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. 01-2012

The Challenge of Providing "Comfort Letters" for Clients

North Carolina CPAs continue to face the challenge of how to respond to requests from clients, lenders, and other third parties for "comfort letters" or "solvency opinions."

There are various reasons a client may request a comfort letter--a mortgage broker may be collecting information needed for a loan approval or a third party may be trying to verify that clients applying for a particular service have the resources and ability to pay for the service or items involved. In some cases, a foreign government may request financial information for adoption proceedings.

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

Lenders, lacking documentation to support a borrower's income claims, take on the risk that a borrower's claims are inadequate. To reduce the risk 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*, Appendix B, 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.

Comfort Letters
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Disciplinary Actions

Stephen N. Greenberg, #4103
Stephen N. Greenberg, CPA, P.A.
Chapel Hill, NC 11/21/2011

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 November 21, 2011, that:

Findings of Fact

1. Respondent Stephen N. Greenberg (hereinafter "Respondent Greenberg") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Respondent Stephen N. Greenberg, CPA, P.A. (hereinafter "Respondent Firm"), is a registered certified public accounting professional corporation in North Carolina. In October of 2006, Respondent Greenberg filed documents with the Board and with the North Carolina Secretary of State's office amending the name of his professional corporation from Greenberg & Himmelberg, CPAs, PA, (hereinafter "G&H Firm") to Respondent Firm. At all times relevant, Respondent Greenberg was the majority shareholder, an officer, and director of G&H Firm and its successor firm, Respondent Firm.

3. The Board has jurisdiction over the Respondents and the subject matter of this action.

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

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

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

7. Respondents were present at the Hearing and were represented by counsel.

8. Respondents have stipulated to the facts and rules violations set forth in the Notice of Hearing, including the following:

a. At all times relevant, Respondent Greenberg had responsibility for handling G&H Firm's, and subsequently Respondent Firm's, payroll tax deposits, and for preparation of all quarterly federal and state payroll reports.

b. On or about June 3, 2008, the Internal Revenue Service (IRS) filed a tax lien against G&H Firm for failure to pay 941 monies for the quarters 3/31/2006, 9/30/2006, 12/31/2006, 3/31/2007, 6/30/2007, 9/30/2007, and 12/31/2007. The tax lien for these quarters totaled $37,398.65.

c. Respondent Greenberg and Respondent Firm failed to report the federal tax lien to the Board within 30 days and Respondent Greenberg failed to disclose the lien on his subsequent individual renewal.

d. On or about April 13, 2009, the IRS filed a tax lien against G&H for failure to pay 941 monies for the quarter ending 6/30/2008. This tax lien totaled $15,944.93.

e. Respondent Greenberg filed both his 2007 federal and state personal income tax returns, but failed to pay taxes in the amount of $3,444.00 on his federal return and $2,716.00 on his state return.

f. Respondents' actions as set out in paragraphs 8b and 8c above constitute violations of N.C. Gen. Stat. §93-12(9)e and 21 NCAC 08N .0201, .0203, .0207 and .0208(b).

g. Respondents' actions as set out in paragraph 8d above constitute violations of N.C. Gen. Stat. §93-12(9)e and 21 NCAC 08N .0201, .0203, and.0207.

h. Respondent Greenberg's actions as set out in paragraph 8e above constitute violations of N.C. Gen. Stat. §93-12(9) e and 21 NCAC 08N .0201, .0203, and .0207.

Conclusions of Law

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

2. 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).

3. Respondents' actions as set out in Findings 8b and 8c above constitute violations of 21 NCAC 08N .0201, .0203, .0207, and .0208(b).

4. Respondents' actions as set out in Finding 8d above constitute violations of 21 NCAC 08N .0201, .0203, and .0207.

5. Respondent Greenberg's actions as set out in Finding 8e above constitute violations of 21 NCAC 08N .0201, .0203, and .0207.

BASED ON THE FOREGOING, the Board orders in a vote of 4 to 2 that:

1. The Certified Public Accountant certificate issued to Respondent Greenberg, Stephen N. Greenberg, is hereby permanently revoked.

2. The firm registration for Respondent Firm, Stephen N. Greenberg, 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 Greenberg's permanently revoked North Carolina certificate or Respondent Firm's canceled CPA firm registration.

James Neal King # 21007
Charlotte, NC 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 21007 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 thirty-six (36) hours of CPE 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.

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. Seventy-six (76) 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.

Cheryl D. Poss # 24211
Columbia, 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 24211 as a Certified Public Accountant.

2. Respondent informed the Board on her 2010-2011 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 2009 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 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 twenty (20) of those hours or a Board-approved North Carolina ethics course.

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, her certificate is automatically forfeited pursuant to N.C. Gen. Stat. § 93-12(8b).

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CPAs Needed for CPE Registry Reviewer Program

The National Association of State Boards of Accountancy (NASBA) is seeking CPAs with specialties in the areas of Accounting, Auditing, and Tax to join its newly launched Registry Reviewer Program.

This program is designed to develop a roster of qualified, CPA professionals (including faculty members) who review CPE courses for technical accuracy and sufficiency for CPE credits as part of the National Registry of CPE Sponsors application process.

If you meet the qualifications listed and are interested in applying, please visit **www.LearningMarket.org** and click on the "review Program" link for more information.

Registry Reviewer Qualifications

- Licensed CPA currently subject to state CPE requirements as defined by Board
- No record of Board disciplinary action or charges
- At least 5 years of experience in the specialty field (either as a practitioner or faculty).

www.nccpaboard.gov

Licensing Activity

Reinstatements

12/19/11	Jessica Liz Capitaine, #34110	Charlotte, NC
12/19/11	Marty Leigh Clyburn, #29175	Wilmington, NC
12/19/11	Jamie Michael Coffey, #29893	Mooresville, NC
12/19/11	Aletta Marie Lane, #29180	Winston-Salem, NC
12/19/11	Alan Joseph Minker, #26031	Durham, NC
12/19/11	Joanne B. Rees, #22206	Durham, NC

Reissuance

12/19/11	Thomas John Coughlin ,#29207	High Point, NC
12/19/11	Richard Wayne Goodman, #23521	Richmond, NC
12/19/11	Jeffrey Clarence Hitzke, #21142	Elon, NC
12/19/11	Rachel Elizabeth Mason, #35072	Knightdale, NC
12/19/11	Thomas Clinton Shuford, #20791	Lawndale, 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)].

12/19/11	Geoffrey R. Chatham, #20958	Columbia, SC
12/19/11	David Melville Evans, #26429	Sanford, NC
12/19/11	Judy K. Grubbs, #14049	Gibsonville, NC
12/19/11	Brenda Bonner Pate, #24368	Wake Forest, NC
12/19/11	Paul Lee Zink, #7800	Clemmons, NC

NC Public Campaign Fund

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

With tax season at hand, 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, 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 tax returns may designate $3.00 to the Fund by checking a box on their personal 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 tax return may not mark an agreement or objection to the allocation without the taxpayer's consent.

More information on the Fund is available from the State Board of Elections Campaign Finance Division.

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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 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 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 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 her license.

Scott M. Arnold, #22547
Erie, PA 12/19/2011

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 N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Respondent is the holder of North Carolina certificate number 22547 as a Certified Public Accountant.

2. Respondent informed the Board on his 2010-11 individual certificate renewal (renewal) that he had obtained thirty-three (33) hours of continuing professional education (CPE) including nine (9) 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 provided the CPE certificates of completion to the Board as requested. However, Respondent could only provide the certificate or certificates of completion needed to document seventeen (17) hours of CPE 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 (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 21 NCAC 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

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, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is deemed insufficient and untimely under N.C. Gen. Stat. § 150B-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 receives Respondent's forfeited certificate and until the civil penalty required in number five (5) of this Order has been paid by Respondent.

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. Fifty-four (54) hours of CPE, of which fourteen (14) of these hours shall be in the group-study format, 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.

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; send us an email at **lhearne@nccpaboard.gov** or **rbrooks@nccpaboard.gov**.

Changes in Board Staff

Congratulations to Paulette Martin on her retirement from the Board. She joined the Board staff as the Professional Standards Specialist in June 2005.

Although we will miss Ms. Martin, we wish her the best as she pursues her interest in photography and as she spends time with her family.

In related news, Mary Beth Britt has been promoted to Professional Standards Specialist. She joined the Board staff as the Professional Standards Assistant in August 2005.

Adrianne Trainor has been hired to fill the position of Professional Standards Assistant. Ms. Trainor joined the Board staff earlier this month.

Comfort Letters

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If the CPA takes the time to explain to the lender what is involved in presenting a comfort letter in light of professional 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, thereby 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.

The CPA may want to consult with his or her professional liability insurer (or legal counsel) regarding the issuance of comfort letters. One insurer has warned that attesting to client information outside of the scope of an audit or attestation services engagement may be construed as a violation of professional standards and have licensure implications. Another insurer offered an example of how a CPA was sued by a lender alleging negligent misrepresentation of a client's finances and loss prevention tips. Some insurers have standard letters that a CPA may use when responding to a request for a comfort letter.

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.

The Candidate Corner: Information for Exam Candidates

18-Month Window

21 NCAC 08F .0105, *Conditioning Requirements*, states that a candidate shall obtain a passing grade on all sections of the Examination within an 18-month period.

In addition, credit awarded by the Board for passage of a section of the Examination is valid for an 18-month period beginning on the date the Exam section is taken.

For example, if a candidate sits for his or her first section of the Exam on January 25, 2012, the 18-month period starts that day, *not* the day the candidate receives his or her score notice.

Assuming that the candidate passes that first section of the Exam on the first try, he or she must sit for and pass the remaining three sections of the Exam within 18 months of January 25, 2012.

If you have questions regarding the conditioning requirement, please contact Phyllis Elliott by email at **phyllise@nccpaboard.gov** or contact Mike Barham by email at **mbarham @nccpaboard.gov**.

Reprint Your NTS

NASBA offers candidates the ability to reprint open Notices to Schedule using the link, h**ttps://ncd.nasba.org/gwprdv2/servlet/hgwcnr01**. Please note that previously attended or expired NTSs are not available for reprint.

Save Your NTS for Online Score Retrieval

Effective with the fourth testing window of 2011, North Carolina Exam candidates began receiving their score notices online through the NASBA Gateway, **www.nasba.org/exams/cpaexam**.

To use the Gateway for score retrieval, a candidate must enter his or her section ID, date of birth, and the section attendance date (the date Exam section was taken). The section ID and section ID are on the Notice to Schedule (NTS) so be sure to keep a copy of your NTS.

Fee Receipts

The Board does not provide receipts for Exam fees. Please keep a copy of your application and your check or credit card authorization as proof of payment.

AICPA Launches Peer Review Mentor Program

On November 1, 2011, the AICPA Peer Review team launched the Mentor Program, a new option for initial team captain qualification.

The Mentor Program allows a potential team captain (Mentee) to forgo the second day of the restructured "how to" course in favor of significant participation as a team member in a system review.

Significant participation is obtained when an approved and qualified team captain (Mentor) oversees a Mentee while they perform virtually all team captain responsibilities.

Qualified team captains may now submit requests for pre-approval by completing the Mentor Approval Request.

The AICPA encourages highly-qualified team captains with proficient knowledge and expertise in the Peer Review Standards and Interpretations to apply.

For more information, visit the Mentor Program page on **AICPA.org**.

2012 Board Meetings

February 20
March 21*
April 24
May 21
June 21**
July 23
August 20
September 24
October 18
November 26
December 17

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.

**Greensboro

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)].

10/13/11	Vincent Cusack, #18393	Richmond, VA
10/13/11	Carl Donnell Davis, #13684	Concord, NC
10/13/11	Christy Brown Helton, #34390	Murphy, NC
10/13/11	Lindsay Anne Kellam, #32492	Charlotte, NC
10/14/11	Douglas S. Flynn, #13420	Winston-Salem, NC
10/20/11	Elizabeth McCulloch Varner, #34243	Greensboro, NC
10/21/11	Rebecca Hargrave Fullton, #16441	Lewisville, NC
10/31/11	Thomas Patrick Dunleavy, #26697	Blue Island, IL
10/31/11	William Larry Elliott, #2237	Burlington, NC
10/31/11	Jennifer Brum Grammer, #29745	Matthews, NC
10/31/11	H. Cameron Keith, Jr., #11666	Wadesboro, NC
10/31/11	Dean Kenneth Whitener, #30731	Clemson, SC
11/01/11	Hannah Leroux Barber, #35375	Demorest, GA
11/01/11	Thomas Ladd Painter, #6817	Asheville, NC
11/01/11	Elizabeth Crabtree Smolski, #33033	Eugene, OR
11/10/11	Glenn Thomas Hough, Jr., #36135	Charlotte, NC
11/15/11	John Elliott Morgan, Jr., #9243	Wake Forest, NC
11/17/11	Richard Allan Roscher, #14062	Wilmington, NC
11/22/11	Robbie Keith Barnhill, #20603	Rocky Mount, NC
11/22/11	Betsy S. Granacher, #16148	St. Augustine, FL
11/22/11	Kristy Bishop McClure, #24511	Raleigh, NC
11/29/11	Garrett Jay Hansen, #35302	Folsom, CA
11/29/11	Melissa Lofton Miller, #25198	Charlotte, NC
12/01/11	Kathryn Edwards Clarke, #32417	Cary, NC
12/01/11	Paul Thomas Johnson, III, #24241	Rocky Face, GA
12/02/11	Nancy Johnson Horsley, #14310	Sunset Beach, NC
12/05/11	Norman E. White, #20530	Jonesborough, TN
12/07/11	Robert Frederick Bower, Jr., #4120	Williamsburg, VA
12/07/11	Heather Faye Hollar, #31789	Apex, NC
12/08/11	Sharon Wright Cranford, #28393	Clayton, NC
12/08/11	Robert O. Loftis, Jr., #12516	Raleigh, NC
12/12/11	James Damian Artman, #8476	Mooresville, NC
12/12/11	Michael Joseph Chibbaro, #23488	Greenville, SC
12/12/11	John Lenwood Feagans, Jr., #4204	Littleton, NC
12/12/11	Keith William Jackson, #20398	Waxhaw, NC
12/12/11	Linda Whalen Johnson, #20098	Mooresville, NC
12/12/11	Nolan Delano Lovins, #1908	Lenoir, NC
12/12/11	Katie Hartzell Ryals, #31906	Matthews, 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. 02-2012

Rules Effective February 1, 2012

On December 19, 2011, the Board conducted a public rule-making hearing to amend the North Carolina Administrative Code (NCAC) cited as 21 NCAC 08G .0409, .0410, and 08J .0105.

The Rules Review Commission of the North Carolina Office of Administrative Hearings approved the amendments to the above-cited rules at its January 19, 2012, meeting, and set the effective date for the amended rules as February 1, 2102.

The amendment to 21 NCAC 08G .0409(c) removes the requirement that active CPAs complete at least eight (8) hours of non-self-study CPE as part of the annual CPE requirement for license renewal.

This means that for the 2012 CPE year (January 1-December 31), licensees may use all self-study CPE credit to comply with the 40-hour CPE requirement for license renewal for the 2013-2014 license year.

21 NCAC 08G .0410, as amended, now states that as part of the annual CPE requirement, a CPA must complete two hours of CPE on regulatory or behavioral professional ethics and conduct.

The course may be in a group-study or self-study format and must be offered by a CPE sponsor registered with the Board or listed on the National Registry of CPE Sponsors which is operated by the National Association of State Boards of Accountancy (NASBA).

The amendment to 21 NCAC 08J .0105(c) eliminates the need for an individual to complete at least eight (8) of non-self-study CPE as part of the application to return to active status from retired or inactive status.

The text below shows the amendments made to 21 NCAC 08G .0409, .0410, and 08J .0105. Language that was removed is indicated by a strike-through (~~example~~) and new language is underlined (example).

21 NCAC 08G .0409 - Computation of CPE Credits

(a) Group Courses: Non-College. CPE credit for a group course that is not part of a college curriculum shall be given based on contact hours. A contact hour shall be 50 minutes of instruction. One-half credits shall be equal to 25 minutes after the first credit hour has been earned in a formal learning activity. For example, a group course lasting 100 minutes shall be two contact hours and thus two CPE credits. A group course lasting 75 minutes shall be only one and one-half contact hours and thus one and one-half CPE credits. When individual segments of a group course shall be less than 50 minutes, the sum of the individual segments shall be added to determine the number of contact hours. For example, five 30-minute presentations shall be 150 minutes, which shall be three contact hours and three CPE credits. No credit shall be allowed for a segment unless the participant completes the entire segment.

(b) Completing a College Course. CPE credit for completing a college course in the college curriculum shall be granted based on the number of credit hours the college gives the CPA for completing the course. One semester hour of college credit shall be 15 CPE credits; one quarter hour of college credit shall be 10 CPE credits; and one continuing education unit (CEU) shall be 10 CPE credits. However, under no circumstances shall CPE credit be given to a CPA who audits a college course.

(c) Self Study. CPE credit 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.~~

(d) Instructing a CPE Course. CPE credit for teaching or presenting a

Amended Rules
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Disciplinary Actions

Timothy A. Nethery, # 16849
Catawba, NC 01/23/2012

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 to the following:

1. Respondent was the holder of North Carolina certificate number 16849 as a Certified Public Accountant.

2. Respondent informed the Board on his 2010-2011 individual certificate renewal (renewal) that he had been charged by the State of North Carolina with criminal counts of failing to file personal tax returns for the tax years 2004 through 2008.

3. Respondent subsequently pled guilty to, and was convicted of, five (5) violations of N.C. Gen. Stat. §105-236 (Willful Failure to File Return, Supply Information, or Pay Tax).

4. On August 10, 2010, Respondent was sentenced to 45 days of prison. The sentence was suspended and Respondent was placed on 12 months of supervised probation. On April 26, 2011, Respondent's probation was modified to unsupervised status.

5. As part of the original sentence, Respondent was ordered to surrender his CPA license.

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, .0203(a), .0203(b)(1), .0204, and .0207.

BASED ON THE FOREGOING and in lieu of further contested case proceedings, the Board and Respondent agree to the following:

1. The Certified Public Accountant certificate issued to Respondent, Timothy A. Nethery, 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.

Larry Lee Crawford, #22659
North Newton, KS 01/23/2012

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. Larry Lee Crawford (hereinafter "Respondent") is the holder of North Carolina certificate number 22659 as a Certified Public Accountant.

2. In 2010, Respondent self-reported that he was under investigation by the Securities and Exchange Commission ("SEC").

3. The SEC had filed suit against Respondent and the company that he worked for, the Escala Group ("Escala"), in the Southern District of New York. Escala was in the business of buying and selling collectible stamps and associated items.

4. In its complaint against Respondent, the SEC alleged that Respondent violated the antifraud and reporting provisions of the federal securities laws by:

a. Failing to disclose the related party status of Barrett & Worthem ("B&W"), Inc., the company that published the "Brookman Catalogue," which effectively set the prices for the products sold by Escala;

b. Falsely representing that Escala sold its parent company several sales of large stamp archives at prices determined by reference to independent stamp catalogues and appraisals when, in fact, Escala's president set the catalogue prices and influenced and edited the appraisals; and

c. Improperly booking the sale of certain stamp archives.

5. In September 2011, Respondent agreed to settle the SEC's charges without admitting or denying those allegations.

6. As part of the settlement, Respondent consented to a final judgment ("Final

2012 Board Meetings

March 21*
April 24
May 21
June 21**
July 23
August 20
September 24
October 18
November 26
December 17

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.
**Greensboro

Judgment") in the pending suit in federal court. Per the Final Judgment, Respondent was enjoined from violating various SEC statutes and rules, and was ordered to pay $43,495.00 in disgorgement, $21,089.75 in prejudgment interest, and a $100,000.00 civil monetary penalty. The Final Judgment also prohibits Crawford from acting as an officer or director of a publicly traded company for a period of three (3) years.

7. As part of the settlement, Respondent agreed to resolve the pending administrative proceeding before the SEC, without admitting or denying the findings, by agreeing to an administrative order imposing a three-year suspension of Crawford's ability to appear or practice before the SEC as an accountant.

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

2. Respondent's discipline by the SEC constitutes a violation of 21 NCAC 08N .0204.

3. If proven, the SEC's allegations that Respondent failed to disclose the contractual arrangement between Escala and B&W, and his issuance of 10-Qs and 10-Ks with incomplete and misleading information, constitute violations of 21 NCAC 08N .0201, .0202, .0203, and .0209.

4. If proven, the SEC's allegations that Respondent incorrectly booked one or more stamp archives constitutes a violation of 21 NCAC 08N .0201, .0202, .0203, and .0209.

5. 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, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Larry Lee Crawford, is hereby suspended for a period of at least three (3) years. At the end of the three (3) year suspension period, Respondent may apply for the reissuance of his Certified Public Accountant certificate.

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 suspended North Carolina certificate.

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

Traci Jo Anderson, #30009
Traci J. Anderson, CPA
Huntersville, NC 01/23/2012

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 Respondents stipulate the following Findings:

1. Traci Jo Anderson (hereinafter "Respondent Anderson") is the holder of North Carolina certificate number 30009 as a Certified Public Accountant.

2. Respondent Traci J. Anderson, CPA (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina.

3. Effective August 12, 2010, the Public Company Accounting Oversight Board (PCAOB) barred Respondent Anderson and Respondent Firm from being an associated person of a registered public accounting firm on the basis of its findings concerning Respondent Anderson and Respondent Firm's violations of PCAOB rules and auditing standards in auditing the financial statements of three issuer clients from 2007 to 2009.

4. As a result of the sanctions imposed by the PCAOB, the American Institute of Certified Public Accountants (AICPA) terminated Respondent Anderson's AICPA membership effective September 17, 2010.

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 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 21 NCAC 08N .0201, .0204, .0209, .0212 and .0403.

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

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. For a period of at least five (5) years following the date of the execution of this Consent Order and until the

Anderson
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Amended Rules

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CPE course for CPAs shall be given based on the number of contact hours spent in preparing and presenting the course. No more than 50 percent of the CPE credits required for a year shall be credits for preparing for and presenting CPE courses. CPE credit for preparing for and presenting a course shall be allowed only once a year for a course presented more than once in the same year by the same CPA.

(e) Authoring a Publication. CPE credit for published articles and books shall be given based on the number of contact hours the CPA spent writing the article or book. No more than 25 percent of a CPA's required CPE credits for a year shall be credits for published articles or books. An article written for a CPA's client or business newsletter is not applicable for this CPE credit.

(f) Instructing a College Course. CPE credit for instructing a graduate level college course shall be given based on the number of credit hours the college gives a student for successfully completing the course, using the calculation set forth in Paragraph (b) of this Rule. Credit shall not be given for instructing an undergraduate level course. In addition, no more than 50 percent of the CPE credits required for a year shall be credits for instructing a college course and, if CPE credit shall also be claimed under Paragraph (d) of this Rule, no more than 50 percent of the CPE credits required for a year shall be credits claimed under Paragraph (d) and this Paragraph. CPE credit for instructing a college course shall be allowed only once for a course presented more than once in the same year by the same CPA.

21 NCAC 08G .0410 - Professional Ethics and Conduct CPE

(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).

(b) A non-resident licensee whose primary office is in North Carolina must comply with Paragraph (a) of this Rule. All other non-resident licensees may satisfy Paragraph (a) of this Rule by completing the ethics requirements in the jurisdiction in which he or she is licensed as a CPA and works or resides. If there is no ethics CPE requirement in the jurisdiction where he or she is licensed and currently works or resides, he or she must comply with Paragraph (a) of this Rule.

21 NCAC 08J .0105 - Retired and Inactive Status: Change of Status

(a) A CPA may apply to the Board for change of status to retired status or inactive status provided the CPA meets the description of the appropriate status as defined in 21 NCAC 08A .0301. Application for any status change may be made on the annual certificate renewal form or another form provided by the Board.

(b) A CPA who does not meet the description of inactive or retired as defined in 21 NCAC 08A .0301 may not be or remain on inactive or retired status.

(c) A CPA on retired status may change to active status by:

(1) paying the certificate renewal fee for the license year in which the application for change of status is received;

(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); and

(3) three certificates of moral character and endorsements as to the eligibility signed by CPAs holding valid certificates granted by any state or territory of the United States or the District of Columbia.

(d) A CPA on retired status may request change to inactive status by application to the Board.

(e) Any individual on inactive status may change to active status by complying with the requirements of 21 NCAC 08J .0106(c).

If you have questions regarding the amended rules, please contact Robert N. Brooks, the Board's Executive Director, at rbrooks@nccpaboard.gov. If you prefer, you may contact Buck Winslow at buckw@nccpaboard.gov or you may contact Cammie Emery at cemery@nccpaboard.gov.

IRS Improves Charitable Search Website

The Internal Revenue Service (IRS) has revised its charities search capabilities to better help taxpayers check an exempt organization's federal tax status.

The new search function consolidates three databases that were previously found in different locations.

A useful new feature in the revised search engine is the ability to search for charities by EIN. This also gives taxpayers the ability to find a charity's EIN by searching for it by name.

To access the charity search engine, navigate to the IRS website, **www.irs.gov**, and click the "Charities and Non-Profits" link at the top of the page.

Look for the heading, "Charities & Non-Profits Topics" on the left-hand side of the page, then click on the "Search for Charities" link.

On the "Exempt Organizations Select Check" page, select one of the buttons to search for 1) organizations eligible to receive tax-deductible contributions (Pub. 78 data); 2) organizations whose federal tax exemption was automatically revoked for not filing a Form 990-series return or notice for three consecutive years; or 3) Form 990-N (e-Postcard) filers and filings.

The IRS updates the list of Pub. 78 data and the revoked organizations on the third Monday of each month. The Form 990-N (e-Postcard) list is updated weekly.

IRS Taxpayer Assistance Centers

Effective with the 2012 filing season, the IRS will no longer accept tax returns from preparers in their Taxpayer Assistance Centers (TACs).

Tax return preparers include individuals or businesses who prepare returns on behalf of another individual or business or their runners, regardless of whether they are compensated.

The IRS encourages all tax preparers to take advantage of available e-file options to file returns electronically to avoid the need to bring paper returns into TACs for mailing purposes.

Returns will not be accepted by the TACs from anyone other than the taxpayer.

LLC Annual Reports

According to recent Member Advantage from the NCACPA, Cheri Myers, Director of the Corporations Division for the NC Secretary of State, has confirmed that 2011 was the only year for mandatory usage of their LLC Annual Report forms.

The Corporations Division is encouraging the use of the pre-populated forms from its website, www.secretary.state.nc.us/corporations.

For ease in examination, these forms have been updated to identify (with a check box) when changes are made entering the information electronically and providing a different font to quickly locate those changes.

Reclassifications

Reinstatements

01/23/11	Erica Williams Alexander #28472	Cary, NC
01/23/11	Natalie Yvonne Bartlett, #27946	Lincoln University, PA
01/23/11	Larry Stephen Coffield, #9676	Matthews, NC
01/23/11	Susan Larson Frazier, #27192	Cary, NC
01/23/11	Steven Dean Johnson, #31347	Greensboro, NC
01/23/11	Christine Deborah Kar, #15864	Locust, NC
01/23/11	Paul Wesley Mashburn, #30389	Atlanta, GA
01/23/11	Angela Lane Mooring, #27388	Greensboro, NC
01/23/11	Stephanie Leigh Ward, #27502	Charlotte, NC
01/23/11	Joseph Elwood Weatherly, III, #13271	Greensboro, NC
01/23/11	Bradley David White, #25018	Cornelius, NC

Reissuance

01/23/11	Courtney Riddick Cloyd, #27884	Corapeake, NC
01/23/11	Najla Rajeeyah Shareef, #34258	Durham, 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)(32)].

01/23/11	William Clifford Boatwright, #11657	Rutherford College, NC
01/23/11	John Coatsworth Dutton ,Jr., #34597	Raleigh, NC
01/23/11	William Michael Ledbetter, #7149	Gastonia, NC

NC to Help Taxpayers with Individual Income Debt Payment Program

On January 19, 2012, the North Carolina Department of Revenue (NCDOR) launched the "Individual Income Tax Debt Payment Program" to help individuals catch up on unpaid taxes.

According to a press release issued by the NCDOR, this time-limited program will help individuals resolve unpaid taxes and get back on their feet financially by waiving certain penalties and fees and offering payment plan options.

Participating taxpayers can avoid forced collections such as garnishments, liens, and levies.

The program provides a favorable and easy payment opportunity for taxpayers who have accrued debt, often because of a weakened economy.

Eligible taxpayers could save as much as 35 to 40 percent by participating in the program.

The debt payment program ends April 30, 2012.

Any taxpayer who has properly filed their tax returns with NCDOR and has received a notice for unpaid taxes prior to January 1, 2012, may participate.

A taxpayer who has not filed a return, does not currently have an outstanding tax liability, or is the subject of an ongoing criminal investigation or prosecution is not eligible.

In exchange for a taxpayer paying the balance of tax and interest owed by April 30, 2012, the NCDOR will waive certain unpaid civil penalties and fees.

Anyone interested in participating should contact a NCDOR local service center or call 1-877-252-4983.

For detailed information about the program, please visit the NCDOR website, **www.dornc.com**.

www.nccpaboard.gov

Anderson

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PCAOB has lifted its bar, Respondent Anderson may not engage in any attest or assurance services except as set forth in paragraph 2, below.

2. Respondents may issue compilations. However, Respondents shall obtain preissuance reviews of the working papers of all compilation engagements performed by Respondents until such time as the Board considers such pre-issuance reviews to no longer be necessary. The pre-issuance reviewer shall be approved by the Board prior to performing said reviews. Respondents shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report upon its issuance.

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

4. Respondents shall remit to the Board a one thousand dollar $1,000.00 civil monetary penalty at the time of the execution of this Consent Order.

Greensboro Office of IRS Relocating

The Greensboro office of the IRS began moving to new facilities in December. The Taxpayer Customer Assistance (Walk-In) and Audit Offices have already moved into the Alamance Building on Koger Boulevard. The move should be completed in March 2012.

An updated Practitioner Directory will be available after the move is complete. The new office is in a different telephone exchange which is causing all numbers to change—a recording will provide the new number if it has changed.

If you are dealing with an office that has moved and they provide the new address, use it if instructed to do so.

However, all mail will continue to be delivered to the Kinston Building on Meadowview Road until all offices have moved to the new building.

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)(20)].

12/19/11	Adriana Mendez, #34338	Charlotte, NC
12/21/11	Norwood Lee Bobbitt, #7968	Charlotte, NC
12/21/11	Renee Marie Burkart, #26407	Loveland, OH
12/21/11	Albyrd Steven Festa, #22044	Sherrills Ford, NC
12/21/11	Deborah Ritchie Fox #14935	Raleigh, NC
12/21/11	Scott Barnum Jackson, #32846	Atlanta, GA
12/21/11	Carolyn Patricia Kocan, #22732	Raleigh, NC
12/22/11	Sarah Henderson Harriss, #31380	Charlotte, NC
12/22/11	Emily Riche Massey, #26359	Cary, NC
12/22/11	Susan Vickers Smith, #12510	Fuquay-Varina, NC
12/23/11	Theresa Wentworth Spalding, #18457	Raleigh, NC
01/03/12	Mary Chandler Batchelor, #33837	Greensboro, NC
01/03/12	Sandra K. Fullen, #21580	Charlotte, NC
01/03/12	Janelle Kay Godfredson, #23384	Cornelius, NC
01/03/12	Christopher Anthony McGurkin, #31349	Winston-Salem, NC
01/03/12	Michael Ray Oswalt, #32548	Clemmons, NC
01/03/12	Rita Duncan Price #27407	Indian Trail, NC
01/03/12	Lance Robert Ream, #35379	Charlotte, NC
01/03/12	Donald Phillip Smith, Jr., #25381	Mooresville, NC
01/03/12	Harriet F. Voris, #15093	Salem, VA
01/04/12	William Joseph Carson, #30418	Cary,NC
01/04/12	Donald Kenneth Murphy, #24293	Atlanta, GA
01/09/12	Jeffrey Todd Clapp, #17951	Olathe, KS
01/09/12	Teresa Hoots Driver, #22859	Clemmons, NC
01/09/12	Waverly Chester Evans, III, #9293	Williamsburg, VA
01/09/12	Dwight Tod Goodnight, 15716	Mooresville, NC
01/09/12	Alvin Douglas Harris, #8648	Greensboro, NC
01/09/12	Damon Karl Miklowcic, #35531	Eugene, OR
01/09/12	Jill Marie Mildenhall, #36150	Charlotte, NC
01/09/12	Ewa Aleksandra Pszenny, #34618	Pinehurst, NC
01/12/12	Mitzie Brooks Isear, #24741	Wilmington, NC
01/19/12	Ralph Russell Allison, #34025	Statesville, NC
01/19/12	Jennifer Alise Hogge, #33070	Cary, NC
01/23/12	Sean Donald Wilbur, #34107	Charlotte, NC
01/24/12	Frank Carollo, #34165	Huntington, NY

Certificates Issued

At its December 20, 2011, and January 23, 2012, meetings, the Board approved the following individuals for licensure as North Carolina CPAs:

Tyrrell Best Accattato
Suzanne Consorte Bailey
Patricia Jo Baker
Peter David Balbirnie
Eric William Barber
Robert Alan Bate
Adam Scott Binder
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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. 03-2012

2012-2013 Online CPA License Renewal Now Available

Online individual license renewal for the 2012-2013 license year is now available on the Board's website, **www.nccpaboard.gov**.

A licensee may use Internet Explorer, Mozilla Firefox, Google Chrome, or Apple Safari to complete the online renewal.

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 2011 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 emailed 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, email address, and telephone number so that the Board will have accurate contact information for each of its licensees.

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 (including email 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, 2012, the licensee will not be able to view Page 3 where licensees who report CPE will enter the CPE hours completed. Instead, the licensee will be automatically directed to Page 4.

Renewal
continued on page 2

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Renewal

continued from front

The third page of the renewal is used to calculate the number of hours of CPE carry-forward from 2010, the CPE credit hours earned in 2011, and the CPE hours for carry-forward into 2012.

If the number of carry-forward hours brought forward from 2010 (Block A) does not agree with the licensee's records, the licensee must contact Cammie Emery by email 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 2010 (Block A) to the CPE hours earned in 2011 (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 2011 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, upload applicable court documents as a PDF (no larger than 20 mb), 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 2012-2013 certificate renewal fee is $60.00.

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.

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, 2013.

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, 2012, 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, 2012. Forms for inactive or retired status are available on the website, **www.nccpaboard.gov**, by calling (919) 733-4222, or by sending an email to **vanessiaw@nccpaboard.gov**.

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

2012 Board Meetings

April 24
May 21
June 21*
July 23
August 20
September 24
October 18
November 26
December 17

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.

*Greensboro

2012-2013 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 the problem. 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 should print the final renewal acknowledgement page as proof 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 must print each page of the online renewal after he or she has completed the information required, but before clicking the "submit" 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 2011 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 online 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, email 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 email 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's National CPE Sponsor Registry, in calendar year 2011, check Box A. If a licensee was certified in North Carolina during the second, third, or fourth quarters of 2011, 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 2012 (maximum carry-forward is 20).

B. If a licensee was certified in North Carolina after January 1, 2012, check Box B because persons certified after that date may not report any CPE earned in 2011 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 2011 CPE after the December 31, 2011, deadline, but before June 30, 2012, and needs to use those courses to meet the 2011 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, 2012, he or she does not qualify for renewal.

D. If a licensee took some of the 2011 CPE after the December 31, 2011, deadline, but before June 30, 2012, 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.

Renewal Instructions *continued on page 4*

Renewal Instructions *continued from page 3*

E. If a licensee is a non-resident of North Carolina, he or she may comply with the CPE requirements in the jurisdiction 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 2010 (20 maximum). If this number does not agree with the licensee's records, he or she should email 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 2011. If a licensee completed courses between January 1 and June 30, 2012, he or she may renew by combining the 2011 and 2012 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 2010 (Block A) to the CPE hours earned in 2011 (Block B), and put the total in the Total Hours Reported block (Block C). Forty hours is the minimum total unless the 2011 CPE requirement was prorated or the licensee is claiming compliance with another jurisdiction'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 2011 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. Applicable court documents should be uploaded as a PDF no larger than 20 mb.

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 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 - 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. Effective February 1, 2012, a licensee may earn all of his or her CPE by self-study. Non-self-study coursework is no longer required.

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.*, J*ournal 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 in a self-study format. Information on courses that will satisfy the requirement is made available to licensees in the Board's newsletter, the Activity Review, and on the Board's website, www.nccpaboard.gov. 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 email 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; however, 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;

4) Information about the course developer and sponsor; and

Essential Continuing Professional Education Information *continued from page 5*

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 must 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).

Exam Statistics for NC Candidates

Statistics released by NASBA show that in 2011, North Carolina Uniform CPA Exam candidates had an overall pass rate of 52.8% for all four sections of the Exam.

Only five (5) jurisdictions had a higher overall 2011 pass rate: Missouri (57.2%); Utah (56.6%); North Dakota (54.8%); Iowa (53.6%); and Minnesota (53.5%)

A breakdown of the pass rate indicates that for NC candidates the pass rate for each section is as follows:

AUD	52.4%
BEC	56.9%
FAR	50.6%
REG	51.8%

For the fourth testing window of 2011, first-time (initial) candidates sat for 673 sections of the Exam with an average score of 71.0 and a pass rate of 49.8%. Re-exam candidates sat for 522 sections of the Exam with an average score of 71.2 and a pass rate of 42.3%.

The overall pass rate for NC candidates in the fourth quarter of 2011 is 46.5%.

A breakdown of the fourth quarter pass rate indicates that for NC candidates the pass rate for each section is as follows:

AUD	42.8%
BEC	46.3%
FAR	48.8%
REG	48.1%

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; send us an email at **lhearne@nccpaboard.gov** or **rbrooks@nccpaboard.gov**.

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www.nccpaboard.gov

Certificates Issued

At its February 20, 2012, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Stephanie Marie Aldecoa
Sheila Kaye Ammons
Jared Jay Arrowood
Carrie Ann Baker
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Alexander Toshiro Capo
Katrina Phyllis Carrington
Kristia Lex Andree Palma Cedeno
Suni Yemiko Clinton
James Alexander Colee
Ashley Gwaltney Covington
Jennifer Marie Craig
Amanda Carol Davis
Anthony DiSantostefano
Jessica Shirley Doss
Charles Eugene Driggers
Anna Theresa Dunbar
Shannon Lucile Dunn
Jeffry Steven DuPre
Ryan Matthew Dupree
Sarah Washburn Eggers
William Dixon Eglin
Jonathan David Elson
Heather Walker Emery
Leah Savanna Farris
Rachel Roslynne Filip
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Elizabeth Miller Grant
Lauren Topham Gulak
Rebecca Anne Hampton
Kristen Nicole Hand
Andrew Edmund Hoffman
LaToya Reshée Horton
Jennifer Anne Huish
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John Ashley Pollard
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James David Scalise
Thomas Christian Schneeberger
Matthew Aaron Schroeder
Roger John Sciascia
Michael Alexander Shusko
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Jacob Alexander Sloan
Roxanne Deveney Stiles
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Teryl Amanda Teasdell
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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. 04-2012

AU Section 315: Communications Between Predecessor and Successor Auditors

When your firm is considering an audit engagement with a potential client, what role does communication with the client's previous auditor play in your information-gathering process?

The primary purpose of communications between a client's previous auditor ("predecessor auditor") and the new auditor ("successor auditor") is to help the potential new auditor learn the history of the relationship between the client and the previous auditor, and may possibly expose some information that would suggest that accepting the client is not in the best interest of the firm.

For example, the successor auditor should consider that the predecessor auditor and the client may have disagreed about accounting principles, auditing procedures, or other similarly significant matters.

Another key purpose of the communications is to assist the successor auditor in properly planning the audit, if the engagement is accepted.

Section AU 315 of Statements on Auditing Standards provides guidance on communications between predecessor auditors and successor auditors when a change of auditors is in process or has already taken place. The communications may be oral or written.

The term "predecessor auditor" refers to an auditor who (a) has reported on the most recent audited financial statements or was engaged to perform but did not complete an audit of the financial statements; and (b) has resigned, declined to stand for reappointment, or been notified that his or her services have been, or may be, terminated.

The term "successor auditor" refers to an auditor who is considering accepting an engagement to audit financial statements, but has not communicated with the predecessor auditor as provided in Paragraphs .07 through .10, as well as to an auditor who has accepted such an engagement.

NOTE: The provisions of AU 315 are not required if the most recent audited financial statements are more than two years prior to the beginning of the earliest period to be audited by the successor auditor.

In addition, if the most recent financial statements were compiled or reviewed, the practitioner who reported on those financial statements is not a predecessor auditor.

However, a successor auditor may find it useful to make certain inquiries of the prior accountant in determining whether to accept the engagement or to assist in the planning of the engagement.

It is important to remember that there may be two predecessor auditors: the auditor who reported on the most recent audited financial statements and the auditor who was engaged to perform but did not complete an audit of any subsequent financial statements.

The required communications include specific and reasonable inquiries of the predecessor auditor regarding matters that will help the successor auditor decide whether to accept an engagement.

A successor auditor should not accept an engagement until he or she has communicated with the predecessor auditor and evaluated the responses. Required communications include matters relating to

- Information that might bear on the integrity of management;
- Disagreements with management as to accounting principles, auditing procedures, or other significant matters;
- Communications to audit committees or others with equivalent authority and responsibility regarding fraud, illegal acts by clients, and internal control related matters; and

Auditor Communications
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Disciplinary Actions

Warren R. Cramton, #19615
Charlotte, NC 02/20/2012

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. Warren R. Cramton (hereinafter "Respondent") is the holder of North Carolina certificate number 19615 as a Certified Public Accountant.

2. The Board received a complaint from Respondent's previous employer that Respondent had misappropriated approximately $5,800.00 in funds from the employer within weeks of accepting a position as Controller for the employer.

3. Respondent's position with the employer was terminated, and the parties agree that Respondent replaced all misappropriated funds.

4. Respondent has not disagreed with the employer's recitation of the facts leading to his termination and complaint before this Board. However, Respondent asserts that there was no malicious intent on his part.

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 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 misappropriation of his employer's funds constitutes a violation of 21 NCAC 08N .0201, and .0203(a) and (b)(1).

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, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Warren R. Cramton, 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.

Donald E. Drake, 28635
Donald E. Drake, CPA, P.C.
Elizabeth City, NC 12/19/2011

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 N. C. Gen. Stat. §150B-41, the Board and Respondent stipulate to the following:

1. Respondent Donald E. Drake (hereinafter "Respondent Drake") is the holder of North Carolina certificate number 28635 as a Certified Public Accountant.

2. Respondent Donald E. Drake, CPA, P.C. (hereinafter "Respondent Firm") is a registered certified public accounting corporation in North Carolina. At all relevant times, Respondent Drake was the sole shareholder of Respondent Firm, and has been individually responsible for the conduct of Respondent Firm.

3. Respondent Drake failed to register Respondent Firm for a peer review program, even though Respondent Firm was providing clients with review services.

4. Respondent Drake through Respondent Firm failed to comply with standards regarding the working papers and review reports for the clients to whom Respondent Firm was providing review services.

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.

2012 Board Meetings

May 21
June 21*
July 23
August 20
September 24
October 18
November 26
December 17

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.

*Greensboro

2. Respondents' actions as set out above constitute violations of N.C. Gen. Stat. § 93-12(8c) and 21 NCAC 08M .0105, 08N .0201, .0209, .0212, .0213, and .0404.

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

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

1. Respondent Drake shall obtain preissuance reviews of the working papers of all audit, review, agreed-upon procedure, and/or compilation engagements performed by Respondent Drake or Respondent Firm until such time as the Board considers such pre-issuance reviews to no longer be necessary. The pre-issuance reviewer shall be approved by the Board prior to performing said reviews. Respondents shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report upon its issuance.

2. Respondent Drake shall, in addition to all regular CPE requirements, take an additional sixteen (16) hours of CPE in a group study format. Eight (8) of those hours shall relate to compilations, the other eight (8) of those hours shall relate to reviews. The additional CPE requirements must be completed prior to Respondent Drake's certificate renewal for the 2012-2013 license year.

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

Wayne Duckworth CPA, P.A., #30644
Greensboro, NC 12/19/2011

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 N.C. Gen. Stat. §150B-41, the Board and Respondent stipulate to the following:

1. Wayne Duckworth CPA, P.A. ("Respondent") is a registered firm in the State of North Carolina having Board registration number 30644.

2. The Board received information that an arbitrator had found that Respondent had not timely responded to its client's demand for return of client records.

3. 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. 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. Failure to promptly return client records is a potential violation of 21 NCAC 08N .0305(a).

BASED ON THE FOREGOING, the Board and Respondent agree to the following Order:

1. Respondent's actions do not rise to the level of a violation of Rule 21 NCAC 08N .0305(a), but Respondent's actions are sufficient to warrant a caution that Respondent act with diligence when responding to a client's requests for records.

2. Respondent agrees to pay a one thousand dollar ($1,000.00) civil monetary penalty.

Disciplinary Actions
continued on page 5

www.nccpaboard.gov

Board Milestone: Ann Hinkle

Congratulations to Ann Hinkle on 25 years of employment with the North Carolina State Board of CPA Examiners.

As Manager of the Professional Standards section, Ann supervises two full-time employees and works with the Board's Staff Attorney, Executive Staff, and Legal Counsel on all aspects of the Board's enforcement activities.

A graduate of the University of North Carolina at Chapel Hill, Ann is an avid Tarheel fan who enjoys attending UNC-CH basketball games with her husband.

Thank you for your hard work and dedication, Ann.

Officers Elected

At its March 21, 2012, meeting, the Board elected officers for 2012-2013.

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

Jose Rodriguez, CPA, Re-Appointed to Board

In February, Governor Perdue re-appointed Jose Ramon Rodriguez, CPA, as a member of the State Board of Certified Public Accountant (CPA) Examiners.

Rodriguez, whose term will expire June 30, 2014, was initially appointed to the Board in 2008.

He is currently serving as President of the Board and previously served as Vice President and as Chair of the Professional Standards Committee.

A partner with KPMG LLP and a member of the KPMG LLP Board of Directors, Rodriguez is based out of the firm's Greensboro office.

Disciplinary Actions

continued from page 3

Clayton S. Parsons, III, #17919
Charlotte, NC 01/23/2012

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. Clayton S. Parsons, III (hereinafter "Respondent"), is the holder of North Carolina certificate number 17919 as a Certified Public Accountant.

2. When a client requested additional copies of a client record, specifically retirement plan allocations, Respondent refused to provide those records until such time as Respondent had been paid by the client for past services rendered.

3. The Board's rules, at section 21 NCAC 08N .0305(d) mandate that "A CPA shall not retain a client's records in order to force payment of any kind."

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. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0305 (a) and (d).

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, 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.

Gail Sharon Pizetoski, #15788
Houston, TX 01/23/2012

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. Gail Sharon Pizetoski (hereinafter "Respondent") is the holder of North Carolina certificate number 15788 as a Certified Public Accountant.

2. When a former client requested additional copies of client records, Respondent did not immediately provide the requested records. Respondent only provided an additional copy of the records after the client filed a complaint with the Board.

3. Respondent had difficulty in providing the records because Respondent had not retained a copy of the client's records. Respondent was ultimately able to obtain the client's records from a third party.

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. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0305 (a) and (h).

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, the Board and Respondent agree to the following Order:

1. Respondent is censured.

Steve Wesley Shelton, #34836
Charlotte, NC 01/23/2012

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:

Findings of Fact

1. Steve Wesley Shelton (hereinafter "Mr. Shelton") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Shelton failed to timely file the annual firm registration for Wesley Shelton, PLLC, as required by N. C. Gen. Stat. §93-12(7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.

3. Mr. Shelton subsequently renewed his firm, which was received by the Board on May 2, 2011, in excess of 60 days, but not more than 120 days from the annual firm registration deadline.

4. Pursuant to 21 NCAC 08J .0111(2), because Mr. Shelton's infraction was for a period in excess of 60 days, but not more than 120 days, the appropriate penalty is $200.00.

5. Mr. Shelton 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. Shelton's payment as full resolution of the aforementioned violations.

Elizabeth C. Wilson # 13263
Bay St. Louis, MS 01/23/2012

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 13263 as a Certified Public Accountant.

2. Respondent informed the Board on her 2010-2011 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 2009 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 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 a Board-approved North Carolina ethics CPE course and at least eight (8) hours of non-self-study that Respondent claimed she earned between January 1, 2009, and June 30, 2010, as was reported on her 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, her certificate is automatically forfeited pursuant to N.C. Gen. Stat. § 3-12(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 Respondent's certificate and the civil penalty required in Number 5 of this Order have been 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 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 her license.

Renewal Reminder

In late 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 2011 CPE requirement; and a valid MasterCard or VISA account number, security code, and expiration date.

Improvements to the online renewal process include:

- More specific error messages instead of a standard error message;
- Enhancements to the address change pages (and online address change) that make it easier to add/edit/delete addresses;
- An option so that CPAs who need to report moral character information can upload PDF documents directly into the renewal rather than sending those documents by mail, fax, or email; and
- Access to a printable renewal receipt through an individual's record in the "Licensee Search" portion of the Board's web-based database.

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

The deadline for renewing an individual's NC CPA certificate is June 30, 2012.

Board Office Closed

In accordance with the holiday scheduled adopted by the State of North Carolina, the Board office will be closed on the following dates in 2012:

May 28
Memorial Day

July 4
Independence Day

September 3
Labor Day

Auditor Communications

continued from front

- The predecessor auditor's understanding of the reasons for the change of auditors.

An auditor should not accept an engagement before evaluating the responses to the above list. However, an auditor may make a proposal on an engagement before initiating communications. In this case, the auditor should advise the prospective client in the proposal letter that he or she cannot formally accept the engagement until the results of the required communications have been evaluated.

A predecessor auditor should respond fully to the successor auditor's inquiries. However, a predecessor auditor who limits his or her response should let the successor auditor know this is the case. Litigation, disciplinary proceedings or other such unusual circumstances may result in a limited response.

If the successor auditor receives a limited response, he or she should consider its implications and whether or not to accept the engagement.

AU 315 describes other communications (primarily a review of the predecessor auditor's working papers) that may assist the successor auditor in planning the engagement. These communications may occur before or after acceptance of the engagement.

If the successor auditor wants to review the predecessor auditor's working papers, he or she should request that the client authorize the predecessor auditor to grant access.

To reduce the risk of misunderstanding regarding the scope of communication being authorized, the predecessor auditor may wish to obtain written consent from the client. Included in the working papers usually made available to the successor auditor are documentation of planning, internal control, audit results and other matters of continuing accounting and auditing significance.

If the prospective client prohibits the predecessor auditor from responding to the successor auditor, the successor auditor should ask the prospective client why and should then consider the implications of that refusal in deciding whether to accept the engagement.

Of course, the predecessor auditor may limit or deny the successor auditor access to the working papers. The extent of access is always a matter of professional judgment.

In practice, access to working papers may be denied for several reasons, such as litigation involving the engagement or an incomplete engagement.

Before granting access to the prior-year working papers, a predecessor auditor may request that the successor auditor agree to certain assurances and limitations; the use of these written agreements often provides the successor auditor with greater access to the working papers. The agreement may stipulate that

- The successor auditor's sole purpose for the review of the working papers is to obtain information about the client in order to assist in planning the engagement;
- The successor auditor will not comment, orally or in writing, to anyone as a result of the review as to whether the predecessor auditor's engagement was performed in accordance with generally accepted auditing standards;
- The successor auditor will not provide expert testimony or litigation services or otherwise accept an engagement to comment on issues relating to the quality of the predecessor's audit; and
- The successor auditor will not use the audit procedures or results thereof documented in the predecessor auditor's working papers as evidential matter in rendering an opinion on the financial statements of the client, except as contemplated in SAS No. 84.

Remember, the onus is on the successor auditor to sufficiently research a potential client before accepting an engagement; the more informed the successor auditor is, the more likely it is that the firm can provide the client with a quality audit.

It is not intended that this article cover all of the standards set forth in AU 315. It is recommended that the firm refer to AU Section 315 when assessing a potential engagement with a new client.

If you have questions regarding AU 315, please contact J. Michael Barham, CPA, Deputy Director, by email at **mbarham@nccpaboard.gov** or by phone at (919) 733-4215.

Online Exam Score Notice Retrieval

Late last year, the Board approved an arrangement with the National Association of State Boards of Accountancy (NASBA) that significantly reduces the time NC Exam candidates must wait to learn their Exam scores.

Candidates now use the NASBA Gateway system to retrieve their Exam scores from NASBA within 24-48 hours after NASBA receives the score notices from the AICPA.

Because the AICPA continues to send scores in batches by section to NASBA, not all candidates will receive all score notices at the same time.

Candidates will continue to receive printed copies of their score notices from the Board, but will not receive the printed score notices until about a week after the score notices are available through the Gateway.

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.

Follow Us on Twitter
twitter.com/NCCPABoard

Like Us on Facebook
facebook.com/NCCPABoard

Reclassifications

Reinstatements

02/20/12	Shelly Price Alman, #23984	Gastonia, NC
02/20/12	Robert M. Bullen, #32436	Timonium, MD
02/20/12	Yongmei Cai, #31765	Lake Worth, FL
02/20/12	Kurt Gehsmann, #22908	Greensboro, NC
02/20/12	Heather Leigh Gourley, #28403	Charlotte, NC
02/20/12	Kirk A. Hall, #18484	Flat Rock, NC
02/20/12	Laura Adack Huntley, #33551	Raleigh, NC
02/20/12	Cheryl Lynn Kozik, #21009	Wilmington, NC
02/20/12	Felix Clarence Miclat, Jr., #20148	Matthews, NC
02/20/12	Deborah Hall Proffitt, #13696	Charlotte, NC
02/20/12	William James Sharrard, #7527	High Point, NC
02/20/12	Shelly R. Strawn, #22839	Raleigh, NC
02/20/12	Paul Robert Thomas, #28816	Raleigh, NC
03/21/12	Paul Christian Brown #31269	Durham, NC
03/21/12	William Taylor Campbell, III, #30211	Winston-Salem, NC
03/21/12	Robin DeRae Fairchild, #25346	Taylorsville, NC
03/21/12	Bradley Stephen Hanover, #28787	Norfolk, VA
03/21/12	Headen Bynum Thomas, #13616	Fort Mill, SC

Reissuance

02/20/12	Nell Ban, #24993	Cary, NC
02/20/12	Glenn Mansfield Fisher, #16633	Hickory, NC
02/20/12	Travis Mark Fox, #26223	Ponte Vedra Beach, FL
02/20/12	Fredrick Martin Gipson, #29859	Concord, NC
02/20/12	Chet Milton Williams, #16908	Zebulon, 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)(32)].

02/20/12	Howell William Branch, #2123	Charleston, SC

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)(20)].

02/01/12	Charles Michael Kerans, #15483	Summerfield, NC
02/01/12	William Edgar Perdew, #760	Wilmington, NC
02/02/12	Gale Dean Eidson, #2522	Atlanta, GA
02/07/12	Abby White Gardner, #30005	Waxhaw, NC
02/13/12	Jack William Holsten, #14487	Greenville, NC
02/14/12	Kokila G. Amin, #21454	Cary, NC
02/27/12	Shannon Teah Lumbra, #33932	Charlestown, MA
02/28/12	Henry Cicero Merritt, Jr., #12885	Sanford, NC
02/29/12	Donald Leach Carr, #2929	High Point, NC
02/29/12	John W. McKeta, #23546	Charlotte, NC

Certificates Issued

At its March 21, 2012, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Elizabeth Rebecca Anthony
James Keith Askew
Theresa Selig Berens
Benjamin Mark Campsey
Hong Chai
Brittany Ann Drees
Brittany Shepherd Emery
Julie Catherine Esposito
Misko Filiposki
Brian Franklin Gantt
Robert Sterling Gentry
Junko Gilbert
Diana Elizabeth Hardy
Laura Wade Hartley
Michael Scott Inglut
Timothy Paul Isom
Justin Earl Layton
Chuan Lin
Lisa Renae McClinton
Rachel Diane Meinecke
Robert Howard Mitchell, Jr.
Meghan Elise Myers
Leah Michelle Nichols
Ryan Patrick Nicollerat
Marion Wooten Peebles, IV
Jake Carl Rau
Manda Brittany Ritch
Daniel Kenneth Saint, Jr.
Jessica Marie Sanford
Jacob Lee Shortt
Steven John Turk
Casey Evans Wentz
Season Loflin West
Christopher Burleson Woolley
Peter Frederick Zwerneman

CPA Day of Service

The NCACPA is hosting its first "CPA Day of Service" on Friday, September 21, 2012. For more information, **visit www.ncacpa.org/service**.

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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. 05-2012

Have You Completed Your 2012-2013 License Renewal?

Since March, North Carolina CPAs have been completing their 2012-2013 license renewals online through the Board's website, **www.nccpaboard.gov**.

A licensee may use Internet Explorer, Mozilla Firefox, Google Chrome, or Apple Safari to complete the online renewal.

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 2011 CPE requirement, and a valid MasterCard or VISA 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.

To access the online renewal, the user will 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 portion of the online renewal, "Pertinent Data on File," will display.

This section 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 accurate contact information. If a complete address is not provided, the user will not be allowed to continue with the renewal process.

As a user progress through the renewal, three different address pages will be displayed, one after the other. The first page contains the mailing address. If a licensee needs to add or change the mailing address information, he or she will click the blue link marked, "Edit." After the changes are saved, the licensee will click the "Next" button to proceed to the next address page until all addresses have been reviewed and updated.

NOTE: The address selected as the licensee's mailing address is the address that will be displayed in the 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."

License Renewal
continued on page 4

John M. Kledis, CPA, Appointed to Board

In early April, Governor Perdue appointed John M. Kledis, CPA, of Asheville, as a member of the State Board of Certified Public Accountant (CPA) Examiners.

Kledis, whose term will expire June 30, 2013, took the Oath of Office at the April 24, 2012, Board meeting.

Additional information on Kledis will be published in an upcoming issue of the *Activity Review*.

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Michael C. Jordan, CPA..... 5

Disciplinary Actions

Geoffrey R. Chatham, #20958
Columbia, SC 04/24/2012

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. Geoffrey R. Chatham (hereinafter "Respondent") was the holder of North Carolina certificate number 20958 as a Certified Public Accountant ("Certificate"). In December of 2011, Respondent's request that his Certificate be placed on "Retired" status was granted by the Board.

2. In 2004, Respondent received at least two (2) criminal summonses for failure to file unemployment insurance tax forms. The charges were later dismissed.

3. Despite the aforementioned criminal summonses, when Respondent renewed his Certificate in June of 2004 and June of 2005, he failed to respond in the affirmative to the question: "Have you been charged, arrested … or pleaded … to any criminal offense, excluding criminal traffic infractions, since filing your last renewal?"

4. In 2004, Respondent was named in a civil complaint alleging Fraud, Breach of Fiduciary Duty, Embezzlement, Conversion, Unfair, and Deceptive Trade Acts, and Civil Conspiracy. Respondent settled this complaint with no admission of guilt.

5. Despite the aforementioned civil suit, when Respondent renewed his Certificate in June of 2004 and June of 2005, he failed to respond in the affirmative to the question: "Have you been 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, since filing your last renewal?"

6. Respondent never informed the Board of the 2004 civil suit and criminal summonses, and the Board only discovered those actions at a much later date from other sources. The late discovery of those actions has severely hampered the Board's ability to conduct its own investigation of the allegations. A failure to file unemployment taxes, in and of itself, has been held to be grounds for revocation in other matters. Similarly, the blatant conflict of interest and other allegations made in the 2004 civil suit, if investigated and proven at the time, could have led to discipline of Respondent's Certificate.

7. In 2007, Respondent was named in a civil complaint alleging Breach of Contract, Fraud, Breach of Fiduciary Duty, Embezzlement, Conversion, Unfair and Deceptive Trade Acts, and Civil Conspiracy. Respondent settled this complaint with no admission of guilt. However, Respondent did not comply with the terms of his settlement agreement.

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 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 and .0208.

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, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Geoffrey Chatham, is suspended for five (5) years from the date this Order is approved by the Board.

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

3. Respondent may apply for the reissuance of his certificate after five (5) years from the date the Board approves the Consent.

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 in a self-study or group study format.

2012 Board Meetings

June 21*
July 23
August 20
September 24
October 18
November 26
December 17

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.

*Greensboro

Gerrelene M. Walker, #7714
Tarboro, NC 04/24/2012

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. Gerrelene M. Walker (hereinafter "Respondent") is the holder of North Carolina certificate number 7714 as a Certified Public Accountant.

2. In April of 2010, the Board approved a Consent Order ("Order") with Respondent requiring her to obtain pre-issuance reviews, from a Board-approved reviewer, of all audits of government units and component units of government units until such time as the Board would determine that pre-issuance review is no longer necessary.

3. In a cover letter sent to Respondent with the approved Order, Board staff reminded Respondent that she must obtain pre-issuance reviews and that she must obtain Board approval of the pre-issuance reviewer.

4. In July of 2010, Respondent was informed, by a representative of the Local Government Commission (LGC) of the North Carolina State Treasurer's office, that the person indicated in Respondent's submissions to the LGC as Respondent's firm's pre-issuance reviewer had not, according to Board records, been approved by the Board to perform such reviews.

5. In October of 2010, Respondent contacted Board staff and was provided with a list of names for approved pre-issuance reviewers.

6. Ms. Walker presented, from October of 2010 through January of 2011, at least seven (7) June 30, 2010, audits to governmental units and component units of government units prior to obtaining a pre-issuance review.

7. The LGC issued "White Letter" findings on each of the seven (7) audits which indicated that Respondent issued audits with unqualified opinions that contained financial statements with material errors and inconsistencies that were not prepared in accordance with generally accepted accounting principles.

8. In December of 2010 and January of 2011, Board staff sent letters to Respondent regarding the status of her pre-issuance reviews.

9. Respondent responded in January of 2011, after the audits had been reviewed and perfected by the LGC, that she had engaged a pre-issuance reviewer and expected the reviews to be completed by the end of January 2011.

10. The pre-issuance reviewer's reports were provided to the LGC and to the Board at the end of January and the beginning of February of 2011.

11. In responding to questions from Board staff regarding her compliance with the April 2010 Order, Respondent stated that she thought, in making the changes as noted by the LGC in its "White Letters" and then having a pre-issuance review, she was complying with the terms of the Order.

12. Since Respondent had failed to obtain reviews prior to issuing the audit reports, Board staff advised Respondent as to the identity of the pre-issuance reviewer approved by the Board to prepare reviews for her firm prior to issuing the audits.

13. On January 12, 2012, Board staff received information from the LGC that Respondent had provided the LGC with a June 30, 2011, audit for the Town of Spring Hope without the required pre-issuance review.

14. On January 26, 2012, Respondent's pre-issuance reviewer emailed his review comments to Respondent regarding his review of the June 30, 2011, audit for the Town of Spring Hope. The pre-issuance reviewer copied Board staff on the email, including his review comments.

15. 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 repeated failures to comply with the Board's April 2010 Order are violations of 21 NCAC 08N .0203(b)(3).

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 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Gerrelene Walker, is suspended for at least two (2) years from the date this Order is approved by the Board.

2. The firm registration for Respondent's CPA firm is hereby suspended.

3. Respondent must return her suspended certificate and firm registration to the Board with this signed Consent Order.

4. Respondent may apply for the reissuance of her certificate after two (2) years from the date the Board approves the Consent.

5. 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

Disciplinary Actions
continued on page 5

License Renewal

continued from front

NOTE: If the user selects answer B" because the individual was licensed after January 1, 2012, 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 2010, the CPE credit hours earned in 2011, and the CPE hours for carry-forward into 2012.

If the number of carry-forward hours brought forward from 2010 (Block A) does not agree with the licensee's records, please contact Cammie Emery by email 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 2010(Block A) to the CPE hours earned in 2011 (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 2011 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 2011, 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 licensee must answer each question and type a brief explanation of each affirmative answer in the text box at the bottom of the page, upload applicable court documents as a PDF (no larger than 20 mb), 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 also provides a receipt that may be printed from the licensee's record in the "licensee search" section of the Board's website.

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.

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, 2013.

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, 2013.

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, 2012, 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, 2012. Inactive or retired status forms are available from the website, **www.nccpaboard.gov**, or by calling (919) 733-4222.

Please submit questions about the renewal process to Buck Winslow, Manager of Licensing, by email at **buckw@nccpaboard.gov**.

North Carolina State Board of Certified Public Accountant Examiners

Resolution

WHEREAS, *Michael C. Jordan, CPA, has served as a member of the North Carolina State Board of Certified Public Accountant Examiners since 2004;*

WHEREAS, *during his tenure he served as President of the Board 2009-2010 and 2010-2011; and as Vice President of the Board 2008-2009;*

WHEREAS, *during his tenure, he served on the Executive Committee 2009-2010 and 2010-2011; the Audit Committee 2011-2012; the Personnel Committee 2009-2010 and 2011-2012; and the Communications Committee 2009-2010 and 2010-2011;*

WHEREAS, *during his tenure he served on the Professional Education and Applications Committee 2004-2005, 2005-2006, and 2011-2012;*

WHEREAS, *during his tenure he served on the Professional Standards Committee 2006-2007, 2007-2008, and 2008-2009;*

WHEREAS, *during his tenure he served on the Joint Task Force on Mobility;*

WHEREAS, *during his tenure he has faithfully and tirelessly served as a leader in the profession and is an eloquent spokesman for the best interests of the public and the profession;*

BE IT THEREFORE RESOLVED *that the members of the North Carolina State Board of Certified Public Accountant Examiners thank Michael C. Jordan, CPA, for his dedicated service, his personal sacrifice to serve the public interest, and his leadership to the Board.*

This the 24th day of April 2012.

Jose R. Rodriguez, CPA

Jose R. Rodriguez, CPA, President

North Carolina State Board of
Certified Public Accountant Examiners

Walker *continued from page 3*

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 in group-study format.

6. After the reissuance of Respondent's CPA certificate and the registration of her firm, Respondent shall be required to obtain pre-issuance reviews of all audits until such time as the Board determines that pre-issuance review is no longer necessary. The pre-issuance reviewer shall be approved by the Board 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.

7. Respondent shall reimburse the Board for its administrative costs incurred as a result of monitoring Respondent's compliance with the pre-issuance reviews as required in #6 above.

8. Respondent agrees that failure to comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of her license.

Thomas G. Sheaffer, #23566
Marietta, GA 03/21/2012

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (Board) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. §150B-41, the Board and Respondent stipulate to the following:

1. Respondent is the holder of North Carolina certificate number 23566 as a Certified Public Accountant.

2. Respondent informed the Board on his 2010-11 individual certificate renewal (renewal) that he had obtained forty-two and one-half (42.5) hours of continuing professional education (CPE) including four and one-half (4.5) 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 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 any of the CPE hours that he claimed between January 1, 2009, and December 31, 2009, 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 21 NCAC 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

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, the Board and Respondent agree to the following Order:

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

Reclassifications

Reinstatements

04/24/12	Donald Ralph Compton, #18471	Greenville, NC
04/24/12	Adrian Lee Jarrell, #20557	Mount Airy, NC
04/24/12	Elizabeth Baker Simmons, #20653	Reidsville, NC

Reissuance

04/24/12	Judson J. Abraham, #17385	Fort Mill, SC
04/24/12	William Randall Burrell, #10824	Canton, NC
04/24/12	Randy Scott Casstevens, #18291	Winston-Salem, NC
04/24/12	Glen Hunter Griffin, #21475	Darien, CT
04/24/12	Dorinda D. Powell, #27642	Raleigh, NC
04/24/12	John Prescott Sabiston, #25603	Raleigh, 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)(32)].

04/24/12	Christopher C. Smalley, #22980	Winston-Salem, NC

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 receives Respondent's forfeited certificate and until the civil penalty required in number five (5) of this Order has been paid by Respondent.

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. Eighty (80) hours of CPE, of which forty (40) of these hours shall be in the group-study format, 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 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.

Board Office Closed

In accordance with the holiday scheduled adopted by the State of North Carolina, the Board office will be closed on the following dates in 2012:

May 28
Memorial Day

July 4
Independence Day

September 3
Labor Day

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Certificates Issued

At its April 24, 2012, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Ali Riad Ajami
Matthew Douglas Beamish
Lamar Herbert Benton, Jr.
Parag Bakul Bhutta
Karen Gregory Blalock
Paul Anthony Blaylock
Geoffrey Jason Bremer
Hannah Elizabeth Brown
Chevonne Burns
Tieneke Chelsea Geurts Carver
Candace Marie Casey
Allison Taube Cashin
Steven Thompson Corneliussen, II
Leslie Mark Coval
Lisa Ann Davis
Charles Lloyd Davis, Jr.
Jessica Susan Dill
Sara Ann Domby
Christopher J. Duke
Stephanie Jo Dunaway
Trisha Lynn Edwards
David Lane Fred
Anthony Michael Gagliardi
Gary Spencer Giovanini
Brett Neil Goodman
Ashley Michelle Harmon-Poston
Yashekia Michelle Harper
Adam Charles Hill
Richard Douglas Hofrichter
Sharon Jane Howard
Rebecca Lynn Johns
Jody-Ann M. Johnson
Laura Kathleen Johnson
Paul Joseph Kenney
Brian Aidan Lang
James Walter Lawrence
Ryan Mathew Levy
James Douglas Mackintosh, IV
Carroll McKinley Mann
Susan Mary Mann
Luke Byron Markey
James Donald Matthis, III
Michael James McGory
Kevin James McHugh
Amelia Nicole Moody
Adam Isaac Morris
Mary Diane Morrison
Elizabeth Kathleen Mower
William Gray Murray, III
Paul David Musgrave
Casey Shepherd Neal
Kimberly Lynn Nenni
Jason Bradley Newman
Erin Marie Outlaw
Adam Rafael Pakledinaz
Yogini Kara Parmar
Kari E. Patton-Motluck
John Frederick Perrott
David Maurice Proulx, Jr.
Sherry Bennett Rae
Alexander Orestes Rodriguez
Francisco Javier Urios Rodriguez
Amy Jo Rogers
Nicole Silura Ruth
Joseph Charles Schaff
Francis John Schmid
Sheryl Honigbaum Schuff
Justin Allen Sigmon
Hannah Blair Simmons
Lawrence Jay Slakter
Cheryl Ann Smith
Christopher Graham Spivey
Matthew Gates Thompson
Adam Jeffery Towery
Susanna Buechi Turner
Thomas Graham Turner, Sr.
Peggy A. Upton
Ross Nicholas Visscher
David Gray Walker, Jr.
Christopher Milton Walters
James Leland Washburn
Lauren Susan Watkins
Jennifer Lynn Weiss
David Williamson Wells
Randall Sanford Whitfield
Kathryn Rosser Winward
Timothy Ulysses Zygmont

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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. 06-2012

John M. Kledis, CPA, Appointed to Board

In April, Governor Bev Perdue appointed John M. Kledis, CPA, of Asheville, as a member of the North Carolina State Board of CPA Examiners.

Kledis, whose term will expire June 30, 2013, took the Oath of Office at the Board's April 24, 2012, meeting.

A graduate of Wayne State College in Nebraska, Kledis was licensed as a North Carolina CPA in 1972. He began his accounting career at McGladrey, Hansen, Dunn, & Company.

After moving to Asheville, Kledis was a partner in several CPA firms until 1988 when he started the firm Kledis and Company, CPAs, PA.

Kledis is a member of the North Carolina Association of CPAs (NCACPA) and is currently serving on the Taxation Committee and the Government Relations Committee. He is a past member of the Work Life Committee.

Locally, Kledis is a member of the Buncombe County Audit Committee and Treasurer of Street-Tiques of Asheville. In the past, he has served as a member of the Buncombe County Health Department Board; a member of the Buncombe County Special Study Projects; Treasurer of the Asheville Jaycees; and as treasurer for several political campaigns.

In his spare time, Kledis enjoys working on antique cars, woodworking, and fishing. He and his wife Joanne have three adult children.

Exam Security Changes at Test Centers

Effective July 1, 2012, Prometric Test Center Administrators (TCAs) will be using hand-held metal detector wands to scan all candidates in the test centers of the US and its territories.

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.

The purpose of the wand scan is to take an additional step in identifying any prohibited items that a candidate is attempting to take into the testing room.

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 candidate refusing to be scanned will not be permitted to test.

Information about wanding has been added to Prometric's standard Test Center Regulations form. The form is posted on Prometric's website and is given to all candidates to read prior to check-in.

Bucky Glover, CPA, Re-Appointed to Board

Governor Bev Perdue re-appointed Miley ("Bucky") Glover, CPA, as a member of the North Carolina State Board of CPA Examiners.

Glover, whose term will expire June 30, 2015, was initially appointed to the Board in 2009.

A partner in the CPA firm Potter & Co., P.A., Glover is a current member of the Board's Professional Standards Committe and a past member of the Professional Education and Applications Committee.

Glover is a member of the NCACPA and the AICPA and is serving as the Mid-Atlantic Regional Director for NASBA.

Renewal Reminder

The deadline to renew your NC CPA license is June 30, 2012. A licensee who fails to renew before July 1, 2012, may receive a Letter of Demand from the Board and may be subject to license forfeiture. Licensees may renew online at **www.nccpaboard.gov.**

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Disciplinary Actions

Thomas W. McDevitt, #15009
Clyde, NC 04/24/2012

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 Findings of Fact:

1. Thomas W. McDevitt (Respondent) is the holder of North Carolina certificate number 15009 as a Certified Public Accountant.

2. On or about August 23, 1984, Respondent signed an application to become a member of the North Carolina Local Government Employees' Retirement System (Retirement System). On the application, Respondent and his employer affirmed that Respondent's start date was August 15, 1984.

3. In an experience affidavit filed with the North Carolina State Board of CPA Examiners in November of 1984, and in numerous other documents, Respondent's employment start date was listed as August 15, 1984.

4. As a result of the North Carolina Supreme Court's decision in *Bailey v. State of North Carolina*, 348 N.C. 130, 500 S.E.2d 54 (1998), the Retirement System published the following information regarding the taxation of retirement benefits:

> If you do not have five years of maintained retirement service credit as of August 12, 1989, you will be required to pay North Carolina income tax on the taxable portion of your retirement benefit. ["Your Retirement Benefits, Local Governmental Employees' Retirement System," pp. 21-22 (Jan. 2011, Dept. of State Treasurer, Raleigh).]

5. In 2006, Respondent requested that his employer change his employment start date from August 15, 1984, to August 1, 1984, to reflect what Respondent maintained was his actual first day on the job. The Chairman of the Board of Directors of his employer concurred with the requested change of start date.

6. The Board has alleged that Respondent, by requesting that his employer change his employment date, sought to gain monetarily by avoiding taxes that he thought would otherwise be owed on his retirement benefit. However, as the *Bailey* decision was and continues to be interpreted by the State Treasurer, Respondent's future retirement benefits were not in fact subject to N.C. income tax regardless of when he started employment during the month of August, 1984. Respondent categorically denies the Board's allegations and maintains that he was well aware that the *Bailey* decision exempted his future retirement benefits from the N.C. income tax as far back as 2004, which was approximately two years prior to Respondent's request to correct his hire date. In 2004, Respondent researched the applicability of the *Bailey* decision in detail for a client who was also a member of the Retirement System. Respondent has provided an affidavit from the client corroborating Respondent's familiarity at that time with the *Bailey* decision and how it applied to his own employment. Respondent maintains that the request to his employer in 2006 was related to his concerns about the rapid changes affecting his employer required by the reform of the N.C. mental health system in 2006 and his expectation of future, additional changes to that system.

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. Respondent further understands that if this proposal is not accepted by the Board, neither Respondent nor the Board shall be bound by any term or condition contained herein.

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 ("Board Rules"), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. If proven, Respondent's motivation and actions, as alleged by the Board, would constitute violations of 21 NCAC 08N .0201, .0202, .0203(b)(1) and .0206.

BASED ON THE FOREGOING and in lieu of discipline or further proceedings, the Board and Respondent agree to the following Order:

1. Respondent hereby voluntarily surrends his certificate on a permanent basis.

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.

3. Respondent cannot avail himself of any the procedures set forth in subchapters 08I or 08J of the Board Rules in an effort to regain his surrendered certificate.

2012 Board Meetings

July 23
August 20
September 24
October 18
November 26
December 17

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.

KPMG, LLP
Charlotte, NC 02/20/2012

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 Findings of Fact:

1. Respondent KPMG LLP (hereinafter "Respondent Firm") is a registered CPA firm in North Carolina.

2. For the period of about 1996 through 2002, Respondent Firm developed, implemented, and marketed certain tax shelters including Foreign Leveraged Investment Program ("FLIP"), Bond Linked Issue Premium Structure ("BLIPS"), Offshore Portfolio Investment Strategy ("OPIS"), and Short Option Strategy ("SOS"), as well as other variants on those programs (hereinafter the "Tax Shelters").

3. Respondent Firm marketed its Tax Shelters to residents in the State of North Carolina and participated in the implementation of at least 39 of those Tax Shelters on behalf of its North Carolina clients.

4. On or about August 26, 2005, Respondent Firm entered into a Deferred Prosecution Agreement ("DPA") with the United States Department of Justice regarding the Tax Shelters.

5. Subject to the terms of the DPA, Respondent Firm admitted and accepted certain facts that were set forth in a "Statement of Facts" that was appended to the DPA. That Statement of Facts is attached to this Consent Order as Exhibit A and is incorporated by reference herein.

6. In the DPA, Respondent Firm admitted that "through the conduct of certain KPMG tax leaders, partners, and employees, during the period from 1996 through 2002, KPMG:

> Assisted high net worth United States citizens to evade United States individual income taxes on billions of dollars in capital gain and ordinary income by developing, promoting and implementing unregistered and fraudulent tax shelters. A number of KPMG tax partners engaged in conduct that was unlawful and fraudulent, including: (i) preparing false and fraudulent tax returns for shelter clients; (ii) drafting false and fraudulent proposed factual recitations and representations as part of the documentation underlying the shelters; (iii) issuing opinions that contained those false and fraudulent statements and that purported to rely upon those representations, although the KPMG tax partners and the high net worth individual clients knew they were not true; (iv) actively taking steps to conceal from the IRS these shelters and the true facts regarding them; and (v) impeding the IRS by knowingly failing to locate and produce all documents called for by IRS summonses and misrepresenting to the IRS the nature and extent of KPMG's role with respect to certain tax shelters.

7. In the DPA, Respondent Firm agreed to permanent restrictions on its tax practice, including ceasing its private tax client practice and its compensation and benefits tax practice (exclusive of technical expertise maintained within Respondent Firm's Washington National Tax Practice).

8. In conjunction with the DPA, Respondent Firm and the IRS entered into a closing agreement in which Respondent Firm agreed that the IRS would monitor the Firm's compliance with certain restrictions in the DPA for a period of two years, and in which Respondent Firm agreed to pay a $100,000,000.00 penalty, as described in the DPA.

9. Respondent Firm has entered into settlements and/or consent orders with occupational licensing agencies across the country including, but not limited to: Arkansas, Arizona, California, Colorado, Connecticut, Delaware, Georgia, Florida, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and the District of Columbia.

10. Respondent Firm requests the Board to take into account the following mitigating factors:

a. Respondent Firm has never had its firm registration suspended or revoked by the Board.

b. Respondent Firm has at all times been cooperative with the Board in this matter.

c. Respondent Firm has given Petitioner information about its compliance with the DPA and about the remedial actions taken by Respondent Firm, both before and after Respondent Firm entered into the DPA, to enhance quality control across Respondent Firm. Among other things, as described in the Statement of Facts, Respondent Firm took action intended to insure that all of the partners and employees responsible for the wrongful conduct have been separated from Respondent Firm or otherwise are no longer at the firm.

11. Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

12. This Consent Order fully resolves, as to Respondent Firm, the Board's inquiry into the Tax Shelters in which Respondent Firm participated from 1996 through 2002 that were the subject of the DPA and the related settlement with the Internal Revenue Service. Respondent Firm acknowledges and understands that this settlement does not bind any other agency, division, department, or political subdivision of the State of North Carolina relative to any factual allegation cited herein.

13. The Board expressly reserves its right to initiate or continue investigations and administrative proceedings against individual certified public accountants regarding the subject matter of this Consent Order.

BASED UPON THE FOREGOING FINDINGS, the Board makes the following Conclusions of Law:

KPMG, LLP

continued on page 4

KPMG, LLP

continued from page 3

1. Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. The actions of Respondent Firm's former partners and employees that were admitted in the DPA, as incorporated into this Consent Order, constitute violations of 21 NCAC 08N .0201, .0202(a), .0203(a), .0203(b)(1), .0207, .0211, .0301(b), and .0303(a). Respondent Firm is responsible for those actions and is subject to discipline pursuant to 21 NCAC 08N .0103.

3. Respondent Firm, by entering into a closing agreement with the IRS and by entering into consent agreements with other state occupational licensing agencies, is subject to discipline pursuant to 21 NCAC 08N .0204(a).

BASED ON THE FOREGOING, and in lieu of further proceedings, the Board and Respondent Firm agree to the following Order:

1. Respondent Firm is hereby censured.

2. Subject to prevailing law and professional standards regarding confidentiality, Respondent Firm voluntarily agrees to continue to fully cooperate with Board inquiries, including providing documents or other information in a timely manner to the Board without the necessity of a subpoena. Respondent Firm shall, upon reasonable notice, provide the Board: access to its current partners and employees; declarations; affidavits; or other information reasonably necessary to pursue investigations or proceedings against other persons holding a certificate as a certified public accountant in this State regarding the subject matter of this Consent Order. However, it is agreed that nothing in this Consent Order requires Respondent Firm to waive the attorney-client privilege or work product protection, or any other privilege which belongs to Respondent Firm.

3. Respondent Firm agrees to implement in this State the same permanent restrictions on its tax practice in this State that were contained in paragraph 6 of the DPA:

a. As stated in Paragraph 6(a) of the DPA, Respondent Firm will not engage in private client tax practice.

b. As stated in Paragraph 6(b) of the DPA, Respondent Firm will not engage in a compensation and benefits tax practice (exclusive of technical expertise maintained within Respondent Firm's Washington National Tax practice).

c. As stated in Paragraph 6(c) of the DPA, Respondent Firm will not develop or assist in developing, market or assist in marketing, sell or assist in selling, or implement or assist in implementing, any pre-packaged tax product.

d. As stated in Paragraph 6(d) of the DPA, Respondent Firm will not participate in marketing, implementing, or issuing any "covered opinion" with respect to any "listed transaction" as those terms are defined by the DPA.

e. As stated in Paragraph 6(e) of the DPA, Respondent Firm "will not provide any tax services under any conditions of confidentiality (as defined in 26 C.F.R. § 1.6011-4(b)(3)(ii))."

f. As stated in Paragraph 6(f) of the DPA, Respondent Firm will not charge or accept fees subject to contractual protection or any fees that are not based exclusively on the number of hours worked at set hourly rates, which rates may not exceed twice Respondent Firm's standard rates, provided that (i) Respondent Firm may charge or accept fees described in 31 C.F.R. §10.27(b) in the case of reverse sales and use tax audits; (ii) Respondent Firm may enter into arrangements to limit the total fees in any matter to a maximum amount or to limit fees to a specified amount per return, in each case where the fees to be charged under such arrangement would not exceed the amount that would be charged if the fees were instead based on the number of hours worked at hourly rates not more than twice Respondent Firm's standard rates; and (iii) this subparagraph does not apply with respect to engagements involving a claim for refund or application for other tax incentives where the claim or application has been filed prior to the date of this Consent Order.

g. As stated in Paragraph 6(g) of the DPA, Respondent Firm will comply with the ethics and independence rules concerning independence, tax services, and contingent fees as adopted by the Public Company Accounting Oversight Board as those rules are amended from time to time.

h. As stated in Paragraph 6(h) of the DPA, except as provided in subparagraph (k) of the DPA, Respondent Firm will not prepare tax returns, or provide tax advice of any kind to any individual clients except that it will be permitted to provide: (i) individual tax planning and compliance services to individuals who are owners or senior executives of privately held business clients; (ii) individual tax services as part of its international executive services practice, which provides advice regarding the tax obligations of personnel of public company or private entity clients of Respondent Firm who are stationed outside of their home country; and (iii) bank trust outsourcing services where Respondent Firm prepares trust tax returns for trust departments of large financial institutions.

i. As stated in Paragraph 6(i) of the DPA, Respondent Firm will comply with minimum opinion thresholds and return position thresholds set forth in the table contained in paragraph 6(i) of the DPA.

j. As stated in Paragraph 6(j) of the DPA, Respondent Firm will not rely on an opinion issued by other professional firms to determine whether it complies with the standards set forth in the foregoing subparagraph unless KPMG concurs with the conclusions of such opinion.

k. As stated in Paragraph 6(k) of the DPA, with respect to Respondent Firm's federal, state, and local tax controversy representation, (i) Respondent Firm will not represent persons or entities other than public companies, private entities, or persons for whom Respondent Firm is permitted to prepare tax returns under subparagraph (h);

(ii) Respondent Firm will not defend any transaction that is or becomes a "listed transaction" as defined by the DPA; and (iii) Respondent Firm will not defend any transaction with respect to which the firm could not render an opinion or prepare a return in compliance with the standards set forth in subparagraph (i).

l. Respondent Firm may only re-engage in the activity prohibited in the section either by successfully petitioning for a modification of discipline pursuant to 21 NCAC 08I .0104 as it exists at the time of the petition, or by receiving an approved modification to the DPA and providing written notice to the Board of the modification.

4. Respondent Firm will pay the administrative costs associated with this matter in the amount of eleven thousand nine hundred sixty-seven dollars ($11,967.00). Those costs shall be paid at the same time that Respondent signs and returns this Consent Order, subject to subsequent approval of the Consent Order.

5. Respondent Firm shall remit a civil penalty in the amount of eighty-eight thousand dollars ($88,000.00). The civil monetary penalty shall be paid at the same time that Respondent Firm signs and returns this Consent Order, subject to subsequent approval of the Consent Order.

For a copy of the documents referenced in the foregoing Consent Order, please contact the Board's Staff Attorney, Francis X. Trainor, III, by email at ***ftrainor@nccpaboard.gov***

Alyson M. Miller, #27754
Hillsborough, NC 04/24/2012

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. Alyson M. Miller (hereinafter "Respondent") is the holder of North Carolina certificate number 27754 as a Certified Public Accountant.

2. Respondent was engaged to prepare a client's 2007 individual tax returns and filed an extension allowing the returns to be filed on or before October 15, 2008.

3. Respondent claims that she prepared the client's tax returns on October 15, 2008, and mailed the returns to the client to be filed.

4. When the client advised Respondent that the client had not received the completed returns on or before October 15, 2008, Respondent provided the client with copies of the completed returns along with envelopes metered with postage for the October 15, 2008, deadline.

5. The client subsequently filed a complaint with the Board regarding Respondent's failures to correct mistakes in the tax returns and to return client records.

6. Respondent failed to timely respond to Board inquiries regarding the client's complaint.

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)e and 21 NCAC 08N .0201, .0203, .0206, .0207, .0211, and .0212.

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 from the date this Order is approved by the Board.

2. Respondent's firm's registration shall be suspended for one (1) year from the date this Order is approved by the Board.

3. Prior to filing her application for the reissuance of her CPA certificate, Respondent must complete and provide verification of her completion of the North Carolina Accountancy Law-Ethics Principles and Professional Responsibilities course in group-study format as offered by the North Carolina Association of Certified Public Accountants. Said course may not be used to meet Respondent's continuing professional education requirement needed for the reissuance of her CPA certificate.

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 12 months preceding the application.

5. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty.

6. Respondent shall reimburse the Board for its administrative costs incurred as a result of the Board's investigation of this matter.

Disciplinary Actions
continued on page 6

Board Office Closed

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

July 4, 2012
Independence Day

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Michael Lieto, # 32810
Rochester Hills, MI 04/24/2012

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 to the following:

1. Respondent was the holder of North Carolina certificate number 32810 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 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 year's CPE requirement. Respondent chose not to renew his certificate for the 2010-2011 renewal period.

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 year's CPE requirement.

5. Respondent did not provide any CPE certificates of completion for 2008 as the Board requested.

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 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. By virtue of Respondent's failure to provide CPE documentation for 2008 and also due to his failure to renew his certificate for the 2010-2011 renewal period, Respondent's 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. Eighty (80) hours of CPE in the twelve (12) months preceding the application. Forty (40) hours of those hours of CPE must be in a group-study format.

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.

CPA Day of Service

The NCACPA is hosting its first "CPA Day of Service" on Friday, September 21, 2012. For more information, **visit www.ncacpa.org/service**.

Reclassifications

Reinstatements

05/21/12	Teresa Cothran Ellis, #20546	Black Mountain, NC
05/21/12	Donna Isley Staley, #24939	Liberty, NC
05/21/12	Brian E. Stringfellow, #35294	Niceville, FL

Reissuance

05/21/12	Dudley Ross Coppage, II, #14079	Raleigh, NC
05/21/12	Roger Lee Dillard, III, #20544	Shaker Heights, OH
05/21/12	William David Murley #19169	Freeport, 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)(32)].

05/21/12	Martin Eric Gentle, #18221	Kannapolis, NC
05/21/12	Ralph Huddin, #30544	Overland Park, KS
05/21/12	Charles J. Hupfer, #4097	Hartsville, SC
05/21/12	Sherry B. Mabry, #26256	Norwood, NC

Certificates Issued

At its May 21, 2012, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Benjamin Gerald Allison
Lauren Elizabeth Barnes
Cassandra Marie Brooks
Stephen Douglas Carey
Brandi Dawn Cox
Christina Kurek Cox
Andrew Garrett Davis, Jr.
Eric Timothy Dowd
Alison Marie Dwyer
Bryan Christopher Faulkner
Philip Yancey Fernandez
Sheryl L. France
Courtney Renee Gleason
Rachel Ellen Greene
Robin Noblett Heyer
Robyn Michelle Jones
Tamara Lynn Langton
Courtney Marie Lee
Jerod Keith Lenderman
Jenna Rae Lesker
Rustin Tate Lynch
Caitlin Reed McGowan
Brad Michael McKeiver
Scott Charles McLean
Ricardo Cortes Mendonsa
Ryan Thomas Musumeci
Christopher Mark Nelson
Derek Christopher Niese
Stephanie Gordon Pflum
Joseph Denard Reid
Lisa Kelly Rich
Evan Wicker Rives
Irene Jilma Ross-Piazza
Matthew Eugene Rukasuwan
Amanda Kay Scarborough
John Peter Schefke
Peter Christopher Schmutz
Kourtney Brooke Shelar
Brian Joseph Smith
Wilfred Alexander Smith, Jr.
April Virginia Stocks
Jason Alexander Tarlton
William Dwayne Walker
Margaret Dorsett Young
Mengliang Zhang
Mi Zhou

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)(20)].

03/07/12	Douglas Jones, #17030	Durham, NC
03/07/12	Shanetta Collins Magid, #19584	Cypress, TX
03/09/12	Kirsten Lynn Parriott, #29924	Belleville, IL
03/09/12	Brian Eugene Stringfellow, #35294	Niceville, FL
03/19/12	Tammy Lee Mickey, #22191	Sumter, SC
03/19/12	Francis Marion Rink, #1286	Hickory, NC
03/20/12	James Nicholas Hamill, #31055	King of Prussia, PA
03/20/12	Paul E. Parker, #13658	Charlotte, NC
03/21/12	Thomas Dunbar Hurst, #7741	Kernersville, NC
03/21/12	Clair Freeman Marshall, #30604	Raleigh, NC
03/21/12	George Lawrence Worsley, Jr., #2349	Raleigh, NC
03/23/12	Larry Gene Thompson, #11793	Millers Creek, NC
03/30/12	Ronald Abluton, #11227	Charlotte, NC
03/30/12	Kurt William Miller, #17053	Woodstock, GA
04/02/12	Dorothea Karen Lisenby, #10984	Charlotte, NC
04/02/12	Christian Nathaniel Siewers, #7750	Hillsborough, NC
04/02/12	Karen Jarvis Zapata, #10075	Charlotte, NC
04/04/12	Jason M. Blumer, #24308	Greenville, SC
04/04/12	Patrick Michael Fillippa, #31412	Charleston, SC
04/05/12	Heather Joy Drudge, #26231	Charlotte, NC
04/05/12	Jennifer Ross Keely, #33131	Charlotte, NC
04/10/12	David Leroy Barnes, #4622	Lewisville, NC
04/10/12	Christopher Neil Foulk, #30295	Kirkwood, MO
04/10/12	Rita M. Fozdar, #34724	Wake Forest, NC
04/10/12	Julie Dianne Hasenbuhler, #23036	Lewisville, NC
04/10/12	Chiaki Kight, #17657	Charleston, SC
04/13/12	Margaret E. Laurentz, #15456	Tenino, WA
04/13/12	Robert Stephen Lowther, #17660	Raleigh, NC
04/13/12	William Jesse Spears, #5128	Charlotte, NC
04/13/12	William Franklin Wade, Jr., #10048	Raleigh, NC
04/13/12	Susan B. Zaist, #17147	Beaufort, NC
04/16/12	Robin Hedrick Farley, #22440	Hickory, NC
04/17/12	Dana Early Hartis, #28415	Rolesville, NC
04/17/12	William Horton Petree, Jr., #8795	Winston-Salem, NC
04/20/12	Patricia Ann Crews, #17215	Oxford, NC
04/20/12	Christine Carol Hildebrand, #23529	Cary, NC
04/20/12	Natalie Kalil Jackson, #32405	Greensboro, NC
04/20/12	Kendra Christine McLaughlin, #32628	Trabuco Canyon, CA
04/20/12	Meredith Paige Whitley, #35196	Richmond, VA

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Full Name:	
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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. 07-2012

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. Although legal actions were once largely generated by tax and audit work, such actions 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 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.

Engagement Letters
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Disciplinary Actions

Stephen M. Himmelberg, #21904
Durham, NC 05/21/2012

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. Stephen M. Himmelberg (hereinafter "Respondent") is the holder of North Carolina certificate number 21904 as a Certified Public Accountant.

2. Respondent under-reported income taxes to the Internal Revenue Service ("IRS") and North Carolina Department of Revenue for the tax years 2002-2005. The under-reported income constituted between 10% to 20% of Respondent's income during those years.

3. 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 repetitive under-reporting of a large portion of his income displays, at the least, a reckless disregard of his duty to timely and accurately pay his income taxes and constitutes violations of 21 NCAC 08N .0201, .0203(b)(2), and .0207.

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, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Stephen M. Himmelberg, is suspended for at least one (1) year from the date this Order is approved by the Board.

2. The firm registration for Respondent's CPA firm is hereby suspended.

3. Respondent must return his suspended certificate and firm registration to the Board with this signed Consent Order.

4. Respondent may apply for the reissuance of his certificate after one (1) year from the date the Board approves the Consent.

5. Respondent shall pay a four thousand dollar ($4000.00) civil monetary penalty.

6. Respondent shall pay the administrative costs associated with this action.

7. 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 in self-study or group study format.

Board Office Closed

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

September 3, 2012
Labor Day

Cody LeGrant McKinney, #19585
Cody LeGrant McKinney, CPA, P.C.
Spruce Pine, NC 05/21/2012

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. Cody LeGrant McKinney (hereinafter "Respondent McKinney") is the holder of North Carolina certificate number 19585 as a Certified Public Accountant.

2. Cody LeGrant McKinney, CPA, P.C. (hereinafter "Respondent Firm"), is a registered certified public accounting professional corporation in North Carolina. Respondent McKinney is the sole owner of Respondent Firm, and has been individually responsible for the conduct of Respondent Firm.

3. During the period from July 1, 2010, through September 23, 2011, Respondent Firm conducted an audit and issued a report on the financial statements of the Town of Burnsville ("Town") for the year ended June 30, 2010.

4. An audit work paper review performed by Board staff, and a review of the financial statements and single audit report performed by the Local Government Commission ("LGC")

2012 Board Meetings

August 20
September 24
October 18
November 26
December 17

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.

disclosed numerous deficiencies in the audit work papers and deficiencies in the financial statements and single audit reports indicating that Respondent Firm failed to comply with Generally Accepted Auditing Standards (GAAS), Generally Accepted Government Auditing Standards (GAGAS), and OMB Circular A-133 as follows:

a. The working papers contained numerous deficiencies in audit documentation that indicate Respondent Firm failed to obtain sufficient evidence to provide a reasonable basis for the conclusion that was expressed in the audit report and failed to comply with numerous GAAS as documented in the Board staff's review. By failing to comply with GAAS, Respondent Firm failed to comply with GAGAS, specifically 4.03 (AICPA Fieldwork Standards), 4.19 (Audit Documentation), 4.26 (Materiality in GAGAS Financial Audits), and 4.27 (Consideration of Fraud and Illegal Acts).

b. Respondent Firm could not provide documentation to substantiate that any single audit compliance audit procedures were performed during the Town's 2010 audit. However, Respondent Firm issued a single audit opinion and attested in the *Reports on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and State Single Audit Implementation Act* that single audit compliance procedures were performed. This is a violation of OMB circular A-133 requirements related to major federal programs.

c. The financial statements, note disclosures, and supplemental schedules, as submitted to the LGC, were not prepared in accordance with Governmental Accounting and Financial Reporting Principles and contained errors and deficiencies.

5. The single audit reports and schedules, as submitted to the LGC, were not prepared in accordance with Circular A-133 requirements, and contained errors and deficiencies.

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, .0202(a), .0203(b)(1), .0204, .0206 .0209, .0212, .0403, .0405 and .0409.

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, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Cody LeGrant McKinney, is suspended for five (5) years from the date this Order is approved by the Board.

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

3. The firm registration for Respondent Firm, Cody LeGrant McKinney, CPA, P.C., is hereby cancelled.

4. Respondent McKinney is suspended from participating in, reviewing, or performing audits, reviews of financial statements, compilations of financial statements, or agreed-upon procedures engagements ("Attest and Assurance Services") for any entity for the five (5) years that his CPA certificate is suspended.

5. Respondent may apply for the reissuance of his certificate after five (5) years from the date the Board approves this Consent Order.

6. 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 in group-study format.

7. After the reissuance of Respondent McKinney's CPA certificate, Respondent McKinney shall be required to obtain pre-issuance reviews of all attest or assurance services, which Respondent CPA performs, reviews, or participates in, until such time that the Board determines that pre-issuance review is no longer necessary. The pre-issuance reviewer shall be approved by the Board prior to performing said reviews. Respondent shall authorize and cause the preissuance reviewer to provide the Board with a copy of each preissuance review report upon its issuance.

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

9. Respondent agrees that failure to comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of his certificate.

Disciplinary Actions
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CPA Day of Service

The NCACPA is hosting its first "CPA Day of Service" on Friday, September 21, 2012. For more information, **visit www.ncacpa.org/service**.

Engagement Letters

continued from front

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 ADR, 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.

Disciplinary Actions

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Mark A. Konyndyk, #31322
Kirkland, WA 05/21/2012

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. Mark A Konyndyk (hereinafter "Respondent") was the holder of North Carolina certificate number 31322 as a Certified Public Accountant. In June 2011, Respondent requested that his certificate be placed on "Inactive" status.

2. The Securities and Exchange Commission ("SEC") filed a complaint against Respondent in the federal court for the District of Columbia alleging that he had violated Exchange Act Rule 14(e) by trading in advance of a tender offer for total profits of $9,725.00.

3. In November 2011, Respondent agreed to settle the SEC's charges without admitting or denying the allegations made in the SEC's complaint.

4. As part of the settlement, Respondent consented to entry of a final judgment imposing a total of $21,239.28 in disgorgement, interest, and civil penalties.

5. After the court entered its judgment, the SEC entered its own administrative order on December 5, 2011, suspending Respondent's ability to practice before the SEC as an accountant for two years.

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 discipline by the SEC constitutes prima facie evidence of a violation of 21 NCAC 08N .0204.

3. If proven, the factual allegations underlying the SEC complaint constitute violations of 21 NCAC 08N .0201 and .0203.

4. 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, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Mark A. Konyndyk, is suspended for two (2) years from the date this Order is approved by the Board.

2. Respondent must return his suspended 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 this Consent Order.

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 in self-study or group-study format.

5. Prior to reissuance of his certificate, Respondent shall remit a one thousand dollar ($1,000.00) civil penalty to the Board.

6. 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 suspended North Carolina certificate.

7. Respondent agrees that failure to comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of his certificate.

Jacqualyn A. Nelson-Owens, #27398
Charlotte, NC 05/21/2012

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 27398 as a Certified Public Accountant.

2. Respondent informed the Board on her 2010-2011 individual certificate renewal ("Renewal") that she 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 2009 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 2009 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 completion of six (6) hours of CPE, including four (4) hours of non-self-study and an annual ethics CPE course, that Respondent claimed she earned between January 1, 2009,

Disciplinary Actions
continued on page 6

Disciplinary Actions

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and June 30, 2010, as was reported on her 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 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 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

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, the Board and Respondent agree to the following Order:

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

2. Respondent must return her certificate to the Board within thirty (30) days of the Board's approval of this Consent Order.

3. Respondent may not apply for the reinstatement of her certificate for at least one (1) year from the date the Board approves this Consent Order and until the civil penalty required in number five (5) of this Order has been paid by Respondent.

4. Respondent may apply to return her certificate to active status by submission and approval of a reinstatement application which includes:

a. Application form,

b. Payment of the application fee,

c. Three (3) moral character affidavits, and

d. Forty-six (46) 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 prior to submitting a reissuance application.

Donald Phillip Smith, #25381
Mooresville, NC 05/21/2012

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. Donald Phillip Smith (hereinafter "Mr. Smith") was the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Smith failed to timely file the annual firm registration for D. P. Smith, CPA, 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. Mr. Smith failed to renew his firm registration in excess of 120 days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(3), because Mr. Smith's infraction was for a period in excess of 120 days, the appropriate penalty is $500.00.

5. Mr. Smith 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 unanimously decided to accept Donald Phillip Smith's payment as full resolution of the aforementioned rules violation.

Advertising or Other Forms of Solicitation

Although many CPAs and CPA firms continue to rely on referrals as a source of new clients, more CPAs and CPA firms have started advertising to attract new clients.

If you or your firm choose to advertise, be sure you understand 21 NCAC 08N .0306, *Advertising or Other Forms of Solicitation*, which addresses advertising that may be deceptive.

Foremost, your ad should be accurate and contain meaningful information that cannot be considered misleading or deceptive to consumers.

For example, an ad should not include qualitative or quantitative descriptions such as "friendly," "reasonable," "fast," or "affordable" which cannot be easily documented or are open to interpretation.

Although you may not use "specialist" in an ad, terms such as "specialize," "specialty," or "specialization" may be used to indicate a concentration or limitation of practice to a certain area.

The term "expertise" may be used when referring to an area of practice if holding a specialty designation, but "expert" may only be used in conjunction with "witness" and then only if recognized as such by a court of law.

A specialty designation may be used if, and only if, the CPA is currently in good standing with the organization which grants the speciality designation.

The names of the CPA firm owner(s) and CPAs licensed to practice in North Carolina may be included in the ad; however, the names of unlicensed staff cannot be included.

If you have questions regarding your firm's advertising, please contact the Board's Executive Director, Robert N. Brooks by telephone at (919) 733-1425 or by email at **rbrooks@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)(20)].

04/23/12
Thomas Karl Cozart, #13049, Raleigh, NC
Karen R. Field, #28484, Portland, ME
Irwin Barry Hyman, #2958, Atlanta, GA

04/25/12
Terry Brummeyer, #16484, Mooresville, NC
Barry Dale Graham, #10956, Conover, NC
Sydney Susan Hart, #33209, St. George, UT

04/27/12
Angela Michele Hudson, #25908, Raleigh, NC
Janice S. Scott, #30275, Raleigh, NC
Norman Blake Vickers, #35244, Houston, TX

04/30/12
Kimber Small Arrington, #28378, Charlotte, NC
Kathryn Virginia Clancy, #12813, Charlotte, NC
Albert H. Cornell, Jr., #31522, Radnor, PA
Michael Jay Hausman, #21788, Union, NJ
Drashta Sonawala, #21131, Atlanta, GA

05/02/12
Manley Bennett Fortune, Jr., #16729, Kernersville, NC

05/03/12
Nancy J. Blanco, #31042, Okatie, SC
David William Burke, #4251, Winston-Salem, NC
Randy O'Neal Ennis, #26851, Raleigh, NC
Jolieann E. Kelly, #34517, DeLand, FL
Brandon Richard Loveridge, #33154, Auburn, GA

05/08/12
Frances F. Faden, #23992, Concord, NC
Martin Alan Lee, #29673, Montgomery, AL
Lee Rhoades Sugg, #27062, Charlotte, NC

05/10/12
Caroline Powell Green, #31464, Charlotte, NC
William C. Levine, #35828, North Palm Beach, FL
Gary Mathes, #12359, Dandridge, TN
Lynn Harris Williams, #36229, Chapel Hill, NC

05/15/12
Anna Joyce Sachs, #27813, Ardmore, PA

05/16/12
John Dashiell Nelson, #35114, Charlotte, NC
Velise Holmes Stalling, #17800, Charlotte, NC

05/18/12
Barry Frederick Kroeger, #29021, McLean, VA
Stacey B. Virginia, #32891,Virginia Beach, VA

05/22/12
Patricia Knutti Conner, #34652, Halifax, VA

05/22/12
Margaret Elizabeth Haleen, #28545, Charlotte, NC
Donna L. Meagher, #21219, Champaign, IL
Matthew David Parkhill, #31697, Charlotte, NC
Mary Kate McDowell Rollings, #29259, Greer, SC
Jon Wierda, #31548, Charlotte, NC

05/23/12
Bing Sun, #34361, Woodbridge, CT

05/24/12
Erica Jacqueline Muschamp, #34985, Charlotte, NC
Michael Anthony Sordillo, #21826, Clemmons, NC

05/25/12
Rachel Lynn Fink, #34396, Richfield, OH
Robert Pinkney Huntley, #2548, Hickory, NC
Christopher Joseph Martin, #10908, Statesville, NC

05/29/12
Arthur Vernon Osborne, #11303, Winston-Salem, NC

05/30/12
Mark Alan Burns, #21957, Winston-Salem, NC
Robert McHugh, #13849, Fairfield, CT
Maria Kostaris Stephenson, #32334, Charlotte, NC
Jacquelyn M. Webb, #26563, Asheville, NC

06/01/12
James Carl Baulding, #12599, Greensboro, NC
Thomas J. Cummons, #21770, Wilmington, NC
Christopher Smyth Wilde, #33953, Charlotte, NC

06/04/12
Sarah Diane Pell, #31847, Palo Alto, CA
Michael Glenn Tart, #15819, Benson, NC
Frances Howard Wheeler, #2508, Atlanta, GA

06/06/12
William T. Bishop, Jr., #27666, Richmond, VA
Chadwick Neil Bordeaux, #28082, Lake Wylie, SC
Donna Lee Bordeaux, #22169, Lake Wylie, SC
Charles Steven Jenkins, #11845, Winston-Salem, NC
Pamela Elizabeth Keth, #27743, Waxhaw, NC
Nathaniel Edward Langstaff, #33416, Findlay, OH
Karen Alyson Simmons, #25220, Wilmington, NC

06/07/12
Whit Lloyd Brown, Jr., #1747, Belmont, NC
Tonya Burnette Kilgore, #28123, Henderson, NC
J. Alvin Kpaeyeh, #26250, Little Elm, TX
Joel Miles Landreth, #7426, Winston-Salem, NC
James G. Mackey, III ,#22187, Charlotte, NC
Betsy Johnson Shaw, #14350, Raleigh, NC
Theron Howard Smith, Jr., #29772, Alpharetta, GA
Malcolm Carvel Taylor, #34162, New Bern, NC

06/11/12
Vadim Igorevich Bogomolov, #29688, Matthews, NC
Jason Corbett Hicks, #27892, Meredith, NH
Ann Weldon Mayo, #1703, Mount Olive, NC
Thomas McDevitt ,#15009, Clyde, NC
Terry Ford Palmer, #12545, Cathedral City, CA
David A. Perkins, #20969, Charlotte, NC
William Vaughn Ward, #25737, Greenville, SC

06/12/12
Daryl Brown Adams, #12439, Greensboro, NC
Krupa Amin, #34424, Cary, NC
Dennis Allen Diersen, #27758, Richmond, VA
Jin Qiu Dong, #34368, Brooklyn, NY
Daniel H. Hill, #35014, Charlotte, NC
Jo Gaskins Holloman, #13706, Raleigh, NC
Christopher James Thornhill, #20289, Denver, 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. 08-2012

Governor Perdue Proclaims September 21, 2012, as "North Carolina CPA Day of Service"

In mid-April, Governor Beverly Perdue signed a proclamation making September 21, 2012, "North Carolina CPA Day of Service."

Coordinated by the North Carolina Association of CPAs (NCACPA), the CPA Day of Service is a day for CPAs, NCACPA members, and guests to volunteer in communities across the state and show how CPAs make a difference in their communities.

Follow these easy steps to participate in the CPA Day of Service:

Choose a Cause

Choose an organization to volunteer with either as an individual, group, or firm. You can choose an organization with which you may already be affiliated or if you don't have an organization in mind, the NCACPA has a list of suggested organizations available on its website, **www.ncacpa.org/service**.

In addition, there are a number of chapter events planned across the State. A list of chapter events is also on the NCAPCA website. If you plan to participate through a chapter, please RSVP to that chapter.

Contact the Charity/Organization

Contact the chosen charity or organization to find out what volunteer opportunities are available on September 21, 2012. Keep in mind some charities and organizations have a maximum capacity for the number of volunteers they are able to accommodate for one specific event. Other charities and organizations have specific requirements that you must meet before volunteering. Be sure to find out the best way you can help the charity or organization and plan your event accordingly.

Register with the NCACPA

Everyone participating in the CPA Day of Service should register online with the NCACPA. You may register as an individual, group, or firm:

- Individual - you plan to participate in a planned chapter event or will volunteer on your own with a charity or organization;
- Group - You have a group (at least two people) of friends, family, or colleagues who are volunteering as a group with a charity or organization; or
- Firm - You are organizing a group from a specific firm to volunteer with a specific charity or organization. You must designate a contact person.

Once you have registered for the event, your name, group, or firm will be added to the CPA Day of Service webpage. The NCACPA will provide volunteer t-shirts to those who register by September 1, 2012.

If you have any questions about registration or t-shirts, please contact the NCAPCA's Hannah McCain or Jennifer Rowell by telephone at (919) 469-1040.

Confirm Your Event

Confirm your event with the charity or organization and make sure everything is in place. If the charity or organization has any specific requirements for volunteers, make sure you and everyone participating with you has met those requirements.

As your event is finalized, please let the NCACPA know your plans so that they can be shared on the NCAPCA's social media channels.

To make your community aware of your event, a press release template is available on the NCACPA's website, **www.ncacpa.org/service**. You are encouraged to take pictures or videos and utilize social media at your service event.

Join your fellow CPAs in volunteering on September 21 and show how proud you are to be a part of the CPA profession.

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Disciplinary Actions

Maurice W. Atkinson, II, #35682
Springdale, AR 06/21/2012

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. Maurice W. Atkinson, II (hereinafter "Mr. Atkinson") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Atkinson failed to timely file the annual firm registration for Maurice W. Atkinson, II, CPA, 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. Mr. Atkinson subsequently renewed his firm registration, which was received by the Board on March 26, 2012, less than sixty (60) days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Atkinson's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Atkinson 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 unanimously decided to accept Mr. Atkinson's payment as full resolution of the aforementioned rules violation.

Vadim I. Bogomolov, #29688
Matthews, NC 06/21/2012

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. Vadim I. Bogomolov (hereinafter "Mr. Bogomolov") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Bogomolov failed to timely renew or cancel the annual firm registration for VADIM BOGOMOLOV 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 18, 2012, Mr. Bogomolov informed the Board that he does not desire to renew the firm registration for VADIM BOGOMOLOV for the coming year.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Bogomolov's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Bogomolov 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 unanimously decided to accept Mr. Bogomolov's payment as full resolution of the aforementioned rules violation.

Robin N. Carver, #32367
Roxboro, NC 06/21/2012

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. Robin N. Carver (hereinafter "Ms. Carver") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Carver failed to timely renew or cancel the annual firm registration for Robin N. Carver, CPA, 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 16, 2012, Ms. Carver informed the Board that she does not desire to renew the firm registration for Robin N. Carver, CPA, for the coming year.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Carver's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Carver 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 unanimously decided to accept Ms. Carver's payment as full resolution of the aforementioned rules violation.

Douglas J. Clark, #13410
Liberty, NC 06/21/2012

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 J. Clark (hereinafter "Mr. Clark") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Clark failed to timely file the annual firm registration for Douglas J. Clark, CPA, 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. Mr. Clark subsequently renewed his firm registration, which was received by the Board on March 1, 2012, less than sixty (60) days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Clark's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Clark 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 unanimously decided to accept Mr. Clark's payment as full resolution of the aforementioned rules violation.

2012 Board Meetings

September 24
October 18
November 26
December 17

Meetings are held 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.

Mary Lou Daly, #19669
Charlotte, NC 06/21/2012

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. Mary Lou Daly (hereinafter "Ms. Daly") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Daly failed to timely renew or cancel the annual firm registration for Mary Lou Daly, CPA, 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 March 3, 2012, Ms. Daly informed the Board that she does not desire to renew the firm registration for Mary Lou Daly, CPA, for the coming year.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Daly's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Daly 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 unanimously decided to accept Ms. Daly's payment as full resolution of the aforementioned rules violation.

Timothy K. Eller, #23167
Winston-Salem, NC 06/21/2012

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. Timothy K. Eller (hereinafter "Mr. Eller") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Eller failed to timely file the annual firm registration for Timothy K. Eller, CPA, 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. Mr. Eller subsequently renewed his firm registration, which was received by the Board on February 22, 2012, less than sixty (60) days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Eller's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Eller 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 unanimously decided to accept Mr. Eller's payment as full resolution of the aforementioned rules violation.

Elizabeth A. Feit, #29276
Charlotte, NC 06/21/2012

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 A. Feit (hereinafter "Ms. Feit") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Feit failed to timely renew or cancel the annual firm registration for Elizabeth A. Feit, 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 March 13, 2012, Ms. Feit informed the Board that she had filed Articles of Dissolution for Elizabeth A. Feit, CPA, PLLC, with the North Carolina Secretary of State's office.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Feit's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Feit 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 unanimously decided to accept Ms. Feit's payment as full resolution of the aforementioned rules violation.

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Shawna Corinne Kaylor, #34522
Greensboro, NC 06/21/2012

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. Shawna Corinne Kaylor (hereinafter "Ms. Kaylor") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Kaylor failed to timely file the annual firm registration for Shawna C. Kaylor, 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. Ms. Kaylor subsequently renewed her firm registration, which was received by the Board on February 22, 2012, less than sixty (60) days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Kaylor's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Kaylor 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 unanimously decided to accept Ms. Kaylor's payment as full resolution of the aforementioned rules violation.

Disciplinary Actions
continued on page 5

Comment or Question about the *Activity Review*?

Do you have a comment or question about information published in the *Activity Review*? We welcome your comments and suggestions.

Send us an email at **lhearne@nccpaboard.gov** or **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 date:

September 3, 2012
Labor Day

Certificates Issued

At its July 23, 2012, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Punita Ahuja
Carolyn Ashley Alford
Bryan Douglas Aust
Adam Richard Bearhalter
Carolann Elizabeth Berkowitz
Michelle Feely Black
Amanda Mae Boothby
Melissa T. Boswell
Callie Sherard Boyd
Julie Ann Brasfield
Michele Holcomb Brewer
Mark Anthony Brooks
Stephanie Gray Brooks
Daniel Paul Cafarella
Melanie Rose Castillo
Tres Newman Cobb
Corinne Pendegraph Cole
Stephanie Riddle Collins
Bryan Christopher Cooke
Jeffrey Thomas Cox
Andres Servando Cunningham, Jr.
Ryan Hunter DeCoudres
Carol Ann Dellapenna
Kenneth Ian Deutsch
Desmond Akinola Reginald Ellis
Patrick Clayton Evans
Melanie McDougall Fornes
Charles Oliver Gallop
Shaji Thomas George
Jason John Golonka
William David Gray
Kevin Michael Griffin
Paul Jay Grosswald
Jenna Smith Hall
Kimberly Hawkins
Nicole Elaine Helman
Matthew Steven Hernley
Lawrence Jay Herzberg
James Joseph Hilty
Reginald Hinton
Jeremy Gene Hussey
Nani Jahja
Lars William Lohmann Jarkko
Mary Cabaniss Johnson
Janet Repke Kahl
Jaclyn Kelly Katerakis
David Michael Kent
Daniel Andrew Aiken Keppler
Patricia Jones Klein
Sheree Andrae Klepchick
Erin Kathleen Koewing
Craig White Kornegay
Rebecca Ellen Kreutzfeld
Anna Marie Lamback
Mandy Jo Larson
Linda Susan Lee
Timothy Michael Ligay
Yan Ling
Eileen Foody Little
Paige Irene Littlejohn
Eugene J. Longo
William Edwin Lowe, Jr.
James Edward Lynch
Rashena Kyrie Lynch
Hassaan Ahmad Malik
William John Maniscalco
Steven McComas
Megan Turlington McCormack
Kelly Marie Meyers
Joshua Reed Michael
Daniel Stephen Peach
Chester Joseph Popkowski, Jr.
Charles Raymond Powell
Michael Jon Ramos
Michael James Richardson
Glenn Allen Ruggles
Katie Ann Sanford
Scott Robert Saville
Jane Elizabeth Scarlett
Steve Leo Schilling
Kimberly Ann Seamans
Christopher Shaw Silvey
Barrett Whitehurst Spearman
Matthew Brent Starkey
Mark Russell Strawn
Elsa Savannah Swenson
Claire Elizabeth Tamer
Kodjo Tchegnon
Michael Anthony Torsiello
Michael Russell Truesdale
Angela Lee Tyson
Stephen Arthur Vore
Michael Holland Walker
Evelyn Virginia Ware
Ryan Joseph Wingerd
Tracie Davis Youngblood

NCDOR Announces Changes to Offer in Compromise Program

In continued efforts to help struggling taxpayers, the North Carolina Department of Revenue (NCDOR) is making it easier to participate in the Offer in Compromise (OIC) program. The changes will make it more simple for taxpayers to qualify for and understand the process.

The program allows taxpayers to submit an offer requesting that the NCDOR accept a lump sum payment that may be less than what is owed. The NCDOR reviews a taxpayer's complete financial situation in order to determine if an offer can be accepted. The goal is to resolve tax liabilities in a way that is helpful to both the State and the taxpayer.

"We are constantly seeking ways to help our citizens who may be struggling through hard financial difficulties," said Secretary of Revenue David Hoyle.

"The changes we are making to this program will make it easier for many people to submit a valid offer and resolve their debts."

Changes to the program will reduce the number of criteria a taxpayer must meet to qualify and will use IRS standards that are more favorable to the taxpayer when determining disposable income, which is one of the considerations for accepting an offer.

In most cases, the NCDOR will also provide taxpayers with a counter offer when an original offer in compromise is denied.

The simplified and improved process should result in an increase of offers submitted by taxpayers and accepted by the NCDOR.

Taxpayers interested in making an offer should review and download detailed information from the NCDOR's website, **www.dornc.com/collect/offer.html**.

Disciplinary Actions

continued from page 3

M. Sadik Khan, #15297
Greensboro, NC 06/21/2012

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. M. Sadik Khan (hereinafter "Mr. Khan") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Khan failed to timely file the annual firm registration for M. S. Khan, CPA, 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. Mr. Khan subsequently renewed his firm registration, which was received by the Board on February 20, 2012, less than sixty (60) days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Khan's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Khan 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 unanimously decided to accept Mr. Khan's payment as full resolution of the aforementioned rules violation.

Warren G. Lowder, #10065
Greensboro, NC 06/21/2012

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. Warren G. Lowder (hereinafter "Mr. Lowder") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Lowder failed to timely renew or cancel the annual firm registration for Warren G. Lowder, 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 March 1, 2012, Mr. Lowder informed the Board that Articles of Dissolution for Warren Lowder, CPA, PLLC, were filed with the North Carolina Secretary of State's office.

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 unanimously decided to accept Mr. Lowder's payment as full resolution of the aforementioned rules violation.

Francine R. Noel, #26269
Asheville, NC 06/21/2012

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. Francine R. Noel (hereinafter "Ms. Noel") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Noel failed to timely renew or cancel the annual firm registration for Francine R. Noel, 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 March 2, 2012, Ms. Noel informed the Board that she had filed Articles of Dissolution for Francine R. Noel, CPA, PLLC, with the North Carolina Secretary of State's office.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Noel's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Noel 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 unanimously decided to accept Ms. Noel's payment as full resolution of the aforementioned rules violation.

Margaret F. Stampley, #27423
Charlotte, NC 06/21/2012

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. Margaret F. Stampley (hereinafter "Ms. Stampley") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Stampley failed to timely file the annual firm registration for Margeret F. Stampley, CPA, 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. Ms. Stampley subsequently renewed her firm registration, which was received by the Board on March 1, 2012, less than sixty (60) days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Ms. Stampley's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Ms. Stampley 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 unanimously decided to accept Ms. Stampley's payment as full resolution of the aforementioned rules violation.

William Stewart Thomas, #21544
Laurinburg, NC 06/21/2012

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. William Stewart Thomas (hereinafter "Mr. Thomas") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Thomas failed to timely file the annual firm registration for W. Stewart Thomas, CPA, P.L.L.C., 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.

Disciplinary Actions
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Disciplinary Actions

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3. Mr. Thomas subsequently renewed his firm registration, which was received by the Board on March 1, 2012, less than sixty (60) days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Thomas' infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Thomas 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 unanimously decided to accept Mr. Thomas' payment as full resolution of the aforementioned rules violation.

James R. Wright, #17099
Huntersville, NC 06/21/2012

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 R. Wright (hereinafter "Mr. Wright") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Wright failed to timely file the annual firm registration for James R. Wright, CPA, 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. Mr. Wright subsequently renewed his firm registration, which was received by the Board on March 8, 2012, less than sixty (60) days from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Wright's infraction was for a period of less than 60 days, the appropriate penalty is $100.00.

5. Mr. Wright 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 unanimously decided to accept Mr. Wright's payment as full resolution of the aforementioned rules violation.

AICPA Launches New eReader App

The AICPA recently announced the release of its new eReader app for the iPhone and iPad for tax and accounting professionals. With the new AICPA Reader, professionals have access to a number of eBooks covering audits and audit risks, practice management and many other topics.

The eReader's user-friendly interface makes it easy to read new and previously owned titles, even across multiple devices. To get started, users must first download Adobe Digital Editions to either their PC or Mac. The free digital rights management software lets users authorize and use up to six devices to view eBooks.

Inside the eReader app, a list of previous eBook purchases is shown, and users can download individual titles to using the "Import eBooks" feature. Users can also create bookmarks and annotations, as well as perform a keyword search.

Reclassifications

Reinstatements

07/23/12	Mary Lou Rathje Barlow, #17145	Durham, NC
07/23/12	James Christopher Boone, #14660	Charlotte, NC
07/23/12	Mary B. Carlin, #28236	Omaha, NE
07/23/12	William Frank Kauder, III, #33064	Greensboro, NC
07/23/12	John Travis McMinnville, #31326	Prairie Village, KS
07/23/12	Vanessa M. Pangle, #17422	Elon, NC
07/23/12	Elizabeth Maher Plowman, #17422	Apex, NC
07/23/12	Katherine Finley Smithey, #18010	Wilkesboro, NC
07/23/12	Danny Allen Snead, #12466	Mount Holly, NC
07/23/12	Collin L. Sumrall, #35321	Fayetteville, NC
07/23/12	Cecely Lorrene Tucker, #33003	Garner, NC
07/23/12	Dorothy Whiteman, #19498	Wilmington, DE
07/23/12	Andrew Wallace Williams, Jr., #31400	Charlotte, 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)(32)].

06/21/12	Joseph Daniel Carpenter, #22567	Forest City, NC
06/21/12	Lee McCorquodale Durst, #8223	Durham, NC
06/21/12	Susan Patterson Emmerson, #	Raleigh, NC
06/21/12	Harold Creighton Foreman, #10912	Elizabeth City, NC
06/21/12	Sheila Ann Frisk, #26583	Chico, CA
06/21/12	David Junkin Robinson, #954	Greensboro, NC
06/21/12	Roy Angier Stone, Jr., #12727	Charlotte, NC
06/21/12	James Franklin Tarleton, #7988	Raleigh, NC
06/21/12	James Edward Woodruff, Jr., #	Raleigh, NC
07/23/12	Christine Conboy #22008	Kernersville, NC
07/23/12	Peggy Reynolds Dahle, #13903	Lake Lure, NC
07/23/12	Ann M. Honbarrier, #16885	Fern Park, FL
07/23/12	Kathleen Ann Johnson, #20516	Chapel Hill, NC
07/23/12	Joyce Swenson, #13299	Greensboro, 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)(20)].

06/13/12
Charles Benjamin Robert Booth, #15042, Spring Hope, NC
Joanne Boling Marshall, #13514, Siler City, NC
James Ray Peterson, #25598, Goldsboro, NC
Charles Patrick Warren, Jr., #15232, Bradenton, FL

06/14/12
Benjamin Phillip Rackley, II, #34331, Daphne, AL

06/15/12
Christopher McRae Crouch, #23590, Wilmington, NC
Thomas Lee Hoyt, #19372, Thomasville, GA
Erika Anne Johnson, #36616, Raleigh, NC
Calvert Chapman McGregor, Jr., #19708, Hillsborough, NC
Carrie Garmon Mussato, #36456, Hoover, AL
Henry Christopher Perry, #12993, Durham, NC
Ron L. Serafini, #27817, Troutman, NC
Krista Lynn Watson, #22065, Sanford, NC

06/18/12
Russell Aaron Savage, #34276, Seattle, WA

06/20/12
Allison Odom Arias, #33454, Charlotte, NC
Eva Marie Hall, #23323, Lakeland, FL
Matthew Kotsovolos, #22598, Robbinsville, NJ
James W. McDonnell, III, #27001, Mooresville, NC
Joseph A. Newcomb, #35445, Wilmington, NC
Carl Lawrence Schuler, Jr., #9205, Orlando, FL

06/21/12
Michele Lee Adams, #36482, Raleigh, NC
Ute Claudia Haeussermann, #35599, GERMANY
Stacy A. Holland, #27656, Lutz, FL
Gretta V. Jackson, #33192, Finleyville, PA
Laura Maria Pedre, #21984, Miami Beach, FL

06/22/12
John Stanley Adkins, #21752, York, SC
Collette Marie Anderson, #36304, Chapel Hill, NC
James Landon Gazley, #30718, New York, NY
Sara Reid Justice, #30243, Huntersville, NC
Ruben Enrique Lopez, #35224, Doral, FL
Christianna Leigh Morton, #28610, Charlotte, NC
Howard Vernon Richardson, III, #10933, South Egremont, MA
Peggy Ann Vause, #29369, Tampa, FL

06/25/12
Julie Durham Auman, #35024, Greensboro, NC
Nicholas John Bellmann, #32094, Atlanta, GA
Charles B. Cartwright, #17392, Wilmington, NC
Thomas William Cary, #23610, High Point, NC
John Andrew Deptula, #34644, Dedham, MA
William David Hunt, #10958, Raleigh, NC
Kathy Bost Jackson, #32071, Pawleys Island, SC
Charles Stephen Jolly, #9879, Conover, NC
Tonya Morris Mangum, #36040, Wake Forest, NC
Teresa Leigh Pearce, #32050, Leeds, AL
William Alan Peterson, #21045, Franklin, NC
Paula Ross Register, #14611, Oro Valley, AZ
Patricia Ann Roberts, #17890, Raleigh, NC
Sara Dowd Vanderbloemen, #27177, Greenville, SC
Carolina Wibmer, #29961, Charlotte, NC

06/26/12
Virginia Blew, #16620, Fort Mill, SC
Diana Militello Carter, #34282, Lilburn, GA
Betty Jo Thompson, #22252, Durham, NC

06/28/12
Richard Van Bray, Jr., #10701, Charlotte, NC
Pamela J. DaFonseca, #23704, West Granby, CT
Lee E. Isaacson, #20363, Bethesda, MD
Donald Lee Plato, Jr., #20227, Cary, NC
Andrea Alley Ramer, #26142 San Diego, CA
Jacqueline S. Uhler, #21612, Fairfield, OH
William Darius VanHook, #35938, Morrisville, NC
Jean Colnon Williams, #33588, Hickory, NC

06/29/12
John Paul Barbee, #36178, Otto, NC
Nichole Renee Burnap, #36066, New York, NY
Audrea N. Craig, #25472, Decatur, GA
Melanie Lynn Forrester, #22665, Rock Hill, SC
Brad Eric Hopkins, #25907, Charlotte, NC
Paul David Johnson, #35815, Indian Trail, NC
Renee Price Knights, #20743, Chesterfield, VA
Jefforie A. Kvilhaug, #30784, Bellevue, WA
Janet Lynn Malzone, #26027, Chicago, IL
E. Jerry McMahan #8505, Roswell, GA
Christopher Todd Murphy, #24365, Chapel Hill, NC
Anne Borrodaile Savory, #17180, Greer, SC
Collin Lee Sumrall, #35321, Fayetteville, NC
Renee Lynch Teasdale, #34260, Apex, NC
Matthew Charles Zinna, #35086, Conshohocken, PA

07/02/12
Randolph Baker Carriker, Jr., #9315, Midland, NC
David Graham Eakes, #24690, San Francisco, CA
A. Thomas Finnell, Jr., #14780, McLean, VA
Elizabeth Anne Kimball, #22184, Midland, NC
Judith Ann King, #9698, Dallas, TX
David Robert Legge, #24869, Burke, VA
Alan Michael Mattes, #35030, Carnegie, PA
Terence P. Mullane, #35459, Scottsdale, AZ
Nancy Angeli Plath, #36098, Cary, NC
Burney Ray Rivenbark, #3411, Fayetteville, NC
James William Rizzi, #4377, Chesterfield, MO
Christopher Matthew Shetzline, #31703, Warrington, PA
Michael Francis Slavik, #26035, Quincy, MA
Laura Nicole Smallwood, #34080, New York, NY
Sharon E. Strother, #12431, Cary, NC
Jayne M. Trustram Eve, #20705, Cornelius, NC
Michelle Lynn Wright, #26133, Summerfield, NC
Susan B. Zaist, #17147, Beaufort, NC

07/03/12
Tara Lee Colpitts, #35622, Ouray, CO
John Andrew Keller, III, #4201, Denver, CO
Timothy Lee Kennedy, #12877, Cary, NC
Shelley A. Lee Hing, #31024, McLean, VA
Steven Gregory Mallard, #36430, Denver, CO
George Edward Melton, Jr., #25492, Charlotte, NC
Scott Allen Middleton, #19165, Hilton Head Island, SC
Andy Ward Sagona, #33769, Bothell, WA
Michael Allyn Wiechart, #20086, Franklin, TN

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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. 09-2012

Does Your Firm Have a Disaster Recovery Plan?

September is National Preparedness Month--does your firm have a plan for dealing with disasters such as floods, hurricanes, tornadoes, fires, and earthquakes?

If your firm is like many businesses, the answer is no, you're not as prepared as you could be. It can be difficult to know where to begin--and where to go from there. The information below is an overview of how your firm can take steps to become better prepared to deal with a disaster.

Program Management

The first step in developing a disaster recovery plan is to commit to developing a plan and making emergency preparedness a priority. Get all levels of staff involved and select a group of employees to serve as the firm's emergency response planning team.

Planning

The planning process should take an "all hazards" approach. There are many different threats or hazards and it is important to consider different threats and the likelihood they will occur. For example, is your building in an area that is likely to flood? Is your region one in which tornadoes are common?

Strategies for prevention/deterrence and risk mitigation should be developed as part of the planning process. Threats or hazards that are classified as probable and those hazards that could cause injury, property damage, business disruption, or environmental impact should be addressed.

Be sure to conduct a business impact analysis (BIA) that identifies time-sensitive or critical processes and the financial and operational impacts resulting from disruption of those business processes. Use the BIA to gather information about resource requirements to support the time-sensitive or critical business processes.

Implementation

Implementation of the preparedness program includes identifying and assessing resources, writing plans, developing a system to manage incidents, and training employees to execute the plans.

Suggested plans to include are a Resource Management plan; an Emergency Response Plan; a Crisis Communications Plan; a Business Continuity Plan; an Information Technology Plan; an Employee Assistance & Support plan; an Incident Management plan; and a Training plan.

Testing

You should conduct testing and exercises to evaluate the effectiveness of your preparedness program, make sure employees know what to do, and identify any missing steps. Use the testing to train personnel; reinforce knowledge of procedures, facilities, systems, and equipment; improve individual performance as well as organizational

Disaster Planning
continued on page 6

David R. Nance, CPA, Joins Board Staff

On August 1, 2012, David R. Nance, CPA, joined the Board staff as Deputy Director. Nance was hired to replace the current Deputy Director, J. Michael Barham, CPA, who is retiring in 2013.

Licensed as a North Carolina CPA in 1986, Nance recently retired from the North Carolina Office of the State Auditor with more than 30 years of service.

At the State Auditor's office, Nance was an audit manager whose responsibilities included oversight of the audit efforts at the North Carolina Department of Health and Human Services and The North Carolina Partnership for Children, Inc.

In addition, he was involved in the performance of numerous high profile financial-related audits during his tenure.

Prior to his assignment to the Department of Health and Human Services, he was selected by former

Nance
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Disciplinary Actions

Dale Robert Baumann, #25730
Atlanta, GA 07/23/2012

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 Findings of Fact:

1. Dale Robert Baumann ("Respondent") was the holder of North Carolina certificate number 25730 as a Certified Public Accountant. Respondent chose to place his North Carolina certificate on inactive status in 2004. He has maintained his inactive status since that time.

2. Respondent, for the approximate time period from mid-1997 through January 1999, was a Senior Manager with KPMG, LLP ("KPMG"), at its Charlotte office. He later changed offices and was made a partner by KPMG. He remained a KPMG partner until his termination on July 27, 2005.

3. Respondent has not maintained a place of business in North Carolina since 1999.

4. While employed in the Charlotte KPMG office, Respondent was under the direct supervision of partners in KPMG's Personal Financial Planning group, specifically Partner A and Partner B (hereinafter "Charlotte Partners").

5. For the time period from about 1996 through 2002, KPMG developed, implemented, and marketed certain tax shelters including KPMG's Foreign Leveraged Investment Program ("FLIP"), Bond Linked Issue Premium Structure ("BLIPS"), Offshore Portfolio Investment Strategy ("OPIS"), and Short Option Strategy ("SOS"), as well as other variants on those programs (hereinafter the "Tax Shelters").

6. KPMG marketed its Tax Shelters to residents in the State of North Carolina and implemented some of those Tax Shelters on behalf of its North Carolina clients.

7. On or about August 26, 2005, KPMG entered into a Deferred Prosecution Agreement ("DPA") with the United States Department of Justice regarding the Tax Shelters.

8. As part of the DPA, KPMG admitted and accepted certain facts that were set forth in a "Statement of Facts" that was appended to the DPA.

9. Per the DPA, KPMG has admitted that "through the conduct of certain KPMG tax leaders, partners, and employees, during the period from 1996 through 2002, KPMG:

> Assisted high net worth United States citizens to evade United States individual income taxes on billions of dollars in capital gain and ordinary income by developing, promoting and implementing unregistered and fraudulent tax shelters. A number of KPMG tax partners engaged in conduct that was unlawful and fraudulent, including: (i) preparing false and fraudulent tax returns for shelter clients; (ii) drafting false and fraudulent proposed factual recitations and representations as part of the documentation underlying the shelters; (iii) issuing opinions that contained those false and fraudulent statements and that purported to rely upon those representations, although the KPMG tax partners and the high net worth individual clients knew they were not true; (iv) actively taking steps to conceal from the IRS these shelters and the true facts regarding them; and (v) impeding the IRS by knowingly failing to locate and produce all documents called for by IRS summonses and misrepresenting to the IRS the nature and extent of KPMG's role with respect to certain tax shelters.

10. While employed at KPMG's Charlotte office, Respondent was involved in the sale and implementation of numerous Tax Shelters.

11. In his role as a Senior Manager, Respondent signed tax returns for clients which took advantage of the favorable tax consequences afforded by the Tax Shelters.

12. According to a report created by the U.S. Senate Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, Quadra Capital Management LLP (also doing business as Quellos or QA Investments) (hereinafter "Quadra") was an investment advisory firm that worked with KPMG and participated directly in the FLIP, OPIS, or BLIPS transactions.

13. Respondent signed at least one tax return claiming the favorable tax benefits of a FLIP transaction that had been administered by Quadra after Quadra had submitted an application for a similar product to be registered as a tax shelter.

14. Respondent signed at least one opinion letter, in another jurisdiction, verifying that there was a greater than 50% likelihood (*i.e.,* that it was more likely than not) that the favorable tax consequences promised from the FLIP transaction would be upheld if challenged by the IRS.

15. In June of 1998, Respondent received correspondence from a high-ranking KPMG tax partner regarding the marketing materials for the OPIS product. That correspondence provided:

> Please be reminded that you should NOT leave this material with clients or targets under any circumstances. Not only will this unduely [sic] harm our ability to keep the product confidential, it will DESTROY any chance the

2012 Board Meetings

October 18

November 26

December 17

Meetings are held 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.

client may have to avoid the step transaction doctrine.

The "step transaction doctrine" has been expressly sanctioned by the United States Supreme Court and provides that federal tax liability may be based upon a realistic view of an entire transaction. As such, interrelated, yet formally distinct, steps in an integrated transaction may not be considered independently of the overall transaction. *See Commissioner of Internal Revenue v. Clark*, 489 U.S. 726, 739 (1989).

16. Respondent and other personnel at KPMG were aware that the Tax Shelters were regarded within KPMG as risky strategies. Nevertheless, partners in KPMG's Charlotte office continued to market and implement the strategies despite those perceived risks.

17. While employed at KPMG, Respondent witnessed the following:

a. The Tax Shelters were marketed by KPMG personnel, including Charlotte Partners, as a way to reduce clients' taxes.

b. KPMG personnel, including Charlotte Partners, presented the Tax Shelters to clients as a complete package.

c. Charlotte Partners represented to clients that FLIP transactions were risk free;

d. Charlotte Partners informed clients they should keep the details of the Tax Shelters confidential and discouraged sharing information with third parties such as their own attorneys or outside CPAs.

e. Tax Shelter presentation materials were collected by KPMG personnel following presentations made to clients to preserve confidentiality and arguments regarding the step transaction doctrine.

f. Charlotte Partners instructed Respondent and other senior managers to claim favorable tax consequences for clients on their tax returns based upon FLIP transactions, even after a similar version of FLIP had been registered as a tax shelter by Quadra, and after KPMG had decided to cease marketing the FLIP strategy.

g. KPMG provided its tax partners with opinion letters verifying that it was "more likely than not" that the Tax Shelters would withstand IRS scrutiny. Those opinion letters were premised upon certain assumed facts. The assumed facts provided to the partners were pre-printed in the opinion letters. Local KPMG tax partners were not allowed to change the facts stated in the opinion letters.

h. On at least one occasion, Charlotte Partners presented clients with opinion letters that contained assumed facts that were not true.

i. Respondent voluntarily agrees to fully cooperate with, and make himself available to, the Board and its designees, without the necessity of subpoena, in any investigation of other Board certificate holders in similar matters. Respondent's cooperation includes providing interviews, statements, depositions, affidavits, and testimony. Respondent shall not charge for any time or travel related to such matters provided that any depositions shall be at a time and place convenient to Respondent. Testimony at any hearing would most likely occur at the Board offices in Raleigh, North Carolina.

18. 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. In lieu of an administrative proceeding, the Board and Respondent have agreed to the terms of this Consent Order.

BASED ON THE FOREGOING and in lieu of discipline or further proceedings, the Board and Respondent agree to the following Order:

1. Respondent, whose certificate has been inactive since 2004, will maintain his inactive status and will never request reinstatement or reissuance of his North Carolina certificate. As such, 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.

Thomas Lee Codington, #4621
Asheville, NC 07/23/2012

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. Thomas Lee Codington (hereinafter "Respondent") is the holder of North Carolina certificate number 4621 as a Certified Public Accountant.

2. Respondent voluntarily disclosed, to the Board, that a tax lien had been filed, in December of 2011, against his firm for his failure to pay 941 taxes for the second quarter of 2010.

3. Respondent paid the entire tax lien on February 16, 2012, and the Internal Revenue Service released the tax lien on February 29, 2012.

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:

Disciplinary Actions
continued on page 4

Disciplinary Actions

continued from page 3

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. Respondent's failure to pay or ensure payment of the 941 quarterly trust funds for his Firm is a violation of 21 NCAC 08N .0201, .0203, and .0207.

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, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Thomas Lee Codington, is hereby suspended for two (2) years; however, said suspension is stayed pending Respondent's compliance with the following terms:

a. During the two (2) year suspension period, Respondent shall comply with all Board statutes and rules.

b. Respondent shall remit to the Board, within thirty (30) days of the Board's approval of this Consent Order, a one thousand dollar ($1,000.00) civil penalty.

Michael A. Seda, #27700
Raleigh, NC 07/23/2012

THIS CAUSE coming before 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 May 26, 2011, that:

Findings of Fact

1. The parties have been properly identified.

2. The Board has jurisdiction over Applicant and this matter.

3. Applicant received at least fifteen (15) days written Notice of Hearing of this Matter by personal service, certified mail, or other approved personal delivery; or otherwise has no objection to the Notice of Hearing.

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

5. Applicant had no objection to any Board Member's participation in the Hearing of this Matter.

6. Applicant was present at the Hearing and was not represented by counsel.

7. Applicant 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 including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

8. Pursuant to a Consent Order agreed to and signed by Applicant on July 1, 2011, the Certified Public Accountant certificate issued to Applicant was suspended for a period of four (4) years from the date of the Board's approval of the signed Consent Order. The Board approved the signed Consent Order on July 25, 2011.

9. The matter is now before the Board upon application by Applicant for modification of discipline pursuant to 21 NCAC 08I .0104.

Conclusions of Law

1. The Hearing was duly noticed pursuant to N. C. Gen. Stat. §150B-38 (b)(c) and 21 NCAC 08C .0103 and conducted with a quorum of Board members and all necessary parties present.

2. Since the discipline in this case was determined by consent to a four (4) year suspension, pursuant to 21 NCAC 08I .0104, the burden of establishing a justification for modifying the earlier discipline is upon the applicant.

3. Applicant has not presented persuasive evidence that there is "good cause" to modify the discipline approved by the Board in its July 2011 Consent Order.

BASED ON THE FOREGOING, the Board orders in a vote of 5 to 2 that:

1. Michael A. Seda's application for modification of discipline is denied.

Robert Martin, #17528
Davidson, NC 03/21/2012

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 to the following:

1. Respondent was the holder of North Carolina certificate number 17528 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 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 year's CPE requirement. Respondent chose not to renew his certificate for the 2010-2011 renewal period.

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 year's CPE requirement.

5. Respondent did not provide any CPE certificates of completion for 2008 as the Board requested.

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 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. By virtue of Respondent's failure to provide CPE documentation for 2008 and also due to his failure to renew his certificate for the 2010-2011 renewal period, Respondent's 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. Eighty (80) hours of CPE in the twelve (12) months preceding the application. Forty (40) hours of those hours of CPE must be in a group-study format.

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.

Board Office Closed

The Board office will be closed on the following dates:

November 12, 2012

Veterans' Day

November 22-23, 2012

Thanksgiving

Exam Fees to Decrease

Effective October 20, 2012, the Uniform CPA Exam fees charged by the AICPA will decrease. The AICPA's per-section fee of $95.00 will decrease to $90.00 per section. The Board's administrative fees, NASBA's Exam fees, and Prometric's per-test hour fees will not change.

Applications postmarked on or before October 19, 2012, will be processed using the current fee schedule. Applications postmarked on or after October 20, 2012, will be processed using the new fee schedule. Revised Exam applications which reflect the new fees will be available October 20, 2012, from the Board's web site, **www.nccpaboard.gov**.

Exam Fees Effective October 20, 2012

Administrative Fees	
Initial Applicant	$230.00
Re-exam Applicant	$75.00
Exam Section Fees	
Auditing & Attestation (AUDIT)	$190.35
Financial Accounting & Reporting (FAR)	$190.35
Regulation (REG)	$171.25
Business Environments & Concepts (BEC)	$171.25

Reclassifications

Reinstatements

08/20/12	Nanette Nifong Allen, #10841	Winston-Salem, NC
08/20/12	Jefferson Lee Barefoot, #18277	Charlotte, NC
08/20/12	Elham Yousefpour Barrineau, #33729	Basking Ridge, NJ
08/20/12	Philip Allan Drummond, #22944	Charlotte, NC
08/20/12	Mary Morrison Hall, #22753	Wilmington, NC
08/20/12	David A. Perkins, #20969	Charlotte, NC
08/20/12	Richard Gilmore Reaves, #15769	Colfax, NC

Reissuance

08/20/12	James Michael Anderson, #12597	Statesville, NC
08/20/12	Saribeth Anderson Dozier, #14070	Charlotte, NC
08/20/12	Jeffrey Richard Meyer, #27264	Kansas City, MO
08/20/12	Kelly Richmond Pope, #31391	Chicago, IL
08/20/12	Gary Winford Walters, #19096	Moselle, MS

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)(32)].

08/20/12	James W. Hill, #13980	Durham, NC

Nance *continued from front*

State Auditor Ralph Campbell to oversee the State Auditor's audit responsibilities for the Smart Start program. That included assisting the State-level Partnership with the development and implementation of standardized accounting policies and procedures within the program, which resulted in greater accountability and more consistent financial reporting.

During this same time period, Nance was also charged with overseeing the State Auditor's statutory requirements related to nonprofits' reporting for their expenditures of State funds. A key output during this time was the writing and passage of administrative rules for the Uniform Administration of State Grants that is now overseen by the NC Grants section within the Office of State Budget and Management.

Nance began working at the State Auditor's office in February 1982 as an Assistant State Auditor responsible for auditing State departments including Administration, Agriculture, Transportation, and the North Carolina State Ports Authority. Prior to that, he was introduced to the world of accounting, bookkeeping, and tax preparation at his father's business.

A native of Laurinburg, NC, Nance received a bachelor of science in accounting from the University of North Carolina at Chapel Hill in 1981.

Nance and his wife Connie have three children–a son majoring in engineering at East Carolina University, a daughter who is a senior at Cary High, and a son who is attending Reedy Creek Middle School.

An avid Tarheel fan who attends as many UNC-CH football and basketball games as he can, Nance runs about four miles daily to relax.

Nance is a member of the American Institute of CPAs and the North Carolina Association of CPAs.

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Disaster Planning *continued from front*

coordination and communications; evaluate policies, plans, procedures and the knowledge and skills of team members; reveal weaknesses and resource gaps.

Program Improvement

Following an actual incident, conduct a critique to assess the response to the incident. Lessons learned from incidents that occur within the community, within the business' industry, or nationally can help identify needs for preparedness program changes.

Gaps and deficiencies identified during testing should be recorded and addressed through a corrective action program. Reviews, evaluations and improvements should be documented and maintained on file.

Detailed information on preparing your business for disasters is available from the following websites:

- www.ready.gov/business
- www.redcross.org
- www.preparemybusiness.org
- www.sbaonline.sba.gov
- www.disasterrecoveryworld.com

Certificates Issued

At its August 20, 2012, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Stephen Highsmith Adams
Brittany Lynn Aloi
Robert Christian Ambrose
Lamees Shaker Asad
Thomas McChrystal Bill
John Robert Brown, Jr.
David Benjamin Bryant
Michelle Lynn Carlo
Craig Russell Carter
Galina Chichlova
Bradley Graham Cottle
Brendan Charles Davern
Christina Elizabeth Derlath
Jessica Erin DeSantis
Lauren Margaret Eichinger
Michael Todd Estes
Chioma Princess Eze
Louis Sean Falzone
Michelle Emily-Ann Haley
Noor Margaret Hannaney
Jacqueline M. Honeycutt
Megan Rae Hutchinson
Charlton Daniel Jacobs
Ryan Patrick Jones
Alex W. Kau
Blair Elizabeth Kines
Emily Lynn Kropp
Jonathan Shaun Kuker
Gonca Kurt
Steven Douglas Laco
Alexandra Michelle Lewis
Molly Deanne Luzader
Benjamin Wade Lyon
Brian John Mascia
Michael Scott McCord
John Taggart McGurrin
James Griggs McKinnon
Kathleen M. McMillan
Eugenia Mikhailovna Medynskaya
Jami Kincheloe Morrison
David Michael Mulvihill
Martinus James Ockers
Benjamin Theodore Pickell
Travis Randall Price
Pragathi Rai
Austin Trent Ramsey, Sr.
Michelle Lojko Rollins
Tia Christine Shoemaker
Kimberley Williams Simmons
Daniel Jeremy Slotkis
Morgan Alexandra Smith
David Benjamin Stone
Robert Christopher Thale
Peggy Anne Thompson
Kyle Lee VanderSlik
James Joseph Vollbrecht
Matthew Charles Wellman
Ivonne Janeth White
Lynette Ingrid Wood
Hanxi Zhou

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)(20)].

07/06/12

Edward Wayne Carr, #7140, Roswell, GA
Michelle Lee Cecchett, #25675, Magnolia, DE
Linda Mann Harrell, #14074, Sumter, SC
Nicole Jean Kennen, #36194, Indian Trail, NC
Jason J. Podvin, #25366 Erwin, TN
Joel William Russell, #23764, New York, NY
Lauren Kraselsky Thoma, #35817, Birmingham, AL

07/10/12

Sandra Boyd Hollenbach, #12294, Charlotte, NC
Grant Joel Johnson, #26815, Salt Lake City, UT
John William Johnson, #24284, Charlotte, NC
Michael Scott Kelly, #27742 Deland, FL
Ching Ha Lam, #34409, New York, NY
Clifton Ross Stancil, #28877, Durham, NC

07/11/12

Wei Guo, #29182 Fairbanks, AK
Wesley Brandon Peele, #31330, Portland, OR
Kimberly Gene Racine, #22405, Renton, WA

07/12/12

Gary Dale Dyson, #14927, Statesville, NC
William Astor Ferguson, Jr., #27309, Tallahassee, FL
Sandra O. Herron, #30345, Florence, SC
Milos Daniel Maldonado, #36467, Louisville, KY

07/13/12

Heather M. Brewer, #20988, Wellington, FL
Staci Suzanne Brown, #31485, Topeka, KS
Kenneth Charles Porter, #12546, Knoxville, TN
Patricia L. Porter, #28978, Knoxville, TN
Rebecca Anne Slattery, #30818, Charlotte, NC

07/16/12

Ted Graham Horne, #15960, Waxhaw, NC
Eric Lynn Young, #33251, Marietta, OH

07/17/12

Pierce W. Cantey, Jr., #22007, Camden, SC
Susan Carol Eisenacher, #29800, Raleigh, NC
Henry William Fust, #11115, Syracuse, NY

07/19/12

William Christopher Daum, #22154, Cary, NC
Emily Drescher Hansen, #33679, Charlotte, NC

07/20/12

John Rinaldi, #21743, Charlotte, NC

07/23/12

Justin Simon Bregman, #35480, Charlotte, NC
William Alan Ivers, #25791, Montebello, NY
Charles Joseph Schrauder, #34726, Pittsburgh, PA
Gary Wade Shelnutt, #32375, Fort Wayne, IN
Rodney Eugene Smallwood, #27821 Belmont, NC

07/24/12

Ethan Anderson Novick, #35964, Stamford, CT

07/25/12

Rui Jin #36305, Sunnyvale, CA

07/26/12

Jean Christophe Lecordier, #32817, Charlotte NC
Gregory Lynn Smith, #7157, York, PA

07/30/12

Wanda Gayle Watson Casteel, #32731, Winston-Salem, NC
Jasmin Jahanshahi, #35298, Miami, FL
Meredith Ann Mullet, #33613, Cornelius, NC
Pamela Scott Pursel, #28304, Newtown, PA

07/31/12

Harvey C. Heise, #21789, Rock Hill, SC
Alyson McCoy Lanier, #32508, Jamestown, NC
Lyle D. Phipps, #35039, Northampton, MA
Margaret A. Szewczyk, #35966, Raleigh, NC
James Ray Wilborne, #26836, Charlotte, NC

08/01/12

Jenna Nicole Cofman, #35241, Columbus, OH
H. Laurence Fritz, Jr., #22114, Spartanburg, SC
Rebecca Dugger Ganzhorn, #16097, Winston-Salem, NC
Michael S. Gordon, #25046, Raleigh, NC
Paul Edmond Grace, #28783, St. Petersburg, FL

08/02/12

Darrell Ray Scarbrough, #28876, Mooresville, NC

08/06/12

Sharon Puryear Boyd, #12493, Chapel Hill, NC

08/08/12

Charles Brian Bennett, #14838 ,Mount Airy, NC
Christine Baker Hargett, #22581, Indian Trail, NC
John Fletcher Wilson, #21292, Atlanta ,GA

08/09/12

Hedao Wang, #36227, Durham, 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. 10-2012

State Bar Amends Procedures for Exemption from Random Audit of Trust Accounts

Since 1985, the North Carolina State Bar (State Bar) has allowed lawyers to obtain an exemption from the random audit of trust accounts by having their trust accounts preemptively examined and reported on by a CPA.

Although the policy remains in effect, it was recently revised based in part on concerns raised by CPAs and the State Board of CPA Examiners (the Board).

A licensee expressed concern to the Board staff that the report required by the State Bar for exemption from the random audit of trust accounts was not in accordance with the standards for agreed-upon procedures engagements as set forth in the Statements on Standards for Attestation Engagements.

After expressing those concerns to the State Bar staff and learning that the State Bar itself was concerned about the effectiveness of the examinations, the Board staff worked with the State Bar to create an agreed-upon procedures report that follows the standards, as well as an engagement letter to be used when auditing trust accounts.

In addition to developing a report that is in accordance with standards, the State Bar included in the agreed-upon procedures report the requirement for the CPA to report all specific findings where the lawyer client failed to comply with the State Bar's rules governing trust accounts.

Adding that requirement provides the State Bar with more detail about trust account rule violations and allows the State Bar, not the CPA, to determine the severity of the violations and whether further action is warranted.

The State Bar will only accept agreed-upon procedures reports and no longer accepts opinion-type audit reports in conjunction with engagements performed on trust accounts when a lawyer is attempting to obtain an exemption from the Bar's random audit requirements.

A copy of the NC State Bar *Journal* article, "North Carolina State Bar Amends Procedures for Exemption from Random Audit of Trust Accounts," which explains the amended procedure in more detail, is posted on the Board's website, **www.nccpaboard.gov**.

Also available are copies of the required engagement letter, the required agreed-upon procedures to be performed, and the required lawyer's representation form for agreed-upon procedure engagements involving the lawyer's trust accounts.

Sample agreed-upon procedures reports are available on the forms page of the NC State Bar website, **www.ncbar.gov/PDFs/11a.pdf**.

Please contact Peter Bolac, the State Bar's Trust Account Compliance Counsel, at (919) 828-4620 or **pbolac@ncbar.gov** with questions regarding the revised procedure and forms.

Please contact the Board's Deputy Director, J. Michael Barham, CPA, at (919) 733-4215 or **mbarham@nccpaboard.gov** with questions about the Statements on Standards for Attestation Engagements as they apply to agreed-upon procedures engagements involving lawyer trust accounts.

Exam Fees Effective October 20, 2012

Administrative Fees	
Initial Applicant	$230.00
Re-exam Applicant	$75.00
Exam Section Fees	
Auditing & Attestation (AUDIT)	$190.35
Financial Accounting & Reporting (FAR)	$190.35
Regulation (REG)	$171.25
Business Environments & Concepts (BEC)	$171.25

In This Issue

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Disciplinary Actions

M. Dwayne Peeler, #26487
West Covina, CA 03/21/2012

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (Board) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. §150B-41, the Board and Respondent stipulate to the following:

1. Respondent is the holder of North Carolina certificate number 26487 as a Certified Public Accountant.

2. Respondent informed the Board on his 2010-2011 individual certificate renewal (renewal) that he had obtained forty-eight (48) 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 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 could not provide the certificate or certificates of completion needed to document the completion of thirteen (13) hours of the forty-eight (48) hours of CPE 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 21 NCAC 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

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, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is deemed insufficient and untimely under N.C. Gen. Stat. §150B-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 receives Respondent's forfeited certificate and until the civil penalty required in number five (5) of this Order has been paid by Respondent.

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. Fifty-three (53) hours of CPE, of which thirteen (13) of these hours shall be in the group-study format, in the twelve (12) months preceding the application.

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.

Teresa L. Brenan, #34187
Raleigh, NC 04/24/2012

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 Findings:

1. Respondent is the holder of North Carolina certificate number 34187 as a Certified Public Accountant.

2. In June 2010, Respondent informed the Board on her 2010-2011 individual certificate renewal (renewal) that she 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 2009 CPE requirement.

3. Prior to submitting her renewal, Respondent requested an extension to complete her 2009 CPE requirements in 2010 without penalty. The Board disapproved that request by letter dated April 27, 2010.

4. Based on Respondent's representation, the Board accepted her renewal.

5. In January 2011, Board staff requested that Respondent provide certificates of completion for the CPE reported to meet her 2009 CPE requirement.

6. Respondent provided the CPE certificates of completion to the Board as

2012 Board Meetings

November 26

December 17

Meetings are held 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.

requested. Respondent acknowledged that she had only completed two (2) hours of CPE during the period between January 1, 2009, and June 30, 2010, which was inconsistent with her 2010-2011 renewal.

7. Respondent was first issued her certificate in 2009. Accordingly, the 2009 year was the first one in which Respondent was required to complete mandatory CPE requirements. Similarly, 2010-2011 was the first time that Respondent had to report the mandatory CPE requirements to renew her certificate.

8. When Respondent received the Board's disapproval of her extension request in April 2010, the letter also included notification that she likely would be subject to a Letter of Warning for her failure to timely complete the 2009 CPE requirements. Because of her inexperience with mandatory CPE and the corresponding reporting requirement at renewal, Respondent mistakenly believed at the time that the Letter of Warning resolved her 2009 CPE credit deficit and that she was no longer required to complete those hours.

9. Upon receipt of the Board's letter that her 2009 and 2010 CPE credits were being audited, Respondent promptly contacted the Board, realized her inadvertent mistake on the renewal form, explained it to the Board representative and acknowledged that she had not completed the required CPE credits for 2009 during that initial conversation. Respondent also subsequently inquired and received confirmation from the Board that she could continue using her CPA designation during the pendency of the Board's audit of her CPE credits.

10. Respondent was not actively working or practicing as a certified public accountant in 2009 and 2010, including after her renewal in June 2010 through December 2010.

11. 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. When submitting her 2010-2011 renewal, Respondent reasonably should have known that she was still required to complete the 2009 CPE requirements and the renewal related to those credits, notwithstanding the anticipated letter of warning. By submitting this renewal, she violated 21 NCAC 08N .0202(b)(3) and (4), which prohibit, among other things, representations that the CPA should have known had the capacity to deceive in regard to maintaining certification or reporting CPE credits.

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, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is deemed insufficient and untimely under N.C. Gen. Stat. §150B-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 not apply for the reissuance of her certificate for at least one year from the date the Board receives Respondent's forfeited certificate and until the civil penalty required in number five (5) of this Order has been paid by Respondent.

4. Respondent may apply to return her certificate to active status by submission and approval of a reinstatement application which includes:

a. Application form,

b. Payment of the application fee,

c. Three (3) moral character affidavits, and

d. Seventy-eight (78) hours of CPE in the twelve (12) months preceding the application, thirty-eight (38) hours of which must be in a group study format, 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 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 her license.

Disciplinary Actions
continued on page 5

NC Exam Candidates Receive Elijah Watt Sells Awards

The Board is pleased to announce that two North Carolina Exam candidates were named 2011 Elijah Watt Sells Award winners by the AICPA.

Brittany Aloi, a graduate of Furman University who holds a Master of Accountancy from North Carolina State University, is currently employed with Reznick Group in Charlotte. She was licensed as a North Carolina CPA in August.

Han Sun is a graduate of Sun Yat-sen University with a Bachelor of Management and the University of North Carolina at Chapel Hill with a Master of Accountancy. He is an employee of Pricewaterhouse-Coopers in Charlotte.

The Sells Award is presented to candidates who obtain a cumulative average score above 95.50 across all four sections of the Exam, completed testing during the previous calendar year and passed all four sections of the Exam on their first attempt.

More than 90,000 candidates sat for the Exam in 2011 and 37 qualified for the Sells Award.

Notices of Apparent Violation and Demands to Cease and Desist

Roselie McDevitt
Mount Olive, 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 through actions for injunctive relief regarding "a single violation" of this Chapter;

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 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, Respondent Roselie McDevitt (hereinafter "Respondent McDevitt") is not now, nor has she 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;

WHEREAS, Respondent McDevitt is not actively licensed as a certified public accountant in any other known jurisdiction; and

WHEREAS, Respondent McDevitt, while living and working in North Carolina, has held herself out as a certified public accountant as evinced in a letter dated March 19, 2012, and signed by Respondent McDevitt as "Roselie McDevitt, Sc.D., CPA" and by the Mount Olive College website, which identifies her as a "Certified Public Accountant."

THEREFORE, Respondent McDevitt 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 Respondent McDevitt 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: 04/02/2012

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: Roselie McDevitt

DATE: 04/12/2012

Paul S. Taylor
Huntersville, 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, in March 2010, Respondent Paul S. Taylor ("Respondent Taylor") and his company Capital Advisory Group and Tax Planners of Lake Norman ("Capital Advisory Group"), were advised that they were in violation of N.C. Gen. Stat. §93-4 by placing advertisements that they provided offering to provide tax returns that were "CPA prepared and signed."

WHEREAS, on March 23, 2010, Respondent Taylor, through his attorney, "agreed to discontinue the use of the phrase 'CPA prepared and signed,' and any referenced to 'CPA'…."

WHEREAS, on or about March 16-22, 2012, Respondent Taylor placed an advertisement for Capital Advisory Group in *The Herald Weekly*, representing "Complete Income Tax Preparation, CPA Prepared, Only $69…."

WHEREAS, Respondent Taylor has already agreed in prior correspondence to refrain from making the representations that are the subject matter of this demand and notice.

THEREFORE, Respondent Taylor is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from advertising "CPA prepared" tax returns or otherwise referencing CPAs in the advertising for Capital Advisory Group.

North Carolina State Board of Certified Public Accountant Examiners

BY: Frank X. Trainor, III, Board Staff Attorney

DATE: 03/26/2012

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: Paul S. Taylor

DATE: 03/29/2012

Board Office Closed

The Board office will be closed on the following dates:

November 12, 2012
Veterans' Day

November 22-23, 2012
Thanksgiving

December 24-26, 2012
Christmas

Disciplinary Actions

continued from page 3

Alison Monroe, #24083
Durham, NC 04/24/2012

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 to the following:

1. Respondent was the holder of North Carolina certificate number 24083 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 year's CPE requirement. Respondent chose not to renew her certificate for the 2010-2011 renewal period.

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 year's CPE requirement.

5. Respondent did not provide any CPE certificates of completion for 2008 as the Board requested.

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 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. By virtue of Respondent's failure to provide CPE documentation for 2008 and also due to her failure to renew her certificate for the 2010-2011 renewal period, Respondent's 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 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 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. Eighty (80) hours of CPE in the twelve (12) months preceding the application. Forty (40) hours of those hours of CPE must be in a group-study format, including the eight-hour Accountancy Law course conducted by the NCACPA.

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 her license.

Deanna J. Peltz, #28651
Mills River, NC 05/21/2012

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 28651 as a Certified Public Accountant.

2. Respondent informed the Board on her 2010-2011 individual certificate renewal ("Renewal") that she had obtained twenty (20) hours of continuing professional education ("CPE"), at least two (2) of which were to have been ethics courses, as required by the State of Missouri, Respondent's home state of licensure, to meet the 2009 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 2009 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 completion of nine (9) hours of CPE that Respondent claimed she earned between January 1, 2009, and December 30, 2009, as was reported on her 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.

Peltz
continued on page 6

Peltz

continued from page 5

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, 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 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

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, the Board and Respondent agree to the following Order:

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

2. Respondent must return her certificate to the Board within thirty (30) days of the Board's approval of this Consent Order.

3. Respondent may not apply for the reinstatement of her certificate for at least one (1) year from the date the Board approves this Consent Order and until the civil penalty required in number five (5) of this Order has been paid by Respondent.

4. Respondent may apply to return her certificate to active status by submission and approval of a reinstatement application which includes:

a. Application form,

b. Payment of the application fee,

c. Three (3) moral character affidavits, and

d. Forty-nine (49) 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 prior to submitting a 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 her certificate.

Nathan T. Garrett, Jr., #21965
Durham, NC 05/21/2012

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 21965 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 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 and 2010 CPE requirements.

5. Respondent provided CPE certificates of completion to the Board as requested. However, Respondent failed to provide the certificate or certificates needed to document completion of sixteen (16) hours of CPE 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 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 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

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, the Board and Respondent agree to the following Order:

1. Respondent's failure to provide adequate documentation of CPE renders the Renewal insufficient and untimely. Respondent's failure to adequately renew his certificate results in an automatic forfeiture pursuant to N. C. Gen. Stat. §93-12(8b).

2. Respondent must return his certificate to the Board within thirty (30) days of the Board's approval of this Consent Order.

3. Respondent may not apply for the reinstatement of his certificate for at least one (1) year from the date the Board approves this Consent Order and until the civil penalty required in number five (5) of this Order has been paid by Respondent.

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

sion and approval of a reinstatement application which includes:

a. Application form,

b. Payment of the application fee,

c. Three (3) moral character affidavits, and

d. Fifty-six (56) 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 prior to submitting a 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 certificate.

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.

Firm Renewal & Peer Review Compliance

Information about annual firm registration renewal and peer review compliance will be available in the November *Activity Review*.

Online firm renewal will be available in mid-November.

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Reclassifications

Reinstatements

09/24/12	Jeffery Charles Bryan, #26991	High Point, NC
09/24/12	Terry Thomas Claiborne, #18849	Winston-Salem, NC
09/24/12	Anne Brown Jones, #13989	Cornelius. NC
09/24/12	Ryan Kessler Mulhearn, #28932	Raleigh, NC
09/24/12	Benjamin P. Rackley, II #34331	Daphne, AL
09/24/12	Sandra Stephens Russ, #29196	Lenoir, NC
09/24/12	John H. Wood, Jr., #22004	Stanley, NC

Reissuance

09/24/12	Andrew DeGregorio, #35932	Greensboro, NC
09/24/12	Debra Bollinger Wentz, #15325	Newton, NC
09/24/12	Kevin Michael McDonald, #24246	Atlanta, GA

Certificates Issued

At its September 24, 2012, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Oluwaseyi Bankole Adu
Jonathan Sherman Antonio
Jason Brian Baillargeon
Maureen Moloney Bair
Elena Vasilevna Baker
Tony Lee Brewer
Carol Lynn Burton
Andrew Thomas Castelloe
Di Chen
Allayna Lopossay Cockman
David Lyle Comer
Julie Ann Cooper
Julianne Elliott Cordon
Kimberly Anne Cornell
Karina Falcon
Hunter Rourke Alexander Fava
Kimberly Anne Fox
Elizabeth Garcia
Amber Lynn Gill
Jamal A. Gorrick
Asha Rashid Guta
Kristen LeAnne Harris
Samuel Hofmayer Hess
Myron Stefan Jacobs
Keturah Sharee June
Cason Brewer King
Bryan Carroll Lackey
Catherine Marie Lagasse
Thomas W. Lee
James Santino Leo
Michael Philip Lucisano
Stewart Charles Lynam
Joshua Lee Mitchell
Carly Maegan Murph
Phillip Edward Norriss
Luke James-Earl O'Rourke
Kristen Nicole Pannell
Kathleen Patricia Power
Abigail Lindsay Richards
Haley Marie Roberts
Daniel Shane Ryan
Jennifer Lynn Simon
Alicia Gail Smith
Alicia Shatora Smith
David Anthony Steele
Indre Stunzenas
Christopher Drew Swanson
William Phillip Taylor
Tomika Vonetta Thomas
Clinton Douglas Townsend
Wesley Jared Tyson
Maria Marcela Vega
Huimin Wang
Patrick Kabiro Wanyinyi
Amy Katherine Webb
Crystal Blackburn Wofford
Patrick Glenn Wright

State Board of CPA Examiners

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Cammie Emery

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Adrianne Trainor

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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. 11-2012

Online Firm Registration Renewal, Peer Review Compliance Reporting in Progress

It is time for North Carolina CPA firms to renew their firm registrations and provide peer review compliance information to the Board through the Board's website, **www.nccpaboard.gov.**

Only firm registrations are being renewed at this time; individual CPA certificates will be renewed in the spring.

Failure to renew or cancel the firm registration by the deadline may result in a civil penalty.

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 in late October.

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 renewal. The same link works for all types of firm renewals. After selecting the link for the firm renewal, a log-in screen will display.

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, an individual practitioner may renew or cancel his or her firm's registration. Other firm types cannot cancel the firm registration online because those firm types must cancel the registration with the Secretary of State's office before being cancelled in the Board's records.

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 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 the next two pages 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

Firm Renewal
continued on page 4

In This Issue

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Exam Fees 5
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Disciplinary Actions

Myra L. Davis, #31162
Brevard, NC 09/24/2012

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. Myra L. Davis (hereinafter "Respondent") is the holder of North Carolina certificate number 31162 as a Certified Public Accountant.

2. Respondent is alleged to have embezzled in excess of $100,000.00 from the Glady Branch Baptist Church in Brevard, North Carolina.

3. Respondent neither confirms nor denies the aforementioned allegations.

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

2. The allegations as set out above, if proven, would constitute violations of 21 NCAC 08N .0201, and .0203(a) and (b)(1).

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 action set forth below.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Myra Davis, 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 her surrendered North Carolina certificate.

Lisa Carol Jenkins, #20049
High Point, NC 06/21/2012

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. Lisa Carol Jenkins (hereinafter "Respondent") is the holder of North Carolina certificate number 20049 as a Certified Public Accountant.

2. While Respondent was employed by a non-CPA firm, Respondent signed, as a CPA, and issued, on behalf of the non-CPA firm, at least one (1) compiled financial statement for a client (hereinafter "Compilation").

3. In the Compilation report, Respondent stated that the report was compiled "in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants."

4. The Compilation constitutes an "attest or assurance" service as that term is defined in 21 NCAC 08A .0301(b)(5).

5. Per 21 NCAC 08N .0302(a), a CPA may offer or render attest or assurance services in the public practice of accountancy only through a registered CPA firm.

6. By performing the Compilation through a non-CPA firm, Respondent used the CPA title in a form of business not permitted by the accountancy laws or rules.

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, 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 .0202(b)(9) and .0302(a).

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, 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.

December Board Meeting

The Board's December meeting will be held December 17, 2012, at 1101 Oberlin Road, Raleigh, and will 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.

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."

Preston S. Edmondon, #18693
Morrisville, NC 06/21/2012

The Board opened a case against Preston S. Edmondson (Respondent Edmondson) for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent Edmondson 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 Edmondson 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 Edmondson's North Carolina CPA license.

Tanya Freeman, #26112
Chapel Hill, NC 06/21/2012

The Board opened a case against Tanya Freeman (Respondent Freeman) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.

Respondent Freeman 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 Freeman 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 Freeman's North Carolina CPA license.

Glenn S. Gannett, #22529
Kinston, NC 06/21/2012

The Board opened a case against Glenn S. Gannett (Respondent Gannett) for failure to complete at least eight (8) hours of non-self-study CPE as required for renewal of his North Carolina CPA license.

Respondent Gannett 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 Gannett 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 Gannett's North Carolina CPA license.

Jawnza D. Jackson, #32037
Charlotte, NC 06/21/2012

The Board opened a case against Jawnza D. Jackson (Respondent Jackson) for failure to complete an ethics course as required for renewal of her North Carolina CPA license.

Respondent Jackson 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 Jackson 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 Jackson's North Carolina CPA license.

Viola Shelton, #21088
Mars Hill, NC 06/21/2012

The Board opened a case against Viola Shelton (Respondent Shelton) for failure to complete an ethics course as required for renewal of her North Carolina CPA license.

Respondent Shelton 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 Shelton 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 Shelton's North Carolina CPA license.

Douglas W. Sokolowski, #24448
Salisbury, NC 06/21/2012

The Board opened a case against Douglas W. Sokolowski (Respondent Sokolowski) for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent Sokolowski 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 Sokolowski 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 Sokolowski's North Carolina CPA license.

Jared M. Titzer, #32952
Charlotte, NC 06/21/2012

The Board opened a case against Jared M. Titzer (Respondent Titzer) for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent Titzer 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.

Titzer

continued on page 6

Firm Renewal

continued from front

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 email the peer review report, findings for further consideration, letter of response, and final acceptance letter. For a fail report, fax or email 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.

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**.

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**

Notice of Apparent Violation and Demand to Cease and Desist

Patrick Malloy
Misenheimer, 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 through actions for injunctive relief regarding "a single violation" of this Chapter;

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 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, Respondent Patrick Malloy (hereinafter "Respondent Malloy") 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 Malloy, while living and working in North Carolina, has held himself out as a certified public accountant as evinced on the Pfeiffer University website, which identifies him as a "CPA."

THERFORE, Respondent Malloy 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 Malloy 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: 05/16/2012

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: Patrick Malloy
DATE: 05/22/2012

Reclassifications

Reinstatements

10/18/12	Heather Edson Cellini, #27481	Charlotte, NC
10/18/12	Michael Gene Dixon, #22286	Winston-Salem, NC
10/18/12	Leslie Jessup Fitzpatrick, #16747	Charlotte, NC
10/18/12	Mary Nell Klein, #17643	Columbia, PA
10/18/12	Terry Wayne Mallard, #16761	Canton, GA
10/18/12	Wesley Howard Perry, #16889	Winston-Salem, NC

Reissuance

10/18/12	Richard Douglas Hofrichter, #36811	Glen Allen, VA

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)(32)].

10/18/12	David Erwin Johnson, #6840	Simpsonville, SC

Exam Fees

Effective October 20, 2012, the some fees charged for the Uniform CPA Exam decreased. The new fees are as follows:

Administrative Fees

Initial Applicant	$230.00
Re-Exam Applicant	$75.00

Per-Section Fees

AUD	$190.35
FAR	$190.35
REG	$171.25
BEC	$171.25

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.

Certificates Issued

At its September 24, 2012, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Brian Daniel Albert
Rachel Ellen Antrobus
Lisa Marie Baker
Carolyn Jean Bessler
Jay Anthony Bruce
Sarah Elizabeth Burney
Benjamin LeJenue Butler
Maria Luisa Canda Castaneda
Bradford James Coffey
Bray Creech
Paul Arthur Dayer
Douglas Charles Duer
Jason Mark Evans
Erica Marie Fianchino
David Martin Finkel
Joyce Ann Fox
Kyle Alexander Frederick
Amanda Leigh Fugate
Carrie Ann Gage
Sirui Gao
Margaret Victoria Gelin
Yan Shi Gibson
Teresa Ann Green
JoAnna Nicole Grossman
Susan Nicole Hamilton
Michelle Lee Harris
Robert Russell Harris, Jr.
Renata Fae Heineman
Elizabeth Hernandez-Soriano
Matthew Robert Hollifield
Therese Marie Holmes
Qing Huang
Lauren Marie Hubert
Matthew John Hughes
Abner Benton Hunter, III
Nancy Ann Joyce
Taylor Robertson Knapp
Jacquelin Elizabeth Knize
John Mark Kunst, Sr.
Marie Angelina LaMonica
Robin Eileen Larson
Tamara Ann Lee
Jane Hammond Machmer
Sean Patrick Martin
Christopher Lee Millikan
Stephen Joseph Morgan
Brett Christopher Moyer
Timothy David Nelson
David Lee Olson
Erin Danbi Park
Meredith Leigh Perry
Anthony Paul Pinzari, Jr.
Jessica Ruth Price
Mark Ramirez
Charles Luther Rasmussen
David Michael Remele
Shawn Michael Richardson
Kimberly Ann Rock
Clarence Jack Rogers, Jr.
Christopher Lyn Ronk
Robert Kyle Rouse
Catherine Lynn Russell
Leslie Elizabeth Schuler
Stephen Alexander Shaw
Gary Lee Shepherd
Dustin Michael Shewman
Wilson Huxford Simmons
William Justin Smith
Jesse Enoch Spence
Allison Lynne Stevens
Caroline Nancy Stone
Nicholas Landon Stone
Susan Lynn Sullivan
Thomas Kyle Sutherland
Michael Walton Swerbinsky
Adam Wesley Thomas
Amanda Claire Thomas
Katherine Ann Tranum
April Marie Ullman
Yiwen Wang
Christopher Scott Stennett Watts
William Michael Wess
Bethany Kate Wiggins
James Preston Willcox
Linda Mary Woods
Jeremiah Russell Wyler

Titzer *continued from page 3*

Respondent Titzer 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 Titzer's North Carolina CPA license.

George C. Turner, #26783
Atlanta, GA 06/21/2012

The Board opened a case against George C. Turner (Respondent Turner) for failure to complete an ethics course as required for renewal of his North Carolina CPA license.

Respondent Turner 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 Turner 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 Turner's North Carolina CPA license.

Gordon W. Wheeler, #34461
Charlotte, NC 06/21/2012

The Board opened a case against Gordon W. Wheeler (Respondent Wheeler) for failure to complete an ethics course as required for renewal of his North Carolina CPA license and for failure to complete eight (8) hours of non-self-study CPE as required for renewal of his North Carolina CPA license.

Respondent Wheeler 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 Wheeler 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 Wheeler's North Carolina CPA license.

Emma Kaye Atkinson, #28072
Beulaville, NC 08/20/2012

The Board opened a case against Emma Kaye Atkinson (Respondent Atkinson) for failure to complete sufficient CPE, included the required ethics course, as required for renewal of her North Carolina CPA license.

Respondent Atkinson 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 Atkinson 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 Atkinson's North Carolina CPA license.

Karen L. Nenstiel, #20699
Raleigh, NC 08/20/2012

The Board opened a case against Karen L. Nenstiel (Respondent Nenstiel) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.

Respondent Nenstiel 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 Nenstiel 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 Nenstiel's North Carolina CPA license.

James W. Vannoy, #31258
Jefferson, NC 08/20/2012

The Board opened a case against James W. Vannoy (Respondent Vannoy) for failure to complete an ethics course as required for renewal of his North Carolina CPA license.

Respondent Vannoy 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 Vannoy 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 Vannoy's North Carolina CPA license.

Donald H. Combs, #14848
Kannapolis, NC 08/20/2012

The Board opened a case against Donald H. Combs (Respondent Combs) for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent Combs 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 Combs 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 Combs' North Carolina CPA license. Failure to timely comply with the terms of the Consent Order will be sufficient grounds to revoke Respondent Combs' North Carolina CPA license.

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:

December 24-26, 2012
Christmas

January 1, 2013
New Year's Day

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facebook.com/NCCPABoard

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)(20)].

08/28/12	Robert Alex Vaughan, #36398	Fuquay-Varina, NC
08/29/12	Robert Erwin Willis, #5196	Chattanooga, TN
09/12/12	Jeanne Godfrey Fowler, #13203	Charlotte, NC
09/12/12	Lauren Rachelle Propst-Riddick, #34626	Washington, DC
09/19/12	David Edwin Allen, #16675	Raleigh, NC
09/19/12	Laura Adams Honeycutt, #33179	Dunn, NC
09/25/12	Jerry Lee Rutherford, #8640	Kansas City, MO
09/27/12	Kirby Franklin Newton Jr., #15586	Charlotte, NC
10/02/12	Robert Lee Kiser, #11782	Kernersville, NC
10/03/12	Celia Pyle Whited, #34343	Raleigh, NC
10/04/12	William J. Varner, #23699	High Point, NC
10/08/12	James Edward Edmiston, II, #22289	Charlotte, NC
10/16/12	Walter Callum Brown, #29693	Burlington, NC
10/18/12	Helen Page Bradick, #36386	Waxhaw, NC
10/22/12	Brantly Brodt Braswell, #22423	Fuquay-Varina, NC
10/22/12	William Little Tankersley, III, #9684	Greensboro, NC
10/22/12	Meredith Giles Waldrop, #32642	Birmingham, AL

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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. 12-2012

Michael H. Womble, CPA, Appointed to State Board of CPA Examiners

Governor Bev Perdue has appointed Michael H. Womble, CPA, of Eastover to a three-year term on the State Board of Certified Public Accountant (CPA) Examiners.

Womble, who was sworn the Oath of Office at the Board's October 18, 2012, meeting, replaces Wm. Hunter Cook, CPA, whose term on the Board expired (*see page 3*).

Licensed as a North Carolina CPA in 1987, Womble has more than 30 years of experience in the field of accounting and is currently a partner in the CPA firm Williams Overman Pierce, LLP, which has offices in Raleigh and Greensboro.

Although Womble has been involved in many areas of federal and state taxation, and accounting and business consulting, he now focuses on tax and litigation services, including business valuation, divorce litigation services, dissenting shareholder litigation, and financial and economic damages.

In addition to his license as a CPA, Womble holds the professional designations of Accredited in Business Valuation (ABV) and Certified in Financial Forensics (CFF) by the American Institute of Certified Public Accountants; Certified Valuation Analyst (CVA) and Certified Forensic Financial Analyst (CFFA) by the National Association of Certified Valuation Analysts; and Accredited Senior Appraiser (ASA) by the American Society of Appraisers.

He is a member of the American Institute of Certified Public Accountants, the North Carolina Association of CPAs, the National Association of Certified Valuation Analysts, and the American Society of Appraisers.

Womble has authored and/or presented more than 25 publications on various tax issues, ESOPs, and business valuation. He has participated in more than 30 trial and arbitration testimonies and depositions.

A former resident of Dunn, Womble's civic and community service includes service as Vice President-Finance, President Elect, and President of the Dunn Chamber of Commerce. He also served as a member and Chairman of the Dunn Planning Board, a member of the Dunn City Council, and Mayor *Pro Tem* of Dunn.

He was Chair of the Averasboro Township Tourism Development Authority and volunteered as an emergency medical technician with the Dunn Rescue Squad.

He is a graduate of Leadership Harnett and received the Distinguished Service Award from the Greater Dunn Jaycees. He is a former finance officer and current member of the U.S. Coast Guard Auxiliary.

Baldwin Elected Vice President of Board

At the Board's November 26, 2012, meeting, the members of the Board elected Barton W. Baldwin, CPA, as Vice President for the remainder of the 2012-2013 term. Baldwin replaces Wm. Hunter Cook, CPA.

Baldwin, a partner in the firm Baldwin & Hodge, LLP, has been a member of the Board since 2010 and is currently serving as Chair of the Professional Standards Committee.

He previously served on the Board from 1994 through 2000 and during that time, he served as Vice President of the Board and as a member of the Executive Committee and the Personnel Committee. In addition, he served as Chair of the Professional Standards Committee.

Baldwin is an active member of the AICPA and the NCACPA and has served in various leadership roles in those organizations. He has been an integral part of NASBA, serving on the Board of Directors, numerous committees and as Chair of NASBA.

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Disciplinary Actions

Lewis Dean McGaha, #22470
Brevard, NC 10/18/2012

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. Lewis Dean McGaha (hereinafter "Respondent") is the holder of North Carolina certificate number 22470 as a Certified Public Accountant.

2. Respondent consistently failed to pay his income taxes to both the Internal Revenue Service ("IRS") and the North Carolina Department of Revenue ("State Revenue") for the period beginning in 2003 through 2010.

3. Respondent's failure to pay taxes reflects a lack of control over his business and finances.

4. During that time period, Respondent incurred liens and judgments from the IRS in the amount of approximately $150,000.00.

5. Respondent entered into an installment agreement with the IRS to repay federal taxes, penalties, and interest.

6. To date, Respondent has failed to consistently make payments as required by the installment agreement.

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 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. Respondent's failures to timely pay his federal and North Carolina income taxes are violations of 21 NCAC 08N .0201, .0203 and .0207.

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, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Lewis Dean McGaha, is hereby permanently revoked.

2. The firm registration for Respondent's firm, Dean McGaha, CPA, is hereby suspended.

3. Neither Respondent nor Respondent's firm shall offer or render services as a CPA or CPA firm, or otherwise trade upon or use the CPA title in this state either through CPA mobility provisions or substantial equivalency practice privileges or in any other manner, nor shall Respondent or Respondent's firm claim or attempt to use any practice privileges in any other state based upon Respondent's permanently revoked North Carolina certificate or Respondent's firm's suspended CPA firm registration.

Darrell R. Scarbrough, #28876
Mooresville, NC 10/18/2012

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 October 18, 2012, that:

Findings of Fact

1. Respondent Darrell R. Scarbrough (hereinafter "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. 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 approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2009 CPE requirements.

8. Based on Respondent's representation, the Board accepted his Renewal.

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

10. Respondent failed to provide the certificate or certificates of completion needed to document any of the forty (40) hours of CPE that Respondent claimed he earned between January 1, 2009, and December 31, 2009, as was reported on his Renewal.

11. Despite several requests from Board staff, Respondent failed to respond to the audit or provide any documentation of his completion of any 2009 CPE. The only response received from Respondent was a request to move to inactive status on July 29, 2011.

Scarbrough
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North Carolina State Board of Certified Public Accountant Examiners

Resolution

WHEREAS, *Wm. Hunter Cook, CPA, has served as a member of the North Carolina State Board of Certified Public Accountant Examiners since 2009;*

WHEREAS, *during his tenure he served as Vice President of the Board;*

WHEREAS, *during his tenure, he served on the Executive Committee; the Audit Committee; and the Personnel Committee;*

WHEREAS, *during his tenure he served on the Professional Standards Committee;*

WHEREAS, *during his tenure he served on the Joint Task Force II;*

WHEREAS, *during his tenure he has faithfully and tirelessly served as a leader in the profession and is an eloquent spokesman for the best interests of the public and the profession;*

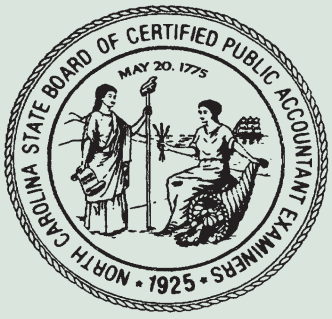
BE IT THEREFORE RESOLVED *that the members of the North Carolina State Board of Certified Public Accountant Examiners thank Wm. Hunter Cook, CPA, for his dedicated service, his personal sacrifice to serve the public interest, and his leadership to the Board.*

This the 26th day of November 2012.

Jose R. Rodriguez, CPA

Jose R. Rodriguez, CPA, President

North Carolina State Board of
Certified Public Accountant Examiners



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."

Jennifer Acton, #33825
Chapel Hill, NC 10/18/2012

The Board opened a case against Jennifer Acton (Respondent Acton) for failure to complete sufficient non-self-study CPE as required for renewal of her North Carolina CPA license.

Respondent Acton 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 Acton 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 Acton's North Carolina CPA license.

Gregory Briley, #17149
Raleigh, NC 10/18/2012

The Board opened a case against Gregory Briley (Respondent Briley) for failure to complete sufficient non-self-study CPE as required for renewal of his North Carolina CPA license.

Respondent Briley 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 Briley 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 Briley's North Carolina CPA license.

Christine B. Hargett, #22581
Matthews, NC 09/24/2012

The Board opened a case against Christine B. Hargett (Respondent Hargett) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.

Respondent Hargett 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 Hargett 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 Hargett's North Carolina CPA license.

J. Alvin Kpaeyeh, #26250
Little Elm, TX 09/24/2012

The Board opened a case against J. Alvin Kpaeyeh (Respondent Kpaeyeh) for failure to complete sufficient non-self-study CPE as required for renewal of his North Carolina CPA license.

Respondent Kpaeyeh 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 Kpaeyeh 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 Kpaeyeh's North Carolina CPA license.

Kamal Maruf, #28580
Austin, TX 11/26/2012

The Board opened a case against Kamal Maruf (Respondent Maruf) for failure to complete an ethics course as required for renewal of his North Carolina CPA license.

Respondent Maruf 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 Maruf 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 Maruf's North Carolina CPA license.

Joyce Swenson, #13299
Greensboro, NC 09/24/2012

The Board opened a case against Joyce Swenson (Respondent Swenson) for failure to complete sufficient CPE as required for renewal of her North Carolina CPA license.

Respondent Swenson 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 Swenson 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 Swenson's North Carolina CPA license.

Robert F. Weidaw, #31149
Charlotte, NC 09/24/2012

The Board opened a case against Robert F. Weidaw (Respondent Weidaw)for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent Weidaw 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 Weidaw 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 Weidaw's North Carolina CPA license.

John F. Wilson, #21292
Atlanta, GA 10/18/2012

The Board opened a case against John F. Wilson (Respondent Wilson) for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent Wilson 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 Wilson 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 Wilson's North Carolina CPA license.

R. Michael Witt, #16361
Charlotte, NC 09/24/2012

The Board opened a case against R. Michael Witt (Respondent Witt) for failure to complete sufficient CPE as required for renewal of his North Carolina CPA license.

Respondent Witt 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 Witt 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 Witt's North Carolina CPA license.

Reclassifications

Reinstatements

11/26/12	Bonya Banerjia #14071	Charlotte, NC
11/26/12	Ronald Glen Bates, Jr., #15731	Charlotte, NC
11/26/12	Billy Lynn Biggs, #27516	Winston-Salem, NC
11/26/12	Kristine Koons Horlick, #19334	Carrollton, TX
11/26/12	Erik Vonn Horstmann, #23290	Charlotte, NC
11/26/12	Pamela Scott Pursel, #28304	Newtown, PA
11/26/12	Toland Isaac Richard, #30318	Fort Mill, SC
11/26/12	Laura Roberts Smith, #18634	Fayetteville, NC
11/26/12	William Vaughn Ward, #25737	Scott Depot, WV

Reissuance

11/26/12	Richard Samuel Bell, #1331	Burlington, NC
11/26/12	Rhonda E. Campanile, #22302	Charlotte, NC
11/26/12	Mary Lucile Daly, #19669	Charlotte, NC
11/26/12	Robert L. Wolff, #33281	Seminole, FL

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)(32)].

11/26/12	Gary Jones, #22532	Asheville, NC

Scarbrough

continued from page 2

Conclusions of Law

1. Per 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. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0206.

BASED ON THE FOREGOING, the Board orders in a vote of 5 to 0 that:

1. The Certified Public Accountant certificate issued to Respondent Darrell R. Scarbrough 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.

December Deadlines

December 31, 2012, is the deadline for submitting 2013 CPA firm renewals, peer review compliance information, and CPE sponsor renewals to the Board. The information may be submitted online through the Board's website, **www.nccpaboard.gov**.

December 31 is also the date by which CPAs must complete the annual CPE requirement to be eligible for certificate renewal for the 2013-2014 license period.

Certificates Issued

At its November 26, 2012, meeting, the Board approved the following individuals for licensure as North Carolina CPAs:

Sweta Patel Adkin
Anne Hunter Ashworth
Stephen Michael Balmer
JoAnn Lynn Birlet
Myra Lee Blanchette
Martha Avent Bomar
James Boyce Brooks, III
Anneli Jennifer Browning
Faith Elizabeth Bynum
John Thomas Caldwell
Laura Jo Canady
Emily Ingram Carriel
John David Cengel
Brett Collins Chapman
Amanda Elizabeth Chen
Daniel Lynn Clark
Nadia Dolores Clevenger
Chad Alexander Cook
Justin Michael Culbertson
Thomas Casey Cunningham
Emily New Dellinger
Diane Judith Dennis
Chad Christian DesMarteau
Glenda Lee Diaz Gonzalez
Alfred Joseph Discepolo
Rafael Angel Duque
Thomas Chester Edgley
Joanne Holbrock Elliott-Perry
Rosa Ana Evalo Kodali
David Parker Fento, Jr.
Mackenzie Jane Ferber
Brittney Marie Fleming
Josue Garcia
Latonya Nicole Garrison
David Justin Gay
Evan Taylor Gentile
Caroline Elizabeth Gibson
Eric Ryan Godfrey
Nisha Gordhan
Kesval Govender
Kimberly Ann Grabow
Kristy Boyette Grady
Julia Ann Gresham
Amy Ruth Griffin
Henry Jude Grzes
Heather Lynne Guy
Leslie Kendrick Harris
Cathy Sue Hayes
Julianne Elizabeth Heal
Christopher Dean Henson
Christian LeAnne Millis Hester
David McCain Highfill
Meagan Nichole Hobbs
Andras Hock
Scott Clibon Hockemeyer
Christopher Michael Hodge
Kenneth William Hunt
Frank Lane Jackson
George Albert Jauregui
Kevin Michael Jewell
Benjamin Hardy Jorge Johnson
Brittany Laurel Johnston
Robin Irene Jordan
Julia Kachula
Jens Kaufmann
Travis Scott Keever
Amanda Leigh Kendall
Matthew Hirth Kilian
Crystal Kay Kirchhoff
Melanie Amber Kudlacik
Danielle Anne Lawson
Jonathan David Leak
Cynthia Starsmeare Lee
Ben Talmadge Lehman
Dawn Michelle Lopez
Matthew Krauss Lynch
Carlos Martinez, III
John Harrison Masters
Anna Blair Mayo
Elliott Lea McKenzie
Margaret Anne Merrell
Nisha Sheth Mistry
Daryl Kenneth Morrison
Matthew Ryan Mullen
Katie Jean Musorofiti
Tiffany Dionne Neely-Jean
Krista Lynn Newton
Mercy Wambui Njenga
Shalimarie Montalvo Otero
Joshua Anthony Overman
Kevin John Carl Page
George John Pappas
John Stigler Passyn
Elena Marie Pisarik
Kristen Sabrina Catherine Potter
Tracey Robinson Pridgen
Brittany Dziedzic Priebe
Stephanie Lynne Ranck
Jon Christopher Ready
Andrew Cory Reagan
Jameela Robinson
Molly Leigh Robinson
Patti Jeanine Roebuck
William Rufus Rountree
Maureen Elizabeth Scarff
Brittany Lynn Schell
Marisa Acree Shields
Richard Edmund Shore, III
Marion McLean Sims
Erin Pamela Sloop
Cary Ann Smith
Stephanie Suzanne Snyder
Shenghao Melody Song
Elizabeth Anne Sorenson
Lindsey Jane Spitz
Benjamin Patrick Stewart
Amanda Patricia Tamayo
Lu Tang
Jose Eugenio Tapia, Jr.
Caleb Ray Truitt
Anna Katherine Tuttle
Ashley Claire Wagner
Elizabeth McKinley Ward
Deborah Margaret Weir
Elizabeth Gatewood Wellborn
Matthew John Weston
Benjamin Lloyd Wetzel
Christopher Allen Whitfield
Daniel Jeffery Wieland
Johnathon Blake Wilhite
Kaitlin Elaine Wilkes
Jason Michael Wilkinson
Joshua Lee Wilson
David William Wood

2013 Board Calendar

(dates and locations subject to change)

January 1	–	Office Closed - New Year's Day
January 21	–	Office Closed - Dr. Martin Luther King, Jr., Day
January 28	–	Board Meeting - Raleigh
January 31	–	Final Deadline for Firm Renewal & Peer Review Compliance Info
February 25	–	Board Meeting - Raleigh
March	–	Online Certificate Renewal Available
March 20	–	Board Meeting - Raleigh
March 29	–	Office Closed - Good Friday
April 23	–	Board Meeting - Raleigh
May 23	–	Board Meeting - Raleigh
May 27	–	Office Closed - Memorial Day
June 20	–	Board Meeting - Greensboro
June 30	–	Certificate Renewal Deadline
July 4	–	Office Closed - Independence Day
July 22	–	Board Meeting - Raleigh
July 31	–	Final Certificate Renewal Deadline
August 19	–	Board Meeting - Raleigh
September 2	–	Office Closed - Labor Day
September 20	–	CPA Day of Service
September 23	–	Board Meeting - Raleigh
October 21	–	Board Meeting - Raleigh
November	-	Online Firm Renewal/Peer Review Compliance Available
November 11	–	Office Closed - Veterans' Day
November 18	–	Board Meeting - Raleigh
November 28-29	–	Office Closed - Thanksgiving
December 16	–	Board Meeting - Raleigh
December 24-26	–	Office Closed - Christmas
December 31	–	Firm Renewal/Peer Review Compliance Info Due

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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.