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. 01-2013

Tawannah G. Allen, Ed.D., Appointed to State Board of CPA Examiners

In December, Governor Bev Perdue appointed Tawannah G. Allen, Ed.D., of Morrisville to a three-year term on the State Board of Certified Public Accountant (CPA) Examiners. She will serve as one of the two required public members of the Board.

Allen, who was sworn the Oath of Office at the Board's December 17, 2012, meeting, replaces Jordan C. Harris, Jr., whose term on the Board expired (*see page 3*).

A graduate of North Carolina Central University with a Bachelor of Science in Psychology, Teacher Certification in Elementary Education, and a Master of Education in Speech-Language Pathology, Allen received a Master of School Administration from Fayetteville State University and a Doctorate of Education in Educational Leadership from the University of North Carolina at Chapel Hill.

Allen, who is currently the Director of Doctoral Studies Program and Associate Professor of Educational Leadership at Fayetteville State University, was previously employed by Wake County Public Schools as the Senior Administrator for Staffing and Operations.

She has also served as the Executive Director of Professional Growth and Teacher Retention for Bertie County Schools; as an Adjunct Professor of Speech-Language Pathology at Shaw University; a Guest Lecturer of Educational Leadership at the University of North Carolina at Chapel Hill; an Adjunct Professor of Early Childhood Credentials and Effective Teacher Training at Martin Community College; and an Adjunct Professor of School Administration at Elizabeth City State University.

Allen has been employed by the Chapel Hill-Carrboro City Schools as the Director of Professional Development and Elementary Programming and as the Interim English as a Second Language (ESL) and Dual Language Coordinator. She has also worked as a Speech Pathologist for Communications Specialists, Inc., and began her career as a kindergarten teacher with Durham Public Schools.

She is a member of the National Council of Professors of Educational Administration (NCPEA), the American Educational Research Association (AERA), the American Speech-Language-Hearing Association (ASHA), the North Carolina Association of School Administrators (NCASA), and the National Black Association for Speech Language Audiologists (NBASLA).

Allen is also involved in a number of community organizations, including the Shaw University Speech and Hearing Program, Habitat for Humanity, Sertoma Club, Delta Sigma Theta Sorority Inc., Chapel Hill-Carrboro NAACP, National Association of Black School Educators, Concerned Citizens of Sampson County, and Sampson County Head Start Policy.

SC Department of Revenue Security Breach

In late October, the South Carolina Department of Revenue (SC DOR) announced that approximately 3.6 million Social Security numbers and 387,000 credit and debit card numbers had been exposed in a cyber attack. In addition, information from up to 657,000 businesses was also exposed.

The breach affects all individuals and businesses that have filed South Carolina income tax returns since 1998.

To protect taxpayers, South Carolina is providing those affected with one year of credit monitoring and identity theft protection. Anyone who has filed a South Carolina tax return since 1998 is urged to visit **protectmyid.com/scdor** or call 1-866-578-5422 to determine if their information is affected.

SC DOR

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Disciplinary Actions

Robert C. Edminston, #20185
Wilkesboro, 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. Robert C. Edminston (hereinafter "Respondent") is the holder of North Carolina certificate number 20185 as a Certified Public Accountant.

2. In 2011, the Internal Revenue Service ("IRS") issued a reprimand to Respondent as an authorized e-File Provider.

3. The IRS reprimand was based upon the assessment of miscellaneous civil penalties imposed by the IRS on January 2, 2011, following an IRS audit of Respondent's individual income tax returns.

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. Respondent's actions as set out above constitute violations of NCAC 08N .0204.

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.

Joshua Chertoff, #32757
Davidson, NC 07/23/2012

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:

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

2. Mr. Chertoff failed to timely renew or cancel the annual firm registration for Joshua Chertoff, 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 May 17, 2012, Mr. Chertoff informed the Board that he does not desire to renew the firm registration for Joshua Chertoff, CPA, for the coming year.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Chertoff's infraction was for a period of more than 60 days, but less than 120 days, the appropriate penalty is $200.00.

5. Mr. Chertoff 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. Chertoff's payment as full resolution of the aforementioned rules violation.

Kenneth W. Chilcoat, #24053
Winterville, NC 11/26/2012

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 is the holder of North Carolina certificate number 24053 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 initially informed the Board that he had not completed the eight (8) hours of non-self-study CPE that Respondent claimed he earned between January 1, 2009, and June 30, 2010, as was reported on his renewal.

Chilcoat

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2013 Board Meetings

February 25
March 20*
April 23
May 23
June 20**
July 22
August 19
September 23
October 21
November 18
December 16

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

North Carolina State Board of Certified Public Accountant Examiners

Resolution

WHEREAS, *Jordan C. Harris, Jr., has served as a member of the North Carolina State Board of Certified Public Accountant Examiners since 2003;*

WHEREAS, *during his tenure he served as Secretary-Treasurer of the Board;*

WHEREAS, *during his tenure, he served on the Executive Committee and the Personnel Committee;*

WHEREAS, *during his tenure he served on the Professional Standards Committee and the Professional Education & Applications Committee;*

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 Jordan C. Harris, Jr., for his dedicated service, his personal sacrifice to serve the public interest, and his leadership to the Board.*

This the 17th day of December 2012.

Jose R. Rodriguez, CPA

Jose R. Rodriguez, CPA, President

North Carolina State Board of
Certified Public Accountant Examiners

Notice of Apparent Violation and Demand to Cease and Desist

Coy Michael Kilbourne
Greensboro, NC

To the Above-Named Respondent:

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

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

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

WHEREAS, Respondent Coy Michael Kilbourne (hereinafter "Respondent Kilbourne") is not currently licensed as a certified public accountant in North Carolina or otherwise authorized by the Board to use the CPA title in this state; and

WHEREAS, the certificate issued to Respondent Kilbourne by this Board was forfeited in 1985 due to Respondent Kilbourne's failure to renew said certificate; and

WHEREAS, Respondent Kilbourne, while working in North Carolina, allowed himself to be identified as a CPA while offering to provide services to clients of SEMMAX Financial Group. Respondent Kilbourne's use of the title "CPA" conveys the false impression that he is authorized to use the title "CPA" in this State. Such a representation is misleading and contrary to N.C. Gen. Stat. §93-1 and §93-3.

THEREFORE, Respondent Kilbourne is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from using in any manner the title "CPA" in North Carolina unless and until Respondent Kilbourne 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: 08/31/2012

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: Coy Michael Kilbourne

DATE: 10/16/2012

Michael A. Seda
Raleigh, NC

To the Above-Named Respondent:

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

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

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

WHEREAS, Respondent Michael A. Seda (hereinafter "Respondent Seda") is not currently licensed as a certified public accountant in North Carolina or otherwise authorized by the Board to use the CPA title in this state; and

WHEREAS, the certificate issued to Respondent Seda by this Board was suspended in 2011 by Consent Order; and

WHEREAS, Respondent Seda, while working in North Carolina, allowed himself to be identified as a "certified public accountant" employed by Pfeiffer University. Respondent Seda's use of the title "certified public accountant" or "CPA" conveys the false impression that he is authorized to use the title "CPA" in this State. Such a representation is misleading and contrary to N.C. Gen. Stat. §93-1 and §93-3.

THEREFORE, Respondent Seda is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from using in any manner the title "CPA" in North Carolina unless and until such time as Respondent Seda's license as a CPA has been reissued 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: 10/25/2012

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: Michael A. Seda

DATE: 10/16/2012

Chilcoat *continued from page 2*

6. After receiving a proposed Consent Order regarding this matter, Respondent provided additional information indicating his completion of eight (8) hours non-self-study CPE earned between January 1, 2009, and June 30, 2010.

7. The information was not timely or sufficient in confirming Respondent's completion of eight (8) hours non-self-study CPE earned between January 1, 2009, and June 30, 2010.

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 08G .0401, .0404, and .0409(c).

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 contested case proceedings, the Board and Respondent agree to the following:

1. Respondent's certificate is suspended for a least one (1) year from the date the Board approves the Consent Order.

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 the 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 Order if Respondent's certificate and the civil penalty required in number six (6) of this Order have been received by the Board.

5. 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.

6. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted to the Board prior to submitting a reissuance application.

7. 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.

Tyrone Y. Cox, #28242
Durham, NC 11/26/2012

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. Tyrone Y. Cox (hereinafter "Mr. Cox") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Cox failed to timely file the annual firm registration for Ty Cox & Co., CPAs, 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. Mr. Cox subsequently renewed his firm registration, which was received by the Board on May 2, 2012, more than 60 days, but less than 120 days, from the annual firm registration date.

4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Cox's infraction was for a period of more than 60 days, but less than 120 days, the appropriate penalty is $200.00.

5. Mr. Cox 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. Cox's payment as full resolution of the aforementioned rules violation.

Sheila Marsh Edmonds, #28100
Carthage, NC 09/24/2012

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

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

3. Ms. Edmonds subsequently renewed her firm, which was received by the Board on April 13, 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 Ms. Edmonds' infraction was for a period in excess of 60 days but not more than 120 days, the appropriate penalty is $200.00.

5. Ms. Edmonds has paid her civil penalty and consents to the entry of this Order and has waived any right to a hearing.

6. The Board members present, representing a quorum of the Board, have decided to accept Ms. Edmonds' payment as full resolution of the aforementioned violations.

Orders

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Orders *continued from page 5*

Roger M. Jennings, #10362
Kernersville, NC 09/24/2012

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

2. Mr. Jennings failed to timely renew or cancel the annual firm registration for Roger M. Jennings, 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. Pursuant to 21 NCAC 08J .0111(3), because Mr. Jennings' infraction was for a period of more than 120 days, the appropriate penalty is $500.00.

4. Mr. Jennings has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.

5. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Jennings' payment as full resolution of the aforementioned rules violation.

C. Diane Tedder, #32986
Durham, NC 07/23/2012

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:

1. C. Diane Tedder (hereinafter "Ms. Tedder") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Tedder failed to timely file the annual firm registration for CD Tedder, PLLC Certified Public Accountant 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. Tedder subsequently renewed her firm registration, which was received by the Board on March 22, 2012, less than sixty (60) days from the annual firm registration date.

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

5. Ms. Tedder 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. Tedder's payment as full resolution of the aforementioned rules violation.

Certificates Issued

At its December 17, 2012, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

Marcus Ray Bufford

Lisa Kay Taylor

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Reclassifications

Reinstatements

12/17/12	Michael Ray Cauble, #16981	Asheville, NC
12/17/12	Tom David Eilers, Jr., #22161	Charlotte, NC
12/17/12	Brett Allen Paduch, #33013	Charlotte, NC
12/17/12	Jane Brigid Sullivan, #22681	Cullowhee, NC

Reissuance

12/17/12	Richard Gary Bauer, #32533	New York, NY

Retired Status

Retired, when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(32)].

12/17/12	Carolyn Dees Buko, #20016	Saint John's, FL
12/17/12	June P. Hassett, #19705	Charlotte, 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)].

10/29/12	Linda Louise Browning, #35092	Huntersville, NC
11/05/12	Shelly Renee Coe, #29631	Nashville, TN
11/06/12	Karen Ciha Robinson, #35266	Cary, NC
11/06/12	James Thomas Williamson, #12667	Raleigh, NC
11/13/12	Joshua William Harmening, #36381	Winter Park, FL
11/15/12	Robert Higgins Lyford, #7114	Raleigh, NC
11/15/12	Leilani M. Perdue, #30516	Morrisville, NC
11/15/12	Terri Lynn Weatherly Vaughan, #13004	Kernersville, NC
11/16/12	Gina Marie Santore, #32058	Raleigh, NC

SC DOR *continued from front*

If so, the taxpayer can immediately enroll in one year of identity protection service provided by Experian. Consumers must sign up for the service by January 31, 2013.

Taxpayers who sign up for protection will also be notified--by email or letter--about how to sign up for the Family Secure plan if they claim minors as dependents.

Dun & Bradstreet Credibility Corp. offers South Carolina businesses that have filed a tax return since 1998 a CreditAlert product that will alert customers to changes taking place in their business credit file. Even something as simple as a change to a business address or a company officer change would set off an alert to the business owner. The cost will be waived for business filing tax returns since 1998.

Business owners can visit **www.dandb.com/sc/** or can call customer service toll free at 1-800-279-9881. Business owners must sign up for the service by January 31, 2013.

Experian is offering those impacted South Carolina businesses Business Credit AdvantageSM--a self-monitoring service that allows access to a company's business credit report and score.

South Carolina businesses can sign up for Business Credit Advantage at **www.smartbusinessreports.com/SouthCarolina**.

For additional information on the security breach, visit **www.sctax.org/security.htm**

Volunteers Needed to Serve on BOE

The AICPA is recruiting CPAs to fill openings on the Board of Examiners and its subcommittees. Because some of the positions fulfill dual purposes, at least 15 people will be needed to fill all the positions.

The open positions and the skill sets and the experience needed for those positions are posted on the Board's website, **www.nccpaboard.gov**.

Volunteers are requested to submit their applications online through the AICPA's "Volunteer Central" by May 15, 2013.

Contacting the Board Staff

Executive Staff		
(rule-making matters, declaratory rulings, Board operations, personnel matters)		
Robert N. Brooks, Executive Director	919/733-1425	rbrooks@nccpaboard.gov
J. Michael Barham, CPA, Deputy Director	919/733-4215	mbarham@nccpaboard.gov
David R. Nance, CPA, Deputy Director	919/733-4236	dnance@nccpaboard.gov
Administrative Services		
(general accounting, accounts receivable/payable, vendor relations)		
Felecia Ashe, Accounting Specialist	919/733-4223	feleciaa@nccpaboard.gov
(switchboard, address changes, general Board info)		
Vanessia Willet, Customer Service Rep	919/733-4222	vanessiaw@nccpaboard.gov
Communications		
(website, newsletter, press releases, public record information, social media)		
Lisa R. Hearne, Manager	919/733-4208	lhearne@nccpaboard.gov
Examinations		
(Initial and re-Exam applications, applicant eligibility, score release)		
Phyllis Elliott, Specialist	919/733-4224	phyllise@nccpaboard.gov
Licensing		
Buck Winslow, Manager	919/733-1421	buckw@nccpaboard.gov
(individual licensure & renewal, retired status, inactive status)		
Alice Grigsby, Specialist	919/733-1422	aliceg@nccpaboard.gov
(firm registration & renewal, peer review, CPE, CPE audit, CPE sponsors)		
Cammie Emery, Assistant	919/733-1423	cemery@nccpaboard.gov
Professional Standards		
(complaints against CPAs & firms, unauthorized use of title, professional ethics & conduct)		
Frank X. Trainor, III, Staff Attorney	919/715-9185	ftrainor@nccpaboard.gov
Ann J. Hinkle, Manager	919/733-1426	ahhinkle@nccpaboard.gov
Mary Beth Britt, Specialist	919/715-2455	mbbritt@nccpaboard.gov
Adrianne Trainor, Specialist	919/733-1424	atrainor@nccpaboard.gov

State Board of CPA Examiners

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North Carolina State Board of
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22,000 copies of this document were printed in January 2013 at an estimated cost of $4,146.50 or approximately 19¢ per copy.

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

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Non-Payment of Employment Taxes

Over the past few years, the Board has seen an increase in the number of enforcement cases resulting from the non-payment of employment taxes. Employment taxes consist of federal income tax withholding, along with Social Security and Medicare taxes and unemployment taxes.

Employers must report income and employment taxes withheld from their employees on an Employer's Quarterly Federal Tax Return (Form 941) and deposit these taxes in full to an authorized bank or financial institution pursuant to Federal Tax Deposit Requirements. Employers are also responsible for filing a FUTA return annually, and depositing those taxes.

There are many reasons employers don't withhold or pay employment taxes. For some, it may be an attempt to use the government as a bank to 'borrow the money for a short while' with good intentions to pay it back later. For others, it may be a situation where an employer collects the taxes and elects to keep it during a period of financial difficulty rather than pay it to the IRS.

Regardless of the reason, federal law requires employment tax withholding and payment by employers.

The IRS takes a variety of steps to combat employment tax non-compliance. The agency has a number of civil actions it can take such as audits and filing tax liens against property the taxpayer owns.

In addition to civil actions, IRS Criminal Investigation investigates and refers for prosecution individuals and businesses that have willfully attempted to avoid filing and paying employment taxes. These efforts have led to significant criminal convictions resulting in incarceration and fines.

In fiscal year 2012, the IRS initiated 148 investigations on alleged employment tax evasion and 79 people were sentenced to an average of 24 months of incarceration--confinement to federal prison, halfway house, home detention, or some combination thereof. *[Data Source: Criminal Investigation Management Information System]*

From the Board's perspective, even if a licensee is not disciplined or prosecuted and convicted by a federal or state authority for the aforementioned tax code violations, failure to comply with the federal and state tax codes is a violation of NCGS 93-12(9), 21 NCAC 08N .0201, .0203, .0204, and .0207, making the licensee subject to discipline by the Board.

When the Board learns of a tax code violation by a North Carolina CPA (usually in the form of a referral by the IRS or NCDOR), the Board opens a case against the licensee and begins an investigation. The discipline imposed by the Board against a licensee for failure to pay 941 funds may be permanent revocation of the licensee's North Carolina CPA certificate.

If you have questions regarding non-payment of employment taxes, please contact the Board's Staff Attorney Frank X. Trainor, III, by email at **ftrainor@nccpaboard.gov**.

Board's Website to Get New Look

In the more than 15 years since the Board launched its first website, the information on the site has changed significantly, but the site design has not.

That is about to change--in the next few months, the Board will launch a redesigned site.

The site will feature easy to navigate pages with information for consumers, licensees, firms, and applicants. In addition, comprehensive information regarding enforcement and CPE will be included.

A "Resources" page will link users to the NC Administrative Code, NC General Statutes, press releases, the *Activity Review*, the Board calendar and other items of interest.

Although the site design will change, the website address will remain **www.nccpaboard.gov**.

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Disciplinary Actions

Thomas Hansen, #29283
Thomas Hansen, CPA, PLLC
Asheboro, NC 12/17/2012

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 to the following:

1. Thomas Hansen (hereinafter "Respondent Hansen") is the holder of North Carolina certificate number 29283 as a Certified Public Accountant.

2. Respondent Thomas Hansen, CPA, PLLC (hereinafter "Respondent Firm") is a registered certified public accounting professional limited liability company in North Carolina. Respondent Hansen is the sole owner of Respondent Firm, and is individually responsible for the conduct of Respondent Firm.

3. Respondent Hansen, on behalf of Respondent Firm, failed to remit to the Internal Revenue Service:

a. 941 payments for the period ending December 31, 2007;

b. 940 payments for the periods ending December 31, 2008 and December 31, 2009; and

c. 944 payments for the periods ending December 31, 2008, December 31, 2009; and December 31, 2010.

4. Respondent Hansen, on behalf of Respondent Firm, failed to timely file his 944 returns with the Internal Revenue Service for the periods ending December 31, 2008 and December 31, 2009.

5. Respondent Hansen, on behalf of Respondent Firm, failed to timely file his 940 returns with the Internal Revenue Service for the period ending December 31, 2009.

6. The Internal Revenue Service obtained at least six (6) tax liens against Respondent Firm.

7. 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. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0201, .0203(a) and (b)1, .0207, and .0211.

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 Hansen is hereby permanently revoked.

2. The firm registration for Respondent Firm, Thomas Hansen, CPA, PLLC, 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 Hansen's permanently revoked North Carolina certificate or Respondent Firm's cancelled CPA firm registration.

Larry S. Dewar, #2527
Larry S. Dewar, P.C.
Summerfield, NC 01/28/2013

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 S. Dewar (hereinafter "Respondent Dewar") is the holder of North Carolina certificate number 2527 as a Certified Public Accountant.

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

3. The Internal Revenue Service ("IRS") filed tax liens totaling $151,612.75 against Respondent Firm for failure to

2013 Board Meetings

March 20*
April 23
May 23
June 20**
July 22
August 19
September 23
October 21
November 18
December 16

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.

*3:00 p.m.
**Greensboro

file and insure payment of Respondent Firm's 941 monies.

4. According to the IRS account transcripts, Respondent Dewar failed to timely file and pay Respondent Firm's 941 Employer's Quarterly Payroll Taxes for all filing periods between December 31, 1999, and December 31, 2009.

5. Respondents wish to resolve these matters 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, 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, .0203(a), and .0207.

3. Per N.C. Gen. Stat. § 3-12(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 Respondents agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent Larry S. Dewar is hereby permanently revoked.

2. The firm registration for Respondent Firm, Larry S. Dewar, P.C., 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 Dewar's permanently revoked North Carolina certificate or Respondent Firm's canceled CPA firm registration.

Warren H. Pennington, #19776
Dawsonville, GA 01/28/2013

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 H. Pennington (hereinafter "Respondent") was the holder of North Carolina certificate number 19776 as a Certified Public Accountant.

2. In October of 2008, Respondent was charged in the State of Georgia with multiple counts of Theft by Conversion and Theft by Taking.

3. Respondent applied for and was granted inactive status for his North Carolina CPA certificate in June of 2009.

4. Respondent entered, in February 2010, a Consent Order with the Georgia Board of Accountancy which provides that "If Respondent is found guilty of the charges pending against him, he shall surrender his certificate, live permit, and firm registration to the Board [Georgia Board of Accountancy]."

5. On January 5, 2011, Respondent was convicted on five (5) counts of theft by conversion and six (6) counts of theft by taking. The conviction occurred in Dawson County Georgia Superior Court.

6. The sentence sheet signed by the Superior Court Judge specifically stated that Respondent was to surrender his CPA certificate and refrain from acting as a CPA or an accountant.

7. Respondent's membership with the American Institute of Certified Public Accountants was revoked as a result of his convictions.

Pennington
continued on page 5

In Memoriam: David Alexander McLemore, Jr., CPA

David Alexander McLemore, Jr., CPA, of Clinton, NC, died January 22, 2013 .

A graduate of East Carolina University, McLemore was licensed as a North Carolina CPA in 1980. He served as a Uniform CPA Exam proctor for 17 years, including five years as Chief Proctor of the Raleigh site.

McLemore was an active member of the NCACPA and the AICPA. A member of MENSA, he was a member of the Clinton Rotary Club and served on the Board of Directors for the Sampson County History Museum. He also was active in numerous other non-profit and community organizations.

The son of the late David Alexander McLemore, Sr. and Claudia Ashley McLemore, he is survived by his daughters Sarah McLemore; Emily McLemore Darnell and husband, Eric; and Marie McLemore Bengford and husband, Brett; his son, David A. McLemore, III; and three grandchildren--Isaac, Estella, and Eliza; He is also survived by his former wife, Nancy H. McLemore of Council Bluffs, Iowa; and his dear friend, Chris Byrd.

McLemore was a US Army veteran who served in the Vietnam War; he was buried with full military honors.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed March 29, 2013, in observance of Good Friday.

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National "Ethics in Action" Student Video Competition

The NASBA Student Center for the Public Trust (SCPT) recently announced the launch of the National Ethics in Action Student Video Competition.

In its third year, this exciting competition encourages college students to unleash their creativity while focusing on the theme of portraying ethics and accountability in the business world through video – Changing the World One Frame at a Time.

The competition is open to undergraduate and graduate students at colleges and universities in the United States and seeks entries from students across all majors.

Students can create a short film (3-5 minutes) or a 30-second public service announcement (PSA) that focuses on ethical behavior in the business world. Videos can be shot in the form of a short play, commercial, talk show, music video, documentary, etc. Cash prizes range from $250 to $1,000.

Final videos must be submitted by April 1, 2013. Judging ends on April 10, 2013 and all entries will be posted on You Tube for Viewer's Choice voting from April 3 through April 10, 2013.

The winners will be chosen by a panel of expert judges that will include faculty, staff, and industry experts. Winners in all categories will be announced on April 15, 2013

Interested students are encouraged to visit **www.studentcpt.org/videocompetition** to register their team and learn more about the competition. The team registration deadline is March 1, 2013.

Interested parties are also invited to view a brief YouTube video announcing the competition, **www.youtube.com/watch?v=EZVBoyjlqdw**

www.nccpaboard.gov

2013 CPA Day of Service

Mark your calendar for the second annual NC CPA Day of Service to be held Friday, September 20, 2013. Organized by the NCACPA, the CPA Day of Service is a day for NCACPA members, CPAs, and others associated with the CPA profession to volunteer in their communities and show how the CPA profession makes a difference in North Carolina. Visit the NCACPA's Day of Service website, **www.ncacpa.org/Service**, for more information.

Reclassifications

Reinstatements

01/28/13	Julie Armour Baker, #27944	Winston-Salem, NC
01/28/13	Elizabeth Amy Dunlop, #22380	Wilmington, NC
01/28/13	Stacy Ann Holland, #27658	Wilmington, NC
01/28/13	Crystal Giles Humble, #23291	Snow Camp, NC
01/28/13	Kristina Torbett Johnsen, #22355	Denver, NC
01/28/13	Robert Chad Kapfhamer, #13649	Atlanta, GA
01/28/13	Michael Finley Lefevers, #22463	Hickory, NC
01/28/13	Charles Thomas McLeod, Jr., #23207	Hickory, NC
01/28/13	Dale Britt Mendoza, #29251	Washington, DC
01/28/13	Kelly Deanna Nicholson, #22612	Clayton, NC
01/28/13	Paul Mark Oakley, #19430	Upland, CA
01/28/13	Elizabeth Faulds Parker, #15549	Charlotte, NC
01/28/13	William Van Hook ,#35938	Morrisville, NC
01/28/13	James David Vanke, #27178	Dunwoody, GA
01/28/13	James Ray Wilborne, #26836	Charlotte, NC

Reissuance

01/28/13	Thurman L. Brooks, #28515	St. Louis, MO
01/28/13	James Glenn Fortson, #28535	Lexington, NC
01/28/13	Larry Dewayne Harrelson, #16446	Mooresville, NC
01/28/13	Holli Lyn McKinney, #25057	Cornelius, NC
01/28/13	Ashraf Mehdi, #34263	Raleigh, NC
01/28/13	John Paul Ragland, #20490	Naperville, IL
01/28/13	Candace Lynn Scappator, #32978	Charlotte, NC

Retired Status

Retired, when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(32)].

01/28/13	Vinton Carr Bruton, III #4100	Roanoke Rapids, NC
01/28/13	David Robert Dollins, #12388	Burlington, NC
01/28/13	Sherry Liberman Moss, #34053	Calabash, NC
01/28/13	Alan Richard Wood, #29962	Candler, NC

Pennington *continued from page 3*

8. Respondent has appealed his conviction based upon purported errors by the State in bringing the action.

9. 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 conviction on five (5) counts of theft by conversion and six (6) counts of theft by taking constitutes violations of 21 NCAC 08N .0201, .0202(a) 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 H. Pennington, is hereby permanently revoked.

2. However, if Respondent's conviction is overturned as a result of his appeal, Respondent may immediately petition the Board for modification of discipline pursuant to 21 NCAC 08I .0104.

3. Until such time as Respondent's discipline is modified, 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.

John B. Thigpen, #11752
Charlotte, NC 01/28/2013

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. John B. Thigpen (hereinafter "Respondent") was the holder of North Carolina certificate number 11752 as a Certified Public Accountant.

2. In a letter dated August 1, 2011, Respondent was notified by Board staff that his July 28, 2011, request for inactive status had been granted.

3. In December of 2011, the Internal Revenue Service ("IRS") issued a tax lien, against Respondent's firm, for failure to pay 941 taxes for the periods ending December 31, 2007; June 30, 2008; September 30, 2008; March 31, 2009; June 30, 2009; September 30, 2009; December 31, 2009; March 31, 2010; June 30, 2010; September 30, 2010; March 31, 2011; and June 30, 2011. Also included in the IRS tax lien was Respondent's firm's failure to pay the firm's corporate taxes for the period ending December 31, 2010.

4. Respondent failed to respond to any correspondence from Board staff regarding the IRS tax lien.

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 actions as set out above constitute violations of 08N .0201, .0203, .0206, 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, John B. Thigpen, 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.

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.

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)].

11/21/12	Michelle E. Aremia, #35486	Mobile, AL
11/29/12	Connie Bates Cangelosi, #22278	Raleigh, NC
11/29/12	Matthew Jean DesVergers, #20384	Cary, NC
11/29/12	Susan Kingman Hagan, #34880	Jamestown, NC
11/30/12	Ruth Landers, #13773	Raleigh, NC
12/03/12	Robert Allen Lester, #10409	Ashburn, VA
12/03/12	Gary Sanders Williams, #8618	Charlotte, NC
12/05/12	Jane D. Grenier, #26587	Wakefield, RI
12/05/12	Vicki Cook Simon, #18273	Greensboro, NC
12/06/12	Kimberly Marvin Bozetarnik, #23617	West Palm Beach, FL
12/06/12	Meghan Elizabeth Metzler, #32994	Jericho, VT
12/06/12	Teresa J. Myers, #26355	Rockwell, NC
12/06/12	Christopher James Potter, 26825	Smyrna, GA
12/06/12	William T. Riley, Jr., #20301	Baltimore, MD
12/06/12	Charles Hooker Tew, #11006	Pinehurst, NC
12/10/12	Bruce Eugene Whelchel, #24458	Spartanburg, SC
12/11/12	Grace Mitchell Neal, #34032	Winston-Salem, NC
12/11/12	Christopher Patrick Nicholson, #36204	Blythewood, SC
12/12/12	William Randall Dickerson, #17107	Raleigh, NC
12/12/12	Lisa Absher Neal, #17743	Greensboro, NC
12/18/12	Carolyn Diane Brake, #33433	Apex, NC
12/18/12	David Ray Draper, #18825	Greensboro, NC
12/18/12	Richard Lawson Oldenburg, #27056	Hillsborough, NC
12/18/12	Robert Logan Swayze, Jr., #17184	Dallas, TX
12/20/12	Peter O'Neal Burnett, #25465	Jefferson, NC
01/02/13	Catherine Anne Anthony, #17467	Greensboro, NC
01/02/13	Dawn Alycia Bornitz, #28526	Colorado Springs, CO
01/02/13	Jessica A. Donan, #28984	Knoxville, TN
01/02/13	Theodore D. Morrison, III, #28186	Spartanburg, SC
01/02/13	Daniel Lindo Riddle, 2#499	Livingston, TX
01/02/13	Roger Searls, #12252	Whitsett, NC
01/02/13	William Bynum Sharpe, #32204	Huntersville, NC
01/02/13	William Wayne Taylor, #7555	New Bern, NC
01/03/13	Bruce W. Andrews, Jr., #33982	Birmingham, AL
01/03/13	Mary Umphlett Broglin, #32499	Raleigh, NC
01/03/13	Adele Claudette McLean, #26895	Chapel Hill, NC
01/03/13	Michael Paul Ravan, #21815	Spartanburg, SC
01/07/13	Megan Guthridge Hyatt, #27538	Cambridge, MA
01/08/13	Kay Hoover Sowers, #16331	Charlotte, NC
01/09/13	Jennifer Loyd Madaris, #16216	Matthews, NC
01/18/13	Haynes P. Lea, #14420	Charlotte, NC

Check Your CPE Carry-Forward

Need to know how many carryforward CPE hours you have? 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**.

Changes in Annual CPE Requirement

As a reminder, active CPAs are no longer required to complete at least eight (8) hours of non-self-study CPE as part of the annual CPE requirement for license renewal 21 NCAC 08G .0409(c). This means that licensees may use all self-study CPE credit to comply with the 40-hour CPE requirement for license renewal.

21 NCAC 08G .0410 states that as part of the annual CPE requirement, a CPA must complete two (2) 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).

In accordance with 21 NCAC 08J .0105(c), individuals on inactive or retired status who wish to return to active status are no longer required to complete at least eight (8) hours of non-self-study CPE as part of the reinstatement application.

If you have questions regarding the changes, please contact the Board's Manager of Licensing, Buck Winslow, at **buckw@nccpaboard.gov**.

Certificates Issued

At its January 28, 2013, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

Sanjay Roshanlal Agarwal
Andrew Daniel Allen
Jacob Grant Allen
Sarah Michelle Andrews
Christopher Joseph Arena
Jill Lafferty Ashe
Gregory Allan Bittner
Margaret Elizabeth Bley
Kylee Phillips Bloodworth
Amy Catherine Boone
Devin James Borders
Justin Andrew Brewer
Joshua Paul Brown
Shelia Ann Brown
William Ross Browning
Kirsten Sue Bruenning
Bronwen Aisling Bryant
Mischael Tolmie Buffkin
Brittany Nachelle Bumphus
Derek Lewis Church
Justin Craig Coley
Scott William Coppola
Justin Holt Cribb
James Michael Dannemiller
Joanna Lynn Demick
LaVonne Joy Derksen
Christopher L. Elton
Sean Patrick Enright
Carl Abene Epley
Jason Charles Felts
Shannon Leah Ford
Hannah Grace Freeman
Natalie Anne Frenier
George Louis Kent Galbraith
Vincent Gambella
John Philip Goldsberry, IV
Richard Michael Grieder
Janelle Alane Hall
Jericho Wayne Hallimore
Joseph Vladimir Hampl
Michael Gerard Hargadon
Jessica Marie Harris
Jeng Suk Hinkle
Lindsey Dawn Hodges
Brittany Cornelius Honeycutt
Stephen Edward Honeycutt
Ashley Brooke Howard
John Bruce Hughes
Yimeng Huo
Maria Jayoussi
Brittni Jade Jenkins
Alicia-Michelle Cecilia Johnson
Jay Sterling Johnson
Stephen Vance Karaffa
Sean Francis Kearney
Heather Lee Kelchlin
Kurt Travis Kennell
Tamara Rice Kenney
Kathryn Louise King
Amber Cox Lancaster
Adam Christopher Lee
Valerie Renee Lewis
Jorushia Rena Little
Patrick Malloy
Timothy Charles Marangola
Peter Dennis Mataragas
Poornima Shastry Mathur
Jason Michael Mauck
Phillip Michael McKeown
Eleese Danielle McMahon
David Michael McNally
Michael Jason Means
Stephen Paul Messenger
Erica Elizabeth Miller
Steven Eric Miller
Jennifer Lynn Morgan
Meredith Ann Morgan
Anna Rene Morris
Neil Arun Naik
Ronald Lee Niekro
Garrett Knox Oakley
Laura Elizabeth Oden
Eliud Charles Oyeyo
Komal Deep Patel
John Wesley Payne, III
Wade Robert Perry
Robert Allen Pitino
Akilah Yvette Pitt
Catharina Francina Ray
Roland Wesley Reed
Gwendolyn McMillian Reilly
Dan Albert Remlinger
Stacie Leann Rhodes
Maribeth Hallisey Roach
Jessica Mae Robinson
Zana Walid Shaban
Rodrick Tarveze Shiver
Chelsea Elizabeth Smith
Mark Owen Smith
Michael Wayne Soistman, Jr.
Peter Clifton Spell
Thomas Ramey Stewart
Travis Jackson Strickland
Megan Linda Sudnik
Kourtney Rae Swan
Kevin Scott Thompson
Graham William Van Roekel
Gautham Venkatasubramanian
Paul Francis Ward
Leigh Morgan Weatherly
Christopher Donald Wente
Carolyn Leigh Westfall
Michael Lewis Whitfield
Patrick Scott Wicker
Natalia Chanel Williams
Robert Johnston Williams, V
Bradley Thomas Worthen
Christopher Samuel Wright
Liang Xu
An Yan
William Joseph Zweier

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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. 03-2013

2013-2014 Online CPA License Renewal Available in April

In April, individual CPA license renewal for the 2013-2014 license year will be available on the Board's website, **www.nccpaboard.gov**. The 2013-2014 certificate renewal fee is $60.00.

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 2012 CPE requirement, and a valid MasterCard or VISA account number (including the security code) with the card expiration date and complete billing address.

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

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 **aliceg@nccpaboard.gov**.

To access the online renewal, the licensee must navigate to the Board's website, **www.nccpaboard.gov**, and click on the renewal link on the home 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.

The name, address, and telephone number entered in the "Mailing Address" section of the renewal will be publicly available on the Board's website in the "Licensee Search."

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

Renewal
continued on page 2

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Renewal *continued from front*

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, 2013, 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.

The third page of the renewal is used to calculate the number of hours of CPE carry-forward from 2011, the CPE credit hours earned in 2012, and the CPE hours for carry-forward into 2013.

If the number of carry-forward hours brought forward from 2011 (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 2011 (Block A) to the CPE hours earned in 2012 (Block B), and place the total in 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 2012 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 "upload."

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

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

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

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

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

The 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 acknowledgment page serves as the licensee's payment receipt. 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 and print a payment receipt if desired.

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, 2014.

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, 2013, 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, 2013. 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**.

2013-2014 North Carolina Online Certificate Renewal Instructions

The Board staff encourages licensees to renew early. If there is a problem with a licensee's renewal at the beginning of the renewal season, the licensee may have time to correct it. If a licensee renews close to the June 30 deadline, he or she may encounter renewal server slowdowns and may miss the opportunity to correct problems. A licensee who fails to renew will forfeit his or her CPA certificate. A licensee 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 and print a payment receipt if desired. The website is updated in real time. If a licensee encounters errors during the renewal, he or she should clear his or her browser cache, restart his or her computer, and try again; this procedure 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 2012 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. The name, address, and telephone number entered in the "Mailing Address" section of the renewal will be publicly available on the Board's website in the "Licensee Search." 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 two (2) hours of ethics CPE (regulatory or behavioral) offered by a CPE Sponsor registered with the Board or with the NASBA (National Association of State Boards of Accountancy) National CPE Sponsor Registry, in calendar year 2012, check Box A. If a licensee was certified in North Carolina during the second, third, or fourth quarters of 2012, 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 2013 (maximum carry-forward is 20).

   B. If a licensee was certified in North Carolina after January 1, 2013, check Box B because persons certified after that date may not report any CPE earned in 2012 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 2012 CPE after the December 31, 2012, deadline, but before June 30, 2013, and needs to use those courses to meet the 2012 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, 2013, he or she does not qualify for renewal.

Instructions *continued on page 4*

Instructions *continued from page 3*

D. If a licensee took some of the 2012 CPE after the December 31, 2012, deadline, but before June 30, 2013, and the Board granted him or her an extension, check Box D. Note that an extension must have already been formally approved by the Board, and the licensee should have received written confirmation that the extension was granted.

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

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

A. Block A shows the number of carry-forward hours brought forward from 2011 (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 2012. If a licensee completed courses between January 1 and June 30, 2013, he or she may renew by combining the 2012 and 2013 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 2011 (Block A) to the CPE hours earned in 2012 (Block B), and put the total in the Total Hours Reported block (Block C). Forty hours is the minimum total unless the 2012 CPE requirement was prorated or the licensee is claiming compliance with another state's CPE requirement [21 NCAC 08G .0401(e)].

D. The hours available for carry-forward will be automatically calculated in Block D (carry-forward hours cannot exceed 20). NOTE: If the CPE requirement for 2012 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. A CPA on inactive status may keep his or her CPA certificate, but must confirm that he or she 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. 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., Journal of Accountancy*, CPE Direct, tax services and handbooks, audit guides, etc.). Such programs do not meet this requirement because the material studied is not designed primarily for CPE purposes [21 NCAC 08G .0404(e)].

Ethics CPE Requirement – 21 NCAC 08G .0410 requires all licensees to take annually two (2) hours of ethics CPE. 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 (5) 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 will not pre-approve CPE courses.

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

1) Proof of completion of a course (must include licensee's name as the course participant, course title, date of completion, sponsor's name and address, 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

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 the Ethics requirement 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 (available on the Board's website, **www.nccpaboard.gov.** However, the Board will generally approve extensions only when circumstances indicate a severe personal hardship (e.g., severe illness). Failure to complete courses on time due to business circumstances probably will not be approved. Note that extensions are not granted past June 30. Extension requests should be submitted by April 1.

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

NASBA Releases CPA Exam Stats

NASBA has released the *Uniform CPA Examination Candidate Performance Book* and the *School Performance Book* which feature comprehensive statistical data from all four testing windows of the 2012 CPA Exam.

In an effort to meet the growing needs of users of these publications, the newly released *NASBA Report on the CPA Exam* products feature upgraded design and enhanced reporting options.

Featured tables in the *Candidate Performance Book* include: 2012 annual and quarterly summaries; jurisdiction summary statistics; top 30 countries (by number of candidates); demographic trending (age, gender, degree); and 2012 top 40 institutional rankings by first-time Exam performance.

The School Performance Book, a companion to the *Candidate Performance Book*, is compiled to meet the general needs of educational institutions. The publication allows for easier comparison of institution performance with various other categories including: other universities, all schools in a given state/region, and internationally educated students.

The publication includes full page graphical reports for states, regions, and universities. In addition to the standard ranking, performance by region and program size provide a view into performance among peer institutions.

The School Report supports decision making and tracking of changes to the curriculum, admission criteria, or other variables inherent to an institution's accounting curriculum. The analysis includes direct name matching of graduates, allowing for true tracking of graduating class performance on the CPA Exam.

Direct questions regarding NASBA's candidate performance products to **cpb@nasba.org** or (615) 880-4200.

Does Mobility Apply to You?

A majority of states have now adopted mobility legislation--a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state to practice outside of his or her principal place of business without obtaining another CPA license.

But how do you know if mobility applies to you? The **CPAmobility.org** website will help answer that question.

In four clicks, CPAs can find out whether their existing home state registration is mobile and lets them work in other jurisdictions without additional notice, or whether they need to do further paperwork.

Simply select your principal place of business; select the target state (the jurisdiction in which you will be performing services in person, by mail, by telephone, or electronic means); and the type of services you will perform; and click submit.

The website will show the individual and firm requirements and will provide details on the target state's practice privilege requirements, as well as contact information for the appropriate board of accountancy.

Certificates Issued

At its February 25, 2013, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

Sarika Agarwal
Kathryn Godbold Allen
Lindsay Anne Bachner
Tracy Bruce Boorman
Brandon Scott Bracher
Jason Hilton Brett
Daniel A. Bufford
Stephen Randal Campbell
Bonnie Melissa Collins
Thomas Walker Cuffman
Erin Elizabeth Daughtridge
Cordelia Gbemudu Davis
Thomas Jordan Divinnie
Brenda May Eldridge
Holly Burt Embt
Scott Matthew Farkas
Christine Elizabeth Farr
Ashley Clarissa Farrish
Joseph Robert Gaines
Donna Gail Reeves Gallagher
Sean Michael Gallina
Keith Broadus Giddens, Jr.
Cara Grace Gilmore
Michelle Elaine Goslin
Jason Carter Hall
Douglas Andrew Hallett
Travis Roland Hammer
Gihan Farid Hanna
Timothy Carl Ebert Hoff
Addison Russell Howard
David Allen Isgett
Jennifer Griffin Jackson
Michael Diego Johansen
Tamara Johnson
Eunah Kim-Therrell
Christy Mechelle Land
Pamela Michelle Lauchengco
Yan Li
Michael James Lotterhos
Amanda Renee Melton
Ashlyn Brooke Nicholson
Robert Kenelm Parker, III
Meredith Maxwell Pierce
Elise Christine Porter
Kathryn Lauren Reddick
Michael Sean Ryan
Rebecca Marie Sherrod
Keri Nichole Trexler
Emily Rebekah Vargas
Robert Willard Verbanik
Collin Franklin Wagoner
Rachel Kristen Williams
Tricia Trovinger Wilson
Gary Deters Wize
Cynthia Renae Wolfe
Qing Yan
Jeffrey Scott Zawicki, Jr.
David Jon Zukerman

State Board of CPA Examiners

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Alice Grigsby
Cammie Emery

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Mary Beth Britt
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Certified Public Accountant Examiners
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Raleigh NC 27605-2827

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22,000 copies of this document were printed in March 2013 at an estimated cost of $4,146.50 or approximately 19¢ per copy.

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

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Board Celebrates 100th Anniversary

One hundred years ago, on March 12, 1913, the General Assembly of North Carolina established the State Board of Accountancy to oversee the licensure of CPAs and public accountants in North Carolina. [*In 1925, the name was changed to State Board of CPA Examiners to reflect the termination of the issuance of public accountant licenses.*]

To celebrate its 100th anniversary, the Board invited former Board members, representatives of the American Institute of CPAs (AICPA), the NC Association of CPAs (NCACPA), the NC Society of Accountants (NCSA), the National Association of State Boards of Accountancy (NASBA), and members of the profession and public to attend the Board's March 20, 2013, meeting.

Gaylen Hansen, CPA, Chair of NASBA, and Ken Bishop, President and CEO of NASBA, presented the Board with an award congratulating the Board's on its anniversary.

Hansen, who is a former chair and member of the Colorado State Board of Accountancy, and Bishop, a former Executive Director of the Missouri State Board of Accountancy, commended the present and past Board members and Board staff for their dedication to the Board and its mission of protecting the public through the licensure of CPAs.

Suzanne Jolicoeur, Senior Manager of State Regulatory Outreach for the AICPA, presented the Board with a letter from Barry Melancon, President and CEO of the AICPA who expressed congratulations for the Board's work protecting the public and development of the profession.

Jay Lesemann, CPA, Chair of the NCACPA, also thanked the Board for its one hundred years of service to the citizens of North Carolina and to all North Carolina CPAs.

Later in the meeting, Jose R. Rodriguez, CPA, the Board's president, read the proclamation (*see page 5*) issued by Governor Pat McCrory in honor of the Board's 100th anniversary and its service to the citizens and businesses of North Carolina.

At the conclusion of the Board meeting, Robert Brooks, the Board's Executive Director, announced the name and the years each past Board member served on the Board and President Rodriguez presented those present with a commemorative paperweight.

Former Board members in attendance were Giles Almond, CPA; Murchison Biggs, CPA; Stephen Bitter, CPA; L. McNeil Chestnut, Esq.; O. Charlie Chewning, Jr., CPA; Lori G. Church, CPA; Wm. Hunter Cook, CPA; Scott Cox; Herman Fox; Nathan T. Garrett; Rick Hubbard; Maylon Little, CPA; Steve Moss, CPA; William Self; Stan Vaughan; Art Winstead, Jr., CPA; and Thomas Woolen.

In addition, current members of the Board staff were recognized by name and years of service to the Board and presented with a paperweight.

Photos from the meeting are available on the Board's Facebook page, **www.facebook.com/NCCPABoard**.

Officers Elected

At the March 20, 2013, meeting, the members of the Board elected officers for 2013-2014.

Elected to office were Jose R. Rodriguez, CPA, President; Bucky Glover, CPA, Vice President; and Maria M. Lynch, Esq., Secretary-Treasurer.

Rodriguez has been a member of the Board since 2008 and has served as President of the Board since 2011. He is a past member of the Professional Standards Committee and the Professional Education & Applications Committee

A member of the Board since 2009, Glover is a member of the Executive Committee and the Professional Standards Committee. He is a past member of the Professional Education & Applications Committee.

Lynch, who has been a member of the Board since 2007, has served as Secretary-Treasurer since 2009. She is Chair of the Professional Education & Applications Committee and the Personnel Committee.

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Disciplinary Actions

Donald E. Drake, #28635
Donald E. Drake, CPA, P.C.
Elizabeth City, NC 02/25/2013

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 to the following:

1. 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 professional corporation in North Carolina. Respondent Drake is the sole owner of Respondent Firm and has been individually responsible for the conduct of Respondent Firm.

3. In March of 2012, the Internal Revenue Service ("IRS") filed a tax lien against Respondent firm for failure to file and insure payment of 940 and 941 monies totaling $7,117.80.

4. In September of 2012, the IRS filed a second tax lien against Respondent firm for failure to file and insure payment of 941 monies totaling $1,781.88.

5. According to the IRS account transcripts, Respondents failed to pay 941 taxes for nine (9) quarters during the years 2008 through 2011. Additionally, Respondents were late in paying 941 taxes for two (2) additional quarters during that period.

6. The IRS account transcripts also show that Respondents were late to file the 941 returns for the quarters ending September 2010, December 2010, and September 2011.

7. Respondents wish to resolve these matters 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, 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, .0203(a), and 0207.

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 Respondents agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent Donald E. Drake is hereby permanently revoked.

2. The firm registration for Respondent Firm, Donald E. Drake, CPA, P.C., 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 Drake's permanently revoked North Carolina certificate or Respondent Firm's canceled CPA firm registration.

Shannon Noel Quon, #34450
Oak Park, CA 02/25/2013

THIS CAUSE coming before the North Carolina State Board of Certified Public Accountant Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at a public hearing ("Hearing"), with a quorum present, the Board finds, based on the evidence presented at the Hearing on February 25, 2013, that:

Findings of Fact

1. Respondent Shannon Noel Quon (hereinafter "Respondent") is the holder of a certificate as a Certified Public Accountant in North Carolina.

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

3. Respondent received at least fifteen (15) days written Notice of 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 between January 1, 2009, and June 30, 2010, he had obtained forty (40) hours of continuing professional education

2013 Board Meetings

May 23
June 20*
July 22
August 19
September 23
October 21
November 18
December 16

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

("CPE"), had completed the 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 completion of an annual ethics CPE course that Respondent claimed he earned between January 1, 2009, and June 30, 2010, as was reported on his Renewal.

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), and .0202(b)(4).

BASED ON THE FOREGOING, the Board orders in a vote of 5 to 0 that:

1. The Certified Public Accountant certificate issued to Respondent Shannon Noel Quon is revoked for a period of one (1) year from the date of this Order.

2. Respondent shall, upon receipt of this Order, immediately remit to the Board a one thousand dollar ($1,000.00) civil penalty.

Jocelyn Merone, #31801
High Point, NC 02/25/2013

THIS CAUSE coming before the North Carolina State Board of Certified Public Accountant Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at a public hearing ("Hearing"), with a quorum present, the Board finds, based on the evidence presented at the Hearing on February 25, 2013, that:

Findings of Fact

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

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

3. Respondent received at least fifteen (15) days through notice of Hearing of this matter by personal service, certified mail, or other approved personal delivery, such as notice by publication as allowed by N.C. Gen. Stat. §1a, Rule 4(j1).

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 and was not represented by counsel.

7. Respondent informed the Board on her 2011-2012 individual certificate renewal ("Renewal") that she 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 2010 CPE requirements.

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

9. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet her 2010 CPE requirements.

10. Respondent failed to provide the certificate or certificates of completion needed to document any of the CPE that Respondent claimed she earned between January 1, 2010, and December 31, 2010, as was reported on her Renewal.

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) and .0202(b)(4).

BASED ON THE FOREGOING, the Board orders in a vote of 4 to 1 that:

1. The Certified Public Accountant certificate issued to Respondent Jocelyn Merone 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 the permanently revoked North Carolina certificate.

Julie L. Duriga, #32253
Washington, DC 02/25/2013

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

1. Respondent Julie L. Duriga (hereinafter "Respondent") is the holder of North Carolina certificate number 32253 as a Certified Public Accountant.

2. At all relevant times, Respondent was the sole shareholder and CPA employee of Julie L. Duriga, CPA, Inc. ("Firm"), and was responsible for its operations.

3. Respondent's Firm received a "fail" on its most recent system peer review,

Duriga
continued on page 4

Duriga *continued from page 3*

with an acceptance letter date of August 26, 2009.

4. Respondent submitted a copy of the peer review acceptance letter to the Board on September 1, 2009.

5. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, Respondent's Firm was required to submit to the Board a Peer Review Report, Letter of Response, and Final Letter of Acceptance.

6. However, on September 1, 2009, Respondent, on behalf of the Firm, only submitted a copy of the peer review acceptance letter to the Board. Respondent asserts that her failure to provide the peer review report and letter of response was inadvertent.

7. In January of 2010, Respondent's Firm was dissolved by the North Carolina Secretary of State's office.

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

2. Respondent's failure to submit to the Board copies of Respondent's Firm's Peer Review Report and Letter of Response constitutes a violation of 21 NCAC 08M .0106(a)(4) and 08N .0213.

3. 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 provide a written statement to the Board that she will no longer be participating in, performing, or reviewing any engagements requiring peer review.

3. Prior to Respondent participating in, performing, or reviewing any engagements requiring peer review as an owner, partner, manager, or supervisor, Respondent shall be required to provide the Board with proof of the following:

a. Completion of a minimum of eight (8) hours of SSARS CPE;

b. Completion of a minimum of sixteen (16) hours of Audit Documentation CPE;

c. Completion of a minimum of sixteen (16) hours of Risk Based Audit Standards CPE;

d. Access to an appropriate library with materials sufficient for engagements to be performed;

e. Pre-issuance reviews, to be performed by a pre-issuance reviewer approved by the Board, for all peer review engagements until determination is made by the Board that said engagements can be performed by the Respondent in accordance with applicable standards; and

f. Completion of eight (8) hours of Accounting and Auditing CPE coursework as part of the Respondent CPA's annual CPE requirements once she has begun participating in, performing, or reviewing any engagements requiring peer review until such time as the firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

4. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted within six (6) months of the Board's acceptance of this signed Consent

Website Makeover

The Board's re-designed website was launched on March 29. Although the website address (**www.nccpaboard.gov**) did not change, users may need to create a new bookmark or favorite for the site.

Certificate Renewal

On April 1, 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 annual CPE requirement; and a valid MasterCard or VISA account number, security code, and expiration date.

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

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

NC Candidate Receives Sells Award

The Board is pleased to announce that a North Carolina Exam candidate was named a 2012 Elijah Watt Sells Award winner by the AICPA.

Yun Guo, a Minzu University of China graduate with a BA in Economics and Finance and a Master of Accountancy from Wake Forest University, is employed with PricewaterhouseCoopers LLP in New York.

The Sells Award is presented to candidates who have obtained a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination, completed testing during the 2012 calendar year and passed all four sections of the Examination on their first attempt.

State of North Carolina

PAT McCRORY
GOVERNOR

100th ANNIVERSARY OF THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

2013

BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

A PROCLAMATION

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners, formerly the North Carolina State Board of Accountancy, was created by the General Assembly on March 12, 1913; and

WHEREAS, the Board has and continues to administer the Uniform CPA Examination and issue certificates of qualification as a Certified Public Accountant to qualified individuals; and

WHEREAS, the Board has and continues to protect the citizens and businesses of this State by ensuring that those individuals using the Certified Public Accountant credential are qualified to provide services; and

WHEREAS, the Board remains diligent in its enforcement of the statutes and rules in protecting the citizens and businesses of North Carolina; and

WHEREAS, in the regulation of Certified Public Accountants in North Carolina, the Board is at the forefront of the protection of the citizens and businesses; and

WHEREAS, the State of North Carolina is proud to recognize past and present members, staff, and all organizations related to the North Carolina State Board of Certified Public Accountant Examiners whose dedication has ensured the integrity of certified public accountants for 100 years;

NOW, THEREFORE, I, PAT McCRORY, Governor of the State of North Carolina, do hereby proclaim March 12, 2013, in honor of the "**THE 100TH ANNIVERSARY OF THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS**," in North Carolina, and commend its observance to all citizens.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of North Carolina at the Capitol in Raleigh this eleventh day of March in the year of our Lord two thousand and thirteen and of the Independence of the United States of America the two hundred and thirty-seventh.

Pat McCrory
Governor

Providing Moral Character Data on the Certificate Renewal Form

Each year, the Board staff receives numerous inquiries regarding the moral character questions included in the individual certificate renewal. This article is meant to help provide an explanation for responding to the moral character questions.

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

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

The first moral character question is whether you have been:

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

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

The second question asks whether you, have had:

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

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

The third question asks whether you have:

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

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

The final question asks whether you have been:

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

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

If you have any questions regarding your responses to these questions, please contact the Board's staff attorney, Frank Trainor, by email at **ftrainor@nccpaboard.gov**.

Check Your CPE Carry-Forward

Need to know how many carryforward CPE hours you have? 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**.

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.

Follow Us on Twitter
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Reclassifications

Reinstatements

02/25/13	Deborah Queeney Ellis, #22754	Landery, WY
02/25/13	Janice Toothaker Gore, #20921	High Point, NC
02/25/13	Henry Luther Greene, III, #18544	Cherryville, NC
02/25/13	Linda Rugh Hoffman, #12725	McLean, VA
02/25/13	Jo Gaskins Holloman, #13706	Raleigh, NC
02/25/13	Mary Elizabeth Warren Kilguss, #17092	Charlotte, NC
02/25/13	Alisa Delle Moody, #20815	Greensboro, NC
02/25/13	Jin Su Park, #29923	Charlotte, NC
02/25/13	Jennifer Grace Stevenson, #32560	Charlotte, NC
02/25/13	Robert Eric Teague, #23776	Raleigh, NC
02/25/13	Peter W. Waring, #23482	McLean, VA

Reissuance

02/25/13	Charles A. Akpom, #35383	Wake Forest, NC
02/25/13	Kesha Routh Hall, #30695	Randleman, NC
02/25/13	Terri Graham McKee, #23052	Raleigh, NC
03/20/13	Rosalind Castillo Compton, #17372	New York, NY
03/20/13	Beverly Wilson Meredith, #27053	Siler City, NC
03/20/13	Sabrina Kay Simpson, #21519	Winston-Salem, NC

Retired Status

Retired, when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status. However, retired status does not preclude volunteer services for which the retired CPA receives no direct or indirect compensation so long as the retired CPA does not sign any documents, related to such services, as a CPA [21 NCAC 08A .0301(b)(32)].

02/25/13	David Carr, #14844	Kernersville, NC
02/25/13	William Arthur Haney, Jr., #3967	Rocky Mount, NC
02/25/13	Frederic O. Shackelford, #8196	Pineville, NC
03/20/13	Luis Eugenio Timothee, #21162	Winston-Salem, NC
03/20/13	Janet Benfield Wooten, #17377	Midland, NC

Inactive

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

01/28/13	Jeffrey Wade Crumpley, #31088	Lexington, KY
01/28/13	Roger Jennings, #10362	Kernersville, NC
01/29/13	Robert Vincent Birch, #34868	Charlotte, NC
01/29/13	Glenn Arthur Kennedy, #10825	Raleigh, NC
01/29/13	Walter Jackson Rayfield, III, #15213	Kernersville, NC
01/29/13	Kristy Lynn Smith, #30402	Cary, NC

Certificates Issued

At its March 20, 2013, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

Heidi Louise Andreasen
Adam Michael Angstadt
Sally Margaret Averett
Lindsay Nina Clark
Crystal B. Climer
Jack Murdoch Coman
Tracy Jackson Dowdy
Wesley David Edwards
Carissa Janelle Frampton
Martha Hensley
Michael Anthony Jankowski
Rebecca Ashley Jones
Pamela Christine Lane
Esther Lee
Kathleen Dianne Leopard
Courtney Lee Little
Joseph John Mark III
Jamie Linn Pennell
Ryan James Perkins
Adam Phillips Pierson
Thomas Paul Recchuiti
Kyle Timothy Reeves
William Adam Robertson
Anthony Tyler Saxton
Mark Becton Thompson Jr.
Jason Louis Watkins
Angi Ruth West
James Douglas Wilson
Yahli Zhao

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed May 27, 2013, in observance of Memorial Day.

www.nccpaboard.gov

State Board of CPA Examiners

Board Members

Jose R. Rodriguez, CPA
President, Winston-Salem

Miley "Bucky" Glover, CPA
Vice President, Monroe

Maria M. Lynch, Esq.
Secretary-Treasurer, Raleigh

Tawannah G. Allen, Ed.D.
Member, Morrisville

Barton W. Baldwin, CPA
Member, Mount Olive

John M. Kledis, CPA
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Alice Grigsby
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Professional Standards
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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. 05-2013

Responding to Requests for Client Records

When a client, or an entity related to a client, requests a copy of the client's records, many CPAs find themselves struggling to respond to that request.

The CPA may not be sure which portion, if any, of the client's file should be provided or if the requesting party is entitled to a copy of the records. And what if the client hasn't paid for the service(s) the CPA provided? 21 NCAC 08N .0305, *Retention of Client Records*, addresses these questions.

To Whom Should Records Be Returned?

Upon request, a CPA is required only to provide the records to the client (current or former) or in certain cases, to a successor CPA or to an entity (such as a partner or shareholder) associated with the client.

If the client is a partnership, the records must be returned, upon request, to any of the general partners. Upon request, the records of a Limited Partnership or a Registered Limited Liability Partnership must be returned to the general partner(s) and the managing partner, or his or her designee respectively.

If the client is a corporation, the records must be returned, upon request, to the corporation's president. A Limited Liability Company's records must be returned, upon request, to the manager.

Joint records, such as those of a husband and wife, must be returned to either party upon request.

The 04-2011 *Activity Review* article, "Responding to a Subpoena for Client Records," provides guidance to CPAs who are presented with a subpoena for client records.

Which Records Should Be Returned?

Upon request, a CPA should return client-provided records to the client. Client-provided records are accounting or other records belonging to the client that were provided to the CPA, by, or on behalf of, the client, including hard copy or electronic reproductions of such records.

Although 21 NCAC 08N .0305 does not require the CPA to furnish a client with copies of the client-provided records already in the client's possession, if the client asserts that such records have been lost or are otherwise not in the client's possession, the CPA must furnish copies of the records to the client. However, the CPA may charge a reasonable fee for preparing the copies.

Records that were not provided in electronic format are not required to be returned in an electronic format; however the CPA should use his or her discretion in this situation.

Work papers are usually the CPA's property and need not be surrendered to the client. However, in some instances work papers will contain data

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Certificate Renewal

North Carolina CPAs have a few weeks left to renew their CPA licenses online through the Board's website, **www.nccpaboard.gov**.

A licensee who fails to renew before July 1, 2013, may receive a Letter of Demand from the Board and may be subject to license forfeiture.

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

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

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on Monday, May 27, 2013, in observance of Memorial Day.

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Disciplinary Action

Carolyn B. Branan, #12966
Charlotte, NC 02/25/2013

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. Carolyn B. Branan ("Respondent") was the holder of North Carolina certificate 12966 as a Certified Public Accountant. Respondent changed her North Carolina certificate status to inactive in 2006. She made no further communication, filings, or changes since that time.

2. Respondent, from 1993 through 2002, was the Partner-in-Charge of KPMG, LLP's ("KPMG"), Personal Financial Planning ("PFP") practice for the Southeast region. Following a medical leave, Respondent withdrew from the KPMG partnership, effective March 31, 2005. Respondent asserts that pursuant to that withdrawal, KPMG was to indemnify Respondent for any claims relating to KPMG tax strategies, products, or services from 1997 onward. Respondent withdrew from her partnership and has not maintained any employment activities since that time.

3. Respondent asserts that she was made aware of the Board's concerns and raised the issue with KPMG pursuant to her withdrawal agreement. KPMG, however, refused to offer a defense to these issues notwithstanding its existing indemnification responsibilities to Respondent. Respondent has reviewed the outstanding allegations against KPMG, including those allegations that KPMG consented were true without Respondent's acquiescence yet necessarily involved Respondent. Given that Respondent has not received her promised defense from KPMG, nor did Respondent have an opportunity to object to the factual allegations that were consented to by KPMG, Respondent believes that it would be ineffectual and overly burdensome to respond to the allegations raised by the Board in the absence of KPMG's promised but undelivered defense. As a result, Respondent voluntarily surrenders her CPA certificate as more fully set forth below, and agrees that she will not apply for reissuance, reinstatement or modification of discipline.

4. For the time period from about 1996 through 2002, KPMG developed, implemented, and marketed certain tax shelters including KPMG's Foreign Leveraged Investment Program (1996-1997 KPMG "FLIP", also referred to as "Old-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"). Such variants included third party solutions, such as PWC's Foreign Leveraged Investment Program (1998-1999 PWC "FLIP", also referred to as "New-FLIP"), where KPMG services included tax return compliance/consulting and tax opinion letter issuance. In all material aspects, KPMG Old-FLIP, PWC New-FLIP, and OPIS were considered by the IRS to be substantially similar for tax purposes.

5. 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.

6. The portion of KPMG's tax practice that specialized in providing tax advice to individuals, including wealthy individuals, was known as Personal Financial Planning, or "PFP." The national KPMG group focused on designing, marketing, and implementing tax shelters for individual clients was known at different times as CaTS ("Capital Transaction Strategies"), and IS ("Innovative Strategies"), hereafter referred to as "CaTS/IS." KPMG also had a department within the tax practice known as Washington National Tax ("WNT"), which was designed to provide expert tax advice to KPMG professionals in the field, and which participated in designing tax shelters, drafting and issuing opinion letters relating to those shelters.

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

2013 Board Meetings

June 20*
July 22
August 19
September 23
October 21
November 18
December 16

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

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. On February 20, 2012, KPMG entered into a Consent Agreement with the Board regarding the firm's involvement with the Tax Shelters.

11. While employed at KPMG's Charlotte office, and in reliance on KPMG's vetting/approval of Tax Shelters, registration decisions, and tax return reporting through national CaTS/IS group, Respondent was involved in the sale and implementation of numerous Tax Shelters for at least eight clients.

12. In her role as Partner, and in reliance on KPMG's vetting/approval of Tax Shelters, registration decisions, and tax return reporting through CaTS/IS group, Respondent supervised the preparation and signing of tax returns by KPMG's senior managers for clients who took advantage of the favorable tax consequences allowed by the Tax Shelters. Throughout this process, Respondent and senior managers followed directions of KPMG Tax Shelters practice groups including International Tax practice and CaTS/IS groups with respect to such income tax return reporting. Respondent was never a member of those groups.

13. In her role as Partner-in-Charge of PFP for the Southeast region, for administrative purposes, several Partners reported to Respondent in her role as Partner-in-Charge for the Southeast region. Some of those Partners also simultaneously served in the CaTS/IS group, which independently functioned outside her involvement and review. Members of the CaTS/IS group were involved in certain activities included in DPA "Statement of Facts" as described in paragraph 9 above.

14. Respondent personally signed on behalf of the firm as instructed by KPMG at least five opinion letters 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 a Tax Shelter transaction would be upheld if challenged by the IRS. ("Opinion Letters") Those Opinion Letters included at least three Old-FLIP, one OPIS, and one BLIPS transactions. The Opinion Letters were drafted and approved by KPMG at a national level, but Respondent had neither influence upon nor a role in the preparation of those letters other than to execute same as instructed by KPMG.

15. Other Southeast region PFP Partners, who simultaneously served on the national CaTS/IS group, including William "Sandy" Spitz, (hereinafter "Southeast Region Partners") signed at least an additional four Old-FLIP Opinion Letters and one OPIS Opinion Letter. The execution of these letters was outside the scope of Respondent's involvement and review.

16. In November 1997, the national CaTS/IS group informed PFP Partners, including Respondent and Southeast Region Partners, that Old-FLIP should not be marketed for new transactions, but that transactions for which investments had been initiated prior to that date should continue to be implemented. Specifically, the CaTS/IS group explained that the PFP Partners should await the approval of KPMG OPIS as a replacement for its clients. Respondent asserts that, at no time during the 1996 through 2002 period, did KPMG disclose to Respondent that private internal email discussions among KPMG decision makers were questioning the economic substance of the Old-FLIP transactions, its return reporting, its registration decision, KPMG issuance of tax opinion letters, and whether KPMG should unwind the transactions and return client fees.

17. According to a report created by the U.S. Senate Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, KPMG worked with both Presidio Advisors ("Presidio" also referred to in Department of Justice indictments as Pfaff/Larson entities) and Quadra Capital Management LLP ("Quadra") (also doing business as Quellos or QA Investments) as investment advisory firms participating directly in the FLIP, OPIS, or BLIPS transactions.

18. KPMG did not register Old-FLIP. Respondent was not involved in making this decision. During 1998, Price WaterhouseCoopers ("PWC") developed a differently structured Foreign Leveraged Investment Program transaction ("New-FLIP") executed through Quadra. This 1998 PWC "New-FLIP" was made available to First Union for its clients. Some of these clients were referred to a PFP Partner who served on both First Union National Account Client Service Team and on the CaTS/IS group, for various CaTS/IS tax shelter transaction services. On June 1, 1998, Quadra registered New- FLIP as a tax shelter with the United States Secretary of the Treasury. Ultimately, when Quadra was asked to provide a list of all investors who had executed "New-FLIP" or similar transactions, it provided names of all taxpayers that had executed "New-FLIP," "Old-FLIP," and OPIS through Quadra. Thereafter, all taxpayers who had executed any of these transactions (either through KPMG or PWC, through Presidio or Quadra) were offered an IRS global settlement with respect to those transactions. Substantially all taxpayers accepted that settlement.

19. On June 8, 1998, seven days following Quadra's registration of New-FLIP, Respondent personally signed two Old-FLIP Opinion Letters. Respondent asserts that she did not know at the time that New-FLIP had been registered as a tax shelter. Other KPMG Partners, including Southeast Region CaTS/IS Partners, continued to sign Old-FLIP Opinion Letters for the remainder

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of 1998. In addition, CaTS/IS group drafted, approved, issued, and signed KPMG Opinion Letters for "New-FLIP" developed by PWC and registered as a tax shelter for 1998 and 1999 transactions. All Opinion Letters drafted, approved, and issued by KPMG through the CaTS/IS group were not permitted to be changed by the local office Partner who was instructed to sign such Opinion Letters on behalf of the firm.

20. On June 25, 1998, Respondent received an email from Gregg Ritchie, Partner-in-Charge of the CaTS/IS group, indicating that New-FLIP had been registered. Mr. Ritchie requested that Respondent verify whether this was true. Respondent contacted Larry Scheinfeld (former KPMG Partner) at Quadra in New York and reported back that Quadra had in fact registered New-FLIP but had not registered Old-FLIP. Respondent indicated Mr. Scheinfeld understood from Mr. Ritchie that KPMG believed they would be registering OPIS. At that time, KPMG OPIS was still in review, and was not approved until late September 1998. The registration decision was determined and announced prior to September 1998.

21. Southeast region Partners signed, or supervised senior managers who signed, 1997 tax returns in 1998, claiming the favorable tax benefits of Old-FLIP. Such activities were directed and controlled by the national CaTS/IS group. Southeast region Partners also signed, or supervised senior managers who signed, 1998 tax returns in 1999, claiming the favorable tax benefits of the now-registered "New-FLIP."

22. In June 1998, the CaTS/IS Group sent emails to members of its group (including at least one partner and senior manager in the Southeast region) regarding the marketing materials for the OPIS product. Respondent asserts that she was not part of this group and was not permitted access to these materials. 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 client may have to avoid the step transaction doctrine.

The "step transaction doctrine" has been expressly sanctioned by the United States Supreme Court which 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).

23. On December 31, 1998, Respondent signed, on behalf of KPMG, an Opinion Letter for an OPIS client which, among other things, assured the client that the OPIS strategy did not trigger analysis under the step transaction doctrine. Respondent asserts that she was unaware of the email described in the foregoing paragraph at the time she signed the Opinion Letter.

24. In January 1999, CaTS/IS Group members received an email from a partner of KPMG's Washington National Tax (WNT) Practice in which that partner plainly stated, "I believe we are filing misleading, and perhaps false, returns by taking this reporting position." Such position referred to use of grantor trust designed to hide tax gains and losses without disclosing them in the individual clients' tax returns. Respondent asserts that she did not receive such email or have knowledge that other Partners were using such a technique until revealed during KPMG investigations. The author of the above email, as well as certain members of the CaTS/IS Group that utilized such technique or approved it with knowledge of the advice that it could be fraudulent or criminal, were indicted in 2005 after the KPMG DPA was signed.

25. In September 2000, the IRS issued Notice 2000-44 which identify the strategies like the BLIPS strategy as an abusive tax shelter that is not eligible for the favorable tax consequences promised by KPMG.

26. Following issuance of Notice 2000-44, certain CaTS/IS Group Partners located in the Southeast region, or senior managers supervised by them, signed tax returns for clients claiming the favorable tax consequences promised initially by KPMG. Respondent had one BLIPS client. The Opinion Letter for that client was signed and tax returns filed by April 15, 2000, prior to the issuance of Notice 2000-44.

27. Respondent and other personnel at KPMG were aware that the Tax Shelters were regarded within KPMG CaTS/IS Group as risky strategies. Nevertheless, she and other Partners and senior managers continued to market and implement the strategies despite those perceived risks. KPMG vetted these tax strategies at decision making levels above Respondent and continued to assure tax partners such as Respondent that these strategies, while risky, were more likely than not to qualify as legitimate tax strategies.

28. While employed at KPMG, Respondent confirms that:

a. The Tax Shelters were marketed by KPMG personnel, including herself, Southeast Region Partners, and other national CaTS/IS Partners and senior managers, as a way to, among other things, reduce clients' taxes.

b. KPMG personnel, including Southeast region Partners, other national CaTS/IS Partners and senior managers, presented the Tax Shelters to clients as a complete package.

c. CaTS/IS Partners and senior managers 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. In at least two instances, Respondent declined to provide information to other Big Four accounting firms who were competitors.

d. Tax Shelter presentation materials were collected by KPMG CaTS/IS Partners and senior managers following presentations made to clients to

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Records *continued from front*

that should properly be reflected in the client's books and records, but for convenience have not been duplicated therein, with the result that the client's records are incomplete. In such instances, the portion of the work papers containing such data constitutes part of the client's records, and copies must be given to the client along with the rest of the client's records.

Work papers considered part of the client's records include, but are not limited to worksheets in lieu of original entry *(e.g.,* listings and distributions of cash receipts or cash disbursements on columnar work paper); worksheets in lieu of general ledger or subsidiary ledgers, such as accounts receivable, job cost and equipment ledgers, or similar types of depreciation records; all adjusting and closing journal entries and supporting details not fully set forth in the journal entry; and consolidating or combining journal entries and worksheets and supporting detail used in arriving at final figures incorporated in an end product such as financial statements or tax returns.

Work papers developed by the CPA incidental to the performance of an engagement which do not result in changes to the client's records, or are not in themselves part of the records ordinarily maintained by such clients, are solely the CPA's work papers and are not the property of the client.

For example, the CPA may make extensive analyses of inventory or other accounts as part of the selective audit procedures. These analyses are considered to be a part of the CPA's work papers, even if the analyses have been prepared by client personnel at the request of the CPA. Only to the extent these analyses result in changes to the client's records would the CPA be required to furnish the details from the work papers in support of the journal entries recording the changes, unless the journal entries themselves contain all necessary details.

If the engagement is terminated prior to completion, or if the CPA's work product has neither been received nor paid for by the client, the CPA is only required to return those records originally given to the CPA by the client. Under no circumstances should a CPA withhold a client's records in order to force payment of any kind.

How Quickly Must Client Records Be Returned?

A CPA must return client records in his or her possession to the client as soon as possible after a demand is made for the return of the records. If the CPA is unable to immediately return the records (i.e., circumstances make some reasonable delay in retrieving the records) the CPA must notify the client of the date the records will likely be returned.

21 NCAC 08 .0305 does not require the CPA to bear the cost of copying the records or the delivery costs when the records are returned to the client. However, it is expected that the CPA charge only a fee that reasonably covers the cost of the time and expense incurred to retrieve and copy the records and the actual cost of delivery.

How Long Should Client Records Be Retained?

Work products and the work papers created in the performance of an engagement for a client must be retained by the CPA for a minimum of five (5) years after the date of the issuance of the work product unless the CPA is required by law to retain such records for a longer period.

If you have questions regarding the return of client records, please contact the Board's Staff Attorney, Frank Trainor, by email at **ftrainor @nccpaboard.gov**.

Reclassifications

Reinstatements

Elizabeth Ann Brown, #31714	Charlotte, NC
Frank Erickson Ciszek, #32969	Dallas, NC
Robert Dodd Haynes, #16306	Denver, NC
William Watkins Kelly, Jr., #20934	Dunwoody, GA
James Clarke Murphy, Jr., #28717	Durham, NC
David Keith Schrenker, #34301	Charlotte, NC
Joshua Allen Slagle, #34733	Charlotte, NC
Michael Joseph Tracey, #24013	Matthews, NC

Reissuance

John Francis Amendola, #19716	Raleigh, NC
Kristen Moore Goodlaxson, #23677	West Des Moines, IA
Daniel A. Landis, #23260	Smyrna, GA
Karen Fordham Martinez, #30116	Sims, NC
Robin Poythress, #20326	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)].

Claire Lee Chase, #8582	Lenoir, NC
Maurice A. Fox, #7722	Lewisville, NC
Arthur Ray McGimsey, #3268	Houston, TX
Harold Dean Sellers, #13627	Charlotte, NC

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preserve confidentiality and arguments regarding the step transaction doctrine.

e. Partners and senior managers in the Southeast region were instructed by CaTS/IS Group Partners to claim favorable tax consequences for clients on their tax returns based upon Old-FLIP transactions, even after learning New-FLIP transactions (later considered along with KPMG OPIS to be substantially similar for tax purposes) had been registered by Quadra, and after KPMG had decided to cease marketing of KPMG "Old-FLIP" strategy for transactions initiated after 1997.

f. KPMG provided its tax partners with Opinion Letters verifying that it was "more likely than not" that the Tax Shelters would withstand IRS scrutiny. These 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 in the Opinion Letters. Respondent signed one or more such Opinion Letters.

g. On at least one occasion, CaTS/IS Group Partners or senior managers presented clients with Opinion Letters that contained assumed facts that were not true.

29. Respondent acknowledges that KPMG agreed that its marketing and implementation of the Tax Shelters, and execution of the aforementioned Opinion Letters constituted a failure to provide their clients with competent tax guidance. Respondent had no involvement in the design, vetting or approval of the Tax Shelters and did not draft the Opinion Letters or make decisions regarding the registration of those Tax Shelters. She asserts that, although she was involved in the marketing and implementation of the Tax Shelters, that involvement did not impact the conclusion that KPMG clients failed to receive competent tax guidance.

30. 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. Although KPMG issued the tax opinion letters that were signed by Respondent and Respondent had neither any influence on nor any involvement in the formation of those tax opinion letters, Respondent recognizes that her participation in the marketing and implementation of the Tax Shelters, and her execution of those tax opinion letters on behalf of KPMG contributed to the failure to provide her clients with competent tax guidance in violation of 21 NCAC 08N.0212(b).

3. Per N.C. Gen. Stat. §93-12(9) and also by virtue of Respondent's consent, 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 further proceedings, the Board and Respondent agree to the following Order:

1. Respondent voluntarily surrenders her North Carolina CPA certificate without the ability to apply for reissuance, reinstatement, or modification of discipline. As such, Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State whether through CPA mobility provisions or substantial equivalency practice privileges or in any other manner.

2. Respondent waives any rights, privileges, or protections that may be afforded by 21 NCAC 08J .0106, 08I .0104, or N.C. Gen. Stat. §93-10.

Changes in Annual CPE Requirement

Active NC CPAs are no longer required to complete at least eight (8) hours of non-self-study CPE as part of the annual CPE requirement for license renewal 21 NCAC 08G .0409(c). This means that licensees may use all self-study CPE credit to comply with the 40-hour CPE requirement for license renewal.

21 NCAC 08G .0410 states that as part of the annual CPE requirement, a CPA must complete two (2) 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).

In accordance with 21 NCAC 08J .0105(c), individuals on inactive or retired status who wish to return to active status are no longer required to complete at least eight (8) hours of non-self-study CPE as part of the reinstatement application.

If you have questions regarding the changes, please contact the Board's Manager of Licensing, Buck Winslow, at **buckw@nccpaboard.gov**.

Comment or Question about the *Activity Review*?

Do you have a comment or question about information published in the *Activity Review*? The Board welcomes your comments and suggestions. Contact us by email at **lhearne@nccpaboard.gov**.

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Certificates Issued

At its April 23, 2013, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

Carol Elizabeth Alverson
Alicia Dawn Angell
Deborah Mahler Baum
Lyndsey Nicole Beasley
Denise Marie Bennen
Aaron Louis Blackmor
Wendla Anne Boddy
Rosanne Jane Brown
Deborah Shutters Butt
Jonathan Michael Carie
Andrea Rebecca Carlton
Joshua Landon Chambers
Alison Nicole Chilton
Montana Ashley Clelland
Keri Phifer Cole
Kenneth Jamison Crampton
Kimberly Jean Crocker
Sandra Jean Crumrine
Brandon Joe Culp
Kendall Smith Davis
George Garrett Davis, II
Kimberly Keating DePietro
Kayla Rose Dierker
Elizabeth M. Downer
Patrick McEntee Dunlavey
Richard Thomas Ewart
Camron Tyler Faulkner
Emily Ann Fisher
Blake Frawley
Patrick Ryan Furlong
Amelia Harra Georgiou
Tuba Geredelioglu
Mark Thomas Gossett
Nicholas Hahon Granack
Carson Matthew Guy
Tara Renae Harris
Sharon Frances Hauser
Timothy Charles Hinkle
Laurel Elizabeth Holmes
Ronald Jeremy Hopkins
Xianlian Huang
Jarred Scott Hunter
Stacy Michelle Johnson
Ashley Marie Jones
Erica Deshannon Jones
Jennifer Jessen Jones
Kata Jurcic
Kathleen Haley Keating
Erin Michelle Kelley
Thomas Edward Key, Jr.
J. Thomas Knight
Mackenzie Carter Koupal
Michael Edward Koupal
Meredith Boyd Kratt
Steven Andrew Lamm
Stephen Andrew Lashower
Jennifer Marie Leary
Beverly Waugh Luke
Judy Mak
Stephen Kenneth Malik
Maria Madonna Mapagu
Murray Sherwood Marsh, Jr.
Stephen Robert Mason
Heike Rosenbusch Massengale
Christine Marie Mast
Jamie Alise May
Dennis Crawford McGlory, Jr.
David James McLaughlin
Irene M. Meares
Matthew Jordan Miller
Christopher Roger Mills
Jennifer Nicole Milton
Megan Elizabeth Morrissey
Andrew John Mulvihill
Elizabeth Wright Nichols
Lisa Arleen Owens-Jackson
Kristi Anne Parrotte
Jaymi Suryakant Patel
Monali N. Patel
Patricia Ann Perzel
Zhangying Qiu
Yang Ran
Meredith Fincher Rawls
Fred Joseph Reill
Sonya Carmela Rennick
Lana Parker Richards
Kelli Diane Roberts
Richard Lee Rodgers
Jill Rebecca Ruvidich
Jonathan Ryan Scarpola
Rebecca Semones Scheumann
Eva Herron Simpson
Mark Alan Simpson
Kaeli Kristin Sims
Maticia Cotton Sims
Courtney Martin Smith
Timothy John Southard
Roger Keith Spivey
Hannah Comer Stanley
Clark Dewey Stevens
Tomokazu Jonathan Takahashi
Andrew Toniolo
Timothy Neal Trout
Kathryn Jean Tucker
Ana Vazquez
Benjamin Shaw Walker
Andrew William Wehn
Robert Justin Wilkes, Sr.
Heather Abigail Williams
Samuel Frederick Wright, IV
Shannon Yoder

2013 CPA Day of Service

Mark your calendar for the second annual NC CPA Day of Service to be held Friday, September 20, 2013.

Organized by the NCACPA, the CPA Day of Service is a day for NCACPA members, CPAs, and others associated with the CPA profession to volunteer in their communities and show how the CPA profession makes a difference in North Carolina.

Visit the NCACPA's Day of Service page, **www.ncacpa.org/Service**, for more information.

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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. 06-2013

J. Michael Barham, CPA, Retires from Board

When Mike Barham left the Board office on May 31, it was not only the end of his employment with the Board, it was also the end of an accounting career that began nearly 40 years ago.

Just days after graduating from UNC-Wilmington, Barham joined the Office of the State Auditor and continued working with various State agencies until he retired from his position as Deputy State Treasurer on December 31, 2003.

It was a short retirement; he began working as Deputy Director of the Board on January 2, 2004.

At the Board's May 23, meeting, the members of the Board thanked Barham for his service and presented him with a framed collage that included a copy of the Norman Rockwell print, "Escape to Adventure," (an accountant working at his desk while dreaming of leaving his work behind) and the CPA stamp issued by the US Postal Service in 1987 to honor the accounting profession.

"We will certainly miss you, Mike," said Jose Rodriguez, CPA, President of the Board. "You have been a great asset to this Board; we thank you for your hard work and dedication."

Barham expressed his appreciation for the Board's support and leadership and thanked the Board staff for its commitment to making the Board one of the best boards of accountancy in the country.

"These years with the Board have been some of the best of my career," Barham said. "I have enjoyed working with you--I am thankful to have spent this time with you."

Robert Brooks, the Board's Executive Director, said, "Mike has done so much for this Board; we were lucky to have him as long as we did."

"He did an outstanding job and it has been a pleasure working with him," said Brooks. "I am honored to have Mike as a friend, and I wish him the best in his retirement."

Barham said he plans to spend his retirement at the beach so he can spend time with his family, work on his golf game, and go fishing.

In early May, the NCACPA presented Barham with its *Outstanding Member in Government* award which honors outstanding service and leadership within governmental accounting.

Changes to the Independent Auditor's Report

The following information was provided to the Board by Marci S. Thomas, MHA, CPA, CGMA. Send questions about the independent auditor's report to the Board's Deputy Director, David R. Nance, by email at ***dnance@nccpaboard.gov****.*

As most auditors are already aware, the AICPA's Clarity standards are effective for periods ending on or after December 15, 2012. This means that December 31 clients are the first to see the new auditor's report.

The new report contains captions to call certain components to the user's attention and also contains wording that was modified from the previous auditor's report. Although this may seem like a very simple change, there is always the risk that not all firm members are aware of the changes and could simply update the prior year format with new dates.

The more likely risk is that firm members are not aware of all of the possible components that could be modified or added to the auditor's report depending on the circumstances.

The Independent Auditor's Report not only provides the client with an opinion (or disclaimer) on the financial statements, but also provides clients and other users with very important information related to the audit. Auditors cannot afford to make mistakes on the one product they are required to deliver.

A guide to the most frequent modifications or additions that may be necessary, depending on the circumstances, along with the standard auditor's report with place holders for the additions and modifications, is shown on pages 4 and 5.

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Disciplinary Actions

Henderson, Stafford & Company, PA
Wilmington, NC 02/25/2013

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 Henderson, Stafford & Company, PA (hereinafter "Respondent firm"), is a registered certified public accounting corporation in North Carolina.

2. Respondent firm received a "fail" on its most recent engagement peer review, with an acceptance letter date of June 19, 2012.

3. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, Respondent firm was required to submit to the Board a package to include the Peer Review Report, Letter of Response, and Final Letter of Acceptance.

4. Respondent firm provided only a Final Letter of Acceptance to the Board.

5. 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.

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

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. Respondent firm's failure to submit to the Board copies of its Peer Review Report and Letter of Response constitutes a violation of 21 NCAC 08M .0106(a)(4).

3. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

2. Respondent firm shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted with this signed Consent Order.

3. Respondent firm's professional staff shall take at least eight (8) hours of Accounting and Auditing CPE coursework as part of their annual CPE requirement until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

W. Davis Milligan, CPA, PA
Shallotte, NC 02/25/2013

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

1. Respondent W. Davis Milligan, CPA, PA (hereinafter "Respondent firm"), is a registered certified public accounting corporation in North Carolina.

2. Respondent firm received a "fail" on its most recent engagement peer review, with an acceptance letter date of March 8, 2012.

3. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, Respondent firm was required to submit to the Board a package to include the Peer Review Report, Letter of Response, and Final Letter of Acceptance.

4. Respondent firm provided only a Final Letter of Acceptance to the Board.

5. 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.

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

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. Respondent firm's failure to submit to the Board copies of its Peer Review Report and Letter of Response within 60 days of the date of the Final Letter of Acceptance constitutes a violation of 21 NCAC 08M .0106(a)(4).

3. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

2013 Board Meetings

July 22
August 19
September 23
October 21
November 18
December 16

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.

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

1. Respondent firm is censured.

2. Respondent firm shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted with this signed Consent Order.

3. Respondent firm's professional staff shall take at least eight (8) hours of Accounting and Auditing CPE coursework as part of their annual CPE requirement until such time as Respondent firm receives a pass on a system peer review or a pass or a pass with deficiencies on an engagement peer review.

Stephen M. Himmelberg, #21904
Durham. NC 03/20/2013

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

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

2. At all relevant times, Respondent was the sole shareholder and operator of Stephen M. Himmelberg, CPA, PA ("Firm"), and was responsible for the Firm's actions.

3. Respondent's certificate was suspended, and the Firm's registration was cancelled for a period of one year on May 21, 2012.

4. While the Respondent's certificate was active, the Respondent's Firm, then a professional corporation, received a "fail" on its most recent engagement peer review, with an acceptance letter date of December 21, 2011.

5. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, Respondent's Firm was required to submit to the Board a Peer Review Report, Letter of Response, and Final Letter of Acceptance.

6. However, on December 22, 2011, the Respondent, on behalf of the Firm, only submitted a copy of the peer review acceptance letter to the Board.

7. Respondent's recent disciplinary matter was considered by the Board as an aggravating factor.

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

2. Respondent's failure to submit to the Board, on behalf of the Firm, copies of its Peer Review Report and Letter of Response constitutes a violation of 21 NCAC 08M .0106(a)(4).

3. Respondent's willful violation of the peer review reporting requirements is a violation of 21 NCAC 08N .0213.

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 Stephen M. Himmelberg is suspended until May 21, 2015.

2. Respondent shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted with this signed Consent Order.

Orders

continued on page 6

Reclassifications

Reinstatements

05/23/13	Joanne Leslie Edelman, #32142	Stockbridge, GA
05/23/13	Sheila Chafin Haas, #17750	Charlotte, NC
05/23/13	Jocelyn Hayes, #20256	Asheville, NC
05/23/13	John Calvin Roland, #31466	Nashville, TN
05/23/13	Michael Anthony Sordillo, #21826	Clemmons, NC
05/23/13	Andrew Vincent Walker, #34418	Denver, CO
05/23/13	William H. Witbrodt, Jr., #16567	Palm Springs, CA

Reissuance

05/23/13	Jonathan Bennett, #34204	Atlanta, GA

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)].

05/23/13	Joseph R. Cobbe, #32715	Wilmington, NC
05/23/13	Abner Grant Webb, III, #14215	Charlotte, NC

Independent Auditor's Report (Standard Report)

Report on the Financial Statements ***(this is not necessary unless the auditor is issuing another report on legal or regulatory compliance as noted in chart)***

We have audited the accompanying consolidated financial statements of ABC Company and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 20X1 and 20X0, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. ***(Note that the auditor could have the responsibility to form an opinion on internal control. In those instances the report would read "In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances.")***

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Reason for Modified Opinion (in case the auditor does not have an unmodified opinion – identify type of modification, i.e. Reason for Qualified Opinion)

Opinion (or Modified Opinion should state "Qualified Opinion," "Adverse Opinion," or "Disclaimer of Opinion" as applicable)

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ABC Company and its subsidiaries as of December 31, 20X1 and 20X0, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter (this could be a subsequent event (such as pending litigation), going concern, consistency issue, special purpose framework (basis of accounting), etc.)

Other Matters (this could be called Report on Summarized Comparative Information, Prior Period Audited by Predecessor Auditor, Supplemental Information in Relation to the Financial Statements or whatever the other matter is related to)

Restriction on Use (if any)

Report on Other Legal and Regulatory Requirements (This section may not be applicable for many commercial entities. However, governments and not-for-profits may have other reporting requirements such as those set forth by Government Auditing Standards.)

Auditor's Signature

Auditor's City

Date

Differences from Standard Report[1]	Addition or Modification	AU-C Section
Comparative: Prior period financial statement audited by predecessor auditor, prior period compiled, or reviewed.	Additional wording in "other matter" paragraph. It was in the top paragraph before.	AU-C 700
Comparative: Summarized information presented instead of comparative financial statements.	Additional wording in "other matter" paragraph. Also see requirements for captions in financial statements and footnote disclosure.	AU-C 700
Modifications to the Opinion: This section calls out the reason for the modification in one paragraph (reason for adverse opinion) and then captions the modified opinion by name (*e.g.* adverse opinion)	• Qualified • Adverse • Disclaimer	AU-C 705
[1]*This only covers the most typical changes. Auditors should consult the AICPA standards for other modifications.*		

Differences from Standard Report[2]	Addition or Modification	AU-C Section
Emphasis of a Matter Paragraph: Draws user to matters presented or disclosed in financial statements that are important to understand or relevant to understanding the auditor's responsibilities or report.	• Subsequent events and subsequently discovered facts • Going concern • Consistency of financial statements • Special purpose frameworks (see below)	AU-C 560 para. 16c AU-C 570 AU-C 708 AU-C 706, AU-C 800
Other Matter Paragraph: Draws the user to requirements of GAAS or those items that are included at the auditor's discretion. These matters refer to something other than those that are presented or disclosed in the financial statements that the auditor believes the users should know.	• Subsequent events and subsequently discovered facts • Other information in Documents Containing Audited Financial Statements • Supplementary Information in Relation to the Financial Statements as a Whole • Required Supplementary Information • Reporting on Compliance with Contractual Agreements or Regulatory Requirements in Connection with Audited Financial statements • Reporting Under Special Purpose Frameworks • Alert that restricts the use of the Auditor's Written Communication	AU-C 560 para. 16c, AU-C 706 AU-C 720 AU-C 725 AU-C 730 AU-C 800 AU-C 806 AU-C 905
Special Purpose Frameworks: This is a type of emphasis of a matter paragraph. The opening paragraph sets the stage for the type of opinion (regulatory basis and contractual basis). This describes the purpose for which the financial statements were prepared. Be careful to go back to the illustrative reports because management's responsibility has modified wording.	• Cash basis • Tax basis • Regulatory basis • Contractual basis (this is not considered an "other comprehensive basis of accounting") • Other basis There may be times when a restricted use paragraph is necessary. This is an "other matter" paragraph. When there is a dual opinion–regulatory basis and GAAP then no emphasis of a matter paragraph is required.	AU-C 800 AU-C 706
Restricted Use Paragraph: AU-905 provides example wording for engagements performed under Government Auditing Standards. This is different from other restricted use language. This language is also used in connection with audits performed under OMB Circular A-133.	• Necessary when there a regulatory basis (unless dual) or a contractual basis opinion • Used when communicating internal control-related matters • Used in the communications of the auditor with those charged with governance	AU-C 706 AU-C 905
[2] *This only covers the most typical changes. Auditors should consult the AICPA standards for other modifications.*		

Marci S. Thomas (NC CPA No. 27462), is a Clinical Associate Professor in the Department of Health Policy and Management at the Gillings School of Global Public Health at UNC-Chapel Hill. She was previously employed by Deloitte & Touche, LLP.

Orders *continued from page 3*

David Norby, CPA, P.C.
Raleigh, NC 03/20/2013

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 David Norby, CPA, P.C. (hereinafter "Respondent firm"), is a registered certified public accounting corporation in North Carolina.

2. Respondent firm received a "fail" on its most recent system peer review, with an acceptance letter date of December 21, 2011.

3. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, Respondent firm was required to submit to the Board a package to include the Peer Review Report, Letter of Response, and Final Letter of Acceptance.

4. Respondent firm provided only a Final Letter of Acceptance to the Board.

5. 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.

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

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. Respondent firm's failure to submit to the Board copies of its Peer Review Report and Letter of Response constitutes a violation of 21 NCAC 08M .0106(a)(4).

3. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

2. Respondent firm shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted with this signed Consent Order.

3. Respondent firm's professional staff shall take at least eight (8) hours of Accounting and Auditing CPE coursework as part of their annual CPE requirement until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

Andrew M. Machek, #35358
Charlotte, NC 02/25/2013

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 Findings:

1. Respondent is the holder of North Carolina certificate number 35358 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that between January 1, 2011, and December 31, 2011, he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least two (2) hours of ethics to meet the 2011 CPE requirements.

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

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2011 requirements.

5. Respondent provided documentation for all of the 70.5 hours of 2011 CPE he claimed on his 2012-2013 Renewal, as requested. However, Respondent provided a certificate of completion documenting just one and one-half (1.5) hours of ethics CPE, one-half (0.5) hour short of the requirement. Respondent asserted that he completed the ethics course required by his employer "under the impression that its purpose was to satisfy [Respondent's] Ethics CPE requirement," and that he believed the course carried four (4) hours of CPE credit.

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 herein by the Board.

2. Respondent is personally responsible for ensuring that he completed all CPE requirements. Although he did not know that the representations made on his Renewal were false, he has violated the Board's rules because he should have independently verified that his hours were correct before submitting them to the Board. As such, Respondent violated 21 NCAC .0202(a) and .0202(b)(4), which prohibit, among other things, representations in the reporting of CPE credits, which the CPA should have known had the capacity or tendency to deceive.

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 Consent Order:

1. Respondent's application for Renewal is deemed insufficient and untimely. Respondent's certificate is therefore automatically forfeited pursuant to N.C. Gen. Stat. §93-12(15).

2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.

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

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

a. Application form,

b. Payment of the application fee,

c. Three (3) moral character affidavits, and

d. Forty (40) hours of CPE in the twelve (12) months preceding the application including 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.

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Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed on **Thursday, July 4, 2013**, in observance of Independence Day.

Davenport Nominated as NASBA Vice Chair

NASBA's Nominating Committee has selected Walter C. Davenport, CPA, as the Committee's nominee for NASBA Vice Chair 2013-2014; he will automatically accede to Chair in 2014-2015.

Davenport is a former member and president of the North Carolina State Board of CPA Examiners. During his nine years on the Board, he also served as vice president and secretary/treasurer and was a member and/or chair of several committees.

As a member of NASBA, he served on the Board of Directors as Middle Atlantic director and later director-at-large. Davenport's work on various NASBA committees is extensive and includes serving as former chair of the Administration & Finance, Audit, CBT Examination Administration, CPA Licensing Examination, CPE, and Strategic Initiatives committees.

Additionally, he has held membership on NASBA's Compliance Assurance, Examination, Nominating, Relations with Member Boards, and Uniform Accountancy Act committees.

Davenport is also a former member of the AICPA's Board of Examiners and Minority Recruitment & Equal Opportunity Committee.

Certificates Issued

At its May 23, 2013, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

John Michael Allen
Michael Joseph Arthur
Nicole Marie Balduf
Charles Frederick Barnewolt
Emily Hope Barringer
Jason Andrew Benziger
Mark Buchheim
Samantha Mallory Burke
Lauren Nowak Campbell
Aaron Louis Cohen
Ryan David Dalton
Margaret Anne Davis
Allison Elizabeth Emery
Kristen Paulette Fabian
Erin Brown Farney
Thomas James Groner
Jennifer Lynne Hall
Siwei Li Hartill
Brooke Allison Holliday
Farah Michelle Hollingsworth
Shivani Rutkumar Jani
Devon Privette Jefferson
Mark Edward Johnson
Allison Marie Klein
Olga Viktorovna Kourdova
Malia Jean Lattner
Cody Drew Lawson
Christian Rochelle LeBron
Isabell Katharina Maegebier
Krystal Semone Magazine
Thomas Joseph McNeish
Bela P. Naik
Jennifer Evans Phelps
Benjamin Neil Phillips
Carlton Barnes Price
Kelley Lyn Regele
Andrea Baldwin Ridgely
Mark Jeffrey Schiavone
Sarah Marie Shinn
Michael Brandon Strutchen
Dane Christopher Thomas
Emily Clerc Thompson
Ashley Louise Turnmire
Herman Brian Vandiford
Christian Ryan Ward
Zeno Sebastian Weidenthaler
Mark E. Welch
Candice Marie Woodruff
Li Xu
Teresa Athina Yurtkuran
Alan John Zambrano

June 30 is the certificate renewal deadline.

North Carolina State Board of
Certified Public Accountant Examiners
PO Box 12827
Raleigh NC 27605-2827

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Home Phone:	Home Fax:
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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. 07-2013

Failure to Renew By Deadline Will Result in Forfeiture

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

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

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

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

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

Is Your Internet Advertising in Compliance with Board Rules?

Any CPA or CPA firm that advertises services to the public on the Internet must comply with the Board's rules on advertising. For purposes of this discussion, Internet advertising includes, but is not limited to, business or personal websites, listings on websites such as CraigsList, and social media sites such as Twitter, LinkedIn, Facebook, and YouTube.

21 NCAC 08N .0306(e), *Advertising or Other Forms of Solicitation*, specifically addresses the Internet by stating: Any CPA or CPA firm offering to or performing professional services via the Internet shall include the following information on the Internet:

- CPA firm name as registered with the Board;
- Principal place of business;
- Business phone; and
- North Carolina certificate number and North Carolina as state of certification.

As with all other forms of advertising that a CPA or a CPA firm may choose to advertise professional services, Internet advertisements should contain meaningful information that is not misleading or deceptive to the public.

Qualitative or quantitative terms such as "expert," "specialist," "reasonable," or "affordable" should not be used. After all, what you consider reasonable or affordable may not be reasonable or affordable to someone else.

Although "Expert" can only be determined by the Court, a CPA or CPA firm may use terms such as "specializing in" or "specialist in" in advertisements.

A CPA or a CPA firm may advertise the nature of services provided to clients, but a CPA cannot advertise or indicate a designation or other title unless the CPA has met the requirements of the granting organization for each separate designation or title and he or she is in good standing with the granting organization for each designation or title.

The Board does not approve or authorize designations or separate titles, and the use of such designations is for public information purposes only.

The CPA title is a credential, not a designation. Examples of designations or titles include, but are not limited to, membership in organizations such as the AICPA, NCACPA, or other profes-

Advertising
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Disciplinary Actions

Robert S. Greisman, #28052
Chicago, IL 06/20/2013

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. Robert S. Greisman (hereinafter "Respondent") was the holder of North Carolina certificate number 28052 as a Certified Public Accountant from 2000 through 2006. Respondent's North Carolina certificate is currently forfeited based on his failure to renew.

2. Respondent was indicted by the United States Department of Justice and pled guilty to criminal charges related to tax shelters sold by BDO USA, LLP, previously BDO Seidman, LLP ("BDO").

3. The charges alleged conspiracy to defraud the Internal Revenue Service ("IRS") and tax evasion, and were based on actions taken by Respondent from 1999 through 2003. During most of this time period, Respondent held an active North Carolina certificate even though he worked out of BDO's Chicago office.

4. As a result of the criminal convictions, Respondent's law license in the State of Illinois was revoked.

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 conviction on counts of (1) conspiracy to defraud the IRS; and (2) tax evasion constitute violations of 21 NCAC 08N .0201, 0203, and .0207.

3. Respondent's disbarment by the Supreme Court of Illinois constitutes a violation of 21 NCAC 08N .0204.

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. Respondent voluntarily surrenders his North Carolina CPA certificate without the ability to apply for reissuance, reinstatement, or modification of discipline. As such, Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State whether through CPA mobility provisions or substantial equivalency practice privileges or in any other manner.

2. Respondent waives any rights, privileges, or protections that may be afforded by 21 NCAC 08J .0106, 08I .0104, or N.C. Gen. Stat. §93-10.

Richard S. Saiff, #27065
Morrisville, NC 03/20/2013

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 Findings:

1. Respondent is the holder of North Carolina certificate number 27065 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that between January 1, 2011, and December 31, 2011, he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2010 CPE requirements.

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

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2011 CPE requirements.

5. Respondent failed to provide the certificate or certificates of completion needed to document completion of any of the CPE that Respondent claimed he earned between January 1, 2011, and December 31, 2011, as was reported on his Renewal. Respondent contends that the computer on which he maintained his CPE records stopped working in September 2012, and he has been unable to recover the records relating to his 2011 CPE.

6. Respondent was previously disciplined for his failure to complete CPE requirements for 1999 and 2000.

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 herein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

3. Per N.C. Gen. Stat. §93-12(9) 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(15).

2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.

3. Respondent may not apply for the reissuance of his certificate for at least one (1) year from the date the Board approves this Consent Order 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 in the twelve (12) months preceding the application including an (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.

John F. Snyder, #9905
Greensboro, NC 03/20/2013

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. John F. Snyder (hereinafter "Respondent") is the holder of North Carolina certificate number 9905 as a Certified Public Accountant.

2. Respondent was engaged by a client to prepare the client's personal tax returns.

3. The client filed a complaint with the Board against Respondent.

4. Upon receipt of the complaint, the Board issued letters of inquiry to Respondent. The first letter was issued via regular mail. Respondent did not respond. The second letter was sent via certified mail. Respondent received that mailing but failed to respond within the 21-day deadline set forth at 21 NCAC 08N .0206.

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 actions as set out above constitute violations of 21 NCAC 08N .0206.

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.

Orders
continued on page 4

AICPA Opposes Contingent Fee Tax Auditors

State and local jurisdictions have supplemented their audit activities by engaging independent third-party tax auditors. In some cases, the third-party auditors are paid via contingent fee arrangements.

The AICPA is opposed to states using contingent fee auditors and has developed an AICPA Position Paper on State and Local Tax Contingent Fee Auditors (**www.aicpa.org/advocacy/tax/statelocal/Pages/default.aspx**).

Arizona and North Carolina enacted provisions in 2011 and 2012, respectively, and Michigan considered the issue in 2012.

2013 CPA Day of Service

Mark your calendar for the second annual NC CPA Day of Service to be held Friday, September 20, 2013.

Organized by the NCACPA, the CPA Day of Service is a day for NCACPA members, CPAs, and others associated with the CPA profession to volunteer in their communities and show how the CPA profession makes a difference in North Carolina.

Visit the NCACPA's Day of Service page, **www.ncacpa.org/Service**, for more information.

Orders *continued from page 3*

Sandy Dobson, CPA
Murphy, NC 04/23/2013

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 Sandy Dobson, CPA (hereinafter "Respondent firm"), is a registered certified public accounting firm in North Carolina.

2. Respondent firm received a "fail" on its most recent system peer review, with an acceptance letter date of August 29, 2011.

3. The failed system peer review noted a material departure from Generally Accepted Auditing Standards ("GAAS") by Respondent firm.

4. 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.

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

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. Respondent firm's failure to comply with GAAS is a violation of 21 NCAC 08N .0403 and .0212.

3. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

2. Since Respondent firm is under a pre-issuance review requirement by the AICPA Peer Review Committee, Respondent firm shall submit to the Board a copy of the pre-issuance reviewer's report.

3. Each of Respondent firm's professional staff participating in engagements subject to peer review shall take a minimum of sixteen (16) hours of group study Accounting and Auditing CPE coursework as part of their annual CPE requirements until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

4. Respondent firm shall provide the Board with copies of the Peer Review Report, Letter of Response, and Final Letter of Acceptance for Respondent firm's December 31, 2013, peer review.

David L. French, CPA, P.A.
Valdese, NC 04/23/2013

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 David L. French, CPA, P.A. (hereinafter "Respondent firm"), is a registered certified public accounting professional corporation in North Carolina.

2. Respondent firm received a "fail" on its most recent system peer review, with an acceptance letter date of July 29, 2010.

3. The failed system peer review noted a material departure from Generally Accepted Auditing Standards ("GAAS") by Respondent firm.

4. 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.

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

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. Respondent firm's failure to comply with GAAS is a violation of 21 NCAC 08N .0403 and .0212.

3. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

2. Respondent firm shall provide a written statement to the Board that it will no longer be participating in, performing, or reviewing any engagements subject to peer review.

3. Prior to Respondent firm participating in, performing, or reviewing any engagements subject to peer review, Respondent firm shall be required to complete the following:

a. Prior to entering into any engagements subject to peer review, Respondent firm shall provide notification to the Board of Respondent firm's intention to enter into engagements subject to peer review;

b. Each of Respondent firm's professional staff participating in SSARS engagements shall take a minimum of eight (8) hours of group study SSARS CPE coursework as part of their annual CPE requirements until such time as

Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review;

c. Each of Respondent firm's professional staff participating in any audit engagements shall take a minimum of eight (8) hours of group study Audit Update CPE coursework as part of their annual CPE requirements until such time as Respondent firm receives a pass on a system peer review; and

d. Pre-issuance reviews, to be performed by a pre-issuance reviewer approved by the Board, for all peer review engagements until determination is made by the Board that said engagements can be performed by Respondent firm in accordance with applicable standards.

Daryl D. Mennen, #31734
Oak Ridge, NC 04/23/2013

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 Findings:

1. Respondent is the holder of North Carolina certificate number 31734 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet his 2011 CPE requirements.

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

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2011requirements.

5. Respondent provided the CPE certificates of completion to the Board as requested. Respondent was unable to provide the certificate or certificates of completion needed to document completion of two (2) hours of an annual ethics CPE course that Respondent claimed he earned between January 1, 2011, and December 31, 2011, as reported on his Renewal. Respondent was otherwise able to provide certificates of completion to show compliance with the 40-hour annual requirement for 2011.

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

BASED UPON THE FOREGOING, 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 herein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

3. Per N.C. Gen. Stat. §93-12(9) 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(15).

2. Respondent must return his certificate to the Board within fifteen (15)

Mennen
continued on page 6

NC Licensees by Residency

(Active Licensees as of 06/03/13)

AK	8
AL	44
AR	12
AZ	24
CA	132
CO	41
CT	43
DC	46
DE	12
FL	336
GA	443
HI	1
IA	8
ID	1
IL	56
IN	27
KS	17
KY	16
LA	15
MA	46
MD	114
ME	7
MI	24
MN	7
MO	13
MS	16
MT	6
NC	16,016
ND	1
NE	8
NH	12
NJ	99
NM	3
NV	11
NY	130
OH	66
OK	9
OR	10
PA	108
RI	4
SC	645
SD	1
TN	123
TX	162
UT	6
VA	422
VT	6
WA	24
WI	22
WV	22
WY	3
Other	48
TOTAL	**19,476**

Mennen *continued from page 5*

days of Respondent's receipt of the Board's notification of its approval of this Consent Order.

3. Respondent may not apply for the reissuance of his certificate for at least one (1) year from the date the Board approves this Consent Order 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. 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 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.

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Moved or Changed Jobs?

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

Licensees and firms may make address changes using the link on the Board's website, **www.nccpaboard.gov**. Exam candidates may email address changes to **addresschange@nccpaboard.gov**; fax address changes to (919) 733-4209; or mail address changes to PO Box 12827, Raleigh, NC 27605.

Board Calendar

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 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

Advertising *continued from front*

sional organization; designations such as PFS issued by a professional organization; and education-related information such as MBA or MSA.

Although the Board allows a CPA firm, on its website or Internet-based advertisements, to provide a description of a CPA's position within the firm or his or her professional experience, the Board limits the information that can be provided for unlicensed staff.

In a 2001 Declaratory Ruling, the Board concluded that unlicensed staff, if listed on the firm's website, must be listed in a separate section from the licensed staff.

In addition, that section must be clearly titled in such a way that the public will not be misled into believing that those staff members are licensed by this Board or otherwise authorized to render professional services without the supervision of an individual licensed by the Board in accordance with the North Carolina General Statutes and North Carolina Administrative Code.

In regard to an unlicensed staff member, the Board ruled that on the firm's website, a firm can only include the unlicensed staff member's name, his or her position title, the firm's business address, and the staff member's telephone number, fax number, and email address. Résumé-type information for an unlicensed staff member cannot be included.

As an Internet-based business environment becomes more prevalent, it is important to remember that the profession and the public are best served when CPA firms and individual CPAs take the appropriate steps to ensure that the public is not deceived or misled by a CPA's advertising, whether it is Internet-based or not.

If you have questions regarding the use of the Internet as an advertising tool, please contact Frank X. Trainor, III, the Board's Staff Attorney, by email at **ftrainor@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)].

02/01/13

Susie Elizabeth Sheffield, #11588, Blowing Rock, NC

Michael Simmons Steele, #33894, Stokesdale, NC

02/05/13

Stephen Timothy Byrd, #13679, Raleigh, NC

02/07/13

Megan Elizabeth Pippin, #34600, Charlotte, NC

02/12/13

Leon David Davis, Jr., #21440, Newton, NC

Sonja Arlene Thomas, #34057, Kings Mountain, NC

02/19/13

James Edward Carter, #3171, Winston-Salem, NC

02/20/13

Kristine A. Shaw, #26455, Waxhaw, NC

02/27/13

Claudie Andrew Armstrong, Jr., #8992, McLeansville, NC

Margaret Stevens Mauney, #10848, Winston-Salem, NC

03/04/13

Yikui Deng, #36387, Durham, NC

Bobby Brantley Matthews, #21078, Wade, NC

03/06/13

Jun Han Lee, #31502, High Point, NC

03/14/13

Thomas Asa Collins, Jr., #12304, Raleigh, NC

Charles Leigh Melman, #15824, Charlotte, NC

03/15/13

Michelle Nicole Beracha, #36437, Laramie, WY

03/28/13

Janette Louise Brown, #29665, Raleigh, NC

Suzanne High, #23184, Charlotte, NC

04/02/13

Kelly Kathleen Gerber, #34275, Kendallville, IN

Karen Sue Graeber, #327128, Cumming, GA

Samuel G. Holtzclaw, #21684, Spartanburg, SC

04/03/13

R. Steven Anderson, #29350, Orlando, FL

Jonathan Adoneran Hill, Jr., #18416, Matthews, NC

Daryl Daniel Mennen, #31734, Oak Ridge, NC

Diana Lyn Page, #33790, Washington, DC

John Wesley Walker, #19546, Charlotte, NC

04/04/13

Nicole Davol Rhoads, #36593, Chapel Hill, NC

Victor Taube, #13576, Scottsdale, AZ

04/08/13

Roger Keith Poplin, #10067, Greensboro, NC

James N. Witherington, #23087, Winston-Salem, NC

04/09/13

Amanda B. Crowell, #17278, Germantown, TN

Richard Earl Wallace, #4167, Gastonia, NC

04/11/13

Amber R.E.A. Ahrens, #31038, Atlanta, GA

04/15/13

Joe Perry Calderwood, #35237, Weaverville, NC

Robert Kenneth Updegrave, Jr., #27070, Raleigh, NC

04/16/13

Richard Grey Liston, #34819, Portland, OR

04/25/13

Ken Alderman, #8986, Lake Worth, FL

Ivan Ellenwood Price, Jr., #7551, Lewisville, NC

04/26/13

Moire McCabe DiMartini, #17955, Brick, NJ

Beverley Dianne Hooks, #24160, Davidson, NC

Susan K. Lightweis, #32455, Raleigh, NC

Kenneth Wayne Marshall, #3511, Asheville, NC

Paul Christopher Schmidt, #27748, Matthews, NC

04/29/13

Elizabeth Ailshie Feit, #29276, Charlotte, NC

Gayle Levinson, #29865, Raleigh, NC

Lynn Edwin Smith, #11791, Newland, NC

05/01/13

Emile William Artus, III, #15735, Fountain Inn, SC

Terry Rodney Bowman, #9725, King, NC

George Drosehn, Jr., #14441, Newark, DE

Dena Michelle Thomason, #21287, Chapel Hill, NC

05/03/13

Stephen Francis Cole, #9948, Concord, NC

Kathryn Anne Nelson, #13739, Clemmons, NC

05/06/13

Andrew J. Kane, #34270, Greensboro, NC

Teresa Elizabeth Totillo, #27217, Hickory, NC

05/08/13

Mark Jensen, #15190, Charlotte, NC

Rebecca Jane McLelland, #28583, Graham, NC

Anne C. Seitz, #19783, Granite Falls, 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. 08-2013

Top 10 CPA Exam Process Errors

The following information is from the May 21, 2013, blog post, "Top 10 CPA Exam Process Errors," written by Penny Vernon, the Manager of NASBA's Candidate Care Department. Reprinted with permission.

With over 15 years experience working at NASBA, 10 of which have been spent in Candidate Care, I've helped thousands of Exam candidates work through every kind of mistake and error while navigating through the CPA Exam process. The following is a list of the top 10 errors I see candidates make throughout the CPA Exam process.

Exiting Out of the Exam Prematurely

Candidates sometimes make the mistake of accidentally exiting out of a testlet before answering all of the questions and continuing the navigations that close the testlet. When this happens, the Exam cannot be restarted to restore the skipped testlet and the candidate is required to apply and pay for a new Notice to Schedule (NTS) to retake the section in a future testing window, as he or she has already had exposure to test questions.

When a candidate hits the "Exit" button in the middle of a testlet before attempting to answer all test questions, he or she receives a dialogue message that states, "You have not answered all questions in this testlet. Are you sure you want to leave this testlet?"

If the candidate responds "yes," he or she is then presented with the Review Screen which has instructions on how to return to the testlet. If the candidate exited the testlet in error, he or she should select the "Review Testlet" button from the Review Screen to return to the testlet.

In the sample test, as well as in the Exam itself, candidates are instructed to use the navigation bar at the bottom of the screen to move from question to question within a testlet--on both multiple choice questions (MCQ) and task-based simulations (TBS). This is the best way to avoid accidentally exiting a testlet.

Rescheduling Appointments

Candidates frequently report to Candidate Care that they rescheduled an appointment on Prometric's website, got to the testing center, and found that they were not on the roster and not permitted to test.

Every candidate who reschedules an appointment with Prometric is automatically emailed a confirmation. It is important to read and verify the information on the confirmation. If it is not accurate, contact Prometric immediately. Usually, when a candidate goes to the testing center and finds that his or her name is not on the roster, it is due to an error made by the candidate in the rescheduling process.

NOTE: The appointment reschedule does not take effect until after the candidate gets to the "Reschedule Appointment: Appointment Complete" screen. It is at this point that the candidate receives the confirmation email. Most candidates who make rescheduling mistakes stop when they reach the "Appointment Verification" screen--a screen that allows candidates to review the changes they have made before choosing to confirm the change.

Timing Out in Introductory Screens

Candidates are cautioned on the NTS, in the CPA Exam *Candidate Bulletin,* and in the Exam itself that they are required to move quickly through the introductory screens after entering the launch code because the Exam will time out and cannot be restarted. If the Exam terminates, the candidate will be required to apply and pay to receive a new NTS in order to take the section.

Once the launch code has been entered, the candidate has 10 minutes to complete the three introductory screens before the Exam terminates. During this phase of the Exam, the screens do not display the time, and candidates sometimes make the mistake of using these 10 minutes for other purposes and lose track of how much time has elapsed. Remember, candidates are

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Disciplinary Actions

Melanie M. Starr, #16157
Hickory, NC 04/23/2013

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

1. Melanie M. Starr (hereinafter "Respondent") is the holder of North Carolina certificate number 16157 as a Certified Public Accountant.

2. Respondent was engaged by a client to prepare a final and a fiduciary tax return for the client's deceased mother.

3. The client filed a complaint with this Board against Respondent making numerous allegations, including an allegation that copies of the returns were not provided to the client.

4. The Board determined that Respondent did in fact provide a copy of the returns to the client. However, a subsequent request from the client's attorney to Respondent went unanswered. As such, Respondent did not timely provide the client with the requested information.

5. Per 21 NCAC 08N .0305(g), CPAs in this State must provide clients with additional copies of their records, even though they may have already provided a previous copy. The CPA may charge a reasonable fee for those copies.

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 action as set out above constitutes a violation of 21 NCAC 08N .0305(a).

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.

Brown Jenkins & Oneyear, P.A.
Winston-Salem, NC 05/23/2013

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 Brown Jenkins & Oneyear, P.A. (hereinafter "Respondent firm") is a registered certified public accounting professional corporation in North Carolina.

2. Respondent firm received a "fail" on its system peer review, having an acceptance letter date of March 2, 2011.

3. The failed system peer review noted a material departure from Generally Accepted Auditing Standards ("GAAS") by Respondent firm.

4. Subsequently, Respondent firm received a "pass" on its system peer review, having an acceptance letter date of December 17, 2012.

5. 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.

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

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. Respondent firm's failure to comply with GAAS is a violation of 21 NCAC 08N .0403 and .0212.

3. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed September 2, 2013, in observance of Labor Day

2013 Board Meetings

September 23
October 21
November 18
December 16

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.

Mark R. Lemmond CPA, PLLC
Carthage, NC 05/23/2013

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 Mark R. Lemmond CPA, PLLC (hereinafter "Respondent firm") is a registered certified public accounting professional limited liability company in North Carolina.

2. Respondent firm received a "fail" on its 2008 engagement peer review.

3. The failed engagement peer review noted a material departure from Statements on Standards for Accounting and Review Services ("SSARS") by Respondent firm.

4. Per 21 NCAC 08M .0106, for all failed and second passed with deficiencies reports, Respondent firm was required to submit to the Board, within sixty (60) days of acceptance, a package to include the Peer Review Report, Letter of Response, and Final Letter of Acceptance.

5. However, Respondent firm did not provide the Board with all of the required documents within the prescribed timeframe.

6. Respondent firm received a "fail" on its most recent engagement peer review, with an acceptance letter date of December 21, 2011.

7. The failed engagement peer review noted a material departure from Statements on Standards for Accounting and Review Services ("SSARS") by Respondent firm.

8. This failed peer review is the second consecutive failed peer review for Respondent firm.

9. 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.

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

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. Respondent firm's failure to comply with SSARS, as noted in two (2) consecutive failed peer reviews, is a violation of 21 NCAC 08N .0404 and .0212.

3. Respondent firm's failure to submit to the Board, within sixty (60) days of acceptance, copies of its 2008 Peer Review Report, Letter of Response, and Final Letter of Acceptance constitutes a violation of 21 NCAC 08M .0106 and 08N .0213.

4. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

2. Respondent firm shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted with this signed Consent Order.

3. Respondent firm's professional staff participating in engagements subject to peer review shall take at least sixteen (16) hours of group study Accounting and Auditing CPE coursework as part of their annual CPE requirement until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

4. Respondent firm shall provide the Board with copies of the Peer Review Report, Letter of Response, and Final Letter of Acceptance for Respondent firm's next peer review.

Name Not Published

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. §50B-41, the Board and Respondent stipulate to the following:

1. Respondent (hereinafter "Respondent Firm") is a registered certified public accounting partnership in North Carolina.

2. Respondent Firm received a "fail" on its most recent engagement peer review, with an acceptance letter date of December 21, 2011.

3. The failed engagement peer review noted a material departure from Statements on Standards for Accounting and Review Services ("SSARS") by Respondent firm.

4. 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.

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

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. Respondent Firm's failure to comply with SSARS is a violation of 21 NCAC 08N .0404 and .0212.

3. By virtue of Respondent Firm's consent to this order, Respondent firm is subject to the discipline set forth below.

Order

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Order *continued from page 3*

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

1. Respondent Firm shall receive an unpublished reprimand.

2. Respondent Firm's professional staff participating in engagements subject to peer review shall take at least eight (8) hours of group study "Accounting and Auditing" CPE coursework as part of their annual CPE requirement until such time as Respondent Firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

3. Respondent Firm shall provide the Board with copies of the Peer Review Report, Letter of Response, and Final Letter of Acceptance for Respondent Firm's next peer review.

Name Not Published

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 (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina.

2. Respondent Firm received a "fail" on its most recent engagement peer review, with an acceptance letter date of August 22, 2011.

3. The failed engagement peer review noted a material departure from Statements on Standards for Accounting and Review Services ("SSARS") and Statements on Standards for Attestation Engagements ("SSAE") by Respondent firm.

4. 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.

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Certificates Issued

At its June 20, 2013, and July 22, 2013, meetings, the Board approved the following applicants for licensure as North Carolina CPAs:

Patrick Drew Adams
Mitchell Allan Anderson
Erica Asarisi
Sophie Ridings Avent
Michael Brian Biglin
Stephen Michael Bogdon
Vicky Hailey Bridges
Colin Robert Broom
Frederick Loel Brye, Jr.
Justin Henry Buckner
Thomas Lee Burns, Jr.
Kimberly Lynn Byrd
Katherine Manning Byrne
Peter Bosche Carrasquillo
Paul Everette Carson
Leslie Anne Chandler
Brandi Nicole Christina
Angelos Christoforou
Susan Renee Collins-Roberts
Maria Victoria Colon
Rebecca Jill Kirkley Connor
Stephen Phillip Crandall
Greig Scott Davis
Leslie Blackwell Donathan
Michael Thomas Drury
Alexandra Ecke
Arthur Gordon Eisenstadt
Charles Allen Elliott
Justina Kate Ellis
Ashley Hollis Epps
Lauren Elizabeth Factor
Elizabeth Smith Greenstock
Laura Jayne Gualdoni
Gregory Blake Hassell
Jennifer Lynn Hausch
Laura Mangold Hester
Hanwen Hsu
William Reece Huneycutt
Kyle Justin Hunter
Marina Zavadskaya Hunter
Rachel Bozard Hutson
Katherine Allison Hyde
Christina Kay Jackson
Margaret Ruth James
Brandon Lee Jessup
Crystal Slate Johnson
Mallory Blake Jones
Richard Arlon Jones, II
Kellie Crook Kanipe
Kerri Steven Keller
Zeeshan M. Khaliq
Kondwani Khonje
Erica Jean Klostermeier
Shawn Eric Levesque
Michael Levy
Fred G. Lewis, III
Kiri Gabrielle Longa
Richard Allen Magrath
Amelia Catherine Martin
Robert Edward Mayhew
Erin Lynn McAllister
Thomas Kirk Medlin
Brian Andrew Miller
Ryan Don Miller
Patrick Stephen Mills
Olivia Akua Mintah
Matthew Bryan Morgan
Jennifer Moths-Fishkin
Michael Adam Neely
Ashley Elizabeth Nystrom
Michael Walter Palmer
Emily Elizabeth Ritchie
Charles Wesley Rogers
Laurie Port Rogers
Kathryn Garrett Shaffner
Anthony M. Sharper, Sr.
Ashlie Pentheal Shepard
John Elliott Shields
Douglas Robert Smith
Michelle Christina Smith
Peter John Sobotka
Barbara Jean Sonnenschein
Glen Joseph Spiniello
David Lee Srulevitch
Kyle Thomas Stamp
Kim Omura Standen
John Anthony Sterbling
Han Sun
Cory Michael Sunderland
Bryan Austin Thompson
Andrew Michael Tilley
Susan Shirley Triana
Shavon Cassandra Tucker
Adrienne Jicha Kralick Walker
Zhenhua Wang
Lilia Rudnitsky Warren
Fenge Zhang

Exam *continued from front*

not permitted to wear watches in the testing center.

Notifying NASBA

As stated in the *Candidate Bulletin*, as well as on the Confirmation of Attendance that each candidate receives following the completion of an Exam section, any difficulties experienced during testing should be reported to NASBA's Candidate Care Department at **candidatecare@nasba.org** within five business days of taking the Exam.

Leaving a comment in the survey and/or notifying the staff at the testing center does not replace the need to file an official complaint with the Candidate Care Department within five days. While all emails received by NASBA are personally responded to regardless of when they are sent, only those received within five days after testing are given consideration for further investigation.

Taking the Wrong NTS to the Testing Center

Candidates who take a section more than once usually keep all of their NTSs. It is not uncommon for a candidate to take a previously used NTS to the testing center, which will result in the candidate's inability to take the Exam and a forfeiture of fees. Candidates should check the date on the NTS to ensure that it is current before heading to the testing center.

Arriving Late

If a candidate arrives late for the scheduled appointment time, Prometric is under no obligation to let that candidate test. Accommodations cannot be made for those who arrive late for many reasons, including interference with starting times for the appointments of candidates scheduled to follow the late arrival.

Going to the Wrong Testing Center

Candidates need to be familiar with the location of the testing center before setting out to take the Exam. They should be wary of relying on GPS navigation, and if possible, visit the location prior to testing to ascertain the length of time it takes to get there – including the possibility of traffic issues. If a candidate goes to the wrong testing center, he or she will be turned away and will be required to apply and pay for a new NTS in order to take that section in the next testing window.

A resource that will help a candidate prepare for test day (in addition to ensuring that he or she makes it to the correct testing center) is the "Test Drive" program offered by Prometric. This program allows candidates the opportunity to become familiar with what to expect on test day by letting candidates walk through, on a practice basis, all check-in and testing procedures that occur at the testing center on test day.

Waiting to Schedule an Appointment

Candidates are advised in the *Candidate Bulletin* to schedule an appointment 45 days before they plan to take the Exam to ensure that they will get the date and time they wish. Waiting until a couple of weeks before the desired time increases the risk of not finding an available seat, particularly toward the end of a testing window when the volume of candidates testing is the highest.

Forgetting to take the NTS to the Testing Center

As advised on the NTS, as well as in the *Candidate Bulletin*, no candidate will be permitted to test without the NTS (which contains the individual launch code). Some candidates make the mistake of taking the Prometric confirmation email instead which will not be accepted in lieu of the NTS.

Reporting Issues at the Testing Center

Candidates need to report any difficulties they encounter during testing immediately to the staff at the testing center and should not wait until after they have completed the Exam.

The staff may be able to resolve the issue and will also send a report of the incident to NASBA confirming that the difficulty was observed by testing center staff.

Candidates are encouraged to consult the *Candidate Bulletin*, the tutorial and sample tests available on the AICPA's website (**www.aicpa.org**), and Prometric's video about what to expect on test day (**www.YouTube.com/PrometricWorldwide**).

NC Licensees by Occupation
(as of June 2013)

Public Practice		
CPA Firm Staff	3,650	18.74%
Individual Practitioner	1,457	7.48%
CPA Firm Partner	1,265	6.5%
PC Shareholder	937	4.81%
PLLC Member	375	1.93%
Subtotal	**7,684**	**39.46%**
Non-Public Practice		
Industry (in accounting)	7,712	39.60%
Industry (non-accounting)	1,253	6.43%
Government (in accounting)	1,077	5.53%
Other	772	3.96%
Educators	295	1.51%
Legal Field	209	1.07%
Government (non-accounting)	90	.46%
Student	39	.20%
Subtotal	**11,447**	**58.76%**
Unemployed	344	1.78%
TOTAL	**19,475**	**100%**

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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.

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

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. Respondent Firm's failure to comply with SSARS and SSAE is a violation of 21 NCAC 08N .0404, .0406, and .0212.

3. By virtue of Respondent Firm's consent to this order, Respondent Firm is subject to the discipline set forth below.

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

1. Respondent Firm shall receive an unpublished reprimand.

2. Respondent Firm shall provide a written statement to the Board that it will no longer be participating in, performing, or reviewing any engagements subject to peer review.

3. Prior to entering into any engagements subject to peer review, Respondent Firm shall provide notification to the Board of Respondent Firm's intention to enter into engagement subject to peer review.

4. Prior to Respondent Firm participating in, performing, or reviewing any engagements subject to peer review, each of Respondent Firm's professional staff participating in engagements subject to peer review shall take at least eight (8) hours of group study "Accounting and Auditing" CPE coursework as part of their annual CPE requirement until such time as Respondent Firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

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2013 CPA Day of Service

Have you registered for the 2013 CPA Day of Service? Visit **www.ncacpa.org/Service**, for more information.

Reclassifications

At its July 22, 2013, meeting, the Board approved the following applicants for reclassification:

Reinstatements

Robin Barbara Beck, #20680	Charlotte, NC
Justin Simon Bregman, #35480	Charlotte, NC
Timothy Lee Kennedy, #12877	Cary, NC
Tonya Burnette Kilgore, #28123	Henderson, NC
Daniel Ryan Monroe, #33266	Concord, NC
Teresa Leigh Pearce, #32050	Moody, AL
Matthew Scott Perry, #3367	Ellicott City, MD
Russell Jeffrey Petty, #24255	Gibsonville, NC
Eric Eugene Setzer, #25264	Raleigh, NC
Andrew Lamont Timberlake, #25387	Flower Mound, TX
Alexander Fuentes Tiset, #35544	Miami, FL
Samantha Maria Zigmont, #35018	Charlotte, NC

Reissuance

Jeffrey Michael Manning, #33724	Winston-Salem, NC
Deepa Reddy, #34068	Harrisburg, NC
Tarryn Kate Gurney Trombley, #36586	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)].

Francis J. Arkfeld, #31208	Greensboro, NC
David K. Barger, #21661	Greensboro, NC
Braxton Glasgow, III, #10171	Richmond, VA
Dwight Lee Hedrick, Jr., #3666	Lexington, NC
Sherman Harold Layell, #11735	Mt. Airy, NC
James B. Lurie, #26542	New Philadelphia, OH
Barbara McKinney, #13094	College Grove, TN
Gary Wayne Morgan, #20642	Manson, NC
James Barry Sargeant, #26968	Winterville, NC
Charles David Smith, #4126	Laurinburg, NC
William Roger Stroud, #13084	Huntersville, NC
James Thyer, #12253	Charlotte, NC
Jerry Lynn Williams, #3297	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)].

05/09/2013

Thomas Burke Craver, Jr., #19827, Winston-Salem, NC
Ann Hartsock McEwen, #12750, Raleigh, NC

05/10/2013

Lauren M. Adamov, #34496, Raleigh, NC
Ray Lester Clinebelle, Jr., #9228, Raleigh, NC
Lafmin Cleofus Morgan, #18234, Durham, NC

05/13/2013

Lisa DeBrine Baker, #19036, Raleigh, NC
Daniel Lee Goldberger, #31721, Owings Mills, MD
Robert Earl Guinn, #3965, Charlotte, NC
J. Gray Lambe, Jr., #35455, Chester Springs, PA
William Cannon Stevenson, #22541, Columbia, SC

05/14/2013

Marcus Ray Bufford, #37324, Baton Rouge, LA
Jennifer C. Caldwell, #34857, Black Mountain, NC
Mary Jon Hinz, #35620, Monona, WI
Robert Leslie Johnson, #4335, Bluffton, SC
Vera Elizabeth Watson, #28736, Charlotte, NC

05/15/2013

Ralph Bernard Barnes, Jr., #25546, Chapel Hill, NC
Thomas Earl Guthrie, #12529, Athens, GA
Ruth Dean Hartung, #23926, New Smyrna Beach, FL
Jason Michael Puchir, #30523, Johns Island, SC
Ray Scott Schmalfeldt, #14459, Winston-Salem, NC

05/17/2013

James Dickson, Jr., #14566, Matthews, NC

05/20/2013

Christopher Cannon Scholten, #33696, Cooper City, FL

05/21/2013

Ronald Arthur Jordan, #31728, Winston-Salem, NC

05/22/2013

Benny Joseph Buras, Jr., #34719, Charlotte, NC
Sonya Renee Evans, #35868, Houston, TX
Jana Kathleen Parks, #17460, Bessemer City, NC
Timothy Adair Smith, #33632, Charlotte, NC

05/24/2013

Juan C. Espina-Arroyo, #31835, Charlotte, NC
Jack Delano Grooms, #2421, Charlotte, NC

06/03/2013

Francis Joseph Costerisan, Jr., #5124, Hendersonville, NC
Brenda Clinard Daniel, #13051, Kernersville, NC
Natalie Evans Dean, #24522, Pinehurst, NC
Scott DuBois, #35541, Winston-Salem, NC
Diana L. Jansen, #35711, Spartanburg, SC
Barbara A. Marshall, #23785, Garner, NC

06/03/2013

Michael Timm Phillips, #24630, Asheville, NC
James Edward Pugh, Jr., #7172, Charlotte, NC
Joseph McDonald Sanders, IV, #14019, San Antonio ,TX
Michael James Schierbeek, #15119, Moncure, NC
Larry Donald Snipes, #8468, Dunn, NC
Robin Earl Taylor, #28065, Birmingham, AL
Timothy Lyn Theesfeld, #13300, Matthews, NC

06/05/2013

Mark Edwin Good, #22386, Clemmons, NC
Marianne Iavarone, #23621, Knightdale, NC
Robert Barry Kirby, #36017, Graniteville, SC
Dion N. Ramsaran, #31138, Painted Post, NY

06/07/2013

Robert Mark Bullen, #32436, Owings Mills, MD
Lloyd Frederick Christianson, #18096, Rocky Mount, NC
William C. Justice, Jr., #4336, Bermuda Run, NC
Jason Thomas Moore, #27902, New York, NY

06/10/2013

James Arthur Bass, Jr., #13033, Raleigh, NC
Leah Kimbrell Bergmark, #33973, Houston, TX
Linda Slaydon Cary, #30920, Greensboro, NC
Kent Joseph Francois, #22905, Vienna, VA
Mark M. Gutman, #26447, Battle Ground, WA
Joseph Keyes, #14052, Black Mountain, NC
Carrie Elizabeth Macdonald, #27206, Houston, TX
Malcolm Flemming Mitchell, #2331, Charlotte, NC
Douglas Alan Paddock, #31295, Tallahassee, FL
Christopher Lyn Ronk, #37181, Lowell, AR
Todd Wayne Strange, #14621, Kelton, PA
Christopher James Vallez, #26784, Key Largo, FL

06/12/2013

Brian Daniel Albert, #37109, Raleigh, NC
Susan Elizabeth Monks, #31599, Glen Allen, VA
Charles Gordon Nelms, #16951, Asheville, NC
Teresa Anne Ruffner, #19639, Houston, TX
Baron Timothy Russell, #8798, Bethel, NC

06/13/2013

Alison Burr Aldrich, #31158, Charlotte, NC
Karen D. Dial, #27082, Lexington, SC
Willie F. Dial, Jr., #27083, Lexington, SC
James Buckner Wyatt, #9277, Wilson, NC

06/14/2013

Diann Barbacci, #16697, Kernersville, NC
Constance Gilbert Bunn, #15940, Grifton, NC
Kara S. Kessinger, #20853, Drexel Hill, PA
Keith David Ross, #18120, Greensboro, NC
Justin Allen Sigmon, #36785, Harrisburg, NC

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North Carolina State Board of
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Notice of Address Change

Please Print Legibly

Full Name:	
Certificate No.:	Last 4 Digits of SSN:
Home Address:	
City/State/Zip:	
Home Phone:	Home Fax:
Home Email:	
Firm/Business Name:	
Business Address:	
City/State/Zip:	
Business Phone:	Business Fax:
Business Email:	
Signature:	
Date:	Send mail to: ☐ Home ☐ Business

Mail form to: PO Box 12827, Raleigh, NC 27605
Fax form to: (919) 733-4209

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

Activity Review

North Carolina State Board of Certified Public Accountant Examiners

1101 Oberlin Rd., Ste. 104 • PO Box 12827 • Raleigh, NC 27605 • 919-733-4222 • www.nccpaboard.gov • No. 09-2013

Rule-Making Hearing Scheduled for October 21, 2013

On October 21, 2013, the North Carolina State Board of CPA Examiners will conduct a rule-making hearing to consider amendments to the following rules:

- 21 NCAC 08A .0301, *Definitions*;
- 21 NCAC 08F .0103, *Filing of Examination Applications and Fees*;
- 21 NCAC 08F .0502, *Application for CPA Certificate*;
- 21 NCAC 08G .0401, *CPE Requirements for CPAs*;
- 21 NCAC 08G .0403, *Qualification of CPE Sponsors*;
- 21 NCAC 08G .0409, *Computation of CPE Credits*;
- 21 NCAC 08G .0410, *Professional Ethics and Conduct CPE*;
- 21 NCAC 08I .0104, *Modification of Discipline and New Certificate*;
- 21 NCAC 08J .0105, *Retired and Inactive Status: Change of Status*;
- 21 NCAC 08J .0106, *Forfeiture of Certificate and Reissuance*;
- 21 NCAC 08J .0107, *Mailing Addresses of Certificate Holders and CPA Firms*;
- 21 NCAC 08M .0105, *Peer Review Requirements*;
- 21 NCAC 08N .0202, *Deceptive Conduct Prohibited*;
- 21 NCAC 08N .0203, *Discreditable Conduct Prohibited*;
- 21 NCAC 08N .0208, *Reporting Convictions, Judgments, and Disciplinary Actions*; and
- 21 NCAC 08N .0302, *Forms of Practice*.

The hearing is scheduled to begin at 10:00 a.m. at the Board office located at 1101 Oberlin Road, Raleigh.

As stated in the Notice of Text filed with the Office of Administrative Hearings, the purpose of the rule-making is to amend rules affected by the deletion of retired status; amend language regarding information and restrictions on Exam and certificate applications; amend language for Certificates of Completion and language on computation of CPE credits; amend language registering Board CPE sponsors; amend language regarding the modification of discipline process; amend language for additional address information; amend date requirement for peer review; amend language for prohibited conduct; amend reporting requirement; and amend language for consistency.

No fiscal note is required regarding these proposed rules as there is no fiscal impact on any local, state, state budget, or federal funds.

No federal certification of these proposed rule changes is required as these rules are not mandated by any federal statutes or rules.

Please submit written comments regarding the proposed amendments by mail, fax, or email to:

Robert N. Brooks
PO Box 12827
Raleigh, NC 27605
Fax: 919-733-4209
Email: rbrooks@nccpaboard.gov

Written comments to be included in the October Board meeting package must be received by the Board no later than 5:00 p.m. on October 4, 2013. Written comments will be accepted until 5:00 p.m. on November 4, 2013.

All written comments must reference the specific rule(s) upon which the person or organization is commenting.

Individuals who plan to attend the rule-making hearing must contact Mr. Brooks by mail, fax, or email by 5:00 p.m. on October 4, 2013.

Any individual who plans to attend the hearing to present oral testimony on the proposed amendments must indicate which proposed amendment(s) he or she will address and if he or she is in favor or opposed to the amendment(s).

The full text of the proposed rules was published in the September 3, 2013 issue of the *North Carolina Register*, an official publication of the Rules Division of the North Carolina Office of Administrative Hearings (OAH).

The North Carolina Register is available from the OAH website, **www.oah.state.nc.us/rules/register.**

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The full text of the proposed rules is available as a PDF document on the Board's website, **www.nccpaboard.gov**.

Questions regarding the proposed amendments or the rule-making hearing should be sent to **rbrooks@nccpaboard.gov**.

21 NCAC 08A .0301, *Definitions*, is proposed to be amended as follows:

(1) "Active," when used to refer to the status of a person, describes a person who possesses a North Carolina certificate of qualification and who has not otherwise been granted ~~"Retired" or~~ "Inactive" status;

~~(32) "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;~~

~~(33)~~(32) "Revenue Department" means the North Carolina Department of Revenue;

~~(34)~~(33) "Review" means a professional service whereby a CPA is engaged to perform procedures, limited to analytical procedures and inquiries, to obtain a reasonable basis for expressing limited assurance on whether any material modifications should be made to the financial statements for them to be in conformity with generally accepted accounting principles or other comprehensive basis of accounting;

~~(35)~~(34) "Reviewer" means a member of a review team including the review team captain;

~~(36)~~(35) "Suspension" means a revocation for a specified period of time. A CPA may be reinstated after a specific period of time if the CPA has met all conditions imposed by the Board at the time of suspension;

~~(37)~~(36) "Trade name" means a name used to designate a business enterprise;

~~(38)~~(37) "Work papers" mean the CPA's records of the procedures applied, the tests performed, the information obtained, and the conclusions reached in attest services, tax, consulting, special report, or other engagement. Work papers include programs used to perform professional services, analyses, memoranda, letters of confirmation and representation, checklists, copies or abstracts of company documents, and schedules of commentaries prepared or obtained by the CPA. The forms include handwritten, typed, printed, word processed, photocopied, photographed, computerized data, or any other form of letters, words, pictures, sounds or symbols;

~~(39)~~(38) Work product" means the end result of the engagement for the client which may include a tax return, attest or assurance report, consulting report, and financial plan. The forms include handwritten, typed, word processed, photocopied, photographed, computerized data, or in any other form of letters, words, pictures, sounds, or symbols.

21 NCAC 08F .0103, *Filing of Examination Applications and Fees*, is proposed to be amended as follows:

(m) No application for examination shall be considered while the applicant is serving a sentence for any criminal offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally suspended sentence, any of which are imposed as a result of having been convicted or having plead to a criminal charge.

21 NCAC 08F .0502, *Application for CPA Certificate*, is proposed to be amended as follows:

(c) An applicant shall include as part of any application for a CPA certificate a statement of explanation and a certified copy of final disposition if the applicant has been arrested, charged, convicted or found guilty of, received a prayer for judgment continued or pleaded *nolo contendere* to any criminal offense. If an applicant has been denied any license by any state or federal agency, the applicant shall also include as part of the application for the CPA certificate a statement explaining such denial. An applicant shall include a statement of explanation and a certified copy of applicable license records if the applicant has been registered with or licensed by a state or federal agency and has been disciplined by that agency.

(d) No application for a certificate shall be considered while the applicant is serving a sentence for any criminal offense. Serving a sentence includes incarceration, probation (supervised or unsupervised), parole, or conditionally suspended sentence, any of which are imposed as a result of having been convicted or having plead to a criminal charge.

21 NCAC 08G .0401 *CPE Requirements for CPAs*, is proposed to be amended as follows:

(a) In order for a CPA to receive CPE credit for a course:

(1) the CPA must attend or complete the ~~course;~~ course and receive a certificate of completion as set forth in 21 NCAC 08G .0403(c)(17);

~~(b) The Board registers sponsors of CPE courses. A CPE course provided by a registered sponsor is presumed to meet the CPE requirements set~~

2013 Board Meetings

October 21

November 18

December 16

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.

~~forth in 21 NCAC 08G .0404(a) if the sponsor has indicated that the course meets those requirements. However, it is up to the individual CPAs attending the course and desiring to claim CPE credit for it to assess whether it increases their professional competency.~~

~~(c)~~(b) A course that increases the professional competency of a CPA is a course in an area of accounting in which the CPA practices or is planning to practice in the near future, or in the area of professional ethics or an area related to the profession.

~~(d)~~(c) Because of differences in the education and experience of CPAs, a course may contribute to the professional competence of one CPA but not another. Each CPA must therefore exercise judgment in selecting courses for which CPE credit is claimed and choose only those that contribute to that CPA's professional competence.

~~(e)~~(d) Active CPAs must complete 40 CPE hours, computed in accordance with 21 NCAC 08G .0409 by December 31 of each year, except as follows:

(1) CPAs having certificate applications approved by the Board in April-June must complete 30 CPE hours during the same calendar year.

(2) CPAs having certificate applications approved by the Board in July-September must complete 20 CPE hours during the same calendar year.

(3) CPAs having certificate applications approved by the Board in October-December must complete 10 CPE hours during the same calendar year.

~~(f)~~(e) There are no CPE requirements for ~~retired or~~ inactive CPAs.

~~(g)~~(f) Any CPE hours completed during the calendar year in which the certificate is approved may be used for that year's requirement even if the hours were completed before the certificate was granted. When a CPA has completed more than the required number of hours of CPE in any one calendar year, the extra hours, not in excess of 20 hours, may be carried forward and treated as hours earned in the following year. Ethics CPE hours may not be included in any carry forward hours. A CPA may not claim CPE credit for courses taken in any year prior to the year of certification.

~~(h)~~(g) Any CPE hours used to satisfy the requirements for change of status as set forth in 21 NCAC 08J .0105, for reinstatement as set forth in 21 NCAC 08J .0106, or for application for a new certificate as set forth in 21 NCAC 08I. 0104 may also be used to satisfy the annual CPE requirement set forth in Paragraph ~~(e)~~(d) of this Rule.

~~(i)~~(h) It is the CPA's responsibility to maintain records substantiating the CPE credits claimed for the current year and for each of the four calendar years prior to the current year.

~~(j)~~(i) A non-resident licensee may satisfy the annual CPE requirements including 21 NCAC 08G .0401 in the jurisdiction in which he or she is actively licensed and currently works or resides. If there is no annual CPE requirement in the jurisdiction in which he or she is actively licensed and currently works or resides, he or she must comply with Paragraph ~~(e)~~(d) of this Rule.

21 NCAC 08G .0403, *Qualification of CPE Sponsors* is proposed to be amended as follows:

(a) The Board ~~registers~~ does not register sponsors of CPE courses ~~and not~~ or courses. ~~The Board will maintain a list of sponsors which have agreed to conduct programs in accordance with the standards for CPE set forth in this Subchapter. Such sponsors shall indicate their agreement by signing a CPE program sponsor agreement form provided by the Board. These sponsors are registered sponsors.~~

(b) ~~Notwithstanding Paragraph (a) of this Rule, sponsors~~ Sponsors of continuing education programs which are listed in good standing on the National Registry of CPE Sponsors maintained by NASBA are considered to be ~~registered~~ CPE sponsors compliant with the CPE requirements ~~with~~ of the ~~Board.~~ Board in Paragraph (c) of this rule. ~~These sponsors are not required to sign a CPE program sponsor agreement form with this Board.~~

(c) ~~In the CPE program sponsor agreement with the Board, the registered sponsor shall agree to:~~ CPE requirements required of NASBA sponsors:

~~(d) Failure of a registered sponsor to comply with the terms of the CPE program sponsor agreement shall be grounds for the Board to terminate the agreement, to remove the registered sponsor's name from the list of registered sponsors and to notify the public of this action.~~

~~(e)~~(d) Failure of a National Registry of CPE Sponsor to comply with the terms of this Rule shall be grounds for the Board to disqualify the sponsor ~~to be registered~~ as a CPE sponsor compliant with the CPE requirements with this Board and to notify NASBA and the public of this action.

21 NCAC 08G .0409, *Computation of CPE Credits* is proposed to be amended as follows:

(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

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participant completes the entire segment. Internet based programs shall employ a monitoring mechanism to verify that participants are actively participating during the duration of the course pursuant to the NASBA Statement on Standards for CPE Programs, Standard No. 13.

(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 or word count formula pursuant to the NASBA Statement on Standards for CPE Programs, Standard No. 14 the average number of contact hours it takes to complete a course.

21 NCAC 08G .0410, *Professional Ethics and Conduct CPE*, is proposed to be amended as follows:

(a) As part of the annual CPE requirement, all active CPAs shall complete CPE on professional ethics and conduct. They shall complete either two hours in a group study format or in a self-study format of a course on regulatory or behavioral professional ethics and conduct. This CPE shall be offered by a CPE sponsor registered with ~~the Board, or with~~ NASBA pursuant to 21 NCAC 08G ~~.0403(a) or (b)~~0403(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 actively licensed as a CPA and works or resides. If there is no ethics CPE requirement in the jurisdiction where he or she is actively licensed and currently works or resides, he or she must comply with Paragraph (a) of this Rule.

21 NCAC 08I .0104, *Modification of Discipline and New Certificate*, is proposed to be amended as follows:

(a) A person or CPA firm that has been ~~disciplined~~ permanently revoked by the Board may apply to the Board for modification of the discipline at any time after ~~the effective date of the Board's decision imposing it; however, if any previous application has been made with respect to the same discipline, no additional application shall be considered before the lapse of one year following the Board's decision on that previous application. Provided, however, that an application to modify permanent revocation shall not be considered until after~~ five years from the date of the original discipline, nor more often than three years after the Board's last decision on any prior application for modification.

(b) The application for modification of discipline or for a new certificate shall be in writing, shall set out and, as appropriate, shall demonstrate good cause for the relief sought. The application for an individual shall be accompanied by at least three supporting recommendations, made under oath, from CPAs who have personal knowledge of the facts relating to the revocation and or discipline of the activities of the applicant since the discipline was imposed. The application for a CPA firm shall be accompanied by at least three supporting recommendations, made under oath, for each CPA partner, CPA member, or CPA shareholder from CPAs who have personal knowledge of the facts relating to the revocation and or discipline of the activities of the CPA partner, CPA member, or CPA shareholder since the discipline was imposed.

(c) "Good cause" as used in Paragraph (b) of this Rule means that the applicant is completely rehabilitated with respect to the conduct which was the basis of the discipline. Evidence demonstrating such rehabilitation shall include evidence:

(3) that, with respect to a court order, civil settlement, lien or other agreement, that restitution has been made to any aggrieved party.

(e) Any person who applies for a modification of discipline and for a new certificate after revocation shall, in addition to the other requirements of this Section, comply with all qualifications and requirements for initial certification which ~~exist~~ existed at the time of the original application.

21 NCAC 08J .0105, *~~Retired and~~ Inactive Status: Change of Status*, is proposed to be amended as follows:

(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~~ inactive 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~~ inactive status may change to active status by:

(2) furnishing the Board with evidence of satisfactory completion of 40 hours of acceptable CPE courses during the 12-month period immediately preceding the application for change of status. Eight of the required hours must be credits derived from 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)~~ 08F .0504; and

(3) furnishing 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).~~

21 NCAC 08J .0106, *~~Forfeiture or Inactivation of Certificate and Reissuance or Reinstatement~~ Forfeiture of Certificate and Reissuance* is proposed to be amended as follows:

~~(a) A certificate holder who de-~~

~~termines that the certificate of qualification issued by the Board is no longer needed or desired may request inactive status by application to the Board.~~

~~(b)~~(a) A person who ~~is inactive or~~ has forfeited a certificate is no longer a CPA and thus is not subject to the renewal fee or CPE requirements contained in these Rules.

~~(c)~~(b) A person who ~~desires to reinstate an inactive certificate or reissue~~ requests reissuance of a forfeited certificate shall make application and provide the following to the Board:

~~(d)~~(c) The certificate may be ~~reinstated or~~ reissued if determined by the Board that the person meets the requirements as listed in Paragraph ~~(c)~~(b) of this Rule.

21 NCAC 08J .0107, *Mailing Addresses of Certificate Holders and CPA Firms*, is proposed to be amended as follows:

All certificate holders and CPA firms shall notify the Board in writing within 30 days of any change in ~~address~~ home address and phone number, CPA firm address and phone number or ~~business.~~ business location and phone number, and email address.

21 NCAC 08M .0105, *Peer Review Requirements*, is proposed to be amended as follows:

(a) A CPA or CPA firm providing any of the following services to the public shall participate in a peer review program:

(4) agreed-upon ~~procedures.~~ procedures or engagement to be performed in accordance with the Statements on Standards for Attestation Engagements.

(b) A CPA or CPA firm not providing any of the services listed in Paragraph (a) of this Rule is exempt from peer review until the issuance of the first report provided to a client. A CPA or CPA firm shall register with the peer review program as listed in (d) of this rule within 30 days of the issuance of the first report provided to a client.

(c) A CPA, a new CPA firm or a CPA firm exempt from peer review now providing any of the services in Paragraph (a) of this Rule shall furnish to the peer review program selected financial statements, corresponding work papers, and any additional information or documentation required for the peer review program within ~~24~~ 18 months of the issuance of the first report provided to a client.

21 NCAC 08N .0202, *Deceptive Conduct Prohibited*, is proposed to be amended as follows:

(b) Prohibited Deception. Prohibited conduct under this Section includes but is not limited to deception in:

(3) obtaining or maintaining certification, ~~retired~~ inactive status, or exemption from peer review;

21 NCAC 08N .0203, *Discreditable Conduct Prohibited*, is proposed to be amended as follows:

(b) Prohibited Discreditable Conduct. Discreditable conduct includes but is not limited to:

(3) failing to comply with any order issued by the Board; ~~or~~

(4) failing to fulfill the terms of a peer review engagement ~~contract.~~ contract;

(5) misrepresentation in reporting CPE credits; or

(6) entering into any settlement or other resolution of a dispute that purports to keep its contents confidential from the Board.

21 NCAC 08N .0208, *Reporting Convictions, Judgments, and Disciplinary Actions*, is proposed to be amended as follows:

(a) Criminal Actions. A CPA shall notify the Board within 30 days of any charge or arrest or conviction or finding of guilt of, pleading of *nolo contendere*, or receiving a prayer for judgment continued to any criminal offense.

(c) Settlements. A CPA shall notify the Board within 30 days of any settlement in lieu of a civil suit or criminal charge which is grounded upon an allegation of professional negligence, gross negligence, dishonesty, fraud, misrepresentation, incompetence, or violation of any federal, state, or local law. Notification is required regardless of any confidentiality clause in the settlement.

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Exam Fees to Increase

Effective October 19, 2013, the Uniform CPA Exam fees charged by Prometric will increase. Prometric's per-test hour fee will increase from $19.10 per test hour to $19.52 per test hour. The Board's administrative fees, NASBA's Exam fees, and the AICPA's per-section fees will not change.

Applications postmarked on or before October 18, 2013, will be processed using the current fee schedule. Applications postmarked on or after October 19, 2013, will be processed using the new fee schedule. Revised Exam applications which reflect the new fees will be available October 19, 2013, from the Board's web site, **www.nccpaboard.gov**.

Exam Fees Effective October 19, 2013

Administrative Fees	
Initial Applicant	$230.00
Re-exam Applicant	$75.00
Exam Section Fees	
Auditing & Attestation (AUDIT)	$192.03
Financial Accounting & Reporting (FAR)	$192.03
Regulation (REG)	$172.51
Business Environments & Concepts (BEC)	$172.51

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(d) Investigations. A CPA shall notify the Board within 30 days of any inquiry or investigation by the Internal Revenue Service (IRS) or any state department of revenue Criminal Investigation Divisions pertaining to any personal or business tax matters.

(e) Liens. A CPA shall notify the Board within 30 days of the filing of any liens by the Internal Revenue Service (IRS) or any state department of revenue regarding the apparent failure to pay or failure to pay any amounts due any tax matters.

21 NCAC 08N .0302, *Forms of Practice,* is proposed to be amended as follows:

(e) CPA Firm Requirements for CPA Ownership. A CPA firm and its designated supervising CPA is accountable for the following in regard to a CPA owner:

(2) A CPA owner shall actively participate in the business of the CPA ~~firm.~~ firm as his or her principal occupation.

(f) CPA Firm Requirements for Non-CPA Ownership. A CPA firm and its designated supervising CPA partner is accountable for the following in regard to a non-CPA owner:

(2) a non-CPA owner shall actively participate in the business of the firm ~~or an affiliated entity~~ as his or her principal occupation;

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed November 11, 2013, in observance of Veterans' Day.

The Board office will be closed Thursday, November 28, 2013, and Friday, November 29, 2013, in observance of Thanksgiving.

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Certificates Issued

At its August 19, 2013, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

Kirkland Caldwell Allen
Hayley Brooke Arning
Bereket Ezra Baissa
Jeff Lyman Birdsong
Rebecca Anne Black
Chelsea Ora Nicole Block
Ermal Bregu
James Adam Brown
Steven Charles Chapman
Allison Adrienne Cole
Andrew Bryan Colvin
Amelia Gardner Dean
Patrick James Dunn
Andrew Gray Essic
Brittany Mauldin Freeman
Ashley McGrady Fromm
Kevin Robert Greats
Megan Johnson Green
William Andrew Haddock
Annie Ellis Jennings
Amy Elizabeth Johnson
Amy Thomas Johnson
Matthew Alan Johnson
Stephen Charles Jones
Alan Graham Kelly
Deborah Cutler Lands
Julia Ann Leik
Lisa VanLeeuwen London
Harold John Manasa
Jeffrey Clyde Marko
Timothy John Matthews
Griffin Alan Mazur
Brynn Elizabeth McMullan
Brittany Nicole Meeks
James Edward New
Jason Daniel Norvell
Kimberly Ann Olsen
Christie Michelle Owens
Adrienne Michelle Phillips
Kimberly Loraine Pittard
Kathryn Marie Pletcher
Phillip Duckworth Ray, III
Billie Jo Rice
David Charles Robertson
Christopher John Sellitti
Terry Kay Shaw
Cameron Denice Shore
Adesubomi Opeyemi Soluade
Samuel Nathan Staton
Victoria Maria Sumbs
Garrett Ryan Summers
Donn Robert Swift
Robert Todd Weeks
Zachary Scot Weston
Maggie Danielle Whitman
Chantel Jones Wilson
Junwei Xia

Reclassifications

At its August 19, 2013, meeting, the Board approved the following applicants for reclassification:

Reinstatement

Burton Heyward Calvert, Jr., #13829	Dallas, TX
Jamie Lovelace Wiley, #16670	Alpharetta, GA

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)].

Frances Phillips Walton, #14708	Mint Hill, 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)].

06/17/2013
Robert Joseph Barnes, #6800, Greensboro, NC
Terri Lyn Brown, #22144, High Point, NC
Pamela Kay Campbell, #15390, Jacksonville, FL
Jason Michael Wilkinson, #37295, Wake Forest, NC

06/18/2013
Jeffrey Joseph Brader, #34806, Lafayette, CA
David Montgomery Gold, #15471, Greensboro, NC
William Wayne Hodge, #30967, Charlotte, NC
Thomas Michael Miller, #12537, Raleigh, NC
Jane Caroline Wooten, #15451, Monroe, CT

06/19/2013
Jamie Jean Doman, #27780, Rochester Hills, MI
Brian Arthur Falk, #21776, Minneapolis, MN

06/21/2013
Michael Joseph Bodah, #34149, Naples, FL
Gregory Brent Capin, #21883, Lawrenceville, GA
Neil Bost Glenn, Jr., #25077, Charlotte, NC
Joseph Michael Graham, #6808, Matthews, NC
Christina Hope Haisty, #32496, Cary, NC
Steven Wayne McCullough, #15725, Spartanburg, SC
Robert M. Pope, Jr., #13297, Raleigh, NC
William Lee Price, #27644, Greensboro, NC
Frederick Earl Umphlett, #9257, Farmville, NC
Dewey Frederick Weir, Jr., #2352, Raleigh, NC

06/24/2013
Summer Williamson Bartshe, #33649, Dayton, OH
Adam James Heinlein, #35907, Richmond, VA
John George Henriquez, #22254, Stockbridge, GA
Kenneth A. Mooney, #18740, Chicago, IL

06/25/2013
Shannon V. Becker, #32333, Rockville, VA
Gregory J. Dudley, #34050, Falls Church, VA
Rebecca Templeton Earnhardt, #35833, Chesapeake, VA
Stephen Walter Harris, #11021, Yardley, PA
Pamela Anne Rogero, #30029, Atlanta, GA
Matthew R. Walker, #34839, Milwaukee, WI

06/26/2013
Jessica Reyes, #32339, Coral Springs, FL
Christopher John Schneider, #31702, New Orleans, LA
Carl T. Schultz, IV, #32419, Houston, TX
Elizabeth Anne Sorenson, #37315, Durham, NC
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Clarence Theodore Leinbach, III, #10182, Winston-Salem, NC
Jenna Rae Lesker, #36880, Bethel Park, PA
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07/01/2013
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Cori Hansen Kerr, #31684, Charlotte, NC
JoAnn Leigh Malyevac, #23200, Davidson, NC
Christopher Stephen O'Connor, III, #29066, Charlotte, NC
Daphne Haith Pinchback, #28723, Charlotte, NC
Ashley Mason Raymer, #23449, Cornelius, NC
Lizette Ross, #27307, Lake Wylie, SC
Eric James Schuppenhauer, #22924, New Albany, OH
Alisha A. Sewell, #35715, Sharpsburg, GA
Martin Douglas Uczen, #27938, Bernardsville, NJ
Katherine Anne Vahey, #27008, Frisco, TX
Andrew S. Wright, #33735, Charlotte, NC

07/03/2013
Meighan Lela Carmichael, #36504, Hillsborough, NC
Marilyn Bishop Crawford, #18153, Charlotte, NC
Elizabeth Ann Eisenhardt, #36303, Columbus, OH
Daniel Ray Fowler, #28105, Charlotte, NC
Kim K. Grzywacz, #30017, Tulsa, OK
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David Lee Hauser, #11239, Cramerton, NC
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Michael James McGory, #36833, Summerfield, NC
Christine W. Millaway, #25772, Cherry Hill, NJ
Mark Kepner Nelson, #19066, Greensboro, NC
Rebecca Short Pruett, #14519, Crawfordville, FL
G. Garnett Rodgers, #24584, Charlotte, NC
Gary Lee Shepherd, #37169, Charlotte, NC
Tina Jane Stamos, #35830, Miami, FL
Jackie Thomas Thompson, #26150, Raleigh, NC
Fred Philips Wood, Jr., #3990, Raleigh, NC

07/05/2013
Anne Daley, #26162, Baldwin, NY

07/08/2013
Graydon Alan Depue, #27081, Lawrenceville, GA
Stanley Ausburn Huffman, III, #17194, Roanoke, VA
Jacquelyn Michelle Kastner, #31284, Myrtle Beach, SC
David C. Kim, #32961, San Francisco, CA
David Lionel Sledge, #7243, Lexington, NC

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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. 10-2013

Is Continuing Professional Education Important?

If you ask a group of CPAs if continuing professional education (CPE) is important, you are likely to get mixed responses.

One CPA may say that CPE is an integral part of his professional development. Another CPA may say that CPE does little to improve her professional competency in her industry job and her employer doesn't pay for her CPE.

Another CPA may say that CPE is important, but as an individual practitioner, he has a hard time meeting the annual requirement. Yet another CPA may say she is unsure about the CPE requirement and which courses qualify, especially for ethics.

Despite those varied responses, CPE--the method by which licensees maintain, improve, and broaden their knowledge and skills--is a fairly common requirement for maintaining licensure in most professions that require licensure or certification.

For example, 21 NCAC 08G .0401(e) requires that, in general, active CPAs complete 40 hours of CPE before December 31 each year. Yet, according to Board records, during the 2013-2014 certificate renewal period, 184 licensees admitted that they completed some of their 2012 calendar year CPE between January 1, 2013, and June 30, 2013.

Although the Board may, in special circumstances, approve an extension to complete CPE requirement, these individuals did not receive an approved extension. In accordance with 21 NCAC 08G .0406, those 184 CPAs were issued a Letter of Warning from the Board.

While the Letter of Warning is not a discipline, it is, in fact, a warning that if failure to complete the CPE requirement by the end of a calendar year occurs again within a five calendar year period, the licensee will forfeit his or her certificate. Five licensees forfeited their certificates this year because of their second violation of this rule within a five year period.

21 NCAC 08G .0401(i) states that it is the CPA's responsibility to maintain records substantiating the CPE credits claimed for the current year and for each of the four calendar years prior to the current year.

But, when the annual CPE audit of licensees is completed, at least 3% to 5% of the 1,000-1,200 licensees audited are unable to provide certificates of completion to prove completion of the CPE reported-- including the completion of the ethics requirement--on their annual certificate renewal.

Those licensees sign a Consent Order in which the licensee usually forfeits his or her certificate for one year and is assessed a $1,000.00 civil penalty. Each licensee may then apply for reissuance of his or her CPA certificate, and as part of the application, must complete a specific number of CPE hours, obtain certificates of moral character from three CPAs, and complete an accountancy law course.

Robert N. Brooks, Executive Director of the Board, believes that the number of Letters of Warning and forfeitures is too high.

"Letters of Warning, automatic forfeitures, and consented forfeitures with civil penalties should not be problems for our licensees. The Board publishes quite a bit of information about CPE and the CPE requirement in the *Activity Review* as well as on our website and on Facebook and Twitter."

"In addition, the NCACPA has plenty of CPE information available and offers numerous courses to members and non-members. Plus, the NCACPA tracks CPE for its members."

Brooks also expressed concern about licensees who do not seem to take CPE seriously.

"I've had people tell me--and I have seen it myself--licensees are in a class and there are people reading the newspaper, texting, Facebooking, playing a game, or even working on a tax return. And this is happening during the session, not during a break."

Although not paying attention to the instructor or course material is not a violation of any specific rule, it brings into question whether those CPAs are

CPE

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Disciplinary Actions

William Walter Barker, #22029
Kinston, NC 07/22/2013

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. William Walter Barker (hereinafter "Respondent") is the holder of North Carolina certificate number 22029 as a Certified Public Accountant.

2. Respondent was investigated and charged with third degree sexual exploitation of a minor, in state court, which was then dismissed.

3. On April 29, 2013, Respondent pled guilty, in federal court, to one count of receipt of child pornography.

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. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0201, .0203(a), 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. The Certified Public Accountant certificate issued to Respondent, William Walter Barker, 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.

R. Michael Gray, #22808
Raleigh, NC 08/19/2013

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. R. Michael Gray ("Respondent") is the holder of North Carolina certificate number 22808 as a Certified Public Accountant.

2. Respondent, prior to 1999, was a Senior Manager for KPMG, LLP ("KPMG"). In 1999, he became a partner in KPMG's Personal Financial Planning ("PFP") practice in its Raleigh office.

3. 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").

4. 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.

5. 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.

6. On February 20, 2012, KPMG entered into a Consent Agreement with the Board regarding the firm's involvement with the Tax Shelters.

7. While employed at KPMG's Raleigh office, Respondent was involved in the sale and implementation of a number of Tax Shelters.

8. In his role as Partner in the PFP practice, Respondent supervised the preparation and signing of tax returns, by KPMG's senior managers, for clients who took advantage of the favorable tax consequences afforded by the Tax Shelters.

9. In September 2000, the IRS issued Notice 2000-44 which identified the strategies, like the BLIPS strategy, as tax shelters and announced that the purported tax benefits described by KPMG will be disallowed or challenged.

10. Following the issuance of Notice 2000-44, KPMG personnel from the Washington National Tax office provided the Respondent with Opinion Letters purporting to address that Notice. On or about November 9, 2000, the Respondent, relying on that expert guidance, signed three (3) Opinion Letters for BLIPS clients in connection with transactions which had been

2013 Board Meetings

November 18

December 16

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.

recommended and carried out prior to the issuance of Notice 2000-44. The letters restated the position of KPMG that it was more likely than not that the purported tax benefits could be claimed, there having been no legal challenge to that point.

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 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. Although KPMG issued the tax opinion letters that were signed by Respondent and Respondent had neither any influence on nor any involvement in the formation of those tax opinion letters beyond reviewing the accuracy of the factual representation, Respondent recognizes that his participation in the marketing and implementation of the Tax Shelters, and his execution of those tax opinion letters on behalf of KPMG contributed to the failure to provide his clients with competent tax guidance in violation of 21 NCAC 08N .0212(b).

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. Respondent voluntarily surrenders his North Carolina CPA certificate for a period of five (5) years. As such, Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State whether through CPA mobility provisions or substantial equivalency practice privileges or in any other manner.

2. After five years, Respondent may seek modification of the terms of this Consent Order per 21 NCAC 08I .0104 notwithstanding any language in that regulation to the contrary.

James T. Andrews, CPA
Liberty, NC 07/22/2013

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 James T. Andrews, CPA (hereinafter "Respondent firm"), is a registered certified public accounting firm in North Carolina.

2. Respondent firm received a "fail" on its most recent engagement peer review, with an acceptance letter date of October 3, 2012.

3. This failed peer review is the second consecutive failed peer review for Respondent firm.

4. 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.

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

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. Respondent firm's failure to perform engagements in accordance with SSARS, as noted in two (2) consecutive failed peer reviews, is a violation of 21 NCAC 08N .0404 and .0212.

3. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

2. Respondent firm shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted with this signed Consent Order.

Andrews
continued on page 4

Exam Fees Effective October 19, 2013

Effective October 19, 2013, the Uniform CPA Exam fees charged by Prometric increased. Prometric's per-test hour fee increased from $19.10 per test hour to $19.52 per test hour. The Board's administrative fees, NASBA's Exam fees, and the AICPA's per-section fees did not change.

Administrative Fees	
Initial Applicant	$230.00
Re-exam Applicant	$75.00
Exam Section Fees	
Auditing & Attestation (AUDIT)	$192.03
Financial Accounting & Reporting (FAR)	$192.03
Regulation (REG)	$172.51
Business Environments & Concepts (BEC)	$172.51

Andrews *continued from page 3*

3. Respondent Firm shall provide a written statement to the Board that it will no longer be participating in, performing, or reviewing any engagements subject to peer review.

4. Prior to entering into any engagements subject to peer review, Respondent firm shall provide notification to the Board of Respondent firm's intention to entering that engagement.

5. Prior to Respondent firm participating in, performing, or reviewing any engagement subject to peer review, Respondent firm's professional staff shall take at least sixteen (16) hours of group study Accounting and Auditing CPE coursework as part of their annual CPE requirement until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

Mark Sunter, CPA
Kernersville, NC 08/19/2013

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 Mark Sunter, CPA (hereinafter "Respondent firm"), is a registered certified public accounting firm in North Carolina.

2. Respondent firm received a "fail" on its most recent engagement peer review, with an acceptance letter date of March 29, 2012.

3. The failed engagement peer review noted a material departure from Statements on Standards for Accounting and Review Services ("SSARS") by Respondent firm.

4. This failed peer review is the second consecutive failed peer review for Respondent firm.

5. Respondent firm failed to report its peer review results within sixty (60) days as required by 21 NCAC 08M .0106 (a)(4).

6. 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.

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

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. Respondent firm's failure to comply with SSARS, as noted in two (2) consecutive failed peer reviews, is a violation of 21 NCAC 08N .0404 and .0212.

3. Respondent firm's failure to timely report the failed peer review as required by 21 NCAC 08M .0106 (a)(4) is a violation of 21 NCAC 08N .0213.

4. By virtue of Respondent firm's consent to this order, Respondent firm is subject to the discipline set forth below.

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

1. Respondent firm is censured.

2. Respondent firm shall pay a one thousand dollar ($1,000.00) civil penalty to be remitted with this signed Consent Order.

3. Respondent firm's professional staff participating in engagements subject to peer review shall take at least sixteen (16) hours of group study Accounting and Auditing CPE coursework as part of their annual CPE requirement until such time as Respondent firm receives a pass on a system peer review, or a pass or pass with deficiencies on an engagement peer review.

4. Respondent firm shall provide the Board with copies of the Peer Review Report, Letter of Response, and Final Letter of Acceptance for Respondent firm's next peer review.

Kirk Arthur Broadbooks, #34265
Charlotte, NC 07/22/2013

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 34265 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that between January 1, 2011, and June 30, 2012, he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2011 CPE requirements.

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

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2011 and 2012 requirements.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent was unable to provide documentation for a 2011 CPE ethics course as claimed 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 herein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

3. Per N.C. Gen. Stat. §93-12(9) 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(15).

2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.

3. Respondent may not apply for the reissuance of his certificate for at least one (1) year from the date the Board approves this Consent Order 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. Forty-two (42) 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 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.

CPE *continued from front*

interested in learning and improving their skills or if they are going to a class just to get enough hours to renew their licenses.

Said Brooks, "The Board doesn't require CPE just for the sake of having a requirement. CPE allows CPAs to increase their professional competence so that they can provide a high level of services to their clients and employers."

"Don't take a class just so you can check a box on a form. Go to a class that teaches you something, something that helps you become a better practitioner. CPE is important, very important," he stated. "Make those hours count."

For more information on CPE please see past issues of the *Activity Review* and visit the Board's website, **www.nccpaboard.gov**, and refer to the Board's rules, in particular 21 NCAC Chapters 08G and 08N.

Comments on Rule-Making

Comments on the proposed amendments to the rules (*Activity Review* No. 9-2013) must be submitted to the Board by 5 pm on November 4. Submit your written comments to:

Executive Director
PO Box 12827
Raleigh, NC 27605
rbrooks@nccpaboard.gov
Fax: 919-733-4209

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed November 11, 2013, for Veterans' Day. The Board office will be closed Thursday, November 28, 2013, and Friday, November 29, 2013, for Thanksgiving.

Certificates Issued

At its September 23, 2013, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

Travonte Antonio Aldrich
Adam Cole Alfero
Natalie Davis Applonie
Tyson Lee Badders
Samuel Adam Begley
Ashley Victoria Bristow
Nicholas Anthony Ciamaricone
Joseph Warren Cook, IV
Reuben Blake Dalton
Brian David Donahue
Jennifer Wren Durrett
Bonaventure E. Ezewuzie
Thomas Allen Forrester, III
Carleton Harold Gallagher
Arthur Marcellus Gipple, IV
Erica Marie Glasgow
David Lawrence Goldstein
Kevin Ran Guo
Julie Jones Harman
Lillian Alice Houston
Magda Jezovicova
Alexander Davis Lanier
Rachel Elise Loveland
Meredith Danielle Lowry
Benjamin Taylor Mayo
Mark Edwin Menezes
Christopher Dean Moore
Yuliya Sergeyevna Morris
Jeffrey Justus Myers
Yung Ki Park
Kerry McClellan Plemmons
Christina Wilson Rabon
Justin David Rink
Carlos Guillermo Santiago-Orria
Carlin Creech Smith
Scott Jason Snyder
David Marvin Stone
Emily Jo Throndson
Melissa Tiffany Vachon
Leigh Byrum Vogedes
Lin Wang
Daniel Staten Waters
Kyle Thomas White
Galadriel Elisha Williams
Patrick Ryan Willis
Carole Emily Wilson Pesta
Sophia D. Woo
Jessica Lynn Baker Zemonek

Notice of Apparent Violation and Demand to Cease and Desist

Randeep Singh Brar, Respondent
Raleigh, NC

To the Above-Named Respondent:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners ("Board") is authorized by N.C. Gen. Stat. § 93-12 (16) to enforce the provisions of the North Carolina Certified Public Accountant Act 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, pursuant to N.C. Gen. Stat. §93-6, "It shall be unlawful for any person to engage in the public practice of accountancy in this State who is not a holder of a certificate as a certified public accountant issued by the Board, unless such person uses the term 'accountant' and only the term 'accountant' in connection with his name on all reports, letters of transmittal, or advice, and on all stationery and documents used in connection with his services as an accountant, and refrains from the use in any manner of any other title or designation in such practice."

WHEREAS, Respondent Randeep Singh Brar (hereinafter "Brar") is actively licensed as a certified public accountant in the Commonwealth of Virginia, but he is not now, nor has he ever been, licensed as a certified public accountant in North Carolina;

WHEREAS, Brar lives, and has a principal place of business, in the State of North Carolina;

WHEREAS, Brar, while living and working in North Carolina, has held himself out as a certified public accountant as evinced by an audit report issued to a North Carolina client which Brar signed as a "Certified Public Accountant."

WHEREAS, Brar engaged in the public practice of accountancy by performing an audit and issuing an audit report without either obtaining licensure in this State or using the title "accountant" and only "accountant."

THEREFORE, Brar is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from offering services or using in any manner the title "CPA" or "Certified Public Accountant" in North Carolina unless and until Brar 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: 08/08/2013

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:
Randeep Singh Brar

DATE: 08/29/2013

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Moved or Changed Jobs?

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

Licensees and firms may make address changes using the link on the Board's website, **www.nccpaboard.gov**. Exam candidates may email address changes to **addresschange@nccpaboard.gov**; fax address changes to (919) 733-4209; or mail address changes to PO Box 12827, Raleigh, NC 27605.

Reclassifications

At its September 23, 2013, meeting, the Board approved the following applicants for reclassification:

Reinstatement

Ronald Arthur Jordan, #31728	Winston-Salem, NC
Elizabeth Peeler Kirby, #17267	Dallas, TX
Jana Mason Nethery, #27555	Greensboro, NC
Christopher John Schneider, #31702	New Orleans, LA
Rodney Eugene Smallwood, #27821	Belmont, NC
Michael Heath Walters, #28179	Matthews, NC
James Brantley Willis, #25799	Winston-Salem, NC

Reissuance

Barbara Jones Bouffard, #20559	Keller, TX
Teresa Lynne Brenan, #34187	Newnan, GA
Viola Cutshall Shelton, #21088	Mars Hill, NC
Gordon Valden Wheeler, #34461	Concord, 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)].

07/09/2013
Otis Wayne Hurd, #12008, Kill Devil Hills, NC

07/10/2013
Ilissa Bernstein, #31263, Boca Raton, FL
Daniel A. Bufford, #37504, Travelers Rest, SC
Jee (Jason) Yoon Cha, #31949, Fairfax, VA

07/11/2013
Rachel Ellen Antrobus, #37187, Crozet, VA
Nicole Leslie Colbert, #29966, Satellite Beach, FL
Kristen Elisabeth Draughn, #36565, Cincinnati, OH
Philip H. Friedland, #32798, Boca Raton, FL
Malcolm Parks Johnson, #22091, DeBary, FL
Jay Fredrick Lookabill, #34691, Cologne, Germany
Michael Joseph McColgan, #22127, Philadelphia, PA

07/12/2013
Ronald Duane Barr, #26626, Charlotte, NC
Adam Drury Bunch, #35525, Arlington, VA
Virgil Callaway Harris, III, #7141, Charlotte, NC
Paul Joyce, #23750, Charlotte, NC
Paul Wesley Mashburn, #30389, Atlanta, GA
Doris Mayo, #18485, Southern Pines, NC

07/15/2013
Benjamin Mackey Guion, #12442, Davidson, NC
Emily Ann Hayes, #31743, Fairfax, VA
Joseph Mark Hensgen, #13429, Raleigh, NC
Ryan Mathew Levy, #36820, Baltimore, MD
Suzanne Marlar, #17305, Wooster, OH
Daniel William Oxenham, #31507, Charlotte, NC
Janis Wong, #34320, San Francisco, CA

07/16/2013
Keturah Sharee June, #37100, Charlotte, NC
Gregory J. Pedersen, #35380, McKinney, TX

07/17/2013
Alexander Steven Arndt, #33341, Newton, NC
Amy Carol Bowden, #35102, Virginia Beach, VA
Laura Belcher McGee, #9950, Richmond Hill, GA
Robert Leslie Mims, Jr.,#23360, Evans, GA
Jason Thomas Yaudes, 328344, Cornelius, NC
Jennifer Wilson Yaudes, #30822, Cornelius, NC
Tina Singer Young, #33022, Mechanicsburg, PA

07/18/2013
Keith Douglas Burton, #22521, Anderson, SC
Wendy White Pope, #34917, Watha, NC
Michael Jon Ramos, #36894, Durham, NC

07/22/2013
Patrick Vitelli, #18365, Mason, OH

07/23/2013
Theresa Gail Weaver, #26013, Hillsborough, NC
Rick C. Weavil #9437, Winston-Salem, NC

07/24/2013
Lori A. Corry #31166, Chattanooga, TN
Anthony Wayne Enlow, #36455, Suwanee, GA
Stephen Michael Todd, #13343, Moreland Hills, OH

07/25/2013
Norman Reid Hartis, #8424, Asheboro, NC
Kristy Anne Kelly Thompson, #36561, Iron Station, NC

07/29/2013
Sharon LaPrade Bailey, #18711, Kannapolis, NC
Eugene Joseph Carr, #12383, Greensboro, NC
Jacklyn Leigh Federico, #35390, Huntersville, NC
James Bernard Lurie, #26542, New Philadelphia, OH
Paul Daniel MacDonald, #24360, Fayetteville, NC
Zachary Blue Miller, #29376, Leland, NC
Olanrewaju Olaiya Shofoluwe, #36540, Charlotte, NC
William Dwayne Walker, #36852, New Port Richey, FL

07/30/2013
Kathleen Eve Raby, #24715, Chandler, AZ
Lauren Masker Toole, #35414, New York, NY
Shannon Haynes Townley, #27703, Wake Forest, NC

07/31/2013
Todd Derek Borger, #34976, Westminster, MD
Susan Dodson DeVore, #15918, Charlotte, NC
Lance Lester Farlow, #22350, Durham, NC
Charlotte Chandler Jacobs, #35120, Greer, SC
Mark Kepner Nelson, #19066, Greensboro, NC
Michael Patrick Webster, #29300, Chicago, IL
Michael John Wurdack, #33945, Fernandina Beach, FL

08/01/2013
Christopher K. Cotton, #24054, Charlotte, NC
Lyn Hittle, #27448, Newport News, VA
James Edward Lynch, #36944, Greensboro, NC

08/02/2013
Charles Edwin Crouse, Jr., #4326, Wilmore, KY

08/05/2013
Brant William Ralph Moeller, #35420, Brooklyn, NY

08/12/2013
Jeffrey Robert Davies, #13489, Washington, DC
Pamela Alexander Ennis, #12850, Murphy, NC

08/15/2013
H. Edward Garvin, #11266, Gainesville, FL

08/20/2013
Hampton Croson Hager, III, #26710, Davidson, NC

08/26/2013
Sharon Daniel, #16365, McLeansville, NC

08/27/2013
Thomas McIntyre Caddell, #2272, Salisbury, 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

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Firm Registration Renewal and Peer Review Compliance Reporting Now 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.**

Failure to renew or cancel the firm registration by the December 31 deadline may result in a civil penalty.

Only firm registrations are being renewed at this time; individual CPA certificates will be renewed in the spring.

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 and early November.

Access to the online renewal function is available by clicking on the "renew my firm registration" link in the "How Do I" section of the Board's homepage, **www.nccpaboard.gov**.

After clicking on the 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 (IP) cancels that firm's registration, the system cancels the firm registration immediately and a cancellation receipt is displayed. 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 file, the renewal is stopped until the address, email address, and phone number fields are complete.

Page 3 (page 4 for IPs) contains questions about attest and assurance services that the firm may provide

Firms

continued on page 4

In This Issue

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Disciplinary Actions

Rhonda A. Thomas, #30248
Wilmington, NC 05/23/2013

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 Findings:

1. Respondent is the holder of North Carolina certificate number 30248 as a Certified Public Accountant.

2. Respondent informed the Board on her 2012-2013 individual certificate Renewal ("Renewal") that she had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet her 2011 CPE requirements.

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 2011 requirements.

5. Respondent provided the CPE certificates of completion to the Board as requested. Respondent was unable to provide all of the certificates of completion needed to document completion of her 2011 CPE requirements.

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 herein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

3. Per N.C. Gen. Stat. §93-12(9) 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 fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.

3. Respondent may not apply for the reissuance 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 reissuance application, which includes:

a. Application form,

b. Payment of the application fee,

c. Three (3) moral character affidavits, and

d. Forty-three (43) 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 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.

James C. White, #20676
Marshville, NC 05/23/2013

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 Findings:

1. Respondent is the holder of North Carolina certificate number 20676 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that he had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet his 2011 CPE requirements.

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

4. Board staff requested that Respondent provide certificates of completion

December Board Meeting

The Board's next meeting is scheduled for 10 a.m. on December 16 at 1101 Oberlin Road, Raleigh.

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

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for the CPE reported to meet his 2011 requirements.

5. Respondent failed to provide the certificate or certificates of completion needed to document completion of any of the CPE hours that Respondent claimed he earned between January 1, 2011, and December 31, 2011, as was reported on his Renewal. Respondent contended that he is unable to locate his records documenting his 2011 CPE. He further admitted that he was unable to locate the records needed to substantiate his CPE for 2009 and 2010.

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 herein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

3. Per N.C. Gen. Stat. §93-12(9) 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(15).

2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.

3. Respondent may not apply for the reissuance of his certificate for at least two (2) years 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 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 including the 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.

Cary Greenberg, #33949
Dillsboro, NC 08/19/2013

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 33949 as a Certified Public Accountant.

2. Respondent informed the Board on his 2012-2013 individual certificate Renewal ("Renewal") that between January 1, 2011, and June 30, 2012, he had obtained forty (40) hours of continuing professional education ("CPE"); had completed the annual approved ethics CPE course; and had completed at least eight (8) hours of non-self-study CPE to meet the 2011 CPE requirements.

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

4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2011 and 2012 requirements.

5. Respondent was able to provide documentation of only thirty (30) hours of CPE taken between January 1, 2011, and June 30, 2012, leaving Respondent ten (10) hours short of the 2011 CPE claimed on his 2012-2013 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 herein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

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

Greenberg
continued on page 5

Firms *continued from front*

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.**

Board Office Closed

In accordance with the holiday schedule adopted by the State of North Carolina, the Board office will be closed December 24-26, 2013, for Christmas. The Board office will be closed January 1, 2014, for New Year's Day.

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 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 October 21, 2013, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

Muhammad Affan Akram
Amber Joy Ogle Anderson
Anne T. M. Anderson
Hannah North Armsby
Aleksandra Marie Azar
Magdalyn Young Bell
Michael John Bellairs
John Joseph Bernat
Kathryn Pepin Birkett
Matthew Allen Boyer
Andrea Terrell Bradley
Lorenzo Augusto Bravo
Katherine Jones Breeding
Robert Joshua Brown
Drew Patrick Bryan
Tiffany Lowery Buff
Charles Hardee Cadwell, II
Jeffrey Alan Call
Robert Joseph Campbell
Christopher Adam Capone
Christina Maria Caropreso
Lauren Marie Casey
Simion Cerchez
May Chu Cheung
Andrea Laimun Chong
Shawn Eugene Churchill
Melissa Chandler Clark
Joy M. Coleman
Kay Diane Comstock
Melanie Allen Connellee
Claire Elizabeth Cousins
Brian Stephen Demeter
Tracy Allen Dyer
Mary Katherine Esleeck
William Neil Faircloth
Matthew Robert Favicchio
Bobby Dewayne Fitzjohn
Joseph Ryan Fleming
Amber Lund Gaffney
Brittany Marie Garka
Heath Bradford Gorby
Heather Concoby Gray
Joseph Patrick Haney
Cache Racquel Heidel
George Talmage Hendrix, IV
Ryan Evan Hill
Lindsey Jayne Hoch
Rebecca Smith Hoke
Rashad Ibrahim
Alyssa Marlene Jaklitsch
Ronnie Lee Johnson, II
Robert John Jones
Jason Tyler King
Sara Nicole Kollien
Jared Brannan Korver
Lyndsey Paige Lamb
Jason Michael Lester
Braelinn Connor Mackey
Stanley Wayne Mandel
Kevin Michael Maxwell
William Michael McCullough, III
Patrick Ryan McKenney
Taborah Montia Miley
Megan DeHority Miller
Steven Lyle Nashland
Holley Anne Nelson
Mary Talbert Newman
James Harrison Nichols
Holly Berry Norvell
Olakunle Oluwafemi Ola
Rebecca Adams Parks
Ian Crawford Parry
Sweta Mahesh Patel
John Edgar Peterson, III
Howard Wakefield Pettengill, III
Molly Anne Pfeiffer
Bruce Gerard Pounder
Marla Lynn Pressley
Michael Edward Ramos
Susan Alice Rickert
Shemaine Latoya Rose
Susan Diana Sabo
Raenada Arshylle Sanders
Andrew Mark Scercy
Lori Ann Sexton
Kirti H. Shah
Erica Nicole Sloan
Swayze Sloan Smartt
Louis George Spitzer
Michael Curran Taylor
Nicole Marie Teibel
Jeff Paul Thomas
Mark Joseph Todd
Andrea Veneziano Trembath
John Joseph Tronolone
Pinar Uman
William Stephen Varnedoe, Jr.
James Nicholas Wade
Theodore William Walls
Wen Wen
Elizabeth Dale Wicker
Laura Elizabeth Wilson
Cristina Arrieta Wolfe
Jeshua Wright
Kimberly Renee Young

Greenberg *continued from page 3*

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(15).

2. Respondent must return his certificate to the Board within fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.

3. Respondent may not apply for the reissuance of his certificate for at least one (1) year from the date the Board approves this Consent Order 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 (50) 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 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.

Orders
continued on page 6

Claudia Jones Putnam, #15768
Charlotte, NC 08/19/2013

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 Findings:

1. Respondent is the holder of North Carolina certificate number 15768 as a Certified Public Accountant.

2. Respondent informed the Board on her 2012-2013 individual certificate Renewal ("Renewal") that between January l, 2011, and June 30, 2012, she had obtained forty (40) hours of continuing professional education ("CPE"), had completed the annual approved ethics CPE course, and had completed at least two (2) hours of ethics to meet the 2011 CPE requirements.

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 2011 and 2012 requirements.

5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide a certificate of completion needed to document completion of one-half (0.5) hours of an annual CPE course that Respondent claimed she earned between January 1, 2011, and June 30, 2012, as was reported on her Renewal. Respondent failed to provide documentation of a 2011 ethics course which would satisfy the 2011 annual ethics CPE requirement as claimed 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 herein by the Board.

2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

3. Per N.C. Gen. Stat. §93-12(9) 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 Consent 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 fifteen (15) days of Respondent's receipt of the Board's notification of its approval of this Consent Order.

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

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

a. Application form,

b. Payment of the application fee,

c. Three (3) moral character affidavits, and

d. Forty and one-half (40.5) 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.

Arthur Franklin Beamer, #8569
Greensboro, NC 08/19/2013

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. Arthur Franklin Beamer (hereinafter "Mr. Beamer") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Beamer failed to timely file the annual firm registration for A. F. Beamer, 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. Beamer subsequently renewed his firm registration, which was received by the Board on February 11, 2013, less than sixty (60) days from the annual firm registration date.

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

5. Mr. Beamer 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. Beamer's payment as full resolution of the aforementioned rules violation.

Nancy Powell Bourne, #21558
Wake Forest, NC 08/19/2013

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. Nancy Powell Bourne (hereinafter "Ms. Bourne") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Bourne failed to timely file the annual firm registration for Nancy P.

Bourne, 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. Bourne subsequently renewed her firm registration, which was received by the Board on February 8, 2013, less than sixty (60) days from the annual firm registration date.

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

5. Ms. Bourne 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. Bourne's payment as full resolution of the aforementioned rules violation.

Lois Kathrine Green, #33603
Asheville, NC 08/19/2013

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. Lois Kathrine Green (hereinafter "Ms. Green") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. Green failed to timely file the annual firm registration for Lois Kathrine Green, 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. Green subsequently renewed her firm registration, which was received by the Board on February 22, 2013, less than sixty (60) days from the annual firm registration date.

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

5.Ms. Green 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. Green's payment as full resolution of the aforementioned rules violation.

Reclassifications

Reinstatement

10/21/13	Jennifer Helms Brigman, #21262	Charlotte, NC
10/21/13	Walter Keith Davis, #28971	Marvin, NC
10/21/13	Teresa Karen Howard, #19904	Asheboro, NC
10/21/13	Timothy Scott Nash, #28718	Winston-Salem, NC
10/21/13	Mark Kepner Nelson, #19066	Greensboro, NC
10/21/13	Ronald E. Odom, #19431	Crestview, FL
10/21/13	Carl Theobold Schultz, IV, #32419	Houston, TX
10/21/13	Elizabeth Raver Wagner, #18540	Charlotte, NC
10/21/13	Bradley Steven Wombaugh, #24642	Advance, NC

Reissuance

10/21/13	Preston Scott Edmondson, #18693	Morrisville, NC
10/21/13	Jeremy Wayne Maxwell, #35704	Round Rock, TX
10/21/13	Darrell Artus Sayles, #8464	Greensboro, 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)].

10/21/13	Daniel James Donovan, #13415	Greensboro, NC
10/21/13	William Edward Urbanczyk, #13737	Garner, NC
10/21/13	Donald Gray Walser, #3003	Gastonia, NC

Inactive

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

09/04/13	George L. Baer, #25854	Kernersville, NC
09/04/13	Jerry Dean Freeman, #6807	Mooresville, NC
09/11/13	Judith Ciske Fried, #34063	Tequesta, FL
09/16/13	Terry Lee Goble, #10710	Lenoir, NC
09/16/13	Jan Andrew Spaeth, #32839	Mills River, NC
09/17/13	Jonathan Rhett Esser, #34425	Selma, NC
09/17/13	Solomon Alfred Pegram, Jr., #14886	High Point ,NC
09/18/13	Elizabeth Powell Compton, #16215	Charlotte, NC
09/23/13	Paula Billings Southwell, #19955	Greensboro, NC
09/25/13	Norman George Harris, Jr., #10141	High Point, NC
09/26/13	Peggy Steller Blackburn, #30844	Winston-Salem, NC
09/30/13	Michael Brigstock Cullinan, #13194	Alexandria, VA
09/30/13	James Dwight Snell, #26558	Raleigh, NC
10/08/13	Carolyn H. Capasso, #31407	Thornton, PA
10/08/13	JoAnna Nicole Grossman, #37174	Durham, NC
10/09/13	William Charles Board, #7082	Winston-Salem, NC
10/18/13	Arnold Grayson Kellar, #3508	Gastonia, NC
10/18/13	Lisa Ann Silvers, #25888	Miami, FL

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Home Phone:	Home Fax:
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Date:	Send mail to: ☐ Home ☐ Business

Mail form to: PO Box 12827, Raleigh, NC 27605
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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. 12-2013

Important December Deadlines

In November, the Board notified the administrative office of all registered CPA firms that each firm must renew its registration and provide peer review compliance information (if applicable) online through the Board's website, **www.nccpaboard.gov**, by December 31, 2013.

The link for the renewal is on the right-hand side of the home page under the heading, "How Do I."

For additional information regarding the online firm renewal/peer review compliance process, please see the November issue of the *Activity Review*.

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 assessed against each CPA firm member's CPA certificate.

In addition, December 31, 2013, is the date by which active CPAs must complete the annual CPE requirement to be eligible for certificate renewal for the 2014-2015 license year.

All active licensees must complete a two-hour regulatory or behavioral ethics course offered by a sponsor registered with this Board or listed on the National Registry of CPE Sponsors (**www.learningmarket.org**) that is maintained by the National Association of State Boards of Accountancy (NASBA).

A non-resident licensee may satisfy the ethics CPE requirement by completing the ethics requirement in the jurisdiction in which he or she is licensed *and* works or resides.

If there is no ethics CPE requirement in the jurisdiction in which the individual is licensed *and* resides or works, he or she must complete a course that meets the Board's criteria for ethics CPE courses.

For specific information on the annual CPE requirement, please review 21 NCAC 08G, *Continuing Professional Education (CPE).*

If a CPA fails to complete the CPE requirement on or before December 31, 2013, but completes the required CPE by June 30, 2014, the Board may issue a Letter of Warning to the licensee for the first such failure within a five (5) calendar year period.

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

If you have questions about firm renewal, peer review compliance, or the CPE requirement, please contact Cammie Emery by email at **cemery@nccpaboard.gov** or by phone at (919) 733-1423. You may also contact Buck Winslow by email at **buckw@nccpaboard.gov** or by phone at (919) 733-1421.

New NC-4 Required

As a result of the recent tax reform package which is effective for taxable years beginning on or after January 1, 2014, taxpayers may no longer claim a personal exemption for themselves, their spouse, children, or any other qualifying dependents.

Additionally, many deductions and tax credits that impact North Carolina withholding tax are no longer available for tax years beginning on or after January 1, 2014.

As a result of this Act, every employer must have all employees provide a new Employee's Withholding Allowance Certificate, either Form NC-4 EZ or Form NC-4.

The new form must be completed by the employee and provided to the employer so the correct amount of State income tax is withheld for any payment periods beginning on or after January 1, 2014.

For more information, review the information on the NC Department of Revenue website, **www.dornc.com.**

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Disciplinary Actions

James E. Avent, Jr., #16850
James E. Avent, Jr., CPA
Greensboro, NC 09/23/2013

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 to the following:

1. Respondent James E. Avent, Jr. (hereinafter "Respondent Avent") is the holder of North Carolina certificate number 16850 as a Certified Public Accountant.

2. Respondent James E. Avent, Jr., CPA (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina. Respondent Avent is the sole owner of Respondent Firm and has been individually responsible for the conduct of Respondent Firm.

3. In September of 2011, the Internal Revenue Service ("IRS") filed tax liens against Respondents for failure to insure payment of 940 and 941 taxes totaling $14,285.01. Respondents had timely filed all 940 and 941 tax forms, but had not paid all taxes due in full at the time of filing.

4. By April 23, 2012, Respondents paid all of the delinquent taxes. All tax liens were released on May 11, 2012.

5. Respondents wish to resolve these matters 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, 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, .0203(a), and .0207.

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 Respondents agree to the following Order:

1. Respondent Avent voluntarily surrenders his North Carolina CPA certificate without the ability to apply for reissuance, reinstatement, or modification of discipline. As such, Respondent Avent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State whether through CPA mobility provisions or substantial equivalency practice privileges or in any other manner.

2. Respondent Firm, James E. Avent, Jr., CPA, voluntarily surrenders its firm registration.

3. Respondents waive any rights, privileges, or protections that may be afforded by 21 NCAC 08J .0106, 08I .0104, or N.C. Gen. Stat. §93-10.

Michael H. Lippman, #13596
Potomac, MD 09/23/2013

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. Michael Lippman ("Respondent") is the holder of North Carolina certificate number 13596 as a Certified Public Accountant.

2. Beginning in 1998, Respondent was the National Partner in Charge of National Tax Services for KPMG. One of the groups under Respondent's authority was the Washington National Tax Practice ("WNT").

3. 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").

4. 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.

5. On February 14, 2012, KPMG entered into a Consent Order with the Board regarding the Tax Shelters. The Consent Order imposed sanctions on KPMG based upon the actions of certain of its former partners and employees in developing, marketing and implementing of the Tax Shelters.

6. Although Respondent did not develop, market or implement the Tax Shelters, certain partners within WNT were involved in developing the Tax Shelters.

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 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 ("Accountancy Act") 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 ("Board Rules").

2. The aforementioned actions by members of KPMG's Washington National Tax Practice constitute violations of 21 NCAC 08N .0201, .0202(a), .0203(a) and .0212(2). Those violations are attributable to Respondent by virtue of 21 NCAC 08N .0103, which makes Respondent responsible for assuring compliance by anyone who is his partner or who is supervised by him.

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, Michael Lippman, is suspended for five years. That suspension is stayed. The stay may be lifted in the event the Board proves Respondent has violated any provision of the Accountancy Act or Board Rules.

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

3. Respondent shall reimburse the Board for the administrative costs incurred by the Board in its investigation of this matter. Those administrative costs must be remitted to the Board with this signed Order.

James R. Hovis, Jr., #17242
Dallas, NC 09/23/2013

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. James R. Hovis, Jr., (hereinafter "Respondent") is the holder of North Carolina certificate number 17242 as a Certified Public Accountant.

2. At all times relevant, Respondent was an owner of James R. Hovis, Jr. Certified Public Accountant, PLLC (hereinafter "Firm"), and was responsible for the Firm's operations, including the Firm's payroll tax deposits and retirement accounts.

3. The Firm offered to certain employees a retirement plan with an employer match (hereinafter "Retirement Plan"). For a period of time, Respondent failed to transfer his employees' deferred compensation into the Retirement Plan.

4. Respondent failed to timely remit 941 payments for some of the quarters between March 2006 and September 2010.

5. Respondent also failed to timely file the Firm's quarterly 941 returns at least once.

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 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:

Hovis
continued on page 4

In Memoriam: Rev. JC Harris, Jr.

Reverend Jordan Clifton ("JC") Harris, Jr., 81, a former member of the North Carolina State Board of CPA Examiners, died November 9, 2013.

A public member of the Board from 2003 to 2012, Harris served as Secretary-Treasurer of the Board and as a member of the Executive Committee, the Personnel Committee, the Professional Standards Committee, and the Professional Education & Applications Committee.

Reverend Harris was the pastor of the First Baptist Church (Garfield Street) of Statesville since 1962.

He was a strong proponent of community service; he dedicated a significant amount of time to organizations such as the North Carolina Chaplaincy Service; the General Baptist State Convention of North Carolina, Inc.; Legal Services of North Carolina, Inc.; the NAACP; and the Statesville Housing Authority.

Harris was a well-known civil rights champion and his ardent activism and extensive community service prompted Shaw University to present Harris with an honorary Doctorate of Divinity in 1975.

He is survived by his current wife, Janet Leigh Lackey Harris, two daughters, four grandchildren, three great-grandchildren, four brothers, and four sisters.

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, 2013
Christmas

January 1, 2014
New Year's Day

January 20, 2014
Dr. Martin Luther King, Jr., Day

Reclassifications

Reinstatements

11/18/13	Deborah McQuitter Ally, #18620	Gastonia, NC
11/18/13	Susan Denise Balk, #33334	Charlotte, NC
11/18/13	Beverly Carroll Eckard, #32700	Summerfield, NC
11/18/13	James Gallatin Mackey, III, #22187	Charlotte, NC
11/18/13	Gina Eastridge Reynolds #32540	Chapel Hill, NC
11/18/13	Sandra Blanks Simpson, #15151	Holly Springs, NC
11/18/13	Elizabeth Ann Staker, #24297	Cary, NC
11/18/13	David Neal Stoessel, #12468	Matthews, NC

Reissuance

11/18/13	Brenda Love Armstrong, #20155	Concord, NC
11/18/13	Emma Kaye Atkinson, #28072	Beulaville, NC
11/18/13	Jamesine Marsden Killorin, #33874	Burlington, NC
11/18/13	Robert Anthony LaTourette, #36251	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)].

11/18/13	Robert Lee Everhart, #9873	Winston-Salem, NC
11/18/13	John Cameron Hunt, Jr., #7560	Greensboro, NC
11/18/13	William Marshall Lambert, #14316	Durham, NC
11/18/13	Cynthia S. Marcelais, #14810	Sanford, NC
11/18/13	Jean Harper Scovil, #13573	Raleigh, NC
11/18/13	Thomas P. Washburn, #7991	Raleigh, NC

Inactive

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

10/29/13	Yingna Su, #33653	Waxhaw, NC
11/05/13	Edward Wadsworth Trott, #3420	Stamford, CT
11/06/13	Sharon Braswell, #13087	Advance, NC
11/08/13	James William Roland, #31354	Williamsville, NY
11/08/13	William Leonard Traurig, #30002	Raleigh, NC
11/12/13	Dorrene S. Kline, #31321	Palmyra, PA
11/13/13	Gale Haney Duarte, #26920	Waxhaw, NC
11/13/13	Dan Overby Holder, Jr., #29670	Greensboro, NC
11/13/13	Susan Bucko Wilson, #8808	High Point, NC
11/15/13	William Hugh Stanton, #11566	Richmond, NC

Hovis *continued from page 3*

1. Respondent's CPA certificate shall be suspended for two (2) years; however, said suspension shall be stayed. If the Respondent fails to timely comply with any and all terms of this Order, the stay of the suspension referenced shall be lifted.

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

3. Respondent shall reimburse the Board seven thousand five hundred dollars ($7,500.00) for the administrative costs incurred by the Board in its investigation of this matter. Those costs must be remitted to the Board no later than six (6) months from the date this Order is approved by the Board.

4. Respondent must provide the Board, over the next two (2) years, with proof that the quarterly payroll obligations for the Firm have been timely filed and paid.

William T. Lovette, III, #30505
Greensboro, NC 10/21/2013

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. William T. Lovette, III (hereinafter "Respondent"), is the holder of North Carolina certificate number 30505 as a Certified Public Accountant.

2. Prior to submitting his initial exam application on August 1, 2000, Respondent had been charged and convicted on a number of misdemeanor charges. He failed to disclose any of those charges or convictions on his initial exam application.

3. Respondent failed to disclose any charges or convictions on his re-exam applications filed on March 2, 2001, and March 3, 2003.

4. On his application for licensure submitted to the Board on September 12, 2003, Respondent failed to report those charges and convictions, and additional charges.

5. Subsequent to licensure, Respondent was charged and convicted of four (4) additional misdemeanors. He did not make any disclosures of these four (4) additional misdemeanors in his renewals for 2007, 2010, and 2013.

6. Many of the charges and convictions arose from the Respondent's repeated drinking and driving.

7. Respondent has admitted that he suffers from the disease of alcoholism and is currently seeking treatment.

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, 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(a), .0202(a), .0202(b)(3), .0203 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, William T. Lovette, III, is suspended for five years. That suspension is stayed. The stay will be lifted in the event that Respondent violates any provision of this Order, subject to the Respondent's opportunity to show cause why the stay should not be lifted.

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

3. Respondent shall actively participate in a substance abuse rehabilitation program, such as Alcoholics Anonymous, and provide the Board, on a quarterly basis, with proof from the drug rehabilitation program of Respondent's active attendance or participation in that program.

4. Respondent shall obtain and provide proof, on a quarterly basis, from a substance testing provider that Respondent has received a clean report from the provider. The testing must be for drugs and alcohol. The provider must be pre-approved by Board staff and the Board staff will randomly request a drug test from the Respondent during the term of the stayed suspension. The Respondent must comply by providing a clean report from the provider within seven (7) days of the request. All testing is at the Respondent's cost.

Albert Jack Jacobson, #934
Greensboro, NC 08/19/2013

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. Albert Jack Jacobson (hereinafter "Mr. Jacobson") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Mr. Jacobson failed to timely file the annual firm registration for Albert J. Jacobson, 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. Jacobson subsequently renewed his firm registration, which was received by the Board on February 11, 2013, less than sixty (60) days from the annual firm registration date.

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

5. Mr. Jacobson 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. Jacobson's payment as full resolution of the aforementioned rules violation.

Ellen M. McMillan, #18875
Jacksonville, NC 08/19/2013

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. Ellen M. McMillan (hereinafter "Ms. McMillan") is the holder of a certificate as a Certified Public Accountant in North Carolina.

2. Ms. McMillan failed to timely file the annual firm registration for Ellen M. McMillan, 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. McMillan subsequently renewed her firm registration, which was received by the Board on February 26, 2013, less than sixty (60) days from the annual firm registration date.

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

5. Ms. McMillan 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. McMillan's payment as full resolution of the aforementioned rules violation.

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Certificates Issued

At its November 18, 2013, meeting, the Board approved the following applicants for licensure as North Carolina CPAs:

David William Almonte
Abdullah M. Alnwairi
Kari Ann Barrack
Peter Constantine Bitounis
Joshua Michael Boos
Albert Michael Boulus
Michael Brandon Branscome
Teare Monic Brewington
Steven Douglas Bruno
David Lee Bublick
William Edward Callis, III
Ryan Patrick William Chadwell
Andrew Robert Chaney
Stacey Lynn Chicelli
Joseph Coco
Brady Lee Combs
Elizabeth Anne Daniel
Jonathan Burnette Dean
Grant Matthews Dover
Brandi Overstreet Dupuis
Joseph Daniel Egbers
Suzanne Dunlow Evans
Jeffery Alan Frick
Sean B. Gallagher
Matthew Addison Godfrey
Philip Charles Gooding
Graig Sean Harr
Sarah Elyse Head
Jeremy Brian Helms
Robin Denise Hewett
Elise Marilei Hobbs
Thomas North Howard
Daniel Reed Hudson
Anna Carr Ivey
Jordan Vassar McRae Jernigan
Nicole Denise Jones
David Lee Joyner
David Frank Kame
Kathy Elizabeth King
Pieter Volkert Kreuk
Ka Ying Li
Tyler Oliver Lindsey
Justin Patrick Linville
Richard Thomas Livingston
Xingjie Lu
Matthew James Lynch
Fahad Nabeel Majeed
Alan Charles McBrayer
Matthew Patrick McDowell
Dawn Porter Messinger
Tanya Rae Miller
Maaike Gabrielle Mulders
Aastha Jitendriya Naik
Elliot Bradford Nickles
Rihen Alberto Nieto
Carroll Dean Oglesby, III
Lida Taylor Pace
Jennifer Blane Parker
Amanda Stone Patterson
Nathan Bill Phillips
Rebekah Armistead Poirier
Benjamin Gregg Pokorney
Jessica Dawn Propps
Jared Daniel Reynolds
Kathryn Wallick Riedl
Jonathan Chapman Riley
Stephanie Ward Rose
John Howard Ross, III
Christopher Ryan Schaffer
Sara Renee Shelp
Jeremy Robert Shreve
Sydney Lauren Smith
Matthew Edwin Spain
James Leland Spangler
Noel Matthew Swartz
Pamela Jetton Taylor
Robert Thomas Taylor
Samone Latrice Thomas
Edward Lawrence Thompson, III
Heather Anne Upham
James Maxwell Van Dorn
Timothy Francis Wade
Morgan Leigh Wallace
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Joel Nathan White
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Jonathan David Wood
Simon Ho-On Wu
Richard Daren Yan
Matthew Yap
Joanne Zach

Comments or Questions about the *Activity Review*

Do you have a comment or question about information published in the *Activity Review*? The Board welcomes your comments and suggestions. Contact us by email at **lhearne@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** so that the hours can be verified and if necessary, adjusted.

2014 Board Calendar

(dates and locations subject to change)

January 1	–	Office Closed - New Year's Day
January 20	–	Office Closed - Dr. Martin Luther King, Jr., Day
January 27	–	Board Meeting - Raleigh
January 31	–	Final Deadline for Firm Renewal & Peer Review Compliance Info
February 24	–	Board Meeting - Raleigh
March	–	Online Certificate Renewal Available
March 19	–	Board Meeting - Raleigh
April 18	–	Office Closed - Good Friday
April 22	–	Board Meeting - Raleigh
May 22	–	Board Meeting - Raleigh
May 26	–	Office Closed - Memorial Day
June 19	–	Board Meeting - Greensboro
June 30	–	Certificate Renewal Deadline
July 4	–	Office Closed - Independence Day
July 21	–	Board Meeting - Raleigh
July 31	–	Final Certificate Renewal Deadline
August 25	–	Board Meeting - Raleigh
September 1	–	Office Closed - Labor Day
September 19	–	CPA Day of Service
September 22	–	Board Meeting - Raleigh
October 23	–	Board Meeting - Raleigh
November	-	Online Firm Renewal/Peer Review Compliance Available
November 11	–	Office Closed - Veterans' Day
November 17	–	Board Meeting - Raleigh
November 27-28	–	Office Closed - Thanksgiving
December 15	–	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.