

Count 2

6. Respondent informed the Board on his 2010-2011 individual certificate renewal (renewal) that he had obtained forty-nine (49) hours of continuing professional education (CPE) which included carryforward, had completed the annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2009 CPE requirement.

7. Based on Respondent's representation, the Board accepted his renewal.

8. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2009 CPE requirement.

9. Respondent failed to provide the certificates of completion needed to document an annual Board-approved North Carolina ethics CPE course and at least eight (8) hours of non-self-study CPE that Respondent claimed he earned between January 1, 2009, and December 31, 2009, as was reported on his renewal.

10. Respondent wishes to resolve these matters 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.

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 (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent's actions as set out above in Count 1 constitute violations of NCGS 93-12(8a), 93-12(8c) and 93-12(9) and 21 NCAC 08A .0301(b)(15), 08J .0108(a), 08M .0105, 08N .0209, .0302(a) and (b), .0306(c), .0307(a), and .0403.

3. Respondent's actions as set out above in Count 2 constitute violations of NCGS 93-12(8b)(a), 93-12(9), 93-12(9)(c), and 93-12(9)(e) and 21 NCAC 08G .0409(c), 08J .0101(b), 08N .0202 (a), .0202 (b)(3), .0202 (b)(4), and .0203 (b)(1).

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent is censured.

2. Respondent's CPA certificate shall be suspended for one (1) year.

3. Respondent may apply for reissuance of his certificate after one (1) year from the date this Consent Order is approved by the Board.

4. Upon reissuance of his license, Respondent must register his firm in accordance with 21 NCAC 08J .0108, 08N .0302, .0306, and .0307.

5. Respondent must register his firm to participate in a peer review program.

6. Respondent's firm's first peer review must include a review of the audit which Respondent presented to the Board in its investigation of this matter.

7. Until such time as Respondent's firm obtains a peer review "pass" on all level of works, Respondent's firm must obtain pre-issuance review of all audits, reviews, compilations, and agreed-upon procedures which Respondent or Respondent's firm participates in or performs. The pre-issuance reviewer shall be approved by the Board prior to performing said reviews. Respondent's firm shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report upon its issuance.

8. Respondent shall reimburse the Board for its administrative costs incurred as a result of monitoring compliance with pre-issuance review requirements.

2011 Board Meetings

July 25

August 22

September 19

October 20

November 21

December 19

Unless otherwise noted, meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

9. Respondent shall remove CPA from his website, cease use of CPA during the period of suspension, and make corrections to his website regarding his firm's name upon reissuance of his certificate and the registration of his CPA firm.

10. Respondent shall remit, with the signed Order, a one thousand dollar ($1,000.00) civil penalty.

11. Respondent shall reimburse the Board for its administrative costs incurred in the investigation of this matter.

Henry L. Simmons, #15800
Greensboro, NC 04/26/2011

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 North Carolina General Statute (N. C. Gen. Stat.) §150B-41, the Board and Respondent stipulate the following Findings:

1. Henry L. Simmons (hereinafter "Respondent") was the holder of North Carolina certificate number 15800 as a Certified Public Accountant.

2. In June of 1995, Respondent's North Carolina CPA certificate was suspended for at least thirty (30) days and until such time as he submitted the required state quality review (now peer review) compliance information.

3. To date, the required compliance information for Respondent's firm's peer review has never been received and, therefore, his North Carolina CPA certificate has remained on suspended status.

4. In 1997, the Board obtained a Consent Judgment against Respondent and "Simmons and Simmons, Certified Public Accountants" (Simmons CPA firm), regarding use of the CPA title while not licensed or registered.

5. In 2002, the Board obtained a Consent Order for Civil Contempt (Consent Order) against Respondent and Simmons CPA firm regarding the continued use of the CPA title in contempt of the 1997 Consent Judgment.

6. Despite the Consent Judgment and the Consent Order, Respondent has signed tax returns on behalf of Simmons CPA firm.

7. By signing the tax returns on behalf of Simmons CPA firm, Respondent has indirectly given the impression that he is still a CPA working in a CPA firm.

8. 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.

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 8 of the North Carolina Administrative Code (NCAC), 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 N. C. Gen. Stat. §§93-3, 93-12(9), 93-12(9)(d), and 93-12(9)(e) as well as 21 NCAC 08N .0201, .0202(a), and .0203(a).

BASED ON THE FOREGOING and in lieu of further proceedings under N. C. Gen. Stat. §§150B38 *et seq.*, and 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Henry L. Simmons, is hereby permanently revoked.

2. Respondent shall pay a five thousand dollar ($5,000.00) civil penalty which will be due upon any future use by him, or anyone associated with him, of the CPA title in connection with any accounting business he owns or is associated with.

3. Respondent shall reimburse the Board for its administrative costs in the amount of three hundred seventy-five dollars ($375.00) that were incurred as a result of the Board's investigation of this matter.

4. Respondent shall not 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 Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

Amy S. Gardner, #24740
Winston-Salem, NC 05/26/2011

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 North Carolina General Statute (N.C. Gen. Stat.) §150B-41, the Board and Respondent stipulate the following Findings:

1. Amy S. Gardner (hereinafter "Respondent") is the holder of North Carolina certificate number 24740 as a Certified Public Accountant.

2. Respondent resigned from a North Carolina CPA firm (hereinafter "Firm") in 2003.

3. Firm accused Respondent of removing confidential client information including a tax client list containing the email addresses of the Firm's tax clients at, or near, the time she resigned from the Firm.

4. Subsequently, Respondent and Firm engaged in litigation relating primarily to the disclosure of confidential client information.

5. A jury rendered a verdict in favor of the Firm against the Respondent on August 24, 2007 (the "Judgment").

6. Per the terms of the Judgment, the jury found, among other things, that

Gardner
continued on page 6

Engagement Letters

continued from front

reports to be issued. In so doing, the engagement letter can help guard against the client developing unreasonable expectations about the nature and the scope of the services to be provided.

Timing of Work and Staffing of Engagement

This section of the engagement letter varies by the type of engagement and indicates when the engagement will begin and end.

For example, an audit engagement may contain a provision indicating the date fieldwork will begin and end and possibly an expected date of delivery of the audit report.

A tax engagement may contain a provision indicating any known filing deadlines and the parties' understanding concerning the use of extensions should the information not be received by the CPA to timely prepare the return.

Some CPA firms may indicate who will be staffing the engagement. This provision may prove helpful, for example, where a client expects to work with certain employees of the CPA firm.

Client Information and Responsibilities

In most engagements, the client is required to collect certain information and provide certain records to the CPA. If this information is necessary for the CPA to complete the engagement, these client responsibilities, and any applicable deadlines for the completion of work by the client, should be described.

For example, a tax engagement would normally contain a provision indicating it is the client's responsibility to sign and file tax returns prepared by the CPA, along with an explanation of the consequences of the client's failure to sign and file such returns.

Designation of the Party to Work with the CPA

Some engagement letters request the client to designate the party to work with the CPA. This provision can help the CPA avoid situations in which conflicting requests or instructions are received from more than one of the client's employees.

Identification of Intended Users of the CPA's Work Product

In some jurisdictions, a CPA can limit or avoid liability to third parties by identifying in the engagement letter the intended users of the work product. In addition to identifying these users, this provision often contains language prohibiting the client from distributing the CPA's work product to any party other than these users.

In deciding whether the engagement letter should contain this provision, competent legal counsel should be consulted. This is especially true for jurisdictions which have privity standards for establishing auditor negligence.

Fees and Payments

An engagement letter can help avoid fee disputes before the work begins. This section of the letter details how and when the client will be billed. It may describe the amount of retainer (if any); how the fee will be computed; when payment will become due; the client's obligation to pay promptly; and the CPA's rights should the client fail to give prompt payment.

In some cases, the CPA may charge interest for late payments. In more extreme cases, it may be necessary for the CPA to suspend work or cancel the engagement for fees not paid.

Withdrawing From or Terminating the Engagement

At times, it may be necessary for the CPA to withdraw from the engagement. The engagement letter should outline the conditions that might lead to the CPA's withdrawal and the procedures the CPA will follow in case of withdrawal.

Examples of situations in which the CPA's withdrawal from the engagement may be required include issues of conflict of interest; management ethics or integrity; or the CPA's real or apparent lack of independence.

This section should also discuss policies and procedures related to the termination of the engagement including return of client files; preparation of the final bill; work paper retention; and date of termination of services.

Responding to Discovery Requests, Subpoenas, and Outside Inquiries

Occasionally, a CPA may receive a discovery request, subpoena, or outside inquiry. While several states have established a CPA/client privilege with respect to communications, most states do not have such a privilege.

Moreover, there is no federal CPA/client privilege with the specific exception relating to tax planning. This section of the engagement letter can help avoid future misunderstandings between the client and the CPA regarding whether, and to what extent, the CPA may be required to respond to such requests.

Alternative Dispute Resolution

Alternative dispute resolution (ADR) refers to methods of resolving disputes outside of the courtroom. One of these methods is known as arbitration.

In arbitration, the opposing parties select one or more arbitrators who decide the outcome of the dispute. In most cases, the decision of the arbitrator cannot be appealed. Typically, the pre-arbitration discovery process is limited, and third parties are not bound by the arbitrator's decision.

Another method of resolving disputes outside of a court of law is mediation. During mediation, a mediator attempts to find the "common ground" that exists between the opposing parties that may lead to a mutually agreed-upon settlement. In the event the mediation is not successful, the parties, if they so desire, may litigate their dispute.

Before inserting a provision in the engagement letter regarding alternative dispute resolution, a CPA should consult with legal counsel regarding the provision's enforceability.

In addition, inserting a provision

concerning alternative dispute resolution in an engagement letter may have insurance coverage implications. For example, while some insurers encourage the use of mediation, under some policies the use of an arbitration clause may limit or void the CPA's professional liability insurance coverage for any claims that are arbitrated.

Disclosures Recommended or Required by the AICPA

The AICPA recommends the inclusion in an engagement letter of certain disclosures for certain types of engagements. These disclosures may be incorporated into, or have an effect upon, other provisions of the engagement letter.

Client Signature

This section should request the client sign and return an executed copy of the engagement letter to the CPA. It should provide that if the client does not agree that the engagement letter accurately reflects the agreement of the parties to the engagement, the client will promptly notify the CPA.

If the client does not return a signed engagement letter, the CPA may send a certified letter indicating that, unless otherwise notified, the CPA will assume the client agrees to the terms of the engagement letter or the CPA may recuse himself or herself from the engagement. In any event, the most effective engagement letter is one signed by the client before the CPA begins the engagement.

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Reclassifications

Reinstatements

05/26/11	Curtis John Cortes, #32008	Jasper, GA
05/26/11	Eran Bloxam Gordon, #23729	Cary, NC
05/26/11	Sandra Steele Morton, #27153	Norwood, NC

Reissuance

05/26/11	Alfred Leslie Liner, #11298	Calabash, NC
05/26/11	Stephen Tomlinson Smith, #24838	Austin, TX

Retired

Retired, when used to refer to the status of a person, descibes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

05/26/11	Gerald Balonis, #29448	Kill Devil Hills, NC
05/26/11	Herbert Dean Cobble, #2461	Wrightsville Beach, NC
05/26/11	Brigitte B. Gann, #23176	Greensboro, NC
05/26/11	Bryson David Kiser, #11004	Newton, NC
05/26/11	Thomas Christopher Logan, #19154	Wilmington, NC
05/26/11	Bonnie Guthrie Owen, #19343	Chesapeake, VA
05/26/11	Paul Phillips, #17826	Raleigh, NC
05/26/11	Linwood Ray Watson, #26562	Fort Mill, SC

Uniform CPA Exam CSOs/SSOs

The AICPA Board of Examiners (BOE) has approved and adopted the following content specification outlines (CSOs) for the four sections of the computer-based Uniform CPA Examination: Auditing & Attestation (AUD), Financial Accounting & Reporting (FAR), Regulation (REG), and Business Environment & Concepts (BEC).

The changes listed below are effective July 1, 2011. These changes *only* affect the CSO references. Please note that the technical content and weight allocations outlined in the CSOs will remain unchanged.

AUD

• International Auditing Standards (ISAs)

BEC

• International Standards for the Professional Practice of Internal Auditing

• COBIT (The Control Objectives for Information and related Technology)

FAR

• Regulation S-K of the Code of Federal Regulations

• Codification of Statements on Auditing Standards

o AU Section 623, Special Report

• FASB Concept Statements

• GASB Concept Statements

• IFRS Framework

REG

• Removed: AICPA Code of Professional Conduct

• Removed: AICPA Model Tax Curriculum

• Public Law 86-272

• Uniform Division of Income for Tax Purposes Act (UDITPA)

• Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

More information is available on the AICPA's Exam website, **http://bit.ly/cjxIY8**.

Gardner *continued from page 3*

Respondent had taken confidential client information with her before and after she resigned from the Firm.

7. Based upon the Judgment and a review of the record, the Board finds that Respondent disclosed confidential information obtained in the course of employment or a professional engagement without consent.

8. 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 a quorum of the Board.

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 8 of the North Carolina Administrative Code (NCAC), 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 N.C. Gen. Stat. §§93-12(9), 93-12(9)(e) and 21 NCAC 08N .0205.

BASED ON THE FOREGOING and in lieu of further proceedings under N.C. Gen. Stat. §§150B-38 et seq., and 21 NCAC Chapter 8C, the Board and Respondent agree to the following discipline:

1. Respondent is censured.

2. Respondent shall remit, with the signed Consent Order, a one thousand dollar ($1,000.00) civil penalty.

Have you renewed your NC CPA license? Renew online at **www.nccpaboard.gov**.

Inactive Status

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

05/02/11	Kenneth John Mahoney, #16612	Greensboro, NC
05/03/11	Stephen Taylor Martin, #8793	Burlington, NC
05/04/11	John Thomas Bigalke, #24736	Orlando, FL
05/04/11	Jennifer Kristen Starling, #31904	Hope Mills, NC
05/04/11	Christina J. Synn, #35767	Chapel Hill, NC
05/06/11	Dorothy LeAnn Wiggins, #20439	Durham, NC
05/09/11	Vivian S. Houchens, #26538	Zions Crossroads, VA
05/11/11	Dorothy E. Birch, #34469	Charlotte, NC
05/11/11	Amanda Rene Pyzoha, #35381	Christiansburg, VA
05/12/11	Robin DeRae Fairchild, #25346	Taylorsville, NC
05/12/11	Nathan Lee Fenwick, #23736	Boca Raton, FL
05/12/11	Joe Warner Fulk, #15856	Clemmons, NC
05/13/11	Rebecca Lynn Hess, #30455	Havertown, PA
05/16/11	Rodger Lee Holley, #6960	Winston-Salem, NC
05/16/11	Deborah Holmes Riegel, #26738	Lowell, AR
05/17/11	William Block, #11228	Murphy, NC
05/17/11	William S. Elder, #2495	Columbia, SC
05/17/11	Robert Bauer Long, #24016	McLean, VA
05/17/11	Maria Rica Quial Misra, #33702	Randolph, NJ
05/17/11	Ellen Goff Nobles, #23923	Wagram, NC
05/19/11	Thomas C. Devlin, #30013	McLean, VA
05/19/11	Debra Ann Green, #30322	Greenville, SC
05/19/11	Barry Cornell Webb, Jr., #29937	Charlotte, NC
05/20/11	Julie Kristen Bee, #33540	Monroe, NC
05/20/11	Andrew Vincent Walker, #34418	Charlotte, NC
05/24/11	Carl Mead Barkson, #33208	Columbus, OH
05/24/11	Mary Morrison Montgomery, #22753	Wilmington, NC
05/26/11	Mark Richard Bourg, #31265	Douglasville, GA
05/27/11	Erica Leigh Knuth, #32825	Philadelphia, PA
05/27/11	Gary Lentz Williams, #18092	LaGrange, KY
05/31/11	Lauren Ann Vanderflugt Felts, #33428	Woodbury, MN
05/31/11	Michael Joseph Reno, #25084	Washington, DC
06/01/11	John Howard Spears, #14616	Charlotte, NC
06/01/11	Kenneth Melton Staley, #17982	Harrisburg, NC
06/02/11	April Hudson Andrade, #31857	Lynchburg, VA
06/02/11	Chad Lewis Beauchamp, #30432	Bluffton, SC
06/02/11	Martha Colm Behnke, #24468	Graham, NC
06/02/11	Jeffrey Coleman Jones, #21144	San Francisco, CA

Reminder: Change in Ethics CPE Course Requirement

A quick reminder that earlier this year, the Board made a change in the approved ethics CPE courses available for licensees to take to meet the annual ethics CPE requirement [21 NCAC 08G .0410].

Effective for the 2011 CPE year (January 1 - December 31, 2011), any ethics CPE course (regulatory or behavioral ethics and conduct) offered by a CPE sponsor that is registered with the Board or with the National Association of State Boards of Accountancy (NASBA) National Registry of CPE Sponsors, is considered to be a Board-approved ethics CPE course that qualifies for compliance with the Board's annual ethics CPE requirement.

A list of CPE sponsors registered with the Board is available from the Board's website, **www.nccpaboard.gov** (use the "Search for a CPA Firm" link in the database). NASBA's National Registry of CPE Sponsors is available on the website, **www.learningmarket.org**

If you have any questions regarding the ethics CPE requirement, please contact Cammie Emery at **cemery@nccpaboard.gov**.

Certificates Issued

At its May 26, 2011, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Stacey Cuthrell Aubee
Steven Douglas Bondor
Linda L. Bridges
Michael Stephen Brooks
Gregory Thad Bryant
Renee Amos Bumgarner
Nichole Renee Burnap
Laura Kathryn Byars
Sarah Ann Cahuantzi
Jennifer Ann Estrada
Adrienne Judith Figur
Crystal Thompson Hanley
Joy Denise Hargraves
Deirdre Marie Hart
Ashley Marie Herford
Amy Stafford Hilfiker
William Stephenson Holman
Stefanie Leann Holmes
Brenda Michelle Jarman
Megan Cie Jones
Sarah Elizabeth Kelley
Adam Wayne Knepp
Janine Konopko
Joel Ira Levy
Jiajia Liu
Daniel Vincent Lovrich
Andrew B. Lull
Suzanne Elizabeth MacVicar
Angelina Maria McArthur
Kelley Sean McGuire
Dwayne Thomas McKinley
Audrea Russo Norris
Elizabeth Nzuzi Nsimba
Daniel Benjamin Oates
Raymond J. Paulin, III
Carl Raymond Pawsat
Courtland Leslie Perry, IV
Jeffrey Gray Pike
Nancy Angeli Plath
Robbin Denise Ramseur
Carrie Alexis Reighard
Samantha Rae Reynolds
Kelly Mattarocci Sanchez
Susan Schena
Anna Caroline Cook Shields
William Shepherd Storrs
Mija Joo Sutthoff
Davin Matthew Swanson
Bryan David Teach
Ryan Douglas Thompson
Wang Xu
Xu Zhou

Check Your CPE Carry-Forward Online

Not sure how many carryforward CPE hours you have? You can find out with a quick visit to the Board's website, **www.nccpaboard.gov**.

To verify your hours, use the "Licensee Search" function of the web site to search for yourself using your name or certificate number.

After your record is displayed, click on the "details" link. The number of CPE carryforward hours will be displayed below your address and telephone number.

If there is a discrepancy in the number of carryforward hours, please contact Cammie Emery at **cemery@nccpaboard.gov**

Moved or Changed Jobs? Let Us Know

21 NCAC 08J .0107 requires all licensees and firms to notify the Board in writing within 30 days of any change in address (including telephone number or e-mail address) or business location.

Licensees and firms may make address changes using the "Address Update" link on the Board's website, **www.nccpaboard.gov**.

Exam candidates may email address changes to **addresschange@nccpaboard.gov**; fax address changes to (919) 733-4209; or mail address changes to PO Box 12827, Raleigh, NC 27605.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on the following dates:

July 4, 2011
Independence Day

September 5, 2011
Labor Day

www.nccpaboard.gov

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Notice of Address Change

Certificate Holder _____
Last Name Jr./III First Middle

Certificate No. _____ Send Mail to ___ Home ___ Business

New Home Address _____

City _____ State _____ Zip _____

CPA Firm/Business Name _____

New Bus. Address _____

City _____ State _____ Zip _____

Telephone: Bus. ( ) _____ Home ( ) _____

Bus. Fax ( ) _____ E-mail Address _____

Signature _____ Date _____

Mail: **PO Box 12827**
Raleigh, NC 27605-2827

Fax : **919-733-4209**

Pursuant to 21 NCAC 08J .0107, all certificate holders and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 07-2011

Failure to Renew By Deadline Will Result in Forfeiture

21 NCAC 08J .0101, *Annual Renewal of Certificate, Forfeiture, and Reapplication*, requires that all active CPAs renew their certificates annually by the first day of July. However, online license renewal will remain available on the Board's website, **www.nccpaboard.gov**, through the end of July.

If a CPA fails to renew his or her certificate by July 1, the Board will send a Letter of Demand to the CPA at his or her most recent mailing address.

Failure of an individual to submit the completed renewal within 30 days of the mailing of the Letter of Demand automatically results in forfeiture of the CPA's certificate, as required by NCGS 93-12(15).

Upon forfeiture of a certificate, the individual is no longer a CPA--he or she cannot use the CPA title in any way--and he or she must return his or her CPA certificate to the Board within 15 days of the notice of forfeiture. A person who has forfeited his or her certificate pursuant to NCGS 93 12-(15) for failure to renew may be eligible to apply for reissuance.

If you have questions about the certificate renewal process, contact Buck Winslow at **buckw@nccpaboard.gov**.

Am I Required to Purchase an Annual Privilege License?

North Carolina General Statute 105-41(c) states "every person engaged in the public practice of accounting as a principal, or as a manager of the business of public accountant, shall pay for such license fifty dollars ($50.00), and in addition shall pay a license tax of twelve dollars and fifty cents ($12.50) for each person employed who is engaged in the capacity of supervising or handling the work of auditing, devising or installing systems of accounts."

Therefore, if you are an owner, principal, or manager in a CPA firm or business providing accounting services to third parties, you are required to purchase the $50.00 annual privilege license from the North Carolina Department of Revenue (NCDOR).

As an owner, principal, or manager you also are required to pay a $12.50 fee for an annual privilege license for any other employees of the CPA firm or business, CPA or non-CPA, providing accounting services.

Accounting services include, but are not limited to, audits, reviews, compilations, financial statements, agreed-upon procedures, bookkeeping, tax return preparation, tax reports, professional services or assistance relating to accounting procedure and systems, tax consulting, and management advisory services.

CPAs employed in business, industry, government, or education are not required to purchase an annual privilege license from the NCDOR.

However, a CPA engaged in the public practice of accounting who provides any of the above-noted services outside his or her government, business and industry, or education employment (such as a seasonal tax preparation firm) is required to purchase an annual $50.00 privilege license.

According to the NCDOR, a non-resident CPA engaged in the public practice of accountancy by providing any of the services noted above through mobility is required to purchase an annual $50.00 privilege license.

A privilege license is issued on an annual basis as a personal privilege license; the license is issued in the name

Privilege License
continued on page 4

In This Issue

2011 Board Meetings..... 2
Board Office Closed..... 4
Cease & Desist Orders..... 5
Disciplinary Actions..... 2
Inactive Status..... 7
Licensing Activity..... 3
Peer Reviewers Needed..... 6
Prometric to Use Hand-Held Metal Detector Wands..... 6
Release of Exam Scores..... 6

Disciplinary Actions

Gelman, Rosenberg & Freedman, CPAs; Michael Freedman; and Robert Albrecht
Bethesda, MD 06/20/2011

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 North Carolina General Statute (N.C. Gen. Stat.) §150B-41, the Board and Respondents stipulate the following Findings:

1. Gelman, Rosenberg & Freedman, CPAs ("Respondent Firm") is a CPA Corporation registered with the Maryland Department of Labor, Licensing and Regulation. Respondent Michael Freedman ("Respondent Freedman") and Respondent Robert Albrecht ("Respondent Albrecht") each hold valid and unrevoked certificates as certified public accountants issued by a State other than the State of North Carolina.

2. Respondent Firm is a CPA firm with its principal place of business outside of the State of North Carolina and has performed services in North Carolina since at least 2004.

3. On July 27, 2009, the North Carolina General Assembly enacted Senate Bill 647, which amended the laws pertaining to certified public accountants in the State of North Carolina (hereinafter "Mobility Legislation"). The passage of that legislation allowed for a greater ability of out-of-state CPAs and firms to exercise practice privileges within this State.

4. The Mobility Legislation was made effective on July 27, 2009, and was not applied retroactively.

5. Prior to the passage of the Mobility Legislation, it was unlawful for an out-of-state firm or corporation to perform attestation services in this State without first registering with the Board.

6. Likewise, prior to the Mobility Legislation, it was unlawful for an out-of-state person to perform services as a certified public accountant in this State unless that person first notified the Board of his or her intention to perform those services. [*See N.C. Gen. Stat. §93-10 (2001) (pre-mobility)*.]

7. Respondent Firm issued a total of twenty (20) audit reports for North Carolina companies prior to July 27, 2009.

8. Respondent Firm had not registered with the Board as a CPA firm at the time those reports were issued.

9. At least eight (8) employees of Respondent Firm performed, as CPAs, the audit services for the North Carolina companies while not licensed by this Board and without notifying the Board of their intent to perform services as CPAs in this State. Respondent Freedman and Respondent Albrecht were two of the Respondent Firm's employees performing those services.

10. Respondent Freedman was the partner in charge of all audits conducted prior to the audit report for June 2009.

11. Respondent Albrecht was the certified public accountant in charge for the audit report for June 2009.

12. The Respondent Firm also conducted one (1) audit of a North Carolina company for June 2010, but did not provide the Board with the required notice as required by N. C. Gen. Stat. §93-10(c).

13. Respondent Albrecht was the certified public accountant in charge for the audit report for June 2010.

14. 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. They 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. Per N.C. Gen. Stat. §93(10)(c)(1), Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Per N.C. Gen. Stat. §93(10)(b)(1), Respondent Freedman and Respondent Albrecht 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 (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

3. Respondent Firm's actions as set out above constitute violations of N.C. Gen. Stat. §§93-4, 93-5, and 93-10.

4. As set forth in paragraph 9 above, Respondent Firm's employees, including Respondent Freedman and Respondent Albrecht, have violated N.C. Gen. Stat. §§93-3, 93-10 (2001) (pre-mobility), 93-12(9), 93-12(9)(e), and 21 NCAC 08N .0302(c).

5. Per 21 NCAC 08N .0103, Respondent Firm, Respondent Freedman, and Respondent Albrecht were responsible for assuring that employees and agents of Respondent Firm were in compliance with the Board's Rules.

2011 Board Meetings

August 22
September 19
October 20
November 21
December 19

Meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

BASED ON THE FOREGOING and in lieu of further proceedings under N.C. Gen. Stat. §§150B38 *et seq.*, and 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent Firm is censured.

2. Respondent Freedman is censured.

3. Respondent Albrecht is censured.

4. Respondent Firm shall remit, with this signed Consent Order, a twenty-nine thousand dollar ($29,000.00) civil penalty.

Rander H. Harris, #24802
Greenville, NC 06/20/2011

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 24802 as a Certified Public Accountant.

2. Respondent informed the Board on his 2006-2007, 2007-2008, 2008-2009, and 2009-2010 individual certificate renewals (renewal) that he had obtained forty (40) hours of continuing professional education (CPE), had completed the annual ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2005, 2006, 2007, and 2008 years CPE requirements.

3. Based on Respondent's representation, the Board accepted his renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2005, 2006, 2007, and 2008 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide the certificate or certificates of completion needed to document a Board-approved NC ethics CPE course and eight (8) hours of non-self-study CPE for 2005; a Board-approved NC ethics CPE course and eight (8) hours of non-self-study CPE for 2006; any ethics CPE course, eight (8) hours of non-self-study CPE, and only certificates of completion for fourteen (14) hours CPE of the forty (40) hours claimed for 2007; and no certificates of completion for any of the thirty-six (36) hours of CPE claimed for 2008 that Respondent claimed he earned as was reported on his renewals. If, at the time of renewal, Respondent had accurately disclosed that he had less than the required CPE, his certificate would have been automatically forfeited.

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.

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 (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), 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 NCGS 93-12(8b) a, 93-12(9)c and 93-12(9)e and 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is deemed insufficient and untimely under NCGS 150-B-3(a). Hence, his certificate is automatically forfeited pursuant to NCGS 93-12(8b).

2. Respondent must return his certificate to the Board with this signed Consent Order.

3. Respondent may apply for the reissuance of his certificate after two (2) years from the date the Board approves the Consent Order if Respondent's certificate and the civil penalty required in number five (5) of this Order have been received by the Board.

4. Respondent may apply to return his certificate to active status by submission

Harris
continued on page 4

Licensing Activity

Certificates Issued

The Board has approved the following individuals for licensure as North Carolina CPAs:

06/20/11	Theresa Jeszka Drew
06/20/11	Thomas Paul Gawarecki
06/20/11	Margaret Ann McGaw Switzer

Retired Status

Retired, when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

06/20/11	Judith Fries Addison, #17348	Roanoke, VA
06/20/11	Oreste Vincent Baffi, #18495	St. Petersburg, FL
06/20/11	John DeBerry Lambert, #12444	China Grove, NC

Harris *continued from page 3*

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. Eighty (80) hours of CPE in twelve (12) months preceding the application of which at least forty (40) hours must be in a group-study format, including an eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in a group-study format.

5. Respondent shall pay a two thousand dollar ($2,000.00) civil penalty to be remitted to the Board within six (6) months of the date this signed Order is accepted by the Board.

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 his license.

Stephen M. Strader, #29477
Fuquay-Varina, NC 06/20/2011

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 NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Stephen M. Strader (hereinafter "Respondent") is the holder of North Carolina certificate number 29477 as a Certified Public Accountant.

2. Respondent was engaged to prepare the clients' 2008 federal and state joint tax returns.

3. Respondent failed to prepare said tax returns in a timely manner.

4. Respondent failed to respond to Board staff's inquiries in a timely manner.

5. Respondent represents that, prior to signing this Consent Order, Respondent caused the clients' 2008 federal and state joint tax returns to be filed.

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.

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 (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), 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 NCGS 93-12(9) e and 21 NCAC 08N .0211 and .0212.

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent is censured.

2. Respondent shall remit, with this signed Order, a one thousand dollar ($1,000.00) civil penalty.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on the following dates:

September 5, 2011
Labor Day

November 11, 2011
Veterans Day

November 24-25, 2011
Thanksgiving

December 26-27, 2011
Christmas

Privilege License *continued from front*

of the individual with the individual's social security number. A privilege license is not issued in the name of a firm or corporation.

The privilege license must be obtained from the NCDOR prior to engaging in business. It is unlawful to engage in business without obtaining a required privilege license.

For additional information regarding the privilege license requirement or to obtain Form B-202A, "Application for State Privilege License," contact the Taxpayer Assistance Division of the NCDOR by telephone at 1-877-308-9103 or visit the NCDOR website, **www.dornc.com/taxes/license**.

If you have any questions regarding this article, please contact Robert N. Brooks, the Board's Executive Director, at **rbrooks@nccpaboard.gov** or (919) 733-1425.

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Moved or Changed Jobs?

21 NCAC 08J .0107 requires all licensees and firms to notify the Board in writing within 30 days of any change in address (including telephone number or e-mail address) or business location.

Licensees and firms may make address changes using the "Address Update" link on the Board's website, **www.nccpaboard.gov**.

Exam candidates may email address changes to **addresschange@nccpaboard.gov**; fax address changes to (919) 733-4209; or mail address changes to PO Box 12827, Raleigh, NC 27605.

Notices of Apparent Violation and Demand to Cease and Desist

Michael T. Avara, Respondent
Charlotte, NC

To The Above-Named Respondent:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners (Board) is authorized by N.C. Gen. Stat. §93-12(16) to enforce the provisions of the North Carolina Certified Public Accountant Act (Act) through actions for injunctive relief regarding "a single violation" of this Chapter; and,

WHEREAS, pursuant to N.C. Gen. Stat. §93-1, "A 'certified public accountant' is a person who holds a certificate as a certified public accountant issued under the provisions of this Chapter."

WHEREAS, pursuant to N.C. Gen. Stat. §93-3, "It shall be unlawful for any person who has not received a certificate of qualification or not been granted a practice privilege under N.C. Gen. Stat. §93-10 admitting the person to practice as a certified public accountant to assume or use such a title, or to use any words, letters, abbreviations, symbols or other means of identification to indicate that the person using same has been admitted to practice as a certified public accountant."

WHEREAS, Respondent Michael T. Avara (hereinafter "Respondent Avara") is not now nor has he ever been licensed by the Board as a certified public accountant, and,

WHEREAS, Respondent Avara previously informed the Board that he would not refer to himself as a CPA until such time as he was licensed by this Board. However, Respondent Avara has recently allowed Horizon Lines, Inc., to identify him as a "CPA" on its website and in a press release when, in fact, he is not lawfully authorized to use the title "certified public accountant" or "CPA" in this State. Such a representation is misleading and contrary to N.C. Gen. Stat. §§93-1 and 93-3.

THEREFORE, Respondent Avara is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from use of the title "CPA" or "Certified Public Accountant" and identify himself only as "accountant."

North Carolina State Board of Certified Public Accountant Examiners

BY:

Frank X. Trainor, III, Board Staff Attorney

DATE: 04/19/2011

In lieu of civil proceedings authorized by N.C. Gen. Stat. §93-12(16), the Board will accept Respondent's consent to this Demand.

CONSENTED TO:

Michael T. Avara

DATE: 04/29/2011

William P. Seagroves
Cary, NC

To the Above-Named Respondent:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners (Board) is authorized by N.C. Gen. Stat. §93-12(16) to enforce the provisions of the North Carolina Certified Public Accountant Act (Act) through actions for injunctive relief regarding "a single violation" of this Chapter; and,

WHEREAS, pursuant to N.C. Gen. Stat. §93-1, "A 'certified public accountant' is a person who holds a certificate as a certified public accountant issued to him under the provisions of this Chapter."

WHEREAS, pursuant to N.C. Gen. Stat. §93-3, "It shall be unlawful for any person who has not received a certificate of qualification or not been granted a practice privilege under N.C. Gen. Stat. §93-10 admitting the person to practice as a certified public accountant to assume or use such a title, or to use any words, letters, abbreviations, symbols or other means of identification to indicate that the person using same has been admitted to practice as a certified public accountant."

WHEREAS, Respondent William P. Seagroves (hereinafter "Respondent Seagroves") is not now nor has he ever been licensed as a certified public accountant in North Carolina or otherwise authorized by the Board to use the CPA title in this state; and

WHEREAS, Respondent Seagroves, while working in North Carolina, identified himself as a CPA and presented a fraudulent certificate stating that he was licensed in this state. Respondent Seagroves' use of the title "CPA" or "Certified Public Accountant" is misleading and contrary to N.C. Gen. Stat. §§93-1 & 93-3.

THEREFORE, Respondent Seagroves is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from offering or using in any manner the title "CPA" or "Certified Public Accountant" in North Carolina unless and until Respondent Seagroves has been licensed as a CPA by the North Carolina State Board of Certified Public Accountant Examiners.

North Carolina State Board of Certified Public Accountant Examiners

BY:

Frank X. Trainor, III, Board Staff Attorney

DATE: 05/12/2011

In lieu of instituting civil proceedings authorized by N.C. Gen. Stat. §93-12(16) or filing criminal charges as authorized by N.C. Gen. Stat. §93-13, the Board will accept Respondent's consent to this Demand.

CONSENTED TO:

William P. Seagroves

DATE: 05/16/2011

Release of Exam Score Notices

In January 2011, the process for scoring Uniform CPA Exam sections and releasing candidate grades was modified to accommodate the new version of the Exam.

For at least the first three testing windows of 2011, all candidate scores will be released after the close of the active testing window (*i.e.* during the "blackout" month of each testing window).

According to the AICPA, the main reason that scores will be released after the close of the testing window during the first three quarters of 2011 is to gather candidate performance data for the new Task-Based Simulations (TBS). Candidate data from a full testing window is required to provide enough data for a proper analysis and validation.

The transition from standard simulations to TBSs in CBT-e makes faster score reporting possible since TBSs may be pre-tested. Pre-testing allows the AICPA to gather question performance data, as it has done with multiple-choice questions (MCQs)--once the AICPA has enough statistical data, it will be able to score TBSs as quickly as it scores MCQs.

The AICPA continues to grade the Exam on a section-by-section basis; the Board is not notified regarding which Exam section will be graded first.

After grading, the AICPA forwards the scores for each section to the National Candidate Database (NCD), which is managed by NASBA. The score notices are processed and sent to the Board.

After receiving the score notices, the Board reviews and processes the score notices, then mails the score notices to candidates. In most cases, the Board mails the score notices to candidates within three business days of receiving the score notices, although some scores may be mailed in less time.

It is the Board's policy to post the mailing date for score notices on its website, **www.nccpaboard.gov,** and on the Board's Facebook page and Twitter account page.

Because the Exam is graded on a section-by-section basis and the sections are graded in no particular order, a candidate may receive a score notice for an Exam section taken in the second month of the testing window before receiving a score notice for an Exam section taken in the first month of the testing window.

Likewise, a candidate who took an Exam section after you did may receive his or her score notice before you do. Please note that candidates receive a separate score notice for each Exam section taken in a testing window.

Prometric to Use Hand-Held Metal Detector Wands

Effective July 1, 2011, Prometic began using hand-held metal detector wands at its testing centers across the US.

According to Prometic, all candidates will be scanned prior to each entry into the test room, including returns from breaks. Candidates will still be required to turn their pockets out, and the scan will be done immediately afterward.

Candidates are alerted to this security measure through the PTC Test Center Regulations Form that is posted on the Prometric website and is given to candidates to read prior to check-in.

The scan will be done in full view of the TCA DVR camera so it will be recorded, and any candidate complaints or escalations can be properly investigated. All candidates will be required to submit to the scans. Any candidates refusing to be scanned will not be permitted to test.

While the metal detectors do not affect pregnancies, pacemakers, or other medical equipment that's connected to the body, exceptions will be made for those candidates if they express concerns.

Peer Reviewers Needed

Now is the perfect time to become a peer reviewer. With more than 30,000 firms participating in the AICPA Peer Review Program, demand for your skills in this important professional program has never been higher.

Being a peer reviewer will open doors to incredible opportunities. Peer review services will enhance your knowledge of professional standards. In addition, your work as a peer reviewer will enable you to provide better service to your own clients by offering you a venue to observe and understand the best techniques of other accounting firms.

When you become a peer reviewer, you'll be seen as an expert, gaining the respect of your peers; identify the best practices of other firms and apply them at your firm; use what you learn from other firms to sharpen your skills and reinforce your accounting and auditing knowledge; often receive referrals for additional services as a result of performing peer reviews; be of benefit to the accounting profession; and develop an additional profit center for your firm.

To qualify as a peer reviewer you must be an AICPA member in good standing, be active in public practice at a supervisory level in the accounting or auditing function, and have five years of public accounting experience. In addition, if you are a partner in your firm, you are qualified to be a team captain.

For a complete list of peer reviewer requirements, visit the AICPA's peer review website, **www.aicpa.org/members/div/practmonbecome_peer_reviewer.htm**.

For additional information about the AICPA/NCACPA Peer Review Program, please contact Mary Kelly, NCACPA Peer Review Coordinator, by telephone at (919) 469-1010 or by e-mail at **mckelly@ncacpa.org**.

Inactive Status

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

06/03/11
Tammy Rene Albright-Coreil, #23623, Huntersville, NC
John H. Black, #32484, Atlanta, GA
John Alfred Blackwelder, #18098, Winston-Salem, NC
Michael Estep, #14857, Fort Johnson, NY
Jennifer Nadine Kelly, #32632, Hamilton, OH
Jieqin Liu, #34481, CHINA
Ronald Wayne Tesh, #12398, Ramseur, NC
Jacqueline M. Ziemba, #28668, Lutz, FL

06/07/11
Wanda Creech Boyette, #20466, Zebulon, NC
Hillel Nathaniel Caplan, #34066, Teaneck, NJ
Terry Matthew Comstock, #34261, Norfolk, VA
Larry Anthony Gillus, #12527, Elizabeth City, NC
Charles Ray Hutchins, #4333, Burlington, NC
James E. Kessler, Jr., #32073, Huntersville, NC

06/08/11
Robert Dempsey Corbett, #35664, Austin, TX
Joseph Lee Gilliam, #20714, Wake Forest, NC

06/09/11
Mary Patricia Talbot Broda, #25038, Charlotte, NC
Jana Karen Hemric, #11779, Charlotte, NC
Ruth Ann Luke, #23389, Stuart, VA
Joe N. Miller, #33482, Colorado Springs, CO
Shirley M. Parson, #26173, Apollo Beach, FL
Terry Allen Scott, #25263, Rocky Mount, NC

06/14/11
Katherine Elizabeth Baron, #32446, Chesterfield, MO
Carl Franklin Beal, III, #29880, Charlotte, NC
Karen Ann Bergendorf, #19723, Long Grove, IL
Christopher Kevin Eller, #32768, Deep Gap, NC
Ralph William Enlow, #12612, Cary, NC
Diana Garcia, #32114, Charlotte, NC
Jason Scott Murphy, #29951, Tuckahoe, NY
Kerry Lester Paone, #31140, Tampa, FL
Marcia Jean Schornak, #27496, Huntersville, NC
Pamela Stoller, #33826, Tarrytown, NY
Thomas J. Todd, #19790, Phoenix, AZ
Jeffery Louis Vanek, #32477, Kansas City, MO
Daniel James Waddell, #13885, Bozeman, MT
Karin Lee Young, #34440, Greer, SC
Lindsay Allison Zimmerman, #33436, Arlington, VA

06/15/11
Cynthia S. Davis, #21935, Greenville, SC

06/16/11
Charlotte Tabler Vetter, #19910, Carthage, NC

06/17/11
Sandra L. Hamm, #23715, Raleigh, NC
Andrew Nicholas Newman, #33477, Davis, CA
Kenneth A. Rash, #27457, Hendersonville, NC
Donald Robert Scotberg, #34446, Muskogee, OK
Marvin Ellis Williams, #7245, Charlotte, NC

06/21/11
Donna M. Ganong, #29239, Oak Ridge, NC
Jie Luo, #33503, Wheaton, IL
Mikle Knight Mikles, #17851, Clearwater, FL

06/21/11
Eric William Gilbert Zetterholm, #25458, Asheville, NC

06/22/11
Irvin Harris Bisnov, #32801, Cincinnati, OH
Kayce Arnette Hughes, #33272, Mt. Pleasant, SC

06/23/11
David Trent Atkins, #30478, Cary, NC
Sarah Ashley MacLeod, #34300, ARMED FORCES EUROPE
Ralph Wayne McCarty, #9242, Stanley, NC
Svetlana Yarmak Wolfe, #32960, Jamestown, NC

06/24/11
Darlene Pastore Etheridge, #15849, Amherst, VA
Barry Lee Guy, #7815, Charlotte, NC
William Karl Schmitt, #33369, Charlotte, NC

06/27/11
Elham Yousefpour Barrineau, #33729, NETHERLANDS
Elizaebth Harlan Phelps, #32377, Colorado Springs, CO

06/28/11
Barry Christopher Compton, #26756, Leland, NC
Elizabeth Bierrie Davison, #16503, Huntsville, AL
Steven James Dieringer, #33139, Cleveland, OH
Cynthia Amos Fortune, #14791, Shelby, NC
Alton Edwards Howard, #1702, Raleigh, NC
Teresa Jordan, #18264, Montpelier, VA
Cynthia Register Lochbaum, #18168, Raleigh, NC
Stuart Michael Scott, #35107, Mount Holly, NC
John Zeko, #7127, Wrightsville Beach, NC

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City/State/Zip:	
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Business Email:	
Signature:	
Date:	Send mail to: ☐ Home ☐ 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 and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 08-2011

Does Serving as a Campaign Treasurer Require You to Undergo Peer Review?

With local, state, and national candidate filing periods well underway, you, as a CPA, may find yourself asked to serve as a campaign treasurer for a political campaign.

Depending on the nature of the campaign-local, state, or national-your duties may require you to complete certain campaign finance reporting forms. For a national campaign, this would require the completion of the Federal *FEC Form 3* and for a state campaign, completion of the North Carolina forms *CRO-1100* and *CR-1100*.

The Board asked James W. Brackens, Jr., CPA, Vice President of Ethics and Practice Quality for the AICPA, "Would the performance of these duties require you to undergo a peer review based solely on the preparation and signing of such documents?"

Brackens directed our attention to the following interpretation issued by the AICPA Accounting and Review Services Committee (AR Section 9080):

Applicability of SSARS No. 19 When Performing Controllership or Other Management Services

.21 Question – If the accountant is in the practice of public accounting and provides an entity with controllership or other management services that entail the submission of financial statements, is the accountant required to follow the requirements of section 80?

.22 Interpretation – If the accountant is in the practice of public accounting as defined by the AICPA's Code of Conduct (ET sec. 92 par. .25) and is not a stockholder, partner, director, officer, or employee of the entity, the accountant is required to follow the performance and communication requirements of section 80, including any requirement to disclose a lack of independence.

.23 If the accountant is in the practice of public accounting and is also a stockholder, partner, director, officer, or employee of the entity, the accountant may either (a) comply with the requirements of section 80), or (b) communicate, preferably in writing, the accountant's relationship to the entity (for example, stockholder, partner, director, officer, or employee). The following is an example of the type of communication that may be used by the accountant:

> *The accompanying balance sheet of Company X as of December 31, 20XX, and the related statements of income and cash flows for the year then ended have been prepared by [name of accountant], CPA. I have prepared such financial statements in my capacity [describe capacity, for example, as a director] of Company X.*

.24 If an accountant is not in the practice of public accounting, the issuance of a report under SSARS would be inappropriate; however, the previously mentioned communication may be used. [Issue Date: July 2002, Revised December 2010 (formerly Interpretation No. 21 to section 100).]

Brackens also stated that,"In addition to the suggested communication provided above, a communication of one's relationship to an entity may be achieved by other means, such as by a signature line on a standardized form that indicates the capacity of the signer (such as campaign treasurer)."

Furthermore, "if the CPA/campaign treasurer prepared and signed the report, which clearly indicates his/her capacity as campaign treasurer, and did not issue a separate compilation report, then SSARS No. 19 would not apply."

"Accordingly, the preparation and signing of such campaign reports would not subject the CPA to a peer review under AICPA Standards." This is applicable whether the CPA is in public practice or employed in industry.

If you have questions regarding this article, please contact Robert N. Brooks at **rbrooks@nccpaboard.gov** or J. Michael Barham, CPA, at **mbarham@nccpaboard.gov**. Thank you to James W. Brackens, Jr., CPA, for his assistance with this article.

In This Issue

2011 Board Meetings 2
Board Office Closed 5
Certificates Issued 5
Disciplinary Actions 2
Disciplinary Actions Resulting from CPE Audit 4
Inactive Status 7
In Memoriam: Maximo Mukelabai 3
New Exam Fees 4
Reclassifications 6

Disciplinary Actions

Michael A. Seda, #27700
Raleigh, NC 07/25/2011

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 the following:

1. Michael A. Seda (hereinafter "Respondent") is the holder of North Carolina certificate number 27700 as a Certified Public Accountant.

2. In April of 2008, Respondent issued an unqualified opinion and audit report while providing a *pro bono* service for a North Carolina not-for-profit entity and failed to register a CPA firm and failed to register for peer review.

3. The audited financial statements issued by Respondent were not prepared in accordance with generally accepted accounting principles (GAAP) and did not meet the reporting requirements as set forth in SFAS No. 95, 116, and 117.

4. The working papers prepared by Respondent and the audit fieldwork performed by Respondent in support of the audit were not in accordance with generally accepted auditing standards (GAAS).

5. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2004, 2005, 2006, 2007, 2008, and 2009 CPE requirements.

6. Respondent provided the CPE certificates of completion to the Board as requested, but Respondent failed to provide the certificates of completion needed to document his fulfillment of the annual Board-approved North Carolina ethics CPE requirement for 2005, 2006, 2007, 2008 or 2009 that were erroneously reported on Respondent's annual renewal.

7. 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.

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 8 of the North Carolina Administrative Code (NCAC), 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 N.C. Gen. Stat. §§93-12(9), and 93-12(9)e, and 21 NCAC 08J .0101(b), .0108(a), 08M .0105, 08N .0202(b)(4), .0203(b)(1), .0209), and .0403.

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Michael A. Seda, is suspended for a period of four (4) years from the date of the approval of this Consent Order by the Board.

2. Respondent may apply for reissuance of his certificate after four (4) years from the date this Consent Order is approved by the Board.

3. Prior to reissuance of his certificate, Respondent is required to provide the Board with evidence of completion of the eight (8) hour accountancy law course as offered by the NCACPA in a group-study format, but such hours will not count toward the forty (40) hour CPE requirement for reissuance of his certificate.

4. Respondent shall remit a one thousand dollar ($1,000.00) civil penalty to the Board within sixty (60) days of the date of the approval of this Consent Order by the Board.

5. Upon reissuance of his certificate, Respondent may not perform any audit or review of financial statements until Respondent registers to participate in a peer review program and Respondent must obtain pre-issuance review of any audits, reviews, compilation, and agreed upon procedures which Respondent participates in or performs until such time as Respondent receives a pass report in a peer review on each level of the aforementioned services. The pre-issuance reviewer shall be approved by the Board prior to performing said reviews.

6. Respondent shall reimburse the Board for the administrative costs in this matter, those costs shall be paid within sixty (60) days of the approval of this Consent Order by the Board.

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2011 Board Meetings

September 19

October 20

November 21

December 19

Meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

Donald K. Murphy, #24293
Murphy and Company PC
Atlanta, GA 07/25/2011

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 North Carolina General Statute (N.C. Gen. Stat.) §150B-41, the Board and Respondent stipulate the following Findings:

1. Donald K. Murphy (hereinafter "Respondent Murphy") is the holder of North Carolina certificate number 24293 as a Certified Public Accountant.

2. Murphy and Company PC (hereinafter "Respondent Firm") is a registered certified public accounting corporation in North Carolina. At all relevant times, Respondent Murphy has served as the principal shareholder of Respondent Firm, and has been individually responsible for the conduct of Respondent Firm.

3. In February of 2002, Board staff approved and authorized Respondent Murphy to offer services to North Carolina clients through Respondent Firm.

4. During the period from 2002 through 2010, Respondent Murphy and Respondent Firm issued at least twenty-four (24) audit reports as a CPA and CPA firm to North Carolina clients through a firm name other than that of Respondent Firm.

5. 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. 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. 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 (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondents' actions as set out above constitute violations of N.C. Gen. Stat. §§93-5, 93-12(9), and 93-12(9)e and 21 NCAC 08N .0203(a), .0302(a), and .0307(a).

BASED ON THE FOREGOING and in lieu of further proceedings under N.C. Gen. Stat. §§150B38 *et seq*., and 21 NCAC Chapter 8C, the Board and Respondents agree to the following Order:

Respondents are censured.

Respondents shall remit, with the signed Order, a two thousand dollar ($2,000.00) civil penalty.

Comment or Question about the *Activity Review*?

Do you have a comment or question about information published in the *Activity Review*? Do you have a suggestion for an article?

We welcome your comments and suggestions; drop us a line by email at **lhearne@nccpaboard.gov** or **rbrooks@nccpaboard.gov**.

Moved or Changed Jobs?

21 NCAC 08J .0107 requires all licensees and firms to notify the Board in writing within 30 days of any change in address (including telephone number or email address) or business location.

Licensees and firms may make address changes using the "Address Update" link on the Board's website, **www.nccpaboard.gov**.

Exam candidates may email address changes to **addresschange@nccpaboard.gov**; fax address changes to (919) 733-4209; or mail address changes to PO Box 12827, Raleigh, NC 27605.

In Memoriam: Maximo Mukelabai

Maximo Mukelabai, CPA, 36, of Durham, NC, passed away July 8, 2011. He was the 2011-2012 Chair of the North Carolina Association of CPAs (NCACPA).

A native of Zimbabwe, Mukelabai was the first African-American to serve as Chair of the NCACPA and was the youngest Chair of the NCACPA.

Mukelabai, who was licensed as a North Carolina CPA in 2003, was an active member of the NCACPA; he served on the International Committee, the Minority Action Committee, and the Not-For-Profit Committee.

In addition, he was Liaison Director to the Member Connections Committee, Chair of the Young CPA Cabinet, a member of the NCACPA's Speakers Bureau, a Financial Literacy Volunteer, and a CPA Ambassador.

Mukelabai was one of only 28 CPAs aged 35 and under selected by the American Institute of CPAs (AICPA) to participate in the AICPA's first CPA Leadership Academy for the profession's future leaders. He was also a council member of the AICPA and a CPA Ambassador for the AICPA.

He is survived by his wife, Patience, daughters Ruvarashe and Rutendo, two sisters, a brother, a niece, and his stepfather.

A fund has been established to assist the Mukelabai family with expenses. Contributions (payable to the family) should be sent to the family c/o the NCACPA, PO Box 80188, Raleigh, NC 27623.

A scholarship, the Maximo Mukelabai Accounting Scholarship, has been established in Mukelabai's memory. Contributions (payable to the NCACPA), should be sent to the NCACPA, PO Box 80188, Raleigh, NC 27623.

Disciplinary Actions Resulting from CPE Audit

The following matters are excerpted from Consent Orders issued by the Board in response to the findings of the Continuing Professional Education (CPE) audit. To view the full text of the Consent Order, use the licensee search on the website, **www.nccpaboard.gov**, to look up the licensee's record, click on the "Details" link, then click on the "View" link under the heading, "Public Documents."

James M. Anderson, #12597
Cherryville, NC 07/25/2011

The Board opened a case against James M. Anderson (Respondent Anderson) for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent Anderson signed a Consent Order in which he accepted 1) the denial of the renewal of his license; 2) the forfeiture, for at least one (1) year, of his license; and 3) the imposition of a $1,000 civil penalty.

Respondent Anderson may apply for reissuance of his North Carolina CPA license by complying with the terms set forth in the Consent Order.

Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Anderson's North Carolina CPA license.

Rhonda E. Campanile, #22302
Charlotte, NC 07/25/2011

The Board opened a case against Rhonda E. Campanile (Respondent Campanile) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.

Respondent Campanile signed a Consent Order in which she accepted 1) the denial of the renewal of her license; 2) the forfeiture, for at least one year, of her license; and 3) the imposition of a $1,000 civil penalty.

Respondent Campanile may apply for reissuance of her North Carolina CPA license by complying with the terms set forth in the Consent Order.

Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Campanile's North Carolina CPA license.

Terri G. McKee, #23052
Fayetteville, NC 07/25/2011

The Board opened a case against Terri G. McKee (Respondent McKee) for failure to complete a Board-approved NC ethics CPE course and at least eight (8) hours of non-self-study CPE as required for renewal of her North Carolina CPA license.

Respondent McKee signed a Consent Order in which she accepted 1) the denial of the renewal of her license; 2) the forfeiture, for at least one year, of her license; and 3) the imposition of a $1,000 civil penalty.

Respondent McKee may apply for reissuance of her North Carolina CPA license by complying with the terms set forth in the Consent Order.

Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent McKee's North Carolina CPA license.

Jacqueline R. Miller, #30394
High Point, NC 07/25/2011

The Board opened a case against Jacqueline R. Miller (Respondent Miller) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.

Respondent Miller signed a Consent Order in which she accepted 1) the denial of the renewal of her license; 2) the forfeiture, for at least one (1) year, of her license; and 3) the imposition of a $1,000 civil penalty.

Respondent Miller may apply for reissuance of her North Carolina CPA license by complying with the terms set forth in the Consent Order.

Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Miller's North Carolina CPA license.

Hall C. Overall, #33256
Raleigh, NC 07/25/2011

The Board opened a case against Hall C. Overall (Respondent Overall) for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent Overall signed a Consent Order in which he accepted 1) the denial of the renewal of his license; 2) the forfeiture, for at least one (1) year,

Disciplinary Actions
continued on page 6

New Exam Fees Effective October 15, 2011

Effective October 15, 2011, the Uniform CPA Exam fees charged by Prometric Test Centers will decrease. Prometric's per-test hour fee of $22.05 will decrease to $19.10 per test hour. The Board's administrative fees, NASBA's Exam fees, and the AICPA's fees remain unchanged.

Applications postmarked on or before October 14, 2011, will be processed using the current fee schedule. Applications postmarked on or after October 15, 2011, will be processed using the new fee schedule. Revised Exam applications which reflect the new fees will be available October 15, 2011, from the Board's web site, **www.nccpaboard.gov**.

Exam Fees as of October 15, 2011

Administrative Fees	
Initial Applicant	$230.00
Re-exam Applicant	$75.00
Exam Section Fees	
Auditing & Attestation (AUDIT)	$195.35
Financial Accounting & Reporting (FAR)	$195.35
Regulation (REG)	$176.25
Business Environments & Concepts (BEC)	$176.25

Certificates Issued

At its July 25, 2011, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Patrick Joseph Abbott
Andrew Sample Adams
Leslie S. Alston
John Paul Barbee
Krista Page Barnhill
Courtney Marie Bateman
Ronda Jean Beegle
Ginny Lynn Blalock
Lindsey Ames Boyer
David William Briggs
Janet Marie Campbell
Matthew Thomas Caragher
Christine Ann Cook Carlini
Emily Caroline Cashwell
John Wright Coker, III
Daisy Wang Colmer
Jessica Lee Coniglio
Sierra Michelle Cooley
Michael Lawrence Cormier
Mary Elizabeth Cowx
William Udell Davis
Zachary James DenBesten
David Lee Dixon
Diane Eastman
Amy Earline Edwards
Nicole Kathleen Emanuel
Xingzi Fang
Amanda Marie Fannin
Lory Anna Farrington
Yuanyuan Feng
Karen Grace Garrison
David Samuel Goldberg
Stephanie Gordon Good
Brian Michael Graybeal
Michael Oiro Guttoh
David Chung Ha
Nicholas Jennings Hallman
Justin Edward Hendricks
Donald Keith Hendrix
Allison Elizabeth Henkel
Bronwynne Elizabeth Henry
Jennifer Ard Hicks
Charles Andrew Hill
Glenn Thomas Hough, Jr.
Jonathan Teel Howard
Jennifer Ann Causey Johnson
Shannon Rose Johnson
Andrew Stephen Jolley
Nicole Jean Kennen
Mary Leila Khodaparast
Brandon Roy Killian
Jacob Daniel Lemberg
Leo Cyril Lucisano
Manivan Manivong
Brian Ward Manuel
Steven Merrel Martin
Jean E. McAllister
Charles McClayton Blackwell McCoy
John Eric McDonald
Jill Marie Mildenhall
Katherine Ann Moore
Sabrina Stephens Mosley
James A. Mosrie
Carl Nagel, III
Carrie Halford Neal
Christopher Patrick Nicholson
Christopher Lee Olson
Charles Justin Palmer
Brian Cabot Philbeck
Mark Richard Polites
Brandon Thomas Powell
Carrie Dale Avera Purnell
Sarah Marie Putnam
Olga Rivenbark
Phillip David Rosenbaum, Jr.
Patricia Wallace Rowe
Scott Michael Sannes
Tyrone Sellars
Stephanie Michelle Sheaffer
Gelu Sherpa
Tony Ray Siceloff
Kara Elyse Smeltzer Stout
James Robert Smith
Nathan Peter Snider
Kathleen Ann Foley Snively
Bernard Everett Sochia
Marian Sherrill Steele
Justin Michael Stone
Janie Beth Tart
Irka Kiel Templeton
Janice Lyn Turvey
Ryan Casey Van Wingerden
Thomas Christopher West
Keith Alan Westcott
Jennifer Ruth Whichard
Jeffrey Thomas Wood
Jun Hyon Yang

Check Your CPE Carry-Forward Online

Not sure how many carryforward CPE hours you have? You can find out with a quick visit to the Board's website, **www.nccpaboard.gov**.

To verify your hours, use the "Licensee Search" function of the web site to search for yourself using your name or certificate number.

After your record is displayed, click on the "details" link. The number of CPE carryforward hours will be displayed below your address and telephone number.

If there is a discrepancy in the number of carryforward hours, please contact Cammie Emery at **cemery@nccpaboard.gov**

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on the following dates:

September 5, 2011
Labor Day

November 11, 2011
Veterans Day

November 24-25, 2011
Thanksgiving

December 26-27, 2011
Christmas

Disciplinary Actions

continued from page 4

of his license; and 3) the imposition of a $1,000 civil penalty.

Respondent Overall may apply for reissuance of his North Carolina CPA license by complying with the terms set forth in the Consent Order.

Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Overall's North Carolina CPA license.

Richie D. Phillips, #27640
Hickory, NC 07/25/2011

The Board opened a case against Richie D. Phillips (Respondent Phillips) for failure to complete sufficient CPE for multiple years as required for renewal of his North Carolina CPA license.

Respondent Phillips signed a Consent Order in which he accepted 1) the denial of the renewal of his license; 2) the forfeiture of his license; and 3) the imposition of a $2,000 civil penalty.

Respondent Phillips may apply for reissuance of his North Carolina CPA license by complying with the terms set forth in the Consent Order.

Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Phillips's North Carolina CPA license.

Deepa Reddy, #34068
Harrisburg, NC 07/25/2011

The Board opened a case against Deepa Reddy (Respondent Reddy) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.

Respondent Reddy, who self-reported the failure, signed a Consent Order in which she accepted 1) the denial of the renewal of her license; 2) the forfeiture, for 90 days, of her license; and 3) the imposition of a $1,000 civil penalty.

Respondent Reddy may apply for reissuance of her North Carolina CPA license by complying with the terms set forth in the Consent Order.

Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Reddy's North Carolina CPA license.

Martha B. Thomas, #27281
Blue Ridge, GA 07/25/2011

The Board opened a case against Martha B. Thomas (Respondent Thomas) for failure to complete at least eight (8) hours of non-self-study CPE as required for renewal of her North Carolina CPA license.

Respondent Thomas signed a Consent Order in which she accepted 1) the denial of the renewal of her license; 2) the forfeiture, for at least one year, of her license; and 3) the imposition of a $1,000 civil penalty.

Respondent Thomas may apply for reissuance of her North Carolina CPA license by complying with the terms set forth in the Consent Order.

Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Thomas's North Carolina CPA license.

Reclassifications

Reinstatements

07/25/11	Sarah Ruth Lightfoot Adams, #28500	Kingsport, TN
07/25/11	Clarence Edward Brooks, Jr. #15165	High Point, NC
07/25/11	Boyd Worth Davis, #15057	Charlotte, NC
07/25/11	Laura Wilson Freeman, #25478	Huntersville, NC
07/25/11	Erica Lynn Mezi, #31539	Washington, NC
07/25/11	Alice Spruill Rouse, #26177	Kinston, NC
07/25/11	Sophia C. Schell, #23760	Charlotte, NC
07/25/11	Tina H. Smith, #17332	Raleigh, NC
07/25/11	Barry Eugene Snipes, #14394	Beaufort, NC
07/25/11	Hani Saliba Tanas, #23861	Raleigh, NC

Reissuance

07/25/11	Amos Johnson Chestnutt, Jr., #11768	Fayetteville, NC
07/25/11	Patricia DiMaria, #28097	Reston, VA
07/25/11	Sandra Weaver Hallman, #14092	Mount Airy, NC
07/25/11	Jennifer Wells Harkness, #29009	Silver Spring, MD
07/25/11	Pier Komes, #20744	Raleigh, NC
07/25/11	Rita Duncan Price, #27407	Indian Trail, NC

Retired

Retired, when used to refer to the status of a person, descibes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

07/25/11	Janet Newsome Abbott, #28376	Lexington, NC
07/25/11	John Dennis Calaway, #31552	Charlotte, NC
07/25/11	William Larry Clay, #4104	Rockingham, NC
07/25/11	H. Lee Curry, #2913	Charlotte NC
07/25/11	Robert Vincent Duckworth, #19214	Phoenix, AZ
07/25/11	Joan Mahoney Eidson, #22663	Port Orange, FL
07/25/11	H. Stephen Hurst, #33409	Pinehurst, NC
07/25/11	Larry Clinton Mingledorff, #30071	Jacksonville, FL
07/25/11	Gloria Jean Moore, #19168	West Jefferson, NC
07/25/11	Carolyn Rosa Ryals, #32991	Morehead City, NC
07/25/11	Donald Harper Thompson, #1768	Hampstead, NC
07/25/11	J.P. Timberlake, III, #2269	Edenton, NC

Inactive Status

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

06/29/11

Frances Meadows Allen, #19923, Oxford, NC
Lori Ann Washburn Furr, #28782, Rock Hill, SC
Terri Nicole Knotts, #30027, Thomasville, NC
Janee Lynn Smith, #34274, Pittsboro, NC
Jeffrey Lyn Thomason, #30791, Wytheville, VA
Alexander Fuentes Tiset, #35544, Miami, FL
Terry Gene Wilder, #12344, Hampstead, NC

06/30/11

Bonya Banerjia, #14071, Charlotte, NC
Tamara Smith Buckland, #17888, High Point, NC
James Kevin Bullard, #25632, Marana, AZ
Tiffany L. Bussard, #35553, Asheville, NC
Michael Jon Carter, #28201, Aspen, CO
Kay Little Fulp, #25685, Whiteville, NC
Kyle Wayne Granholm, #34721, Cary, NC
Goldston Franklin Harris, #1294, Charlotte, NC
Edward Andrew Karpus, #32476, Morrisville NC
William Fred Keisler, #11281, Newton, NC
Steven Daniel LaDew, #26596, Fort Lee, NJ
Patricia A. Mayo, #26952, Charlotte, NC
William Frank Merritt, #16613, Enid, OK
Marla R. Michaels, #32888, Windermere, FL
Steven Randolph Michalak, #24709, Chapel Hill, NC
Daniel Ryan Monroe, #33266, Concord, NC
Larry Paul Morton, #24751, Brentwood, TN
James Clarke Murphy, Jr., #28717, Atlanta, GA
Michael Anthony Patrick, #31846, Lake Wylie, SC
David J. Reavy, #26553, Larchmont, NY
Dennis Ralph Salvatore, #6821, Raleigh, NC
Stella Marie Bautista Santos, #34807, Chicago, IL
Douglas W. Thomas, #23106, Atlanta, GA
Suzanne S. Thornburg, #20429, Lincolnton, NC
Arthur Nelson Vandenbree, #28498, Henrico, VA
Phyllis Coxwell Whitehurst, #17292, Warner Robins, GA
Paul Brant Williams, #27076, Charlotte, NC

07/01/11

Oreste Vincent Baffi, #18495, St. Petersburg, FL
Charles Mark Bokesch, #30417, Columbia, SC
Nancy Britt Bright, #9448, North Fort Myers, FL
Jason Mitchell Brown, #33234, Charlotte, NC
Bethany Anne Chapman, #30661, Mountain View, CA
Traci JoAnn Gant, #26844, Concord, NC
Charles Merriman King, Jr., #12748, Wilmington, NC
Mark Alan Konyndyk, #31322, Los Angeles, CA
Erin G. LaVoie, #34886, Columbus, OH
Karen Hartung Lifsey, #14735, Raleigh, NC
K. Alan Lonbom, #21149, Del Mar, CA
Richard Scott Moore, #22193, Indian Trail, NC
Kelly Butler Smith, #25842, Cary, NC
Christopher James Williams, #25395, West Palm Beach, FL
Lynn Rene Williamson, #18056, Charlotte, NC

07/06/11

Michael Rad Bell, #13035, Spokane, WA
Marcia Rae Miller, #20186, Waterford, WI
John McIver Woodall, #23376, Davidson, NC

07/07/11

Calton Lamar Morgan, Jr., #30310, Springfield, MO
Tricia Lynn Smith, #21577, Edwards AFB, CA

07/08/11

Christopher Patrick Anderson, #24851, Raleigh, NC
Paul Gerard Briggs, #28226, Raleigh, NC
Nancy Mac Brown, #33005, Prattville, AL
Herbert Mark Chain, #30196, New York, NY
David A. Levy, #23261, Brookline, MA
David Keith Schrenker, #34301, Charlotte, NC

07/11/11

William Lewis Boone, #3014, Edenton, NC
Judith Marley Dawson, #17256, Browns Summit, NC
Todd Alan McPherson, #33768, New Orleans, LA
Joyce Marie Tinnell Wood, #18730, Mount Airy, NC

07/12/11

Katherine Leigh Anthony, #35131, Jacksonville, FL
Robert Frederick Enticott, #32280, New York, NY
Boyd White Harris, III, #3102, Durham, NC
Thomas Bennett James, #19512, Monroe, NC
Carrie Sheldon Lanning, #29261, Mt. Pleasant, SC
Jaime Alison Stevens, #34756, Greenville, SC

07/13/11

Adah Marie Roberts, #33958, Lizella, GA

07/14/11

Siamak Djahanbanooi, #35462, Charlotte, NC
Jeffrey Sean Holley, #28993, Cornelius, NC
Michael Moneir Zahabi, #34148, South Ogden, UT

07/15/11

Jayne Mason McDonald, #19976, Greensboro, NC
Kathy Lewis Tillman, #29959, Gainesville, GA

07/18/11

Thomas Franklin Brunk, #26202, Trent Woods, NC
Michael Thaddeus Lucki, #34956, Port Jefferson, NY
L. Samuel Saunders, #21820, Danville, VA
Donna Isley Staley, #24939, Liberty, NC

07/19/11

Jerry Alton Foster, #21676, Danville, VA
Jeffery Vernon Kent, Jr., #34862, Columbus, OH
Connie K. Newby, #11302, Greensboro, NC

07/20/11

John Anthony Higgie, #13144, Seattle, WA
Laura Adack Huntley, #33551, Raleigh, NC
Mary Elizabeth Kiser, #35858, Charlotte, NC

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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: ☐ Home ☐ 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 and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 09-2011

Review of Annual CPE Requirements

Although December 31 seems far away, it is not too early to review the annual CPE requirement and make sure that you are on track to be in compliance.

21 NCAC 08G .0401(e) states that active CPAs must 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 competence of one CPA, but may not contribute to the professional competence of another CPA.

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 competence.

Although the Board registers CPE sponsors, it does not approve individual CPE courses. A list of Board-registered CPE sponsors is available on the Board's website, **www.nccpaboard.gov,** through the database (click on the "Licensee Search" link). These sponsors have agreed to conduct programs in accordance with the standards set forth in 21 NCAC 08G .0404.

CPE sponsors in good standing on NASBA's National Registry of CPE Sponsors are considered to be registered CPE sponsors by the Board.

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

The two-hour group study or four-hour self-study course may be any course on behavioral or regulatory ethics offered by a CPE sponsor registered with the Board or with the NASBA Registry of CPE Sponsors.

Because the ethics requirement is an annual requirement, carry-forward 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 eth-

CPE Requirements
continued on page 4

NASBA, AICPA Launch Online Mobility Tool

NASBA and the AICPA recently launched an online tool designed to promote mobility.

The site, **CPAmobility.org**, allows a CPA interested in exercising cross-border practice privileges to obtain information on licensing and registration requirements for the state(s) in which he or she intends to perform services.

The information is generated based on the CPA's answers to the following questions:

- Where is your principal place of business?
- Where are you going to perform services (target state)?
- What type of services will you perform?

The site is optimized for use on mobile devices, making it easy for CPAs to access the information when they are out of their offices or traveling.

In This Issue

2011 Board Meetings..... 2
Board Milestone: Buck Winslow 5
Board Office Closed 7
Certificates Issued 5
Disciplinary Actions 2
New Exam Fees 4
Tax Preparer Registration 5
Reclassifications..... 7

Disciplinary Actions

Robert G. Drumwright, Jr., #11712
Graham, NC 07/25/2011

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, with a quorum present, the Board finds, based on the evidence presented at the hearing on July 25, 2011, that:

FINDINGS OF FACT

1. Respondent was the holder of a certificate as a Certified Public Accountant in North Carolina.

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

3. Respondent received at least fifteen (15) days written Notice of Hearing of this matter by personal service, certified mail, or other approved personal delivery.

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 not present at the Hearing and was not represented by counsel.

7. In October 2009, Respondent's certificate was forfeited for his failure to renew. Respondent Drumwright failed to timely return the forfeited certificate despite the Board's requests.

8. On February 15, 2010, the Board received a third-party complaint from one of Respondent's clients alleging that the Respondent failed to, among other things, competently prepare individual and corporate tax returns for a client; timely file tax extensions and returns; and provide client information to the client's successor accountant.

9. Respondent Drumwright failed, on at least three (3) occasions, to respond to Board inquiries regarding the third party complaint.

10. Due to the seriousness of the allegations made in the third party complaint and, also, due to Respondent's failure to timely respond to those allegations, the Board issued an "Emergency Order for Revocation and Notice" on October 21, 2010.

11. Despite the forfeiture of his certificate in 2009, and the revocation of his certificate in 2010, Respondent continued to identify himself as a CPA through at least February 2011.

12. On September 24, 2007, the Internal Revenue Service (IRS) filed a tax lien in the amount of $4,376.73 against Respondent for his failure to pay payroll taxes for the tax period ending September 30, 2002.

13. On September 24, 2007, the IRS filed a tax lien in the amount of $1,972.08 against Respondent for his failure to pay payroll taxes for the tax period ending June 30, 2006.

14. On September 24, 2007, the IRS filed a tax lien in the amount of $80.63 against Respondent for his failure to pay payroll taxes for the tax period ending December 31, 2006.

CONCLUSIONS OF LAW

1. Per North Carolina General Statute (N.C. Gen. Stat.) §150B-42, this Board Order constitutes a Final Agency Decision of the Board.

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 (NCAC). 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. By failing to timely respond to the Board's demands that he return his certificate and that he respond to the third-party complaint, Respondent violated 21 NCAC 08N .0201 and .0206.

4. By continuing to represent himself to be a CPA following the forfeiture of his certificate and also following the revocation of his certificate by the Board, Respondent violated 21 NCAC 08N .0201, .0202(a), .0202(b)(9), .0203(a), .0203(b)(1), .0203(b)(3) and .0213.

5. By failing to pay payroll taxes, Respondent violated 21 NCAC 08N .0201, .0203(a) and .0207. The subsequent lien filings against Respondent constitute violations of 21 NCAC .0204.

6. By failing to timely or accurately file the third-party complainants' individual and corporate taxes and by failing to adequately assist their successor accountant, Respondent violated 21 NCAC 08N .0201, .0203(a), .0207, .0211 and .0212.

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

1. The Certified Public Accountant certificate issued to Respondent Robert G. Drumwright, Jr., is hereby permanently revoked.

2. Respondent shall not 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 Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

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2011 Board Meetings

October 20

November 21

December 19

Meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

Harold J. Gilpin, III, #26852
San Francisco, CA 08/22/2011

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to North Carolina General Statute (N.C. Gen. Stat.) §150B-41, the Board and Respondent stipulate to the following:

1. Respondent is the holder of North Carolina certificate number 26852 as a Certified Public Accountant.

2. Respondent informed the Board on his 2010-2011 individual certificate renewal (renewal) that he had obtained forty (40) hours of continuing professional education (CPE), had completed an annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2009 CPE requirement.

3. Based on Respondent's representation, the Board accepted his renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2009 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide the certificate of completion needed to document a Board-approved North Carolina ethics CPE course that Respondent claimed he earned between January 1, 2009, and June 30, 2010, as was reported on his 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.

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 (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

1. Respondent's actions as set out above constitute violations of N.C. Gen. Stat. §§93-12(8b)a, 93-12(9), 93-12(9)c, and 93-12(9)e and 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

BASED ON THE FOREGOING and in lieu of further contested case proceedings, the Board and Respondent agree to the following:

1. Respondent's application for renewal is deemed insufficient and untimely under N.C. Gen. Stat. §150-B-3(a). Hence, his certificate is automatically forfeited pursuant to N.C. Gen. Stat. §93-12(8b).

2. Respondent must return his certificate to the Board with this signed Consent Order.

3. Respondent may apply for the reissuance of his certificate after one (1) year from the date the Board approves the Consent Order if Respondent's certificate and the civil penalty required in number five (5) of this Order have been received by the Board.

4. Respondent may apply to return his 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. Forty (40) hours of CPE in the twelve (12) months preceding the application including the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs.

5. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted to the Board within six (6) months of the date this signed Order is accepted by the Board.

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 his license.

Stephanie H. Wilcox, #33074
Holly Springs, NC 08/22/2011

THIS CAUSE, coming before the 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 the following:

1. Respondent is the holder of North Carolina certificate number 33074 as a Certified Public Accountant.

2. Respondent informed the Board on her 2009-2010 individual certificate renewal (renewal) that she had obtained forty (40) hours of continuing professional education (CPE), had completed an annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2008 CPE requirement.

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 2008 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent was unable to provide adequate certificates of completion needed to document at least eight (8) hours of non-self-study CPE taken between January 1, 2008, and June 30, 2009.

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.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

Disciplinary Actions
continued on page 6

CPE Requirements

continued from front

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

21 NCAC 08G .0409(c) requires that all active CPAs, including those individuals licensed within the current year, complete at least eight hours of non-self-study CPE each year as part of the annual 40-hour CPE requirement.

A CPA is not required to take any self-study CPE, but is required to take at least eight (8) hours of non-self-study CPE.

Because the non-self-study requirement is an annual requirement, a CPA cannot use carry-forward hours to satisfy the requirement.

Non-self-study CPE includes group study courses, interactive group web casts, completing a college course, instructing a CPE course, authoring a publication, and instructing a college course. *[Please see 21 NCAC 08G .0409 for the specific requirements regarding completing a college course, instructing a CPE course, authoring a publication, or instructing a college course.]*

Any combination of group study courses, completing a college course, instructing a CPE course, authoring a publication, or instructing a college course may be used to fulfill the requirement of at least eight hours of non-self-study CPE each year.

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. It is also suggested that the CPA advise the sponsor(s) to date the certificate(s) of completion for 2011.

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 Cammie Emery by telephone at (919) 733-1423 or by email at **cemery@nccpaboard.gov**.

Moved or Changed Jobs?

21 NCAC 08J .0107 requires all licensees and firms to notify the Board in writing within 30 days of any change in address (including telephone number or email address) or business location.

Licensees and firms may make address changes using the "Address Update" link on the Board's website, **www.nccpaboard.gov**.

Exam candidates may email address changes to **addresschange@nccpaboard.gov**; fax address changes to (919) 733-4209; or mail address changes to PO Box 12827, Raleigh, NC 27605.

New Exam Fees Effective October 15, 2011

Effective October 15, 2011, the Uniform CPA Exam fees charged by Prometric Test Centers will decrease. Prometric's per-test hour fee of$22.05 will decrease to $19.10 per test hour. The Board's administrative fees, NASBA's Exam fees, and the AICPA's fees remain unchanged.

Applications postmarked on or before October 14, 2011, will be processed using the current fee schedule. Applications postmarked on or after October 15, 2011, will be processed using the new fee schedule. Revised Exam applications which reflect the new fees will be available October 15, 2011, from the Board's web site, **www.nccpaboard.gov**.

Exam Fees as of October 15, 2011

Administrative Fees	
Initial Applicant	$230.00
Re-exam Applicant	$75.00
Exam Section Fees	
Auditing & Attestation (AUDIT)	$195.35
Financial Accounting & Reporting (FAR)	$195.35
Regulation (REG)	$176.25
Business Environments & Concepts (BEC)	$176.25

Board Milestone: Buck Winslow

Congratulations to Buck Winslow on 25 years of employment with the North Carolina State Board of CPA Examiners.

As the Manager of the Licensing section, Buck supervises two full-time employees and one part-time employee.

The Licensing section is responsible for all original and reciprocal certificate applications, all applications for inactive and retired status, all firm registrations and renewals, peer review compliance, and all aspects of CPE.

In addition to his licensing job duties, Buck oversees the Board's computer system and is the Board's technology guru.

Thank you, Buck, for your commitment to the Board.

Did You Know?

Between April 1, 2010, and March 31, 2011, the Board received 4,399 applications for the Uniform CPA Examination.

During that same time period, the Board approved 3,584 applicants to take the Exam and 5,752 sections of the Exam were actually taken.

Between April 1, 2010, and March 31, 2011, the Board issued 534 original CPA licenses and 208 reciprocal CPA licenses.

IRS Grants Relief to Victims of Hurricane Irene

As of September 2, 2011, the following NC counties have been declared federal disaster areas: Beaufort, Carteret, Craven, Currituck, Dare, Halifax, Hyde, Lenoir, Onslow, Pamlico, Pitt, Tyrrell and Washington.

The declaration permits the IRS to postpone certain deadlines for taxpayers who reside or have a business in the disaster area.

For additional information, please see the IRS website, **www.irs.gov**.

2012 Tax Return Preparer Registration Expected to Start Soon

In 2010, the Internal Revenue Service (IRS) launched an initiative to increase its oversight of the tax return preparation industry and regulate the conduct of tax return preparers.

All paid tax return preparers must obtain a Preparer Tax Identification Number (PTIN) and, when required to do so, sign their names and include their PTINs on the returns and refund claims they prepare for compensation. Renewals for 2012 are expected to start in October.

In July, the IRS announced that it would send letters to approximately 100,000 tax return preparers who prepared returns in 2011 but failed to follow new requirements.

The letters explain the new oversight program, inform preparers of how to register for a new PTIN, or renew an old PTIN, and where to get assistance.

Paid preparers who are not CPAs, attorneys, or Enrolled Agents (EAs) have additional requirements to pass a competency exam and suitability check, which are expected to start this fall, and complete 15 hours of continuing education credits annually, which will start in 2012.

Additional information is available online at **http://1.usa.gov/3vFDLo**.

Certificates Issued

At its August 22, 2011, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Derek Leigh Bomar
Mathew Lee Bork
Lindsay Rebecca Brown
Debra Jean Chamra
Candace Fay Chapman
John Russell Chirokas
Joy Shenice Clark
Katharine Rose Conroy
Darious Blake Eason
William James Fechtel Eddings
Michael Antonio Jose Figuera
Cheryl Ann Fluhr
Carly Amanda Fortune
Joseph Andrew Hamlin, Jr.
Lynn Marie Harris
Victoria Jane Hellen
Bing Huang
Stephanie Barasch Jester
Brian Robert Keel
Mary Grace Keller
Kelly Christine Lambe
Robert Anthony LaTourette
Robert Emmett Leonard
Erika D. Lipkin
Heather A. Lohneiss
Kristin Danielle Mayo
Patrick David McCamy
Jaimie Lee Niemond
Olga Igorevna Oganesov
Taisiya Oliphant
Timothy Mark Parnell
Arpit Sarabhai Patel
Michael Brandon Penegar
Dennis Richard Price
Marc Michael Rhodes
John Michael Sesta
Justin Edward Sika
Kathleen Muller Stefanick
Xichen Sun
Michael Anthony Tomlinson
Peter Loring Tyler
Ryan Lance Walton
Hedao Wang
Jennifer Serene Weaver
Kevin David Wharton
Barry Matthew Williams
Jeffrey Adam Williams
John Cameron Williams
Whitney Danielle Williams
Brett James Wood

Disciplinary Actions

continued from page 4

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board. Per N.C. Gen. Stat. §93-12(9), the Board has the authority to discipline the Respondent and to impose civil monetary penalties.

2. Respondent has never previously been subject to discipline by the Board.

3. When reporting her 2008 non-self-study hours, Respondent reasonably should have known that she was not allowed to carry forward any of her 2007 non-self-study hours. In so doing, she violated 21 NCAC .0202(b)(3) and (4) which prohibit, among other things, representations which the CPA should know have the capacity to deceive in regard to maintaining certification or reporting CPE credits.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and Respondent agree to the following:

1. Respondent's application for renewal is deemed insufficient and untimely under N.C. Gen. Stat. §150-B-3(a). Hence, her certificate is automatically forfeited pursuant to N. C. Gen. Stat. §93-12(8b).

2. Respondent must return her certificate to the Board with this signed Consent Order.

3. Respondent may apply for the reissuance of her certificate after one (1) year from the date the Board approves the Consent Order if the Respondent's certificate and civil penalty have 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. Forty (40) 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.

5. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted to the Board within six (6) months of the date this signed Consent Order is accepted by the Board.

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 license.

Joanna L. Foster, #30437
Bryson City, NC 07/25/2011

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 the following Findings:

1. Respondent is the holder of North Carolina certificate number 30437 as a Certified Public Accountant.

2. A home buyer (hereinafter "Buyer"), through the Buyer's attorney, or the Attorney, as agent for the Buyer, engaged Respondent to review billings and other financial information being provided to the Buyer by their home builder (hereinafter "Builder"). The Buyer and Buyer's attorney expected Respondent to treat as confidential the fact that Respondent was engaged as part of an investigation to review the Builder's billings and other financial information for purposes of potential litigation. The existence of the investigation was not otherwise known or generally available to Respondent. It was confidential client information regardless of whether the Buyer or the Buyer's attorney was Respondent's client.

3. Upon receiving the financial documentation from the Buyer or Buyer's attorney, Respondent realized that the Builder was also one of Respondent's clients.

4. Respondent notified the Buyer's attorney of her conflict of interest and withdrew from the engagement.

5. Respondent, without the consent of the Buyer or the Buyer's attorney, subsequently disclosed to the Builder the confidential client information that Respondent had been engaged to review the Builder's billing and financial records for purposes of potential litigation. Respondent made the disclosure without identifying the name of the Buyer, but the Builder deduced the identity of the Buyer.

6. Respondent asserts that prior to making that disclosure, Respondent sought advice from another CPA and the AICPA hotline regarding her ethical obligations under the circumstances, and that the other CPA, and the AICPA hotline, expressed the belief that she had a duty to disclose.

7. 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.

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 8 of the North Carolina Administrative Code. Per N.C. Gen. Stat. §93-12(9), and also by virtue of the Respondent's consent, the Board has the authority to impose discipline upon the Respondent and to impose a civil monetary penalty.

2. In the context of a forensic accounting engagement, Respondent's disclosure of the confidential client information would constitute a violation of 21 NCAC 08N .0205.
3. Respondent's consultation with

another CPA and the AICPA hotline constitutes some evidence that Respondent made a good faith effort to ascertain her ethical responsibility. The better practice would have been for Respondent to have consulted with the Board staff prior to the disclosure.

BASED ON THE FOREGOING, the Board and Respondent agree to the following Order:

1. Respondent's disclosure was a violation of Rule 21 NCAC 08N .0205, but the violation was mitigated by her good faith effort to ascertain her ethical responsibility under the circumstances.

2. Respondent is not disciplined.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on the following dates:

November 11, 2011
Veterans Day

November 24-25, 2011
Thanksgiving

December 26-27, 2011
Christmas

www.nccpaboard.gov

Check Your CPE Carry-Forward Online

Not sure how many carryforward CPE hours you have? You can find out with a quick visit to the Board's website, **www.nccpaboard.gov**.

To verify your hours, use the "Licensee Search" function of the web site to search for yourself using your name or certificate number.

After your record is displayed, click on the "details" link. The number of CPE carryforward hours will be displayed below your address and telephone number.

If there is a discrepancy in the number of carryforward hours, please contact Cammie Emery at **cemery@nccpaboard.gov**

Reclassifications

Reinstatements

08/22/11	Paul Glenn Bailey, #20979	
08/22/11	Amy Lee Boswell, #33569	
08/22/11	Diane Jackson Britt, #24350	
08/22/11	Martha Susan Nifong, #12772	

Reissuance

08/22/11	Teresa Maynard Walker, #20636	Jamestown, NC

Retired

Retired, when used to refer to the status of a person, descibes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

08/22/11	Alison Adkins Groene, #21192	Belmont, NC
08/22/11	Anne Nelson Loeb, #16459	Chapel Hill, NC

Inactive

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

08/01/11	William John Burckley, #13040	Greensboro, NC
08/01/11	Leslie Jessup Fitzpatrick, #16747	Charlotte, NC
08/01/11	Howard R. Jones, Jr., #25148	Mt. Pleasant, SC
08/01/11	John Maurits Modin, #18232	Rumson, NJ
08/01/11	Michael Keith Neil, #26378	Rock Hill, SC
08/01/11	Anna Lauren Saunders, #34650	New York, NY
08/01/11	Craig Walter Schubert, #30644	Reston, VA
08/01/11	Joshua Allen Slagle, #34733	Charlotte, NC
08/01/11	John Bernard Thigpen, #11752	Charlotte, NC
08/01/11	Linda M. Wells, #21832	Virginia Beach, VA
08/01/11	Ronald Dudley Whiting, #21165	Locust Grove, VA
08/01/11	Howard M. Wollner, #1718	Rockville, MD
08/02/11	Di-An T. Green, #32189	Cary, NC
08/15/11	Patricia B. Beel, #29225	Raleigh, NC
08/19/11	Sarah Jordan Cain, #33922	Nashville, TN
08/19/11	Steven J. Hoistad, #19507	Gastonia, NC
08/24/11	John Blake Watson, Jr., #1058	Wadesboro, NC
08/25/11	Yiep Mat, #33844	Greensboro, NC

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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: ☐ Home ☐ 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 and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 10-2011

Reporting on Personal Financial Statements in a Written Personal Financial Plan

According to AR Section 600, as revised in December 2010, a CPA preparing personal financial statements for the sole purpose of being included in a written personal financial plan prepared by the CPA is exempt from AR Section 80, *Compilation of Financial Statements*.

Section AR 600 specifies the form of the written report required under the exception. However, a CPA is not precluded from complying with AR Section 80 in such engagements.

The purpose of the personal financial statements is solely to assist the CPA in preparing the client's personal financial plan. In preparing the personal financial statements, the CPA may omit disclosures required by an applicable financial reporting framework.

A CPA may submit a written personal financial plan containing unaudited personal financial statements to a client without complying with the requirement of AR Section 80 when all of the following conditions exist:

The CPA establishes an understanding with the client and documents the understanding through a written communication with the client that the financial statements

- will be used solely to assist the client and the client's advisers to develop the client's personal financial goals and objectives;
- will not be used to obtain credit or for any purposes other than developing these goals and objectives; and that
- nothing comes to the CPA's attention during the engagement that would cause the CPA to believe that the financial statements will be used to obtain credit or for any purposes other than developing the client's financial goals and objectives.

A CPA using the exemption provided by AR Section 600 should issue a written report stating that the unaudited financial statements are designed solely to help develop the financial plan; may be incomplete or contain other departures from the applicable financial reporting framework and should not be used to obtain credit or for any purposes other than developing the personal financial plan; and have not been audited, reviewed, or compiled.

These standards are applicable to all CPAs preparing a personal financial statement to be included in a written personal financial plan.

If you have any questions regarding this article, please contact the Board's Deputy Director, J. Michael Barham, CPA, at **mbarham@nccapboard.gov**.

Exam Fees Effective October 15, 2011

Administrative Fees	
Initial Applicant	$230.00
Re-exam Applicant	$75.00
Exam Section Fees	
Auditing & Attestation (AUDIT)	$195.35
Financial Accounting & Reporting (FAR)	$195.35
Regulation (REG)	$176.25
Business Environments & Concepts (BEC)	$176.25

In This Issue

2011 Board Meetings..... 2
Board Office Closed..... 4
Certificates Issued..... 7
Disciplinary Actions..... 2
Inactive Status..... 7
IRS Issues Guidance on Tax Return Preparer Oversight..... 6
Reclassifications..... 7
Rule-Making Hearing..... 4

Disciplinary Actions

Paul L. Erickson, #23991
Asheville, NC 08/22/2011

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, with a quorum present, the Board finds, based on the evidence presented at the hearing on August 22, 2011, that:

FINDINGS OF FACT

1. The parties have been properly identified.

2. The Board has jurisdiction over the Respondent and this Matter.

3. Respondent received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery.

4. Venue is proper and the Noticed 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 not represented by counsel.

7. Respondent was the holder of a certificate as a Certified Public Accountant in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

8. Respondent was licensed to practice in North Carolina as an Attorney-at-Law.

9. As a result of a hearing before the North Carolina State Bar's Disciplinary Hearing Committee (DHC), Respondent's license to practice law in North Carolina was suspended for five (5) years.

10. The DHC's findings were made following a duly noticed hearing before a competent tribunal, and were sustained on appeal as being supported by substantial evidence, and are thus adopted by this Board and incorporated by reference as if set out fully herein.

11. On April 21, 2009, the Board issued an "Emergency Order for Revocation and Notice," which revoked Respondent's Certificate for a period of time pending a hearing before the Board.

12. Despite the issuance of the Emergency Order, the Respondent continued to use the term CPA or Certified Public Accountant in the State of North Carolina in connection with offering or rendering professional services.

CONCLUSIONS OF LAW

1. Pursuant to N.C. Gen. Stat. §93-12(9), the Board has the authority to impose discipline upon the Respondent.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0201, .0202, .0203, and .0204.

3. Respondent's continued use of the term CPA or Certified Public Accountant following his receipt of the Emergency Order is an aggravating factor.

4. This Board Order constitutes a Final Agency Decision of the Board pursuant to N.C. Gen. Stat. §150B-42.

BASED ON THE FOREGOING, the Board orders in a vote of six (6) to zero (0) that:

1. The Certified Public Accountant certificate issued to Respondent, Paul L. Erickson, is hereby permanently revoked commencing on April 21, 2009.

2. Respondent shall not 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 Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

Baxter J. Myers, Jr., #7748
Greenville, NC 08/22/2011

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. Baxter J. Myers, Jr. (hereinafter "Respondent") is the holder of North Carolina certificate number 7748 as a Certified Public Accountant.

2. Respondent consented to a Final Judgment issued by the United States District Court for the District of Columbia in a complaint filed by the Securities and Exchange Commission (SEC).

3. As a part of said Final Judgment, Respondent, without admitting or denying any allegation in the SEC's complaint, consented that he would be permanently restrained and enjoined from violating, directly or indirectly, Section 30A of the Securities Exchange Act of 1934 (Exchange Act), and permanently restrained and enjoined from aiding and abetting any violation of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, and ordered to

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2011 Board Meetings

November 21

December 19

Meetings are held at the Board office at 1101 Oberlin Road, Raleigh, and begin at 10:00 a.m.

Meetings of the Board are open to the public except, when under State law, some portions may be closed to the public.

pay a civil penalty in the amount of $40,000.00.

4. 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.

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 (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Per N.C. Gen. Stat. §93-12(9), and also by virtue of Respondent's consent, the Board has the authority to impose discipline upon Respondent and to impose a civil monetary penalty.

3. If proven, the facts alleged in the SEC's complaint would constitute violations of 21 NCAC 08N .0201, .0203, and .0301(a).

4. By entering into the Final Judgment with the SEC, Respondent violated 21 NCAC .0204

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. Respondent's CPA certificate shall be suspended for one (1) year; however, said suspension shall be stayed.

2. Said suspension shall become active should the Board be advised of any violation by Respondent of the terms and conditions of the Final Judgment issued by the United States District Court.

3. Respondent shall pay a ten thousand dollar ($10,000.00) civil penalty to be remitted with this signed Order.

Stephen M. Strader, #29477
Fuquay-Varina, NC 09/19/2011

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 North Carolina General Statute (N. C. Gen. Stat.) §150B-41, the Board and Respondent stipulate to the following:

1. Stephen M. Strader (hereinafter "Respondent") is the holder of North Carolina certificate number 29477 as a Certified Public Accountant.

2. Respondent has been engaged by a client in the state of North Carolina ("Client") for a number of years to prepare its quarterly payroll reports and annual tax returns.

3. Client has presented evidence alleging that Respondent was unresponsive to inquiries made by Client and the IRS beginning in or around June 2010.

4. Respondent was repeatedly unresponsive to the Board's request for information regarding this matter.

5. Respondent has been disciplined in the past based upon allegations that are similar to Client's.

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.

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 (NCAC), 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 .0201, .0206 and .0212.

3. Per N.C. Gen. Stat. §93-12(9) 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 under N. C. Gen. Stat. §§150B-38 *et seq.*, the Board and Respondent agree to the following Order:

1. Respondent's CPA certificate shall be suspended for six (6) months; however, said suspension shall be stayed. The stay will be dissolved if, at any time within the six month period, the Respondent engages in conduct that violates Board Rules or statutes.

2. Respondent shall remit, with this signed Consent Order, a one thousand dollar ($1,000.00) civil penalty.

3. Respondent shall reimburse the Board for its administrative costs incurred in the investigation of this matter.

Timothy P. McGuire, #19164
New Castle, VA 09/19/2011

THIS CAUSE, coming before the 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 the following Findings:

1. Respondent is the holder of North Carolina certificate number 19164 as a Certified Public Accountant.

2. Respondent informed the Board on his 2009-2010 individual certificate renewal (renewal) that he had obtained forty (40) hours of continuing professional education (CPE), had completed the annual ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2008 CPE requirement.

3. Based on Respondent's representation, the Board accepted his renewal.

McGuire
continued on page 5

Rule-Making Hearing Scheduled for December 19, 2011

On December 19, 2011, the North Carolina State Board of CPA Examiners will conduct a rule-making hearing to consider amendments to the following rules:

- 21 NCAC 08G .0409, *Computation of CPE Credits*;
- 21 NCAC 08G .0410, *Professional Ethics and Conduct CPE*; and
- 21 NCAC 08J .0105, *Retired and Inactive Status: Change of Status*.

The amendments are necessary to reflect changes in the CPE rules regarding ethics courses and non-self-study courses.

No fiscal note is required regarding these proposed rules as there is no fiscal impact on any local, state, state budget, or federal funds.

No federal certification of these proposed rule changes is required as these rules are not mandated by any federal statutes or rules.

The hearing is scheduled to begin at 10:00 a.m. at the Board office located at 1101 Oberlin Road, Raleigh.

Please submit written comments regarding the proposed amendments by mail, fax, or email to:

Executive Director
State Board of CPA Examiners
PO Box 12827
Raleigh, NC 27605
Fax: 919-733-4209
Email: rbrooks@nccpaboard.gov

Written comments must be received by the Board no later than 5:00 p.m. on December 5, 2011, for inclusion in the December Board meeting agenda package. However, written comments will be accepted until 11:00 a.m. on December 19, 2011.

All written comments must reference the specific rule(s) upon which the person or organization is commenting.

Individuals who plan to attend the rule-making hearing must notify the Board's Executive Director, Robert N. Brooks, by phone, fax, or email no later than 10:00 a.m. on December 12, 2011.

Any individual who plans to attend the hearing to present oral testimony on the proposed amendments must indicate which proposed amendment(s) he or she will address and if he or she is in favor or opposed to the amendment(s).

The full text of the proposed rules was published in the October 17, 2011, issue of the North Carolina Register, an official publication of the Rules Division of the North Carolina Office of Administrative Hearings (OAH).

The North Carolina Register is available from the OAH website, **www.oah.state.nc.us/rules/register.**

The full text of the proposed rules is available as a PDF document on the Board's website, **www.nccpaboard.gov**.

Questions regarding the proposed amendments or the rule-making hearing should be sent to **rbrooks@nccpabaord.gov**.

21 NCAC 08G .0409, *Computation of CPE Credits* is proposed to be amended as follows:

(c) Self Study. CPE for a self-study course shall be given based on the average number of contact hours needed to complete the course. The average completion time shall be allowed for CPE credit. A sponsor must determine, on the basis of pre-tests, the average number of contact hours it takes to complete a course. ~~CPE credit for self-study courses shall be limited so that a CPA completes at least eight hours of non-self-study each year.~~

21 NCAC 08G .0410, *Professional Ethics and Conduct CPE* is proposed to be amended as follows:

(a) As part of the annual CPE requirement, all active CPAs shall complete CPE on professional ethics and ~~conduct as set out in 21 NCAC 08N.~~ conduct. They shall complete either two hours in a group study format or ~~four hours~~ in a self-study ~~format.~~ format of a course on regulatory or behavioral professional ethics and conduct. ~~These courses shall be approved by the Board pursuant to 21 NCAC 08G .0400.~~ This CPE shall be offered by a CPE sponsor registered with the ~~Board~~ Board, or with NASBA pursuant to 21 NCAC 08G .0403(a) or (b).

21 NCAC 08J .0105, *Retired and Inactive Status: Change of Status* is proposed to be amended as follows:

(c) A CPA on retired status may change to active status by:

(2) furnishing the Board with evidence of satisfactory completion of 40 hours of acceptable CPE courses during the 12-month period immediately preceding the application for change of status. Eight of the required hours must be credits derived ~~from non-self-study CPE and eight of the required hours must be~~ from a course or examination in North Carolina accountancy statutes and rules (including the Code of Professional Ethics and Conduct contained therein) as set forth in 21 NCAC 08G .0401(a).

Online firm renewal and peer review compliance will be available in mid-November.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on the following dates:

November 11, 2011
Veterans Day

November 24-25, 2011
Thanksgiving

December 26-27, 2011
Christmas

McGuire

continued from page 3

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2008 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, those certificates were inadequate to substantiate twenty-two (22) of the hours claimed by Respondent, including the annual ethics CPE requirement.

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.

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 (NCAC), 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 N.C. Gen. Stat. §§93-12(8b)a, 93-12(9), 93-12(9)c and 93-12(9)e and 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)3, .0202(b)4, and .0203(b)(1).

BASED ON THE FOREGOING and in lieu of further contested case proceedings, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is insufficient and untimely under N.C. Gen. Stat. §150-B-3(a). Hence, his certificate is automatically forfeited pursuant to N.C. Gen. Stat. §93-12(8b).

2. Respondent must return his certificate to the Board with this signed Consent Order.

3. Respondent may not apply for the reissuance of his certificate for at least one (1) year from the date the Board approves this Consent Order, provided that Respondent's certificate and civil penalty, as required in numbers two (2) and five (5) of this Order, have been received by the Board.

4. Respondent may apply to return his 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.

5. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted within six months of the date this signed Order is accepted by the Board.

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 his license.

James A. Landis # 31287
Durham, NC 09/19/2011

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to North Carolina General Statute (N.C. Gen. Stat.) §150B-41, the Board and Respondent stipulate to the following:

1. Respondent is the holder of North Carolina certificate number 31287 as a Certified Public Accountant.

2. Respondent informed the Board on his 2010-2011 individual certificate renewal (renewal) that he had obtained forty (40) hours of continuing professional education (CPE), had completed an annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2009 CPE requirement.

3. Based on Respondent's representation, the Board accepted his renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2009 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide the certificates of completion needed to document all eight (8) hours of the annual non-self-study requirement.

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.

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 (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

Respondent's actions as set out above constitute violations of N.C. Gen. Stat. §§ 93-12(8b)a, 93-12(9), 93-12(9)c, and 93-12(9)e and 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

BASED ON THE FOREGOING and in lieu of further contested case proceedings, the Board and Respondent agree to the following:

1. Respondent's application for renewal is deemed insufficient and untimely under N.C. Gen. Stat. §150-B-3(a). Hence, his certificate is automatically forfeited pursuant to N.C. Gen. Stat. §93-12(8b).

Landis
continued on page 7

IRS Issues Guidance to Further Implement Return Preparer Oversight

In late September, the IRS provided additional clarification for tax return preparers about when to renew their preparer tax identification numbers (PTINs), how suitability testing will be conducted, and when the continuing education requirement will begin.

Notice 2011-80 states that PTINs must now be renewed on a calendar year basis. All PTIN holders must renew their numbers using the online PTIN application or paper Form W-12 and pay the required fee ($64.25 for 2012) after October 15 and before January 1 annually.

The return preparer initiative requires anyone who is paid to prepare all or substantially all of any federal tax return or claim for refund to register with the IRS and obtain a PTIN.

Certain preparers also must pass a competency examination, undergo a suitability check and complete continuing education courses annually. The IRS will designate individuals who meet these requirements as a Registered Tax Return Preparer.

Individuals designated as a Registered Tax Return Preparer will be authorized to prepare federal tax returns and claims for refunds and to represent their clients during an IRS examination of a tax return or claim for refund that the individual signed as the paid tax return preparer.

The IRS has been issuing provisional PTINs to individuals who are not attorneys, certified public accountants, or enrolled agents to enable them to prepare tax returns prior to meeting competency testing and suitability requirements because the programs have not begun.

The IRS will continue issuing provisional PTINs at least through April 18, 2012. Once the IRS stops issuing provisional PTINs, tax return preparers who are required to complete the competency test or suitability requirements must complete these requirements successfully prior to obtaining a PTIN.

The notice also provides that the 15-hour continuing education requirement for certain tax return preparers will take effect starting in 2012.

Registered Tax Return Preparers and individuals required to pass the Registered Tax Return Preparer competency examination before Dec. 31, 2013, must complete the 15-hour requirement prior to renewing their PTINs for 2013 and subsequent years.

The notice also explains that certain tax return preparers who must pass a suitability check will have to provide their fingerprints so that a Federal Bureau of Investigation database search can be conducted.

Generally, the fingerprint requirement will affect those preparers who currently have provisional PTINs.

Under the current proposed regulations any participant in the PTIN, acceptance agent, or authorized e-file provider programs who resides and is employed outside of the United States will not have to be fingerprinted to participate in these programs. Such persons, however, must comply with all other elements of the suitability check.

In addition, the Treasury Department and the IRS continue to study what additional requirements should apply to such persons. Any additional requirements would be set forth in future guidance.

Attorneys, certified public accountants, enrolled agents, enrolled retirement plan agent and enrolled actuaries also are expected to be exempt from the fingerprinting requirement at this time. However, these individuals also must answer all the suitability questions asked on the PTIN application, such as whether they have been convicted of a felony in the previous 10 years.

Individuals participating in the PTIN, acceptance agent, or authorized e-file provider programs also are required to meet any other requirements of the programs in which they are participating.

The IRS is working with third-party vendors who will collect and process the fingerprints.

The IRS also published proposed regulations (REG-116284-11) that would establish user fees for fingerprinting and taking the competency examination.

As proposed, the IRS portion of the fingerprinting fee would be $33, and the IRS portion of the testing fee would be $27. These user fees are in addition to any fees charged by the third-party vendors administering the programs.

The fees to be charged by third-party vendors are not being announced at this time, but the total fees, including the IRS user fees, are expected to be between $60 and $90 for fingerprinting and $100 and $125 for testing.

For more information, visit **www.IRS.gov/ptin**.

www.nccpaboard.gov

Check Your CPE Carry-Forward Online

Not sure how many carryforward CPE hours you have? You can find out with a quick visit to the Board's website, **www.nccpaboard.gov**.

To verify your hours, use the "Licensee Search" function of the web site to search for yourself using your name or certificate number.

After your record is displayed, click on the "details" link. The number of CPE carryforward hours will be displayed below your address and telephone number.

If there is a discrepancy in the number of carryforward hours, please contact Cammie Emery at **cemery@nccpaboard.gov**

Landis

continued from page 5

2. Respondent must return his certificate to the Board with this signed Consent Order.

3. Respondent may apply for the reissuance of his certificate after one (1) year from the date the Board approves the Consent Order if Respondent's certificate and the civil penalty required in number five (5) of this Order have been received by the Board.

Respondent may apply to return his 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. Forty (40) hours of CPE in the twelve (12) months preceding the application including the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs.

5. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted to the Board prior to submitting any 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 his license.

Moved or Changed Jobs?

21 NCAC 08J .0107 requires all licensees and firms to notify the Board in writing within 30 days of any change in address (including telephone number or email address) or business location.

Licensees and firms may make address changes using the "Address Update" link on the Board's website, **www.nccpaboard.gov**.

Exam candidates may email address changes to **addresschange@nccpaboard.gov**; fax address changes to (919) 733-4209; or mail address changes to PO Box 12827, Raleigh, NC 27605.

Reclassifications

Reinstatements

09/19/11	Pamela Kay Campbell, #15390	Jacksonville, FL
09/19/11	Jennifer Williams Coleman, #25964	Wake Forest, NC
09/19/11	Anne Pavloff Firsching, #15363	Sterling, VA
09/19/11	Claire Edna Hackbarth, #24800	Burlington, NC
09/19/11	Nancy Tyndall Smith, #17926	Richlands, NC

Reissuance

09/19/11	Michelle Lee Cecchett, #25675)	Vienna, VA

Inactive

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

08/29/11	John Kee, #9295	Charleston, WV
08/31/11	Benny Lee Biddix, #14991	Belmont, NC

Certificates Issued

At its September 19, 2011, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Christina Dion Aiken
Collette Marie Anderson
Benjamin Johanson Andrews
Megan Renee Bailey
Robert John Baron, II
Craig Arthur Bonney, Jr.
Ben Jeremy Boulris
Bryan Russell Bunn
Jan-Rae Dolojan Castillo
Robert Cagney Charles
Maggie Elizabeth Clemons
Donald Jason Deane
Brittany Rose Delaney
Tarin Louise DeVitto
Garrett John Dimond
Andrew Charles Dutcher
Heather Joy Edwards
Elizabeth Ann Eisenhardt
Gibora Feigenbaum
Jordan Nikole Frutig
Ryan Westman Ganfield
Kathleen P. Gardner
Jody Renae Gill
Danielle Nicole Griffith
Dan Clayton Griggs, Jr.
Jason Willard Haggins
Shelley Mae Holtsclaw
Martin Eric Hoskin
Rui Jin
Sema Kara
Sara Merlo Kulikowski
Terri Vaught Lashley
John Lawrence Lunan
Blake Leon MacKeen
Todd Jay Masi
Katherine Michelle Mattingly
Christopher Douglas McKenzie
Larry Lowell Richardson, Jr.
Renee Lynn Roedersheimer
Daniel William Rowland
Thomas Charles Schauder
Sarah Deanne Schroeder
Wesley Reeves Schwenk
Jonathan Blake Smith
Lezlie Elizabeth Spencer
Arthur Joseph Spring
Ashley Mary Stout
Scott William Sykes
Jennifer Pendergrast Wagner
Ashley Christina Yount

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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: ☐ Home ☐ 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 and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 11-2011

Online Firm Renewal, Peer Review Compliance Reporting in Progress

North Carolina CPA firms are again renewing their firm registrations and providing peer review compliance information to the Board through the Board's website, **www.nccpaboard.gov**.

Key information, such as the firm's ID number, that must be used to renew the firm registration and to report peer review information was sent to firms earlier this month.

Access to the online renewal function is available through the "online renewal" link located at the bottom of the menu on the left side of the Board's home page. After clicking on the "online renewal" link, the user will select the link for the firm type: individual practitioners (IP); partnerships (PRs) and registered limited liability partnerships (LLPs); or professional corporations (PCs) and professional limited liability companies (PLLCs). Only firm registrations are being renewed at this time; individual CPA certificates will be renewed in the spring.

After selecting the link for the firm type, a log-in screen will display. The online renewal system will not accept the log-in if the user has selected a renewal link that does not match the firm type. For example, the system will not allow an IP to use the PC/PLLC renewal link to renew an IP registration.

NOTE: To keep a copy of the information submitted during the renewal process, print each screen (using the "print" command of the Internet browser) of the online renewal after entering the required information, but before clicking the "submit" button. Firms that do not follow this procedure and later request a copy of the renewal must pay copying fees.

To log in to the renewal process, enter the firm's ID number and the certificate number of the firm's supervising CPA.

After logging in, individual practitioners may renew or cancel their firm's registration. Other firm types cannot cancel their firm registration online because those firm types must also cancel their registration with the Secretary of State's office before being cancelled in the Board's records.

Failure to renew or cancel the firm registration by the deadline may result in suspension of each CPA firm member's CPA certificate and a civil penalty.

When an individual practitioner cancels that firm's registration, the system cancels the firm registration immediately and a cancellation receipt is displayed. Please print and save this receipt as proof of cancellation of the firm's registration.

Page 1 (page 2 for IPs) of the renewal allows the user to add or delete CPA employees who work for the firm.

To remove a CPA who no longer works for the firm, click the "remove" button in front of the person's name. To add a CPA employee, type in the employee's CPA certificate number in the appropriate box and click the "Add Employee" button.

Partnerships, registered limited liability partnerships, professional corporations, and professional limited liability companies may add additional CPA owners by typing in the owner's CPA certificate number in the appropriate box and clicking the "Add Owner" button. If the firm has non-CPA owners, this information must be submitted to the Board as outlined in the renewal instructions.

Page 2 (page 3 for IPs) allows the user to change the supervising CPA in the office being renewed, as well as

Firm Renewal
continued on page 6

In This Issue

Board Office Closed 5
Certificates Issued 7
CPAVerify.org 3
Disciplinary Actions 2
Online Exam Score Reports 3
Reclassifications 4
Rule-Making Hearing 4
Payroll Outsourcing Fraud 7

Disciplinary Actions

Lewis Daniel Akers, #30735
Asheville, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Lewis Daniel Akers (hereinafter "Mr. Akers") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Akers failed to timely file the annual firm registration for L. Daniel Akers, Jr., CPA, as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. Mr. Akers subsequently renewed his firm registration, which was received by the Board on February 22, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Akers' infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Akers has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Mr. Akers' payment as full resolution of the aforementioned violation.

Howell W. Branch, #2123
Greensboro, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Howell W. Branch (hereinafter "Mr. Branch") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Branch failed to timely file the annual firm registration for Branch & Company, P.C., as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. Mr. Branch subsequently renewed the firm registration, which was received by the Board on February 10, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Branch's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Branch has paid the civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Mr. Branch's payment as full resolution of the aforementioned violation.

Scott G. Cassell, #34018
St. Petersburg, FL 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Scott G. Cassell (hereinafter "Mr. Cassell") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Cassell failed to timely file the annual firm registration for Scott G. Cassell, CPA, as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. Mr. Cassell subsequently terminated his firm registration, which was received by the Board on February 24, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Cassell's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Cassell has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Mr. Cassell's payment as full resolution of the aforementioned violation.

Elizabeth L. Fluharty, #28692
Asheville, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Elizabeth L. Fluharty (hereinafter "Ms. Fluharty") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Fluharty failed to timely file the annual firm registration for Elizabeth L. Fluharty, CPA as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. Ms. Fluharty subsequently terminated her firm registration, which was received by the Board on February 22, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Fluharty's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Fluharty has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Ms. Fluharty's payment as full resolution of the aforementioned violation.

Jane M. Huband, #10694
07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Jane M. Huband (hereinafter "Ms. Huband") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Huband failed to timely file the annual firm registration for Jane M. Huband, CPA, as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. Ms. Huband subsequently terminated her firm registration, which was received by the Board on February 24, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Huband's infraction was

Disciplinary Actions
continued on page 5

Online Score Reports Available for NC Exam Candidates

At its October 20, 2011, meeting, the Board approved an arrangement with NASBA that will significantly reduce the time NC Exam candidates must wait to learn their Exam scores.

Effective with the current testing window, candidates will use the NASBA Gateway system to retrieve their Exam scores from NASBA within about 24 hours after NASBA receives the score notices from the AICPA.

Candidates will continue to receive printed copies of their score notices from the Board, but will be able to retrieve their scores online prior to receiving the paper score report.

Because the AICPA will continue to send scores in batches by section to NASBA, not all candidates will receive all score notices at the same time.

To use the online score retrieval, candidates will visit the North Carolina Exam page on NASBA's website (**www.nasba.org/exams/cpaexam/northcarolina**) and click the "online score retrieval" link.

After the candidate enters his or her Section ID and date of birth, the section, attendance date, and section score will appear on the screen.

The Board will no longer post mailing dates on its website but will use its Twitter feed and Facebook page to notify candidates when NASBA receives the grades from the AICPA.

NASBA Launches CPAVerify

In October, NASBA announced the launch of **CPAverify.org**, a website featuring a central database of jurisdictional licensee information about Certified Public Accountants (CPAs) practicing across the nation.

Populated by official state regulatory data received from boards of accountancy, the website is free and open to the public.

At its launch, CPAverify.org included licensee data for 22 jurisdictions (see list at right) with additional jurisdictions being added regularly until all CPA licensing jurisdictions are included.

According to a statement from NASBA, a national database of this kind has been in demand for some time as corporations, individuals, CPA firms and organizations such as the IRS and PCAOB have expressed a need for up-to-date access to CPA records across multiple jurisdictions.

"With database platforms, data processes, privacy policies and freedom of information laws varying from state to state, it is quite an undertaking to synchronize all those various data feeds into one useful tool that can be available to help support the state boards with public protection and enforcement efforts," stated David Costello, CPA, NASBA President and CEO.

"For this reason, NASBA and the state boards are very proud to be launching the service for public consumption and additional states' data will be added regularly until all 55 CPA licensing jurisdictions are included."

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Moved or Changed Jobs?

21 NCAC 08J .0107 requires all licensees and firms to notify the Board in writing within 30 days of any change in address (including telephone number or email address) or business location.

Licensees and firms may make address changes using the "Address Update" link on the Board's website, **www.nccpaboard.gov**.

Exam candidates may email address changes to **addresschange@nccpaboard.gov**; fax address changes to (919) 733-4209; or mail address changes to PO Box 12827, Raleigh, NC 27605.

If the Board does not have a valid email address on file for you, please provide an email address with your address change notification.

Boards of Accountancy Participating in CPAVerify

(as of October 24, 2011)

Alabama
Alaska
Arkansas
California*
Commonwealth of the Northern Mariana Islands (CNMI)
Georgia
Iowa*
Kansas
Kentucky
Maryland*
Missouri*
Montana
Nebraska
Nevada
New Hampshire
New York
North Carolina*
South Carolina*
South Dakota
Texas*
Washington
West Virginia

*information on registered CPA firms and individual CPAs

Rule-Making Hearing Scheduled for December 19, 2011

On December 19, 2011, the North Carolina State Board of CPA Examiners will conduct a rule-making hearing to consider amendments to the following rules:

- 21 NCAC 08G .0409, *Computation of CPE Credits*;
- 21 NCAC 08G .0410, *Professional Ethics and Conduct CPE*; and
- 21 NCAC 08J .0105, *Retired and Inactive Status: Change of Status*.

The amendments are necessary to reflect changes in the CPE rules regarding ethics courses and non-self-study courses.

No fiscal note is required regarding these proposed rules as there is no fiscal impact on any local, state, state budget, or federal funds.

No federal certification of these proposed rule changes is required as these rules are not mandated by any federal statutes or rules.

The hearing is scheduled to begin at 10:00 a.m. at the Board office located at 1101 Oberlin Road, Raleigh.

Please submit written comments regarding the proposed amendments by mail, fax, or email to:

Executive Director
State Board of CPA Examiners
PO Box 12827
Raleigh, NC 27605
Fax: 919-733-4209
Email: rbrooks@nccpaboard.gov

Written comments must be received by the Board no later than 5:00 p.m. on December 5, 2011, for inclusion in the December Board meeting agenda package. However, written comments will be accepted until 11:00 a.m. on December 19, 2011.

All written comments must reference the specific rule(s) upon which the person or organization is commenting.

Individuals who plan to attend the rule-making hearing must notify the Board's Executive Director, Robert N. Brooks, by phone, fax, or email no later than 10:00 a.m. on December 12, 2011.

Any individual who plans to attend the hearing to present oral testimony on the proposed amendments must indicate which proposed amendment(s) he or she will address and if he or she is in favor or opposed to the amendment(s).

The full text of the proposed rules was published in the October 17, 2011, issue of the North Carolina Register, an official publication of the Rules Division of the North Carolina Office of Administrative Hearings (OAH).

The North Carolina Register is available from the OAH website, **www.oah.state.nc.us/rules/register.**

The full text of the proposed rules is available as a PDF document on the Board's website, **www.nccpaboard.gov**.

Questions regarding the proposed amendments or the rule-making hearing should be sent to **rbrooks@nccpaboard.gov**.

Board Meeting

December 19, 2011
10:00 a.m.
Raleigh

Check Your CPE Carry-Forward Online

Not sure how many carryforward CPE hours you have? You can find out with a quick visit to the Board's website, **www.nccpaboard.gov**.

To verify your hours, use the "Licensee Search" function of the website to search for yourself using your name or certificate number.

After your record is displayed, click on the "details" link. The number of CPE carryforward hours will be displayed below your address and telephone number.

If there is a discrepancy in the number of carryforward hours, please contact Cammie Emery at **cemery@nccpaboard.gov**

Reclassifications

Reinstatements

10/20/11	Tracy Ellen Johnson Grocutt, #20206	Grapevine, TX
10/20/11	Mitchell Chandler Kane, #15755	Raleigh, NC
10/20/11	Thomas John O'Larnic, #16321	Wake Forest, NC
10/20/11	Shelia Benton Woodall, #18373	Four Oaks, NC

Reissuance

10/20/11	Thomas Dean Bowman, #15833	Columbia, TN
10/20/11	Bogdan Thomas Ewendt, #14184	Valdese, NC
10/20/11	James Earle Hinton, #29459	Mooresville, NC
10/20/11	Kimberly Marie Quinn, #30996	Pilot Mountain, NC
10/20/11	Teresa Lynn Shaw, #22678	Greensboro, NC
10/20/11	Christopher C. Souther, #26872	Western Springs, IL

Retired

Retired, when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

10/20/11	Michael W. Shinn, #9975	China Grove, NC
10/20/11	Marvin Ellis Williams, #7245	Charlotte, NC

Disciplinary Actions

continued from page 2

for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Huband has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Ms. Huband's payment as full resolution of the aforementioned violation.

Gayle G. Lang, # 14998
Mooresville, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Gayle G. Lang (hereinafter "Ms. Lang") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Lang failed to timely register her firm, Gayle G. Lang, CPA, PA, as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (a), and 08N .0213.

3. Ms. Lang subsequently provided the required firm registration, which was received by the Board on February 23, 2010.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Lang's infraction was in excess of 120 days, the appropriate penalty is $500.00.

5. Ms. Lang has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Ms. Lang's payment as full resolution of the aforementioned violation.

Douglas E. Lowder, #26817
Raleigh, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Douglas E. Lowder (hereinafter "Mr. Lowder") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Lowder failed to timely file the annual firm registration for Doug Lowder, CPA, as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. Mr. Lowder subsequently terminated his firm registration, which was received by the Board on February 14, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Lowder's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Lowder has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Mr. Lowder's payment as full resolution of the aforementioned violation.

Vivian F. Maness, #18027
Siler City, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Vivian F. Maness (hereinafter "Ms. Maness") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Maness failed to timely file the annual firm registration for Vivian F. Maness, CPA, as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. Ms. Maness subsequently renewed her firm registration, which was received by the Board on February 3, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Maness' infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Maness has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Ms. Maness' payment as full resolution of the aforementioned violation.

Stacey S. Martin, #31965
Burlington, NC 7/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Stacey S. Martin (hereinafter "Ms. Martin") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Martin failed to timely file the annual firm registration for Stacey S. Martin, CPA, PLLC, in accordance with provisions as required by N.C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.

3. On February 3, 2011, the North Carolina Secretary of State's office filed Articles of Dissolution for Stacey S. Martin, CPA, PLLC, with the effective date of dissolution as August 31, 2010. Ms. Martin never informed the Board of the dissolution of her firm.

4. Pursuant to 21 NCAC 08J .0111(1), because the Board discovered evidence of the dissolution within 60 days following the firm registration deadline, it has chosen to impose the minimum civil penalty of $100.00.

5. Ms. Martin has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Ms. Martin's payment as full resolution of the aforementioned rules violation.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on the following dates:

November 24-25, 2011
Thanksgiving

December 26-27, 2011
Christmas

Firm Renewal

continued from front

indicating if this office is the administrative office for the entire firm. To change the supervising CPA, click the "Update Supervising CPA" button and enter the new supervising CPA's certificate number and click on the "Click to Complete Supervising CPA Update" button.

The firm's mailing and physical addresses may be changed on this page by clicking on the blue link for each address. A complete mailing address, email address, and phone number are required to continue the renewal process. If that data is not on file, the renewal is stopped until the address, email address, and phone number fields are complete.

Page 3 (page 4 for individual practitioners) contains questions about attest and assurance services that the firm may provide and covers the period since the last firm renewal. Users must answer each question with a "yes" or "no" response before being allowed to proceed with the renewal. If the firm's peer review has been completed but is not indicated on the screen, please email the appropriate documentation to Cammie Emery at cemery@nccpaboard.gov. The Board cannot change the peer review due date without a current acceptance letter.

For a pass report, fax or email the acceptance letter. For a pass with deficiencies report that is preceded by a modified report on any previous peer review, fax or e-mail the peer review report, findings for further consideration, letter of response, and final acceptance letter. For a fail report, fax or e-mail the peer review report, findings for further consideration, letter of response, and final acceptance letter. The firm's peer review records will be updated after the Board receives the required documents

Moral character data is reported on page 4 (page 5 for IPs); the questions cover the time period since the last firm renewal. All questions must be answered and any affirmative answers must be explained in the text box provided. In addition, copies of any applicable court documents must be sent to the Board. Users must answer each question with a "yes" or "no" response before being allowed to proceed with the renewal.

For partnerships and registered limited liability partnerships, page 5 calculates the fee schedule for renewal. Partnerships and registered limited liability partnerships pay a fee only if they have offices outside of North Carolina. All fees paid online must be paid by MasterCard or Visa. The renewal fee will be paid with the firm's administrative office renewal.

Professional corporations and professional limited liability companies must pay a $25 fee as indicated on page 5. The renewal fee will be paid with the firm's administrative office renewal only.

Page 6 of the renewal provides the user with an opportunity to review the information provided on the previous pages and make any necessary changes or print each page of the completed renewal. The user may also continue to page 7.

On page 7, the user affirms that the information provided is correct. After accepting the statement on Page 7, individual practitioners and those partnerships, registered limited liability partnerships, professional corporations, and professional limited liability companies that do not owe a fee are provided with a receipt which states that the firm renewal has been processed. Please print this receipt for the firm's records; this receipt serves as confirmation of renewal until the firm's Board registration certificate is received.

For the administrative offices of partnerships, limited liability companies, professional corporations, and professional limited liability companies which must pay any applicable renewal fees, payment information is entered on page 8. All fees paid online must be paid by MasterCard or Visa.

After paying the fee, the user is provided with a receipt which states that the firm renewal has been processed. Please print this receipt for the firm's records; this receipt serves as confirmation of renewal until the firm's Board registration certificate is received.

A firm that does not want to submit credit card information using the secure website, but still wishes to pay by credit card, may submit a copy of the online renewal form by answering all questions on each page of the renewal, printing each screen (using the "print" command of the Internet browser) as it is completed, but before clicking "submit," signing the renewal, and faxing the completed pages, including the completed credit card information page, to the Board at (919) 733-4209 or by mailing the completed pages, including the completed credit card information page, to State Board of CPA Examiners, PO Box 12827, Raleigh, NC 27605.

A firm which prefers to submit the renewal form with a check or money order may do so by answering all questions on each page of the renewal, printing each screen (using the "print" command of the Internet browser) as it is completed, but before clicking "submit," signing the renewal, and mailing the completed pages, plus a check payable to "State Board of CPA Examiners" for the appropriate amount to PO Box 12827, Raleigh, NC 27605.

If a CPA firm fails to comply with any part of 21 NCAC 08J, *Renewals and Registrations* or 21 NCAC 08M, *Peer Review Program*, the Board may take disciplinary action against the CPA firm's members as specified in 21 NCAC 08J .0111 and 21 NCAC 08M .0106.

Such action may include a civil penalty and suspension of each CPA firm member's CPA certificate.

If you have questions about the online firm renewal or peer review compliance process, please contact Cammie Emery by phone at (919) 733-1423 or by email at **cemery@nccpaboard.gov**. You may also contact Buck Winslow by phone at (919) 733-1421 or by email at **buckw@nccpaboard.gov**.

Certificates Issued

At its October 20, 2011, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:.

Daniel Oswaldo Acosta-Lopez
Melissa Paige Baird
Rajju Bajracharya
Diana Lynn Bakeberg
Allison Flowers Baker
Georgia Linda Baransky
Michael Paul Beland
Grace Carter Bender
Nicole Elizabeth Benford
Philip Pritchard Bick
Iryna Dmytrivna Bilova
Amanda Marie Black
Sharon Davis Boggs
Helen Page Bradick
Nicholas Christopher Bradley
David McCoy Briley
Daniela Francesca Cammarota
Peter L. Chrobak
Michael Devereaux Creech
Sherine Anthea Cross
Melissa Barrow Culbreth
Darin Lee Curtis
Yikui Deng
Rene Ryan Dorton
Kenneth Farr Downer
Joshua Thomas Downs
James C. Dziedzina, Jr.
Aboubakr Eddraa
Elizabeth Endeshaw
William Bradford Evans
Jordan Michael Foley
Benjamin Singerman Fulton
Michelle Oppie Gist
Natalya Alexandra Grauer
Charles Bren Hall
Kathryn Beeson Hamm
Katherine Lawson Hampton
Rick Lee Hanebutt
Jessica Layne Hardee
Joshua William Harmening
Steven Theodore Harriott, Jr.
David Troy Harris
David Brandon Haskins
Christopher Edward Haynes
Megan Turlington Holshouser
Heidi Ann Ibach
Bollie Lee Jarratt Jr.
Amy Nicole Emmons Kapka
Tarah Lee Kirkpatrick
Kristina Maureen Klem
Angela Michelle Konkle
Robert Eugene Langdon, III
Sharon Hadden Lauffer
Justine Elizabeth Laurie
Fred Howard Levine
Miriam Cohen Levine
Yuen Li
Richard Todd Lich
Heath Wayne Martin
Jonathan Robert Martin
Christopher Reay McCurdy
David Alexander Mills
Heather Eileen Caldwell Moore
Casey Dallas Morris
Jenna Renee Mullikin
Lee Ann Musselwhite
Matthew Grant Nelson
Tyiesha Agnew Nixon
Kristen Rene Orlasky
Dennis Keith O'Shell
Jenna Marie Patkunas
Robert Arnold Ponton, III
Tracey Ann Powell
Daniel Joseph Pozzo
Andrea Kristin Rigby
Jason Robert Ritter
Allison Elizabeth Scott
Lisa Kaye Simpson
Abigail Elizabeth Riordan Smith
Bradley Joseph Smith
Edward Lee Smith
Elizabeth Summerour Sparks
Patrick Merritt Stanton
Kimberly Ann Teague
Cecilia Marin Thoma
George Leland Timmons, IV
Adam Scott Vermillion
Megan Elizabeth Wallace
Drew David Westall
Clarence Eugene Williams, III
Adam Douglas Yoder
Michael Emmett Zezefellis

IRS Warns Employers about Payroll Outsourcing Fraud

The Internal Revenue Service has issued advice to employers who outsource payroll duties to third-party service providers.

In a tax tips email, the IRS referred to recent prosecutions of individuals and companies that pretended to be payroll service providers and instead stole funds intended for payment of employment taxes.

The IRS noted that the employer is ultimately responsible for depositing and paying federal tax liabilities.

"Even though you forward the tax payments to the third party to make the tax deposits, you--the employer --are the responsible party," the IRS cautioned.

"If the third party fails to make the federal tax payments, the IRS may assess penalties and interest. The employer is liable for all taxes, penalties and interest due. The IRS can also hold you personally liable for certain unpaid federal taxes."

The IRS added that if there are any issues with an employer's account, the agency will send correspondence to the address it has on record.

The IRS also strongly recommended that employers do not change the address of record to that of the payroll service provider, as it could limit an employer's ability to stay informed of tax matters involving their business.

The IRS also urged employers to choose a payroll service provider that uses the Electronic Federal Tax Payment System. Employers are also able to register on the EFTPS system to get their own PIN to verify the payments.

For more information on the responsibilities of employers outsourcing payroll, payroll service providers and EFTPS, **visit www.irs.gov**.

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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: ☐ Home ☐ 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 and CPA firms must notify the Board in writing within 30 days of any change in address or business location.

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 • www.nccpaboard.gov • No. 12-2011

Is Your Internet Advertising Compliant with Board Rules?

Any CPA or CPA firm that advertises services to the public on the Internet must comply with the Board's rules on advertising. For purposes of this discussion, Internet advertising includes, but is not limited to, business or personal websites, listings on websites such as CraigsList, and social media sites such as Twitter, LinkedIn, Facebook, and YouTube.

21 NCAC 08N .0306(e), *Advertising or Other Forms of Solicitation*, specifically addresses the Internet by stating: Any CPA or CPA firm offering to or performing professional services via the Internet shall include the following information on the Internet:

- CPA business name or CPA firm name as registered with the Board;
- Principal place of business;
- Business phone, and
- North Carolina certificate number and North Carolina as state of certification.

As with all other forms of advertising that a CPA or a CPA firm may choose to advertise professional services, Internet advertisements should contain meaningful information that is not misleading or deceptive to the public.

Qualitative or quantitative terms such as "expert," "specialist," "reasonable," or "affordable" should not be used. After all, what you consider reasonable or affordable may not be reasonable or affordable to someone else.

Although "expert" can only be determined by the Court, a CPA or CPA firm may use terms such as "specializing in" or "concentrating in" in advertisements.

Although a CPA or a CPA firm may advertise the nature of services provided to clients, a CPA cannot advertise or indicate a designation or other title unless the CPA has met the requirements of the granting organization for each separate designation or title and he or she is in good standing with the granting organization for each designation or title.

The Board does not approve or authorize designations or separate titles, and the use of such designations is for public information purposes only.

The CPA title is a credential, not a designation. Examples of designations or titles include, but are not limited to, membership in organizations such as the AICPA, NCACPA, or other professional organization; designations such as PFS issued by a professional organization; and education-related information such as MBA or MSA;

Although the Board allows a CPA firm, on its website or Internet-based advertisements, to provide a description of a CPA's position within the firm or his or her professional experience, the Board limits the information that can be provided for unlicensed staff.

Advertising
continued on page 4

December Deadlines

December 31, 2011, is the deadline for submitting 2012 CPA firm renewal, CPE sponsor renewal, and peer review compliance information to the Board. December 31 is also the date by which CPAs must complete the annual CPE requirement to be eligible for certificate renewal for the 2012-2013 license period.

In November, the Board notified all registered CPA firms that each firm must renew its registration and provide peer review compliance information (if applicable) online at www.nccpaboard.gov.

If a CPA firm fails to comply with any part of 21 NCAC 08J, *Renewals and Registrations* or 21 NCAC 08M, *Peer Review Program*, the Board may take disciplinary action against the CPA firm's members as specified in 21 NCAC 08J .0111 and 21 NCAC 08M .0106. Such action may include a civil penalty for each firm owner up to $500.

21 NCAC 08G .0410, *Professional Ethics and Conduct CPE,* requires that all active CPAs complete either a two-hour group-study course or a four-hour

Deadlines
continued on page 6

In This Issue

2012 Board Calendar..... 7
Board Office Closed..... 4
Certificates Issued..... 6
Cease & Desist Notice..... 5
Disciplinary Actions..... 2
Reclassifications..... 4

Disciplinary Actions

Barbara E. McNary, #23520
Waynesville, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Barbara E. McNary (hereinafter "Ms. McNary") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. McNary failed to timely file the annual firm registration for Barbara E. McNary, CPA, as required by N.C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.

3. Ms. McNary subsequently renewed her firm registration, which was received by the Board on February 4, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. McNary's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. McNary has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Ms. McNary's payment as full resolution of the aforementioned violation.

Jason Scott Moss, #34416
Greensboro, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Jason Scott Moss (hereinafter "Mr. Moss") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Moss failed to timely file the annual firm registration for Jason Moss, CPA, as required by N.C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.

3. Mr. Moss subsequently renewed his firm registration, which was received by the Board on February 14, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Moss' infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Moss has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Mr. Moss' payment as full resolution of the aforementioned violation.

John Welton Spann, #31213
Charlotte, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. John Welton Spann (hereinafter "Mr. Spann") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Spann failed to timely file the annual firm registration for John W. Spann, Jr., CPA, as required by N.C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.

3. Mr. Spann subsequently renewed his firm registration, which was received by the Board on March 4, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Spann's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Spann has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Mr. Spann's payment as full resolution of the aforementioned violation.

Michelle A. Thompson, #30775
Winston-Salem, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Michelle A. Thompson (hereinafter "Ms. Thompson") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Thompson failed to timely file the annual firm registration for Michelle A. Thompson, CPA, as required by N.C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.

3. Ms. Thompson subsequently renewed her firm registration, which was received by the Board on February 14, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Thompson's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Thompson has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Ms. Thompson's payment as full resolution of the aforementioned violation.

Cary Whitaker, #1833
Roanoke Rapids, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Cary Whitaker (hereinafter "Mr. Whitaker") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Whitaker failed to timely file the annual firm registration for Cary Whitaker, CPA, Esq., as required by N.C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.

3. Mr. Whitaker subsequently renewed his firm registration, which was received by the Board on February 11, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Whitaker's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Whitaker has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Mr. Whitaker's payment as full resolution of the aforementioned violation.

James E. Woodruff #9481
Raleigh, NC 07/25/2011

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. James E. Woodruff (hereinafter "Mr. Woodruff") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Woodruff failed to timely file the annual firm registration for James E. Woodruff, CPA, P.A., as required by N.C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.

3. Mr. Woodruff subsequently renewed his firm registration, which was received by the Board on February 18, 2011, within sixty (60) days of the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Woodruff's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Woodruff has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Mr. Woodruff's payment as full resolution of the aforementioned violation.

Robert L. Blyth, Jr. # 22245
Charleston, SC 11/21/2011

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to North Carolina General Statute (N.C. Gen. Stat.) § 150B-41, the Board and Respondent stipulate to the following:

1. Respondent is the holder of North Carolina certificate number 22245 as a Certified Public Accountant.

2. Respondent informed the Board on his 2010-2011 individual certificate renewal (renewal) that he had obtained forty (40) hours of continuing professional education (CPE), had completed an annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2009 CPE requirement.

3. Based on Respondent's representation, the Board accepted his renewal.

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2009 CPE requirement.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide a certificate of completion needed to document the Board-approved North Carolina ethics CPE course that Respondent claimed he earned between January 1, 2009, and June 30, 2010, as was reported on his 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.

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 (NCAC), 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 N.C. Gen. Stat. §§ 93-12(8b)a, 93-12(9), 93-12(9)c, and 93-12(9)e and 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

BASED ON THE FOREGOING and in lieu of further contested case proceedings, the Board and Respondent agree to the following:

1. Respondent's application for renewal is deemed insufficient and untimely under N.C. Gen. Stat. §150-B-3(a). Hence, his certificate is automatically forfeited pursuant to N.C. Gen. Stat. § 93-12(8b).

2. Respondent must return his certificate to the Board with this signed Consent Order.

3. Respondent may apply for the reissuance of his certificate after one (1) year from the date the Board approves the Consent Order if Respondent's certificate and the civil penalty required in number five (5) of this Order have been received by the Board.

4. Respondent may apply to return his 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. Forty (40) hours of CPE in the twelve (12) months preceding the application including the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs.

5. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted to the Board prior to submitting any 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 his license.

Reclassifications

Reinstatements

11/21/11	Eugene Joseph Carr, #12383	Greensboro, NC
11/21/11	Ella Nancy Lamar Gibson, #13136	Concord, NC
11/21/11	Valerie Krasinski, #27147	Waxhaw, NC
11/21/11	Arthur Beamguard McCarter, #11668	Conover, NC
11/21/11	Gregory Dean Robbins, #23688	Huntersville, NC
11/21/11	Dawn Renee Schambach, #18446	Colorado Springs, CO
11/21/11	Christopher Cannon Scholten, #33696	Charlotte, NC

Reissuance

11/21/11	Mary-Beth Army, #19718	Nashville, TN
11/21/11	Martha Morrison Hartley, #18863	Bluffton, SC
11/21/11	Nathaniel Perkinson Hayes, III, #19620	Greensboro, NC
11/21/11	Henry Anderson Holland, #9297	Lenoir, NC

Retired

Retired, when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(33)].

11/21/11	Jake Harvey Grubbs, #11648	Charlotte, NC
11/21/11	Lorie Charles Lackey, #3997	Greensboro, NC
11/21/11	Michael D. Woods, #19292	Kernersville, NC

Inactive

"Inactive," when used to refer to the status of a person, describes one 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 21 NCAC 08A .0308(b) [21 NCAC 08A .0301(b)(21)].

09/07/11	Jennifer Ann Thorne, #34884	Columbia, SC
09/08/11	Preston Scott Edwards, #14801	Vanceboro, NC
09/08/11	Bedir Memmedoglu Memmedli, #30507	Alexandria, VA
09/08/11	Paul Madison Odom, #15766	Greensboro, NC
09/08/11	Max Lynn Vogler, #13088	Winston-Salem, NC
09/15/11	Elizabeth Prunka Breen, #32730	Davidson, NC
09/27/11	Cynthia Smith Fisher, #35623	Geneva, NY
09/27/11	Keith Hall Strohecker, #21828	Moseley, VA
09/30/11	Elizabeth Lamb Fluharty, #28692	Asheville, NC
09/30/11	Rickey Anders McCarver, #10144	Gastonia, NC
10/07/11	Heather Warren Godwin, #30748	Raleigh, NC
10/11/11	Franklin Barrett Cooke, #30289	Abingdon, VA
10/11/11	Linda Jarman Jenkins, #22181	Richlands, NC

Advertising

continued from front

In a 2001 Declaratory Ruling, the Board concluded that unlicensed staff, if listed on the firm's website, must be listed in a separate section from the licensed staff.

In addition, that section must be clearly titled in such a way that the public will not be misled into believing that those staff members are licensed by this Board or otherwise authorized to render professional services without the supervision of an individual licensed by the Board in accordance with the North Carolina General Statutes and North Carolina Administrative Code.

In regard to an unlicensed staff member, the Board ruled that on the firm's website, a firm can only include the unlicensed staff member's name, his or her position title, the firm's business address, and the staff member's telephone number, fax number, and email address. Résumé-type information for an unlicensed staff member cannot be included.

As an Internet-based business environment becomes more prevalent, it is important to remember that the profession and the public are best served when CPA firms and individual CPAs take the appropriate steps to ensure that the public is not deceived or misled by a CPA's advertising, whether it is Internet-based or not.

If you have questions regarding the use of the Internet as an advertising tool, please contact Robert N. Brooks, the Board's Executive Director, by email at **rbrooks@nccpaboard.gov**.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on the following dates:

January 2, 2012
New Year's Day

January 16, 2012
Dr. Martin Luther King, Jr., Day

Cease and Desist Notice and Voluntary Consent Agreement

Richard M. Reedman, Respondent
Raleigh, NC

To The Above-Named Respondent:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners (Board) is authorized by N.C. Gen. Stat. §93-12(16) to enforce the provisions of the North Carolina Certified Public Accountant Act (Act) through actions for injunctive relief regarding "a single violation" of this Chapter; and,

WHEREAS, pursuant to N.C. Gen. Stat. §93-1, "A 'certified public accountant' is a person who holds a certificate as a certified public accountant issued to him under the provisions of this Chapter."

WHEREAS, pursuant to N.C. Gen. Stat. §93-3, "It shall be unlawful for any person who has not received a certificate of qualification or not been granted a practice privilege under G.S. §93-10 admitting the person to practice as a certified public accountant to assume or use such a title, or to use any words, letters, abbreviations, symbols or other means of identification to indicate that the person using same has been admitted to practice as a certified public accountant."

WHEREAS, Respondent Richard M. Reedman (hereinafter "Respondent Reedman") is not currently licensed as a certified public accountant in North Carolina or otherwise authorized by the Board to use the CPA title in this State, but his principal place of business is in North Carolina; and

WHEREAS, Respondent Reedman, while working in North Carolina, has been identified in online directories and websites as a certified public accountant (CPA) and forensic certified public accountant (FCPA). These issues were first addressed between Reedman and the Board in 2007, and Reedman agreed to take steps to remove any such information from the Internet. To date, despite actions being taken by Reedman, there continues to be information available listing Reedman as a "CPA," "certified public accountant," "FCPA," and/or "Forensic Certified Public Accountant," thereby allegedly conveying the false impression that he is authorized to use the titles "certified public accountant" or "CPA" in this State. Such a representation is potentially misleading and contrary to N.C. Gen. Stat. §93-3.

WHEREAS, Reedman did not participate or encourage any online Internet references of himself as a "CPA," "Certified Public Accountant," "FCPA," or "forensic CPA" (hereinafter referred to as "online sources"). However, Reedman, through Counsel, has agreed to voluntarily address the matter by providing the Board with copies of letters to any source identified by the Board to remove any references of Reedman as a "CPA," "Certified Public Accountant," "FCPA," and/or "Forensic CPA." Further, Reedman will agree to remove any reference of himself as "CPA," "Certified Public Accountant," "FCPA," or "Forensic CPA" from his website.

THEREFORE, Reedman will write letters to certain online sources that identify him as a "CPA," "Certified Public Accountant," "FCPA," and/or "Forensic CPA" and request that such Internet references be removed. The Board will identify in writing to Reedman's Counsel all online sources that must be sent a letter. The letters to the online sources shall be provided to, and approved by, Counsel for the Board. The review by the Board's Counsel shall ensure that the letter is consistent with, and satisfies the terms of, this Voluntary Consent Agreement.

THEREFORE, Reedman will remove all references on his website to "CPA," "Certified Public Accountant," "FCPA," and "Forensic CPA" and will write to Counsel for the Board that such action has been taken. Once the action has been taken, Counsel for the Board will review the website to determine if all references have been removed and will write to Counsel for Reedman that all references have been successfully removed and all online references have been contacted and addressed such that Reedman is compliant with this Voluntary Consent Agreement.

THEREFORE, this agreement is a voluntary consent agreement designed to avoid court action between Reedman and the Board and entered into by the parties as such.

North Carolina State Board of Certified Public Accountant Examiners

BY: Frank X. Trainor, III, Board Staff Attorney

DATE: 09/16/2011

BY: Bobby P. Khot, Attorney for Respondent Reedman

DATE: 09/08/2011

In lieu of civil proceedings authorized by N.C. Gen. Stat. §93-12(16), the Board will accept Respondent's consent to this Demand.

CONSENTED TO: Richard M. Reedman

DATE: 09/08/2011

Follow Us on Twitter

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Like Us on Facebook

facebook.com/NCCPABoard

Check Your CPE Carry-Forward Online

Not sure how many carryforward CPE hours you have? You can find out with a quick visit to the Board's website, **www.nccpaboard.gov**.

To verify your hours, use the "Licensee Search" function of the website to search for yourself using your name or certificate number.

After your record is displayed, click on the "details" link. The number of CPE carryforward hours will be displayed below your address and telephone number.

If there is a discrepancy in the number of carryforward hours, please contact Cammie Emery at **cemery@nccpaboard.gov**

Certificates Issued

At its November 21, 2011, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Michele Lee Adams
Sonya Maria Allen
Elizabeth Ann Baker
William Jordan Baucom
Nicholas James Bayer
Paul Edward Benedict
Becky Jo Bennett
Michelle Nicole Beracha
Ashley Meredith Bolick
Bevan Bruce Buchanan
Tray Albert Buggs
Kathryn Marie Bustell
Marcus Wendell Canady
Karen Ruth Cardillo
Robert Allen Carroll, II
Jacob Lee Case
Mary Copulos Christy
Erin Elizabeth Ciechowski
Jonathan Thomas Clardy
Tricia Miriam Corcoran
Casey Alan Cox
Jessica Megan Davis
Vincent J. DeVivo
Travis Lee Dickenson
Dennis Andrew Disbrow
Alexandra Duhon
Oscar Duran Jr.
Fred Erskine Duyck
Anthony Wayne Enlow
James Ford Eubanks
Rebecca Gilmore Fay
Clayton Grady Fogg, Jr.
Ann Marie Gerlitz
Sarah Mary Gillis
Eric Robert Glenn
Jason Timothy Gray
Rebecca Leigh Griffin
John Joseph Guess
Kenneth Antione Jones Hancock
James Nathanial Handy
McGregor Wood Holmes
Michelle Lynn Hottenstein
Jerome Anderson Jackson, Jr.
Felicia Amanda Jones
Nathaniel Wade Jordan
Thomas Olof Karlsson
Amanda Lynn Kelley
Eunika Denise Smalls Lake
Michael Emile Leclerc
Jamelia Renee Livingston
Milos Daniel Maldonado
Steven Gregory Mallard
Cheryl Anne Marsh
Cary Westbrook McCormick
Andrew James Mezwicki
David Michael Morris
Christine Moses
Joel Kearns Mullen
Jerry Dwayne Murphy
Carrie Garmon Mussato
Steven Craig Nellis
William Hubert Ogburn, III
Regina Marie Palombo
John Nathan Pearce
Sarah Whitney Proctor
Stacee Lutz Rash
Jason Lee Reinfried
Daniel Shelton Roebuck
Delbert Wayne Rush
Alison Marie Savignano
Elizabeth Alyce Schmid
Adam Gerard Schmitt
Lyria Vanderboom Sims
Nkima Shani Skeete
Brandon Keith Smith
Cynthia Marie Smith
Shermeca Teria Stanton
Diana Jeannette Thomas
Jon Alden Thompson
Dee Marie Trivette
Frederick Charles Truelove, III
MaryAlice Czmyr Trussell
Amanda Madigan Vaughan
Robert Alex Vaughan
Collin Michael Walsh
Justin Kelly White
Nancy Usher Williams
Zijuan Zhuge

Deadlines

continued from front

self-study course on professional ethics and conduct as set forth in 21 NCAC 08N. The course may be any course on behavioral or regulatory ethics offered by a CPE sponsor registered with the Board or with the NASBA Registry of CPE Sponsors.

Because the ethics requirement is an annual requirement, carry-forward 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 resides or works, he or she must complete a two-hour group study or four-hour self-study course on behavioral or regulatory ethics offered by a CPE sponsor registered with the Board or with the NASBA Registry of CPE Sponsors.

21 NCAC 08G .0409(c) requires that active CPAs complete at least eight hours of non-self-study CPE each year as part of the annual 40-hour CPE requirement. Because the non-self-study requirement is an annual requirement, a CPA cannot use carry-forward hours to satisfy the requirement.

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 firm renewal, peer review compliance, or the CPE requirement, please contact Cammie Emery by email at **cemery@nccpaboard.gov** or contact Buck Winslow by email at **buckw@nccpaboard.gov.**

2012 Board Calendar

(dates and locations subject to change)

January 2	–	Office Closed - New Year's Day
January 16	–	Office Closed - Dr. Martin Luther King, Jr., Day
January 23	–	Board Meeting - Raleigh
January 31	–	Final Deadline for Firm Renewal & Peer Review Compliance Info
February 20	–	Board Meeting - Raleigh
March	–	Online Certificate Renewal Available
March 21	–	Board Meeting - Raleigh
April 6	–	Office Closed - Good Friday
April 24	–	Board Meeting - Raleigh
May 21	–	Board Meeting - Raleigh
May 28	–	Office Closed - Memorial Day
June 21	–	Board Meeting - Greensboro
June 30	–	Certificate Renewal Deadline
July 4	–	Office Closed - Independence Day
July 23	–	Board Meeting - Raleigh
July 31	–	Final Certificate Renewal Deadline
August 20	–	Board Meeting - Raleigh
September 3	–	Office Closed - Labor Day
September 24	–	Board Meeting - Raleigh
October 18	–	Board Meeting - Raleigh
November	-	Online Firm Renewal/Peer Review Compliance Available
November 12	–	Office Closed - Veterans' Day
November 22-23	–	Office Closed - Thanksgiving
November 26	–	Board Meeting - Raleigh
December 17	–	Board Meeting - Raleigh
December 24-26	–	Office Closed - Christmas
December 31	–	Firm Renewal/Peer Review Compliance Info Due

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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: ☐ Home ☐ 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 and CPA firms must notify the Board in writing within 30 days of any change in address or business location.