

PUBLIC SESSION AGENDA
NORTH CAROLINA STATE BOARD OF CPA EXAMINERS
FEBRUARY 25, 2013
10:00 A.M.
1101 OBERLIN ROAD
RALEIGH, NC

I. Administrative Items

A. Call to Order

In accordance with the State Government Ethics Act, it is the duty of every Board member to avoid both conflicts of interest and appearances of conflict. Does any Board member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.

B. Welcome and Introduction of Guests

C. Approval of Agenda

D. Minutes

E. Financial/Budgetary Items

1. Financial Statements for January 2013

2. Consideration of a CD Investment

II. Legislative & Rule-Making Items

A. Senate Bills 32, 33, 36, and 37

III. National Organization Items

A. Request from Mr. Glover to Be Nominated by the Board for the Position of Director at Large on the NASBA Board of Directors for 2013-2014

B. Request from Tyrone Dickerson, CPA, for support for the Position of Middle Atlantic Regional Director of NASBA for 2013-2014

IV. State & Local Organization Items

V. Request for Declaratory Ruling

VI. Committee Reports

A. Professional Standards

B. Professional Education and Applications

VII. Public Comments

VIII. Closed Session

IX. Executive Staff and Legal Counsel Report

X. Adjournment

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
January 28, 2013
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Jose R. Rodriguez, CPA, President; Barton W. Baldwin, CPA, Vice President; Maria M. Lynch, Esq., Secretary-Treasurer; Tawannah G. Allen, Ed.D.; Bucky Glover, CPA; John M. Kledis, CPA; and Michael H. Womble, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; Buck Winslow, Manager-Licensing; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Henry Paula, CPA, NCACPA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA and Curt Lee, Legislative Liaison, NCSA.

CALL TO ORDER: President Rodriguez called the meeting to order at 10:00 a.m.

MINUTES: The minutes of the December 17, 2012, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The December 2012 financial statements were accepted as submitted.

LEGISLATIVE AND RULE-MAKING ITEMS: Mr. Brooks reported on possible legislation coming out of the General Assembly regarding occupational licensing boards.

NATIONAL ORGANIZATION ITEMS: The Board reviewed letters from Kenneth R. Odom, CPA, and Janice L. Gray, CPA, requesting support for their nominations as NASBA Vice Chair 2013-2014. Mr. Rodriguez will send letter to both individuals indicating that the Board has nominated Walter C. Davenport, CPA, for the position of NASBA Vice Chair 2013-2014.

Mr. Glover reported on the January NASBA Board meeting held in Key West, FL.

Mr. Brooks reported on the re-grading of some sections of the Regulation (REG) and Financial Accounting and Reporting (FAR) sections of the Uniform CPA Examination because of an item error.

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

Case No. C2012184 - John B. Thigpen - Messrs. Baldwin and Glover moved to permanently revoke the NC CPA certificate issued to John B. Thigpen (Appendix I). Motion passed with seven (7) affirmative and zero (0) negative votes.

Case No. C2012209 - Warren H. Pennington - Messrs. Baldwin and Glover moved to permanently revoke the NC CPA certificate issued to Warren H. Pennington (Appendix II). Motion passed with seven (7) affirmative and zero (0) negative votes.

Case No. C2012228 - Close the case without prejudice.

Case No. C2012231 - Close the case without prejudice.

Case No. I2012246 - Close the case without prejudice.

Case No. C2012278 and Case No. C2012279 - Close the cases without prejudice.

Case No. C2012066-1 and Case No. C2012066-2 - Larry S. Dewar and Larry S. Dewar, P.C. - Messrs. Baldwin and Glover moved to permanently revoke the NC CPA certificate issued to Larry S. Dewar (Appendix III). Motion passed with seven (7) affirmative and zero (0) negative votes.

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

Transfer of Grades Applications - The following were approved:

Jason Charles Felts
Stephen Edward Honeycutt
Sean Francis Kearney

Jason Michael Mauck
Eliud Charles Oyeyo
Rodrick Tarveze Shiver

Original Certificate Applications - The following were approved:

Sanjay Roshanlal Agarwal
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
Joshua Paul Brown
William Ross Browning
Kirsten Sue Bruenning
Bronwen Aisling Bryant

Mischael Tolmie Buffkin
Brittany Nachele Bumphus
Derek Lewis Church
Justin Craig Coley
Scott William Coppola
Justin Holt Cribb
Carl Abene Epley
Jason Charles Felts
Shannon Leah Ford
Hannah Grace Freeman
Vincent Gambella
John Philip Goldsberry IV
Richard Michael Grieder
Janelle Alane Hall

Jericho Wayne Hallimore
Joseph Vladimir Hampl
Lindsey Dawn Hodges
Brittany Cornelius Honeycutt
Stephen Edward Honeycutt
Ashley Brooke Howard
Yimeng Huo
Brittni Jade Jenkins
Alicia-Michelle Cecilia Johnson
Jay Sterling Johnson
Sean Francis Kearney
Tamara Rice Kenney
Kathryn Louise King
Amber Cox Lancaster
Adam Christopher Lee
Valerie Renee Lewis
Jorushia Rena Little
Timothy Charles Marangola
Peter Dennis Mataragas
Jason Michael Mauck
Phillip Michael McKeown
David Michael McNally
Michael Jason Means
Stephen Paul Messenger
Steven Eric Miller
Jennifer Lynn Morgan
Anna Rene Morris
Neil Aruh Naik
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
Stacie Leann Rhodes
Maribeth Hallisey Roach
Zana Walid Shaban
Rodrick Tarveze Shiver
Chelsea Elizabeth Smith
Peter Clifton Spell
Thomas Ramey Stewart
Travis Jackson Strickland
Megan Linda Sudnik
Kourtney Rae Swan
Kevin Scott Thompson
Graham William Van Roekel
Paul Francis Ward
Leigh Morgan Weatherly
Christopher Donald Wenthe
Carolyne Leigh Westfall
Michael Lewis Whitfield
Patrick Scott Wicker
Robert Johnston Williams V
Bradley Thomas Worthen
Christopher Samuel Wright
An Yan
William Joseph Zweier

Staff reviewed and recommended approval of the original application submitted by Michael Gerard Hargadon. Mr. Hargadon failed to disclose pertinent information with his exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Staff reviewed and recommended approval of the original application submitted by Gautham Venkatasubramanian. Mr. Venkatasubramanian failed to disclose pertinent information with his exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Staff reviewed and recommended approval of the original application submitted by Jeng Suk Hinkle. Ms. Hinkle failed to disclose pertinent information with her exam application but provided it with her certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Reciprocal Certificate Applications - The following were approved:

Andrew Daniel Allen	Heather Lee Kelchlin
Justin Andrew Brewer	Kurt Travis Kennell
Shelia Ann Brown	Patrick Malloy
James Michael Dannemiller	Poornima Shastry Mathur
Joanna Lynn Demick	Eleese Danielle McMahon
LaVonne Joy Derksen	Erica Elizabeth Miller
Christopher L. Elton	Meredith Ann Morgan
Sean Patrick Enright	Ronald Lee Niekro
Natalie Anne Frenier	Dan Albert Remlinger
George Louis Kent Galbraith	Jessica Mae Robinson
Jessica Marie Harris	Mark Owen Smith
John Bruce Hughes	Michael Wayne Soistman
Maria Jayoussi	Natalia Chanel Williams
Stephen Vance Karaffa	Liang Xu

Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Jessica Mae Robinson T7150	Sharon Frances Hauser T7170
Maria Jayoussi T7151	Lyndsey Nicole Beasley T7171
Keith Broadus Giddens Jr. T7152	Heike Rosenbusch Massengale T7172
Joanna Lynn Demick T7155	Sandra Jean Crumrine T7173
James Michael Dannemiller T7156	Kimberly Keating DePietro T7174
John Bruce Hughes T7157	Samuel Frederick Wright IV T7175
Bonnie Melissa Collins T7158	Kelli Diane Roberts T7176
Liang Xu T7159	Andrew William When T7177
Ronald Lee Niekro T7160	Mark Thomas Gossett T7178
Patrick Malloy T7161	Irene M. Meares T7179
Dan Albert Remlinger T7162	Rebecca Semones Scheumann T7180
Robert Willard Verbanik T7163	Andrea Rebecca Carlton T7181
Montana Ashley Clelland T7164	Jennifer Jessen Jones T7182
Heather Lee Kelchlin T7165	Jonathan Michael Carie T7183
Michael Sean Ryan T7166	Blake Frawley T7184
Roger Keith Spivey T7167	Denise Marie Bennen T7185
Tuba Geredelioglu T7168	Kata Jurcic T7186
Jaymi Suryakant Patel T7169	Timothy John Southard T7187

Deborah Mahler Baum T7188

Reinstatements - The following were approved:

Julie Armour Baker #27944
Elizabeth Amy Dunlop #22380
Stacy Ann Holland #27658
Crystal Giles Humble #23291
Kristina Torbett Johnsen #22355
Robert Chad Kapfhamer #13649
Michael Finley Lefevers #22463
Charles Thomas McLeod Jr. #23207

Dale Britt Mendoza #29251
Kelly Deanna Nicholson #22612
Paul Mark Oakley #19430
Elizabeth Faulds Parker #15549
William Van Hook #35938
James David Vanke #27178
James Ray Wilborne #26836

Reissuance of New Certificate - Applications for reissuance of new certificate submitted by the following were approved.

James Glenn Fortson #28535
John Paul Ragland #20490

Candace Lynn Scappator #32978

Staff reviewed and recommended approval of the reissuance application submitted by Larry Dewayne Harrelson (#16446). Mr. Harrelson failed to disclose pertinent information with his 1998 certificate renewal but provided it with his reissuance application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Reissuance of New Certificate and Consent Agreement - Applications for reissuance of new certificate and consent agreements submitted by the following were approved.

Thurman L. Brooks #28515
Holli Lyn McKinney #25057

Ashraf Mehdi #34263

Firm Registrations - The following professional corporations and professional limited liability companies were approved by the Executive Director and ratified by the Board:

Faith Bynum, CPA, PC
Deborah Fleischman CPA PLLC
D. L. Purvine, CPA, PLLC

T.J.A. CERTIFIED PUBLIC
ACCOUNTANT, PLLC
Donna G. Willis, CPA, PLLC

Retired Status Applications - The Committee approved the following requests for retired status because the individuals are completely retired and do not receive any earned compensation for current personal services in any job whatsoever:

Vinton Carr Bruton III #4100

David Robert Dollins #12388

Sherry Liberman Moss #34053

Alan Richard Wood #29962

Extension Requests - The Committee approved the following individuals for extension for completion of CPE until the dates noted:

Marilyn Crawford #18153 (6/30/13)
Pamela A. Ennis #18853 (3/31/13)
Carlene Johnson Grant #28405 (3/31/13)
Page Littlewood #14450 (6/30/13)
Edward Reid Matthews #15429 (6/30/13)
Holmes Ramsay #25777 (6/30/13)

Alice Rouse #26177 (6/30/13)
Cary Whitaker #1833 (6/30/13)
Charlene White #32451 (6/30/13)
Phyllis Woollen #12414 (6/30/13)
Donna Lee Young #36045 (1/31/13)

An extension request submitted by Kenneth Earl Wright (#16570) was disapproved.

Examinations - The Committee reviewed and approved the following staff approved applicants to sit for the Uniform CPA Examination:

Freddie Acevedo
Jennifer Aguirre
Mikhail Alexoudis
Michael Alford
Luke Allman
Donald Alm
David Almonte
Joshua Anderson
Natalie Angell
Ahaz Armstrong
Brent Ashburn
Sheila Ashley
Danielle Atkinson
Lori Aveni
Kathy Averett
Meghan Ayscue
James Badgett
LeAnn Bagasala
Catherine Baker
Steven Baker
Tommi Barbour
Charles Barnewolt
Valerie Barney
Megan Bassett
David Batkiewicz
Jacob Battle

Brandon Becker
Ryan Beckstead
Gina Behan
Carrie Benton
Gagandeep Bindra
Janine Bineyard
Melissa Birdwell
Benjamin Blackmon
Brittany Blackwell
Owen Blanton
Amy Bleeker
Michelle Boch
Andrew Bohme
Jordan Boone
Michael Bowers
Mason Bradley
Alexander Brandt
Michael Branscome
Allison Braswell
Bethany Breeden
Adam Briones
Robert Brown
Tiffany Buckelew
Justin Buckner
Agatha Buell
Hope Buttitta

Kimberly Byrd
Latesha Byrd
Derrick Cahoon
Jonathan Campbell
Benjamin Canada
Kelley Carter
Kevin Chang
Abraham Chen
Angelos Christoforou
Lindsay Clark
Philip Clark
Christina Clarke
Jennifer Cline
Tyler Cole
Catherine Collins
Sarah Collins
Susan Collins-Roberts
Laura Collonia
Rachael Constable
Joseph Cook
Natashia Cooke
Brittany Cowan
Michael Coward
Evan Crim
Lauren Criscoe
Matthew Crocker
John Cullingford
Brittney Currin
Lillian Davis
Mark Davis
Samantha Davis
Amelia Dean
Amanda Dehler
Ghyslaine Dejean
Molly Demarest
Megan DeMoss
Valerie Derrick
Ghassan Dib
Robert Dobbins
Simona Dobson
Michael Doggett
Taylor Duran
Kathleen Durham

Melissa Ebili
Kirk Edwards
Veronica Edwards
Joseph Egbers
Susan Eisenhardt
Charles Elliott
Carla Elmore
Allison Emery
Ashley Epps
Luis Espinosa
Elliott Etheridge
Glenn Evans
Marisa Evans
Claude Felmet
Heather Ferrell
Emily Fisher
John Fisher
Evelyn Forbes
Alexander Frelier
Sarah Friel
Virginia Fritz
Ashley Fromm
Erica Fulcher
Daniel Fusaiotti
Rachel Gable
Matthew Gardner
Bradley Garrett
Chad Garrison
Bria Gilchrist
Nicole Girard
Daniel Glasser
Shirley Gomes
Ashley Good
Philip Gooding
Nicholas Graham
Kyle Grant
Suzanne Graves
Kevin Greats
Megan Green
Daniil Grinchak
Gary Guido
Matthew Haberman
James Hackl

Kendra Hairston
Brandon Hall
Charles Hall
Bradley Hamby
David Hamilton
Ashley Hamm
Joseph Haney
Geri Hare
Amanda Harrell
David Harris
Felicia Harris
Monica Harris
Warren Harvey
Emily Hass
Mary Hatcher
Brad Headley
Bartley Heath
Jessica Heflin-Knop
Camille Hefner
Kimberly Heller
Alyssa Helms
Wilson Hicks
Ryan Hill
Lindsay Hinkle
Lynn Hoechstetter
James Holland
Brooke Holliday
Brentley Hollifield
Alicia Holtsclaw
Susan Hood
Sarah Hopkins
Jennifer Horne
Tiffany Howard
Julia Howe
Daniel Hudson
Rachel Humphries
Mark Hunike
Zeshawn Hussain
Meagan Ignatowicz
Olufisayo Ijamakinwa
Braden Jackson
Christina Jackson
Loren Jackson

Alex Jandrisevits
Joyce Jarrett
John Jenkins
Lisa Johansen
Amy Johnson
Matthew Johnson
Stephen Johnson
Mallory Jones
Shani Jones
John Jordan
Steven Joseph
Gregory Journigan
Michael Kahill
William Kane
Jacob Karr
Marie Kastelic
Jordan Kay
Ezekiel Kayode
Nicole Keating
Euna Kim
Adam King
Kathy King
Perry King
Joshua Kleinberg
Alyssa Knies
Stephanie Knight
Heather Koob
Danielle Kubinski
Angel Kulich
Adam Lanier
Seth Larson
Anita Lauro
Bao-Tran Le
Crandall Lea
Kevin Lee
Mazalenia Lee
Julia Leik
Cecelia Wai Man Li
Andrew Linn
Molly Little
John Loewer
Michael Loman
Stuart Long

Carrie Love
Matthew Lynch
Amber Maddox
Hailey Majors
Alen Makitan
Ranu Manik
Gurband Mann
Robby Manning
Jennifer Maready
David Markham, Jr
Ryann Marzouk
Stephen Mason
Christopher Massey
Nino Matic
Susanne Matthews
Timothy Mausolf
Emma May
Christine Mays
Sarah Mazur
Matthew McClain
Inge McCrory
Adam McCutcheon
Wilson McGuire
Thaddaeus McKinnon
Kristen McLamb
Andrew Mense
Dawn Messinger
William Middleton
Brooke Miles
Brandon Miller
Melinda Miller
Tanya Miller
Kyle Milligan
Scott Millikan
Patrick Mills
Praxi Mittal
Narcisse Mondesir
Addison Moore
Amanda Moore
Edgar Moreno
Adam Morris
Marc Morris
Megan Morrissey

Lisa Morrow
Susanne Muecke
Lindsay Nalley
Courtney Nastasia
Austin Newlin
Kevin Neyland
Thao Nguyen
Jianming Ni
Rihen Nieto Delgado
Chrysanthos Nikopoulos
Gwendoline O'Brien
Hallie O'Neil
Rosario Ochoa
Daniel Ogbamichael
Patrick Oglesby
Anna Olson
Miles Onafowora
Joslin Owens
Andrea Pack
Michael Palmer
Tina Papakonstantionu
Stephen Parker
Jason Pate
Punam Patel
Emily Payne
John Payne
Joshua Payne
Laura Pearson
William Perrault
Ricky Perry
Charlotte Pielak
Ljubica Pilipovic
Christopher Pittman
Lauren Piucci
Marisa Poccia
Stephanie Potter
Beverly Pressley
Katelan Price
Erin Priddy
Jason Priest
Kun Qian
Kristie Race
Katherine Rebmann

Teresa Redman
Sabina Redzovic
John Reece
Anthony Riccio
Judyth Riddick
Anna Riddle
Andrea Ridgely
Heather Ridlon
David Riley
Kevin Roach
Seanna Robey
James Robinson
Nicole Rocco
Charles Rogers
John Rogers
Stephanie Rogers
Stephanie Rose
Jessica Rosera
John Ross
Susan Ross
Layna Roycraft
Jessica Rubinski
Jeffrey Sanders
Carson Sasser
Jonathan Scarpola
Joy Schaub
Daniel Schillaci
Adam Schiller
Andrew Schwarz
Laura Scott
Leslie Scott
Shay Sellati
Cheterra Sheff
Fang Shen
Ashlie Shepard
Dhrumit Sheth
Michael Shortall
Shawn Siegfried
Richard Siler
Eva Simpson
Montana Singer
Christopher Singletary
Stephen Skidmore

Amanda Skonezney
Erica Sloan
Emily Small
Susan Smitherman
Brett Sprehe
William Squires
Kyle Stamp
Kent Stanton
Travis Starbuck
Samuel Staton
Andrew Steffensen
Aram Stephens
Kyle Stephenson
Melissa Stephenson
Dominique Stevenson
Amie Stewart
Henry Stilley
Courtney Stoker
Lauren Stout
Josh Strehle
Brooke Strider
Kristin Stroud
Laurie Strumski
Jennifer Sumler
Edward Summersill
Mollie Swann
Laura Sylvester
Nathan Tate
Crystal Teague
Bradley Thacker
Deana Thorps
Zachary Thurmes
Kate Thurston
Gina Tong
David Trautmann
William Tucker
Taresa Turner
Alexandra Valier
William Varnedoe, Jr
Suzanna Vick
Maya Viknius
Colin Wach
Courtney Wade

Akilah Waldron
Liping Wang
Thomas Weaver
Amanda Webb
Rachel Webster
Katherine Wester
Donald Weymer
Joel White
Shauna Whitener
Thomas Whitlock
Maggie Whitman
Jamie Wicker
Aviance Williams

David Williams
John Willis
Michael Wills
Krystine Wilson
Gregory Wintermeier
Tyler Woitkowski
Brad Woodard
Jeffrey Yahn
Yifei Yang
Jacquelyn Yellin-Mungo
Carole Yow
Alan Zambrano
Zhiqiang Zhang

Letter of Warning - Staff received and recommended approval of the request to rescind the Letter of Warning issued to Edward D. Fulbright (#16582). The Committee approved staff recommendation.

Miscellaneous - Staff received and recommended disapproval of a request submitted by Anneli Browning (#37193). Ms. Browning was licensed on November 26, 2012, and given probation for failure to disclose her foreign birth on the initial Exam application. She requested a modification of discipline. The Committee disapproved her request.

EXECUTIVE STAFF AND LEGAL COUNSEL REPORT: Messrs. Baldwin and Glover moved to approve an increase of \$5,730.00 in the building budget for improvements in the entrance hall area of the building. Motion passed.

Mr. Brooks presented the proposed plan for celebrating the 100th anniversary, March 12, 2013, of the Board. The Board directed Mr. Brooks to proceed with the plan.

ADJOURNMENT: Messrs. Glover and Kledis moved to adjourn the meeting at 10:43 a.m. Motion passed.

Respectfully submitted:

Attested to by:

Robert N. Brooks
Executive Director

Jose R. Rodriguez, CPA
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2012184

IN THE MATTER OF:
John B. Thigpen, #11752
Respondent

CONSENT ORDER

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

1. 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:

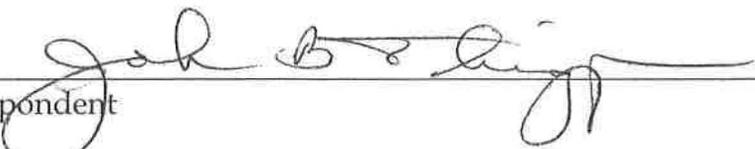


1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above 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.

CONSENTED TO THIS THE 31 DAY OF December, 2012

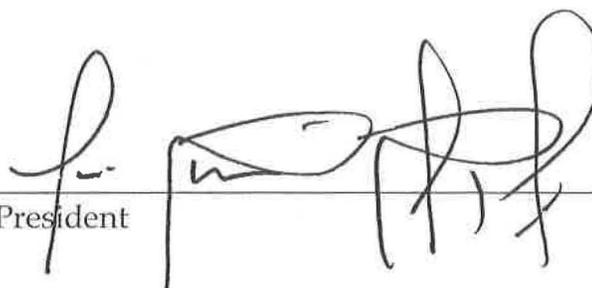


Respondent

APPROVED BY THE BOARD THIS THE 23 DAY OF JANUARY,
2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 

President



NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2012209

IN THE MATTER OF:
Warren H. Pennington, #19776
Respondent

CONSENT ORDER

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

1. 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.
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

Consent Order - 3
Warren H. Pennington

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.

CONSENTED TO THIS THE 3 DAY OF JANUARY 2013

Wa H P
Respondent

APPROVED BY THE BOARD THIS THE 28 DAY OF January
2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s: C2012066-1 and C2012066-2

IN THE MATTER OF:
Larry S. Dewar, #2527
Larry S. Dewar, P.C.
Respondents

CONSENT ORDER

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



Consent Order - 2
Larry S. Dewar
Larry S. Dewar, P.C.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondents are subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code, 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 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.

CONSENTED TO THIS THE 14th DAY OF JANUARY, 2013.

Larry S. Dewar
Respondent

Larry S. Dewar
Individual authorized to sign on behalf of Respondent Firm

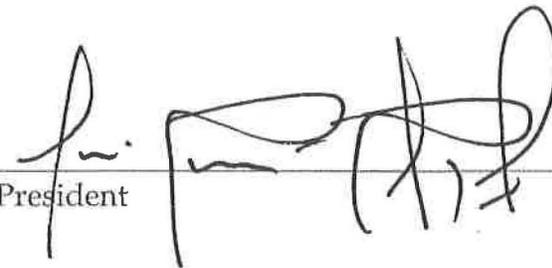
JAN 24 2013

Consent Order - 3
Larry S. Dewar
Larry S. Dewar, P.C.

APPROVED BY THE BOARD THIS THE 28 DAY OF JANUARY,
2013.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 
President

RECEIVED
JAN 24 2013

Financial Highlights
For the Ten Months Period Ended January 31, 2013
Compared to the Ten Months Period Ended January 31, 2012

	Budget Var.	Jan-13	Jan-12	Inc. (Dec.)
Total Revenue	-\$85,050.12	\$ 2,504,875.38	\$ 2,551,804.43	\$ (46,929.05)
■ Total Operating Revenue	-\$82,193.03	\$ 2,456,199.17	\$ 2,515,914.39	\$ (59,715.22)
❖ Total Net Non Operating Revenue	-\$2,857.09	\$ 48,676.21	\$ 35,890.04	\$ 12,786.17
○ Total Expenses	-\$173,731.84	\$ 2,212,632.83	\$ 2,185,928.01	\$ 26,704.82
Increase(Dec.) Net Assets for Period		\$ 292,242.55	\$ 365,876.42	\$ (73,633.87)
Total Checking and Savings		\$ 381,250.80	\$ 207,979.47	\$ 173,271.33
Total Assets		\$ 3,067,268.23	\$ 3,023,208.18	\$ 44,060.05
Full-Time/Part-time Employees		14/1	13/1	0/0

Revenues were \$85,050 under budget primarily due to exam fee revenue. Actual expenses were \$173,731 under budget primarily due to exam sitting and grading fees.

- Total operating revenue decreased this period compared to last by \$59,715 primarily due to a decrease in exam fee revenue.
- ❖ Total net non operating revenue increased this period compared to last by \$12,786 primarily due to an increase in rental income.
- Total expenses increased this period compared to last by \$26,704 primarily due to an increase in salaries.

NC Board of CPA Examiners
Statement of Net Assets
 As of January 31, 2013

	<u>Jan 31, 13</u>	<u>Jan 31, 12</u>
ASSETS		
Current Assets		
Checking/Savings		
1074 · Trust Atlantic Bank - MMA	166,999.03	0.00
1023 · BB&T Disciplinary Clearing Acct	0.00	335.00
1020 · BB&T Checking Acct	75,262.78	94,167.98
1021 · BB&T Savings Account	13,888.99	113,574.62
1030 · BB&T Payroll Acct	100.00	-98.13
1050 · CD Investments - Current	661,297.81	953,126.09
1110 · Accrued CD Interest	13,605.80	10,920.48
Total Checking/Savings	<u>931,154.41</u>	<u>1,172,026.04</u>
Other Current Assets		
1165 · Deferred Lease Commissions	4,945.44	0.00
1125 · Accts Rec Civil Penalties	4,000.00	9,000.00
1120 · Accounts Receivable	0.00	1,407.01
Total Other Current Assets	<u>8,945.44</u>	<u>10,407.01</u>
Total Current Assets	940,099.85	1,182,433.05
Fixed Assets		
1330 · Land Improvement	9,240.90	0.00
1300 · Building	917,143.10	917,143.10
1305 · Land	300,000.00	300,000.00
1306 · Vehicle	26,622.40	26,622.40
1310 · Furniture	113,918.90	113,918.90
1320 · Equipment	206,082.29	200,257.14
1325 · Data Base Software	180,336.18	180,336.18
1390 · Accumulated Depreciation	-709,633.91	-646,957.31
Total Fixed Assets	<u>1,043,709.86</u>	<u>1,091,320.41</u>
Other Assets		
1250 · CD Investments Non-Current	1,083,458.52	749,454.72
Total Other Assets	<u>1,083,458.52</u>	<u>749,454.72</u>
TOTAL ASSETS	<u>3,067,268.23</u>	<u>3,023,208.18</u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	0.00	5,560.00
Total Accounts Payable	0.00	5,560.00
Other Current Liabilities		
2040 · Accounts Payable Civil Penalty	3,608.80	7,920.00
2005 · Due to Exam Vendors	412,606.15	463,153.60
Total Other Current Liabilities	<u>416,214.95</u>	<u>471,073.60</u>
Total Current Liabilities	416,214.95	476,633.60

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NC Board of CPA Examiners
Statement of Net Assets
As of January 31, 2013

	<u>Jan 31, 13</u>	<u>Jan 31, 12</u>
Long Term Liabilities		
2020 · Accrued Vacation	77,458.20	75,306.63
Total Long Term Liabilities	<u>77,458.20</u>	<u>75,306.63</u>
Total Liabilities	493,673.15	551,940.23
Net Assets		
3010 · Net Assets Invest in Cap Assets	1,043,709.86	1,091,320.41
3020 · Designated for Capital Assets	100,000.00	300,000.00
3031 · Designated-Operating Expenses	300,000.00	300,000.00
3040 · Designated for Litigation	750,000.00	500,000.00
3900 · Net Assets Undesignated	87,642.67	-85,928.88
Change in Net Assets	<u>292,242.55</u>	<u>365,876.42</u>
Total Net Assets	<u>2,573,595.08</u>	<u>2,471,267.95</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>3,067,268.23</u></u>	<u><u>3,023,208.18</u></u>

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through January 2013

	<u>Apr '12 - Ja...</u>	<u>Budget</u>	<u>\$ Over Bu...</u>
Ordinary Income/Expense			
Income			
Certificate Fees			
4110 · Certificates - Initial	46,000.00	45,250.00	750.00
4120 · Certificates - Reciprocal	20,700.00	20,000.00	700.00
4121 · Certificates - Recip/Temp	0.00	0.00	0.00
4130 · Certificates - Temporary	0.00	0.00	0.00
4131 · Certificates - Temp Renewal	0.00	0.00	0.00
4140 · Certificates - Renewal Fees	1,127,400.00	1,128,000.00	-600.00
4150 · Certificates - Reinst/Revoked	3,200.00	0.00	3,200.00
4151 · Certificates - Reinst/Surr	6,500.00	9,000.00	-2,500.00
4152 · Certificates - Reinst/Retired	0.00	0.00	0.00
4160 · Certificates - Notification	0.00	0.00	0.00
4161 · Certificate - Notification RnwI	0.00	0.00	0.00
Total Certificate Fees	<u>1,203,800.00</u>	<u>1,202,250.00</u>	<u>1,550.00</u>
Exam Fee Revenue			
4001 · Initial Adm Fees	177,335.00	177,764.46	-429.46
4002 · Re-Exam Adm Fees	130,575.00	136,437.50	-5,862.50
4004 · Exam Fees Revenue	884,478.52	972,777.77	-88,299.25
4060 · Equivalency Exam Fees	0.00	0.00	0.00
4070 · Transfer Exam Grade Credit	0.00	0.00	0.00
4071 · Exam Review Fees	0.00	1,208.30	-1,208.30
4072 · Exam Scholarship Coupon	-19,886.85	-34,950.80	15,063.95
Total Exam Fee Revenue	<u>1,172,501.67</u>	<u>1,253,237.23</u>	<u>-80,735.56</u>
Misc			
4910 · Educational Program Fees	-50.00	0.00	-50.00
4970 · Duplicate Certificates	925.00	0.00	925.00
4980 · Copies	0.00	0.00	0.00
4990 · Miscellaneous	602.50	3,100.00	-2,497.50
Total Misc	<u>1,477.50</u>	<u>3,100.00</u>	<u>-1,622.50</u>
Partnership Fees			
4260 · Partnership Registration Fees	0.00	3,941.70	-3,941.70
4261 · Partnership Renewal Fees	37,810.00	38,030.00	-220.00
Total Partnership Fees	<u>37,810.00</u>	<u>41,971.70</u>	<u>-4,161.70</u>
Professional Corporation Fees			
4250 · PC Registration Fees	4,700.00	3,833.27	866.73
4251 · PC Renewal Fees	35,900.00	34,000.00	1,900.00
4252 · PC Renewal Fees W/Penalties	10.00	0.00	10.00
Total Professional Corporation Fees	<u>40,610.00</u>	<u>37,833.27</u>	<u>2,776.73</u>
Total Income	<u>2,456,199.17</u>	<u>2,538,392.20</u>	<u>-82,193.03</u>
Expense			
6900 · Bad Debit Expense	981.71		
6690 · Over & Short	-0.08	0.00	-0.08

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through January 2013

	Apr '12 - Ja...	Budget	\$ Over Bu...
Fringe Benefits			
5031 · Retirement - NCLB Contribution	39,826.85	46,399.95	-6,573.10
5033 · Retirement - NCLB Administr	1,829.49	2,907.24	-1,077.75
5035 · Health Ins. Premiums	89,778.06	102,460.70	-12,682.64
5036 · Medical Reim Plan	27,991.11	33,279.24	-5,288.13
5038 · Unemployment Claims	4,701.95	4,800.00	-98.05
Total Fringe Benefits	164,127.46	189,847.13	-25,719.67
Board Travel			
5120 · Board Travel - Board Meetings	18,800.42	19,600.00	-799.58
5121 · Board Travel - Prof Meetings	285.33	0.00	285.33
5122 · Board Travel - NASBA Annual	9,507.03	16,450.00	-6,942.97
5123 · Board Travel - NASBA Regional	5,034.00	9,675.00	-4,641.00
5124 · Board Travel - NASBA Committees	0.00	0.00	0.00
5125 · Board Travel - AICPA/NASBA	0.00	0.00	0.00
5126 · Board Travel - NCACPA Annual	0.00	0.00	0.00
5127 · Board Travel - NCACPA/Board	3,034.24	0.00	3,034.24
5128 · Board Travel - AICPA Committees	0.00	0.00	0.00
5129 · Miscellaneous Board Costs	470.78	0.00	470.78
5133 · Board Travel - NASBA CPE	0.00	0.00	0.00
Total Board Travel	37,131.80	45,725.00	-8,593.20
Building Expenses			
5800 · Building Maintenance	1,021.05	1,500.00	-478.95
5801 · Electricity	9,503.13	10,000.00	-496.87
5802 · Grounds Maintenance	1,670.81	9,750.00	-8,079.19
5803 · Heat & Air Maintenance	3,337.49	4,350.00	-1,012.51
5804 · Improvements	0.00	0.00	0.00
5805 · Insurance	4,218.00	3,500.00	718.00
5807 · Janitorial Maintenance	4,750.00	5,000.00	-250.00
5808 · Pest Control Service	0.00	200.00	-200.00
5809 · Security & Fire Alarm	2,150.31	2,000.00	150.31
5810 · Trash Collection	54.78	0.00	54.78
5811 · Water & Sewer	675.22	916.70	-241.48
Total Building Expenses	27,380.79	37,216.70	-9,835.91
Continuing Education -Staff			
5050 · Continuing Education - Staff	2,903.20	2,750.00	153.20
5051 · Continuing Education - RNB	0.00	0.00	0.00
5052 · Continuing Education - Computer	0.00	0.00	0.00
Total Continuing Education -Staff	2,903.20	2,750.00	153.20
Exam Postage			
5531 · Exam Postage	1,020.00	1,083.30	-63.30
Total Exam Postage	1,020.00	1,083.30	-63.30
Exam Printing			
5533 · Exam Printing	0.00	0.00	0.00
Total Exam Printing	0.00	0.00	0.00

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through January 2013

	Apr '12 - Ja...	Budget	\$ Over Bu...
Exam Sitting and Grading			
5538 · Exam Vendor Expense	809,871.87	915,444.47	-105,572.60
Total Exam Sitting and Grading	809,871.87	915,444.47	-105,572.60
Exam Supplies			
5532 · Exam Supplies	0.00	0.00	0.00
Total Exam Supplies	0.00	0.00	0.00
Exam Temporary Staff			
5530-10 · Temp Employees - May	0.00	0.00	0.00
5530-20 · Temp Employees - Nov	0.00	0.00	0.00
Total Exam Temporary Staff	0.00	0.00	0.00
Investigation & Hearing Costs			
5220 · Investigator Fees	0.00	0.00	0.00
5221 · Staff Investigation Costs	0.00	0.00	0.00
5222 · Investigation Materials	6,935.99	6,666.70	269.29
5230 · Hearing Costs	2,673.35	4,166.70	-1,493.35
5231 · Rule-Making Hearing Costs	0.00	0.00	0.00
5232 · Legal Advertising	0.00	0.00	0.00
5250 · Administrative Cost Assessed	-7,031.50	-3,750.00	-3,281.50
5260 · Civil Penalties Assessed	-12,100.00	-8,750.00	-3,350.00
5261 · Civil Penalties Remitted	11,583.69	0.00	11,583.69
Total Investigation & Hearing Costs	2,061.53	-1,666.60	3,728.13
Legal Expense			
5140 · Legal Counsel - Administrative	12,714.44	20,000.00	-7,285.56
5141 · Legal Counsel - Spec Projects	0.00	0.00	0.00
5210 · Legal Counsel - Prof Standards	17,004.00	14,579.20	2,424.80
5211 · Legal Counsel - Litigation	15.00	5,000.00	-4,985.00
Total Legal Expense	29,733.44	39,579.20	-9,845.76
Misc Personnel			
5034 · Misc. Payroll Deduction	0.00	500.00	-500.00
5037 · HSA Deduction	-31.00	0.00	-31.00
5090 · Flowers, Gifts, Etc.	0.00	0.00	0.00
5091 · Staff Recruiting	714.00	0.00	714.00
5092 · Misc. Personnel Costs	2,046.39	2,000.00	46.39
Total Misc Personnel	2,729.39	2,500.00	229.39
Office Expense			
5301 · Equipment Rent	889.81	800.00	89.81
5310 · Decorations	127.00	100.00	27.00
5320 · Payroll Service	1,424.69	1,500.00	-75.31
5360 · Telephone	5,692.41	5,833.30	-140.89
5361 · Internet & Website	3,170.95	12,500.00	-9,329.05
5390 · Clipping Service	3,202.58	3,750.00	-547.42
5400 · Computer Prog/Assistance	1,380.00	833.30	546.70
5405 · Computer Software Maintenance	32,945.63	35,000.00	-2,054.37
5410 · Dues	8,375.00	8,500.00	-125.00
5420 · Insurance	13,980.00	9,500.00	4,480.00
5430 · Audit Fees	7,400.00	7,400.00	0.00
5435 · Consulting Services	0.00	1,000.00	-1,000.00

02/08/13

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through January 2013

	Apr '12 - Ja...	Budget	\$ Over Bu...
5440 · Misc Office Expense	537.50	1,000.00	-462.50
5445 · Banking Fees	3,160.74	3,500.00	-339.26
5450 · Credit Card Fees	37,501.08	36,666.70	834.38
Total Office Expense	119,787.39	127,883.30	-8,095.91
Per Diem - Board			
5110 · Per Diem - Board Meetings	7,456.64	10,000.00	-2,543.36
5111 · Per Diem - Prof Meetings	2,637.52	3,333.30	-695.78
5112 · Per Diem - NASBA Annual	1,500.00	3,500.00	-2,000.00
5113 · Per Diem - NASBA Regional	1,000.00	2,000.00	-1,000.00
5114 · Per Diem - NASBA Committees	1,800.00	0.00	1,800.00
5115 · Per Diem - AICPA/NASBA	0.00	0.00	0.00
5116 · Per Diem - NCACPA Annual	0.00	0.00	0.00
5117 · Per Diem - NCACPA/Board	350.00	0.00	350.00
5118 · Per Diem - AICPA Committees	0.00	0.00	0.00
5119 · Per Diem - Miscellaneous	0.00	0.00	0.00
5130 · Clerical Reimbursement	0.00	1,750.00	-1,750.00
5135 · Per Diem - NASBA CPE	0.00	0.00	0.00
Total Per Diem - Board	14,744.16	20,583.30	-5,839.14
Postage			
5340 · Postage-Other	12,195.74	12,916.70	-720.96
5341 · Postage - Newsletter	57,771.64	51,111.09	6,660.55
5342 · Postage - Business Reply	1,475.00	2,083.30	-608.30
5343 · Postage - Renewal	1,530.00	1,666.70	-136.70
5344 · Postage - Rulebook	0.00	0.00	0.00
Total Postage	72,972.38	67,777.79	5,194.59
Printing			
5330 · Printing - Other	6,157.74	4,166.70	1,991.04
5331 · Printing - Newsletter	40,750.06	41,666.63	-916.57
5332 · Printing - Special Projects	0.00	0.00	0.00
5333 · Printing - Renewal	0.00	0.00	0.00
5334 · Printing - Rulebook	0.00	0.00	0.00
5335 · Mailing Label Printing	0.00	0.00	0.00
Total Printing	46,907.80	45,833.33	1,074.47
Repairs & Maintenance			
5380 · Repairs - Misc.	0.00	0.00	0.00
5381 · Maintenance - Copiers	2,298.32	2,083.30	215.02
5382 · Maintenance - Computer	0.00	1,645.80	-1,645.80
5383 · Maintenance - Postage	550.00	437.50	112.50
Total Repairs & Maintenance	2,848.32	4,166.60	-1,318.28
Salaries & Payroll Taxes			
5010 · Staff Salaries	766,836.92	770,048.08	-3,211.16
5020 · Part-Time Staff Salaries	10,016.50	11,274.12	-1,257.62
5021 · Temporary Contractors	26.71	0.00	26.71
5030 · FICA Taxes	56,983.88	60,025.02	-3,041.14
Total Salaries & Payroll Taxes	833,864.01	841,347.22	-7,483.21

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
 April 2012 through January 2013

	Apr '12 - Ja...	Budget	\$ Over Bu...
Scholarships			
5535 · Scholarship	5,000.00	8,888.93	-3,888.93
Total Scholarships	5,000.00	8,888.93	-3,888.93
Staff Travel			
5060 · Staff Travel - Local	1,026.10	1,041.70	-15.60
5061 · Staff Travel - Prof Mtgs	855.52	2,958.30	-2,102.78
5062 · Staff Travel - NASBA CPE	0.00	0.00	0.00
5063 · Staff Travel - NASBA Ethics	0.00	0.00	0.00
5070 · Staff Travel - NASBA Annual	9,072.29	9,400.00	-327.71
5071 · Staff Travel - NASBA Regional	4,235.97	5,505.00	-1,269.03
5072 · Staff Travel - NASBA Administr	87.92	0.00	87.92
5073 · Staff Travel - NASBA Committee	-1,079.50	0.00	-1,079.50
5074 · Staff Travel - AICPA	2,668.04	1,000.00	1,668.04
5075 · Staff Travel - NCACPA Annual	33.07	0.00	33.07
5076 · Staff Travel - NCACPA/Board	1,297.00	0.00	1,297.00
5077 · Staff Travel - Clear Conference	785.11	0.00	785.11
5078 · Staff Travel - Vehicle	4,790.03	5,000.00	-209.97
5080 · Staff Travel - Univ Dialogue	196.90	0.00	196.90
Total Staff Travel	23,968.45	24,905.00	-936.55
Subscriptions/References			
5370 · Subscriptions/References	3,709.56	2,500.00	1,209.56
Total Subscriptions/References	3,709.56	2,500.00	1,209.56
Supplies			
5350 · Supplies - Office	5,434.48	5,000.00	434.48
5351 · Supplies - Copier	1,256.40	3,000.00	-1,743.60
5352 · Supplies - Computer	4,198.77	2,000.00	2,198.77
5353 · Supplies - Special Projects	0.00	0.00	0.00
Total Supplies	10,889.65	10,000.00	889.65
5920 · Funded Depreciation	0.00	0.00	0.00
6999 · Uncategorized Expenses	0.00	0.00	0.00
9999 · Suspense	0.00	0.00	0.00
Total Expense	2,212,632.83	2,386,364.67	-173,731.84
Net Ordinary Income	243,566.34	152,027.53	91,538.81
Other Income/Expense			
Other Income			
8250 · Gift Card Revenue	1,700.00	6,700.00	-5,000.00
Interest Income			
8500 · Interest Income - MMAs	483.74	0.00	483.74
8505 · Interest Income - BB&T BUS IDA	0.00	0.00	0.00
8510 · Interest Income - CDs	21,342.47	19,833.30	1,509.17
8520 · Interest Income - Prudential TB	0.00	0.00	0.00
8530 · Interest Income - Wachovia MM	0.00	0.00	0.00
Total Interest Income	21,826.21	19,833.30	1,992.91

02/08/13

NC Board of CPA Examiners
Statement of Revenues & Expense - Budget v. Actual
April 2012 through January 2013

	<u>Apr '12 - Ja...</u>	<u>Budget</u>	<u>\$ Over Bu...</u>
8200 · Rental Income	25,150.00	25,000.00	150.00
8920 · Gain on Sale of Fixed Assets	0.00	0.00	0.00
8921 · Loss on Sale of Fixed Assets	0.00	0.00	0.00
Total Other Income	<u>48,676.21</u>	<u>51,533.30</u>	<u>-2,857.09</u>
Other Expense			
7000 · Leasing Commission	0.00	0.00	0.00
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Other Income	<u>48,676.21</u>	<u>51,533.30</u>	<u>-2,857.09</u>
Change in Net Assets	<u><u>292,242.55</u></u>	<u><u>203,560.83</u></u>	<u><u>88,681.72</u></u>

NC Board of CPA Examiners
Statement of Revenue & Expenses
 Year-to-Date Comparison

	<u>Apr '12 - Ja...</u>	<u>Apr '11 - Ja...</u>
Ordinary Income/Expense		
Income		
Certificate Fees		
4110 · Certificates - Initial	46,000.00	43,800.00
4120 · Certificates - Reciprocal	20,700.00	19,800.00
4121 · Certificates - Recip/Temp	0.00	200.00
4140 · Certificates - Renewal Fees	1,127,400.00	1,104,220.00
4150 · Certificates - Reinst/Revoked	3,200.00	2,900.00
4151 · Certificates - Reinst/Surr	6,500.00	5,400.00
4152 · Certificates - Reinst/Retired	0.00	180.00
Total Certificate Fees	<u>1,203,800.00</u>	<u>1,176,500.00</u>
Exam Fee Revenue		
4001 · Initial Adm Fees	177,335.00	174,800.00
4002 · Re-Exam Adm Fees	130,575.00	139,500.00
4004 · Exam Fees Revenue	884,478.52	958,595.64
4071 · Exam Review Fees	0.00	1,250.00
4072 · Exam Scholarship Coupon	-19,886.85	-19,329.75
Total Exam Fee Revenue	<u>1,172,501.67</u>	<u>1,254,815.89</u>
Misc		
4910 · Educational Program Fees	-50.00	0.00
4970 · Duplicate Certificates	925.00	500.00
4990 · Miscellaneous	602.50	3,068.50
Total Misc	<u>1,477.50</u>	<u>3,568.50</u>
Partnership Fees		
4260 · Partnership Registration Fees	0.00	4,730.00
4261 · Partnership Renewal Fees	37,810.00	38,030.00
Total Partnership Fees	<u>37,810.00</u>	<u>42,760.00</u>
Professional Corporation Fees		
4250 · PC Registration Fees	4,700.00	3,500.00
4251 · PC Renewal Fees	35,900.00	34,750.00
4252 · PC Renewal Fees W/Penalties	10.00	20.00
Total Professional Corporation Fees	<u>40,610.00</u>	<u>38,270.00</u>
Total Income	<u>2,456,199.17</u>	<u>2,515,914.39</u>
Expense		
6900 · Bad Debit Expense	981.71	0.00
6690 · Over & Short	-0.08	-280.71
Fringe Benefits		
5031 · Retirement - NCLB Contribution	39,826.85	41,655.00
5033 · Retirement - NCLB Administr	1,829.49	2,081.84
5035 · Health Ins. Premiums	89,778.06	80,226.21
5036 · Medical Reim Plan	27,991.11	28,374.18
5038 · Unemployment Claims	4,701.95	0.00
Total Fringe Benefits	<u>164,127.46</u>	<u>152,337.23</u>

NC Board of CPA Examiners
Statement of Revenue & Expenses
 Year-to-Date Comparison

	Apr '12 - Ja...	Apr '11 - Ja...
Board Travel		
5120 · Board Travel - Board Meetings	18,800.42	17,419.91
5121 · Board Travel - Prof Meetings	285.33	808.58
5122 · Board Travel - NASBA Annual	9,507.03	7,644.41
5123 · Board Travel - NASBA Regional	5,034.00	8,711.25
5124 · Board Travel - NASBA Committees	0.00	200.00
5127 · Board Travel - NCACPA/Board	3,034.24	0.00
5128 · Board Travel - AICPA Committees	0.00	167.40
5129 · Miscellaneous Board Costs	470.78	0.00
Total Board Travel	37,131.80	34,951.55
Building Expenses		
5800 · Building Maintenance	1,021.05	656.67
5801 · Electricity	9,503.13	9,050.62
5802 · Grounds Maintenance	1,670.81	3,075.00
5803 · Heat & Air Maintenance	3,337.49	4,609.00
5804 · Improvements	0.00	445.48
5805 · Insurance	4,218.00	3,482.00
5807 · Janitorial Maintenance	4,750.00	4,766.10
5809 · Security & Fire Alarm	2,150.31	1,989.49
5810 · Trash Collection	54.78	327.33
5811 · Water & Sewer	675.22	665.46
Total Building Expenses	27,380.79	29,067.15
Continuing Education -Staff		
5050 · Continuing Education - Staff	2,903.20	845.00
Total Continuing Education -Staff	2,903.20	845.00
Exam Postage		
5531 · Exam Postage	1,020.00	839.31
Total Exam Postage	1,020.00	839.31
Exam Sitting and Grading		
5538 · Exam Vendor Expense	809,871.87	876,804.64
Total Exam Sitting and Grading	809,871.87	876,804.64
Investigation & Hearing Costs		
5221 · Staff Investigation Costs	0.00	40.00
5222 · Investigation Materials	6,935.99	7,122.22
5230 · Hearing Costs	2,673.35	5,460.99
5250 · Administrative Cost Assessed	-7,031.50	-6,359.50
5260 · Civil Penalties Assessed	-12,100.00	-67,435.00
5261 · Civil Penalties Remitted	11,583.69	61,782.66
Total Investigation & Hearing Costs	2,061.53	611.37
Legal Expense		
5140 · Legal Counsel - Administrative	12,714.44	14,730.00
5210 · Legal Counsel - Prof Standards	17,004.00	36,217.50
5211 · Legal Counsel - Litigation	15.00	4,230.00
Total Legal Expense	29,733.44	55,177.50

NC Board of CPA Examiners
Statement of Revenue & Expenses
 Year-to-Date Comparison

	Apr '12 - Ja...	Apr '11 - Ja...
Misc Personnel		
5034 · Misc. Payroll Deduction	0.00	0.00
5037 · HSA Deduction	-31.00	0.00
5090 · Flowers, Gifts, Etc.	0.00	69.59
5091 · Staff Recruiting	714.00	227.11
5092 · Misc. Personnel Costs	2,046.39	1,864.89
Total Misc Personnel	2,729.39	2,161.59
Office Expense		
5301 · Equipment Rent	889.81	868.64
5310 · Decorations	127.00	1,503.45
5320 · Payroll Service	1,424.69	1,375.96
5360 · Telephone	5,692.41	5,080.40
5361 · Internet & Website	3,170.95	13,320.25
5390 · Clipping Service	3,202.58	3,172.01
5400 · Computer Prog/Assistance	1,380.00	1,990.00
5405 · Computer Software Maintenance	32,945.63	22,839.11
5410 · Dues	8,375.00	8,055.00
5420 · Insurance	13,980.00	9,288.00
5430 · Audit Fees	7,400.00	7,125.00
5435 · Consulting Services	0.00	1,105.00
5440 · Misc Office Expense	537.50	17.55
5445 · Banking Fees	3,160.74	3,248.28
5450 · Credit Card Fees	37,501.08	40,920.83
Total Office Expense	119,787.39	119,909.48
Per Diem - Board		
5110 · Per Diem - Board Meetings	7,456.64	6,350.00
5111 · Per Diem - Prof Meetings	2,637.52	0.00
5112 · Per Diem - NASBA Annual	1,500.00	1,800.00
5113 · Per Diem - NASBA Regional	1,000.00	1,300.00
5114 · Per Diem - NASBA Committees	1,800.00	858.18
5117 · Per Diem - NCACPA/Board	350.00	0.00
Total Per Diem - Board	14,744.16	10,308.18
Postage		
5340 · Postage-Other	12,195.74	15,062.06
5341 · Postage - Newsletter	57,771.64	44,389.74
5342 · Postage - Business Reply	1,475.00	1,149.14
5343 · Postage - Renewal	1,530.00	1,258.97
Total Postage	72,972.38	61,859.91
Printing		
5330 · Printing - Other	6,157.74	4,243.79
5331 · Printing - Newsletter	40,750.06	37,021.46
Total Printing	46,907.80	41,265.25
Repairs & Maintenance		
5381 · Maintenance - Copiers	2,298.32	2,041.80
5382 · Maintenance - Computer	0.00	2,878.73
5383 · Maintenance - Postage	550.00	525.00
Total Repairs & Maintenance	2,848.32	5,445.53

NC Board of CPA Examiners
Statement of Revenue & Expenses
 Year-to-Date Comparison

	<u>Apr '12 - Ja...</u>	<u>Apr '11 - Ja...</u>
Salaries & Payroll Taxes		
5010 · Staff Salaries	766,836.92	691,079.96
5020 · Part-Time Staff Salaries	10,016.50	11,765.76
5021 · Temporary Contractors	26.71	0.00
5030 · FICA Taxes	56,983.88	51,403.55
Total Salaries & Payroll Taxes	<u>833,864.01</u>	<u>754,249.27</u>
Scholarships		
5535 · Scholarship	5,000.00	2,000.00
Total Scholarships	<u>5,000.00</u>	<u>2,000.00</u>
Staff Travel		
5060 · Staff Travel - Local	1,026.10	1,639.49
5061 · Staff Travel - Prof Mtgs	855.52	2,024.81
5070 · Staff Travel - NASBA Annual	9,072.29	6,402.92
5071 · Staff Travel - NASBA Regional	4,235.97	4,944.98
5072 · Staff Travel - NASBA Administr	87.92	7,755.50
5073 · Staff Travel - NASBA Committee	-1,079.50	-374.12
5074 · Staff Travel - AICPA	2,668.04	2,094.03
5075 · Staff Travel - NCACPA Annual	33.07	24.44
5076 · Staff Travel - NCACPA/Board	1,297.00	27.54
5077 · Staff Travel - Clear Conference	785.11	0.00
5078 · Staff Travel - Vehicle	4,790.03	4,058.84
5080 · Staff Travel - Univ Dialogue	196.90	0.00
Total Staff Travel	<u>23,968.45</u>	<u>28,598.43</u>
Subscriptions/References		
5370 · Subscriptions/References	3,709.56	1,868.50
Total Subscriptions/References	<u>3,709.56</u>	<u>1,868.50</u>
Supplies		
5350 · Supplies - Office	5,434.48	4,732.88
5351 · Supplies - Copier	1,256.40	1,160.89
5352 · Supplies - Computer	4,198.77	1,681.08
Total Supplies	<u>10,889.65</u>	<u>7,574.85</u>
5920 · Funded Depreciation	0.00	333.98
9999 · Suspense	0.00	0.00
Total Expense	<u>2,212,632.83</u>	<u>2,185,928.01</u>
Net Ordinary Income	243,566.34	329,986.38
Other Income/Expense		
Other Income		
8250 · Gift Card Revenue	1,700.00	7,550.00
Interest Income		
8500 · Interest Income - MMAs	483.74	0.00
8510 · Interest Income - CDs	21,342.47	28,798.66
Total Interest Income	<u>21,826.21</u>	<u>28,798.66</u>

02/08/13

NC Board of CPA Examiners
Statement of Revenue & Expenses
Year-to-Date Comparison

	<u>Apr '12 - Ja...</u>	<u>Apr '11 - Ja...</u>
8200 · Rental Income	25,150.00	5,000.00
8920 · Gain on Sale of Fixed Assets	0.00	105.00
Total Other Income	<u>48,676.21</u>	<u>41,453.66</u>
Other Expense		
7000 · Leasing Commission	0.00	5,563.62
Total Other Expense	<u>0.00</u>	<u>5,563.62</u>
Net Other Income	<u>48,676.21</u>	<u>35,890.04</u>
Change in Net Assets	<u><u>292,242.55</u></u>	<u><u>365,876.42</u></u>

FREQUENTLY ASKED QUESTIONS ABOUT STRUCTURED CERTIFICATES OF DEPOSIT

Introduction

What are Structured Certificates of Deposit?

Structured Certificates of Deposit ("SCDs") are financial instruments representing a deposit of a specified amount of money for a fixed period of time. Like traditional certificates of deposit ("CDs"), SCDs entitle the holder to his or her principal investment, plus possible additional payments. However, unlike traditional CDs, which usually pay interest periodically based on a fixed or floating rate, SCDs often pay an additional payment at maturity or periodic interest payments based on the performance of an underlying asset, such as one or more equity securities, an index, or one or more currency exchange rates. SCDs are customizable and can be tailored to fulfill specific investment objectives.

What are sample terms of a Structured Certificate of Deposit?

Bank X issues a certificate of deposit with a two-year term, a 100% participation rate, and a minimum investment of \$1,000. In lieu of a fixed interest rate, Bank X has offered to pay an amount equal to the appreciation of the Dow Jones Industrial Average Index

(the "DJIA") over that two-year term. If the DJIA increases by 20% in the two-year time period, Bank X will pay \$200 for each \$1,000 invested plus the \$1,000 in principal, or \$1,200 in total. However, if the DJIA declines, Bank X will only pay out at maturity the principal amount.

What are some examples of underlying assets to which Structured Certificates of Deposit can be linked?

As discussed above, an investor is entitled to the principal amount invested plus a return based on the performance of an underlying asset. Examples of reference assets include equity indices (e.g., the Dow Jones Industrial Average and S&P 500 Index), foreign currency exchange rates (e.g., the BRIC Currency Basket), commodities (e.g., oil and gas or gold prices), or some combination of any of these.

How do Structured Certificates of Deposits differ from traditional Certificates of Deposits?

SCDs possess a number of characteristics not generally associated with traditional CDs.

First, unlike traditional CDs, SCDs do not generally pay interest at a fixed or floating rate; instead, they generally pay an additional payment at maturity or

How much of an investor's deposit is insured by the FDIC?

FDIC insurance coverage applies to bank products that are classified as "deposits." In the past, this meant that the FDIC covered up to \$100,000 of an investor's deposits with the relevant bank. However, in 2008, the federal government temporarily raised the insurance amount to \$250,000 and, in July 2010, this temporary increase was made permanent following the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Are there any limitations to the FDIC coverage?

The guarantee by the FDIC is limited to the principal invested and any guaranteed interest rate, but does not extend to the amount of any "contingent" interest. For example, in the hypothetical scenario outlined above, if the issuing bank were to fail prior to maturity of the SCD, the FDIC insurance would only cover the \$1,000 investment, but not the \$200 of earnings based on the performance of the DJIA. In addition, if an investor pays a purchase price for the SCDs that exceeds the par amount of the deposit, for example, paying \$1,005 for a \$1,000 SCD in the secondary market, the premium paid by the investor would not be covered by FDIC insurance.

Further, investors are still subject to the direct credit risk of the issuing bank for any dollar amount over the maximum applicable deposit insurance coverage. This would occur, for example, if the investor holds other deposits with the applicable bank that together exceed \$250,000.

Can a Structured Certificate of Deposit be non-principal-protected?

Not if the SCD is intended to be covered by FDIC insurance. FDIC insurance extends only to those bank products that are regarded as deposits. The FDIC has taken the position that an instrument must guarantee the repayment of principal in order to be treated as a deposit. (See: "How much of an investor's deposit is insured by the FDIC?")

How does the Truth-in-Savings Act apply to Structured Certificate of Deposits?

Under Federal Reserve Regulation DD (which implements the Truth-in-Savings Act), issuing banks are required to make certain disclosures with regard to deposit accounts "held by or offered to" consumers in order to enable consumers to make informed decisions about accounts such as SCDs. Section 230.8 of Regulation DD ("Section 230.8") prohibits an issuing bank from advertising its deposit accounts in any way that is inaccurate or misleading. The regulation contains a variety of specific disclosure rules with which issuers of CDs must comply. For instance, banks are prohibited from using the word "profit" in referring to interest payments, or using the words "free" or "no cost" if a maintenance or activity fee is imposed on the account. Banks are also obligated to comply with Section 230.8's advertising rules regarding rates of return. For example, an issuing bank must state certain types of interest payments as an "annual percentage yield," and disclose any and all fees associated with the deposit, such as ladder rates on various CDs, as well as any penalty fees that may be imposed for early withdrawal.

by reference a variety of the definitions, registration, and prospectus delivery requirements of the 1933 Act, as well as the implementing rules of the Securities and Exchange Commission (the "SEC"), including the definition of "security." As a result, most FDIC-insured SCDs issued by these banks are exempt from registration under the OCC's rules, for the same reasons that result in their exemption from registration under the 1933 Act. (See "Are Structured Certificates of Deposit subject to the registration requirements of the federal securities laws?")

Do "Blue Sky Laws" apply to Structured Certificates of Deposit?

No. Since they are usually not considered securities under federal securities law, SCDs fall outside of the registration requirements imposed by each state's Blue Sky Laws. Further, under the National Securities Markets Improvement Act of 1996, federal law preempts the application of Blue Sky Laws to certain categories of securities, known as "covered securities." Included in the definition of "covered securities" are certain securities exempt under Section 3(a) of the 1933 Act. These include any security issued or guaranteed by any bank. Because SCDs are issued by banks, even if they were securities, they would be "covered securities" and fall outside of the Blue Sky Laws.

What disclosure requirements must issuing banks comply with in connection with their Structured Certificates of Deposit?

While they are generally excluded from the registration requirements under the Securities Act, SCDs may not be excluded from certain disclosure requirements by the self-regulating organizations. For instance, in 2006, the New York Stock Exchange, or "NYSE," published Information Memo 06-12 addressing the disclosure and sale practices concerning SCDs. A key concern of the NYSE was the adequacy of the disclosure materials used in connection with the sale of SCDs and whether an investor would fully understand how these differ from conventional CDs. The NYSE required that its member organizations be able to identify the customer criteria that defines the appropriate market for a particular SCD, and provide training to their registered representatives to assure that they can identify investors for whom the SCD may be suitable. From a disclosure standpoint, the NYSE required its member organizations to make appropriate disclosures to investors prior to, or at the time of, the sale. In addition, member organizations must clearly explain the risks associated with SCDs. Such risks include, but are not limited to, market risks, liquidity risks, tax implications, and any potential call features (if applicable).

The SEC has also indicated some of the concerns that it has had as to the disclosures made in connection with sales of SCDs. In 2010, the SEC added a page to its website, "Equity Linked CDs" (<http://www.sec.gov/answers/equitylinkedcds.htm>), which serves as a reminder to issuers and brokers of SCDs of certain key disclosure issues.

How are Structured Certificates of Deposit marketed?

The marketing process for SCDs is similar to the process employed in offering structured notes that are issued under a medium-term note program. Banks that are frequent issuers of SCDs will market SCDs with specific structures, linked to different reference assets. Further, as with medium-term notes, an issuing bank can tailor a SCD offering with characteristics that are unique to the market, in order to meet the needs of specific investors (also known as a "reverse inquiry").

Are Structured Certificates of Deposit subject to hedging transactions?

As with medium-term note offerings, the issuing bank or any of its affiliates may engage in hedging transactions. An issuing bank will typically hedge to offset its payment obligations at maturity. This hedge transaction is typically arranged by the investment bank that is acting as broker for the SCDs.

Can Structured Certificates of Deposit be withdrawn prior to maturity?

Usually not. However, depending on the terms of the particular SCD, an issuing bank may offer an "estate feature" (otherwise commonly known as a "death put" or "Survivor's Option"). In the event the depositor of an SCD passes away (or, in some cases, becomes legally incapacitated), the estate or legal representative has the right, but not the obligation, to redeem the SCD for the full deposit amount before the date of maturity, without being subject to any penalty provisions.

Can an SCD underperform a traditional certificate of deposit?

Yes. Unlike traditional CDs, which provide for a fixed rate of return, the rate of return for an SCD is contingent on the performance of the underlying asset. There may be no assurance of any return above the deposit amount. While an investor is guaranteed his or her principal amount, in the end, if the reference asset performs unfavorably, the investor will still experience an "opportunity cost," compared to having invested in a traditional, interest-paying CD.

What is a "participation rate"?

The "participation rate" is the exposure of a product to movements in the price or level of the underlying asset. A participation rate of 100% would generate a return equal to any increase in the value of underlying asset. Conversely, if the participation rate is 80%, an investor will receive 80% of the increase in the value of underlying reference asset. In such a case, the SCD will underperform the underlying asset if the value of the underlying asset increases.

What are some other features that could limit an investor's return at maturity?

Even if the asset performs favorably, depending on the terms of an SCD, the return on the investment may be limited by a predetermined return (a "cap") or some other term specific to a particular SCD. These types of features could cause the SCD to perform less well than the relevant underlying asset. Further, because SCDs are FDIC-insured, the premiums and assessments paid by the bank issuer to the FDIC are usually passed on to the investor in the form of a lower participation rate or a lower maximum payment, as compared to non-FDIC-insured investments.

Principal Protection and Growth Potential

Market Linked Certificates of Deposit Issued by Wells Fargo Bank, N.A.

Many investors look for opportunities to participate in the appreciation of a rising equity market while limiting their exposure to market downturns. For those investors, Wells Fargo offers a product which combines some of the features of a traditional Certificate of Deposit with the long-term growth potential offered by the market—the Wells Fargo Market Linked CD.

Wells Fargo Market Linked CD At-a-Glance:

- **Full Principal Guarantee.** The investor's principal is 100% protected by Wells Fargo Bank, N.A., if the Market Linked CD is held to maturity. Wells Fargo Bank, N.A. has the highest possible credit rating, Aaa, from Moody's Investors Service and the highest credit rating given to a U.S. bank, AA+, from Standard & Poor's Ratings Services.*
- **FDIC Insurance.** Market Linked CDs are insured by the Federal Deposit Insurance Corporation (FDIC) up to a maximum of \$100,000 per depositor, subject to FDIC rules and decisions. Because other deposits at the bank may also be covered by FDIC insurance, these deposits must be aggregated with this CD with respect to the \$100,000 maximum. More information may be found in the "Deposit Insurance" section of the appropriate Disclosure Statement.
- **Growth Potential.** With a Market Linked CD, the investor's rate of return is linked to popular equity indices, such as the S&P 500 or the Dow Jones Industrial Average. We may separately offer a CD linked to an inflation benchmark such as the Consumer Price Index (CPI).
- **Interest.** A Market Linked CD tied to the equity market will generally pay interest only at maturity based on the performance of the underlying index, instead of periodic interest payments. At times, an equity based Market Linked CD may offer a guaranteed minimum rate of return at maturity with the opportunity to earn a greater return linked to the performance of a rising equity market. However, inflation based Market Linked CDs will pay interest periodically. A Market Linked CD may return less than a comparable traditional CD.
- **Maturities.** Usually 3–7 years.
- **Minimum Investment.** Typically \$4,000 with additional investment available in increments of \$1,000.

Who Should Consider a Market Linked CD?

- Market Linked CDs are a practical alternative for the conservative investor who is:
 - Seeking equity market participation in a principal-protected investment.
 - Averse to risk.
 - Interested in the potential to earn higher returns than a traditional CD.
 - Looking for medium-term growth.
 - A buy and hold investor, who doesn't anticipate the need for funds from their investment before the Market Linked CD matures.
 - Considering this investment as a medium-term savings vehicle.
- Market Linked CDs may also be well-suited for qualified retirement accounts such as a traditional IRAs, Roth IRAs, or educational savings accounts.

Example 1:

Deposit Amount: \$200,000

FDIC Coverage: \$250,000 per depositor per insured bank.

Maturity: 7 (seven years)

Instrument: Certificate of Deposit Linked to Dow Jones Industrial Average

Product Description: If at maturity the average index level is greater than the initial index level, you will receive the deposit amount of your CD plus a return based on the quarterly average appreciation of the index. If the average index level is less than or equal to the initial index level, you will receive the deposit amount of your CD at maturity.

Placement Fee: Bank and Brokers receive a placement fee of up to 1.50% of the deposit amount. In addition, the issuing price of the CD includes structuring and development costs. In no event will the placement fee and structuring and development costs exceed \$60.00 per \$1,000 deposit amount.

Interest Calculation: $\text{Deposit Amount} \times \text{Participation Rate} \times$

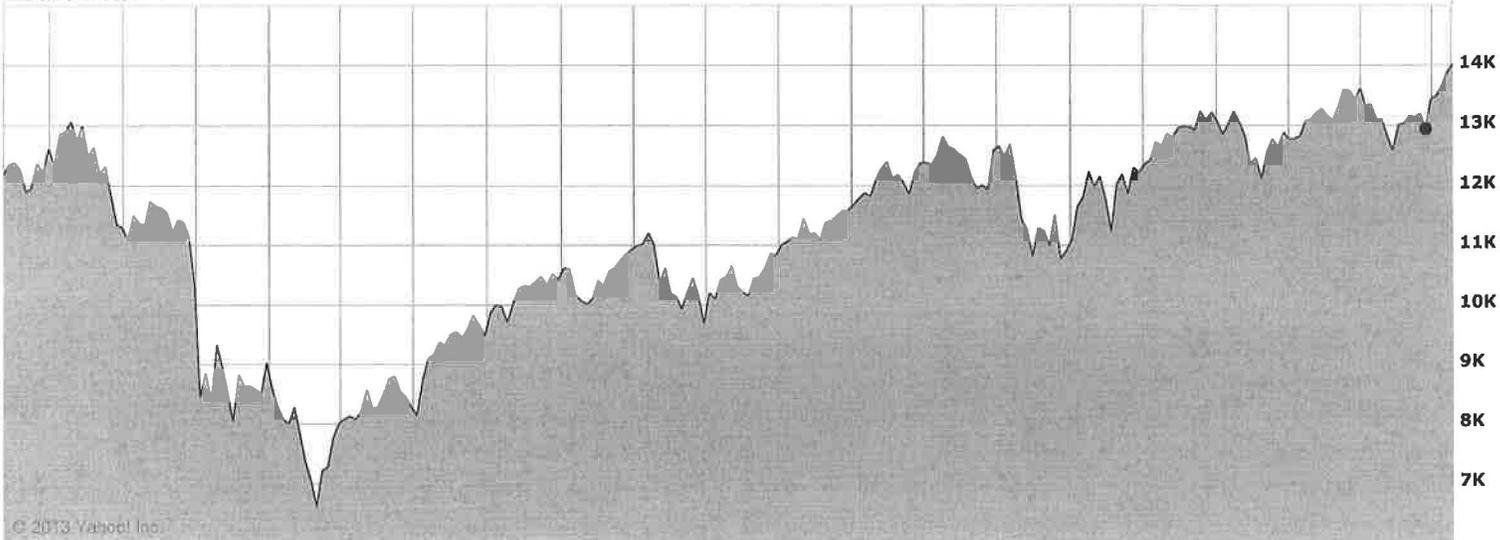
$\frac{\text{Average Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}$

Hypothetical: Based on average appreciation of DJIA of 10% and Participation Rate of 1.10

Interest Amount: $200,000 \times 1.10 \times .10 = 22,000$

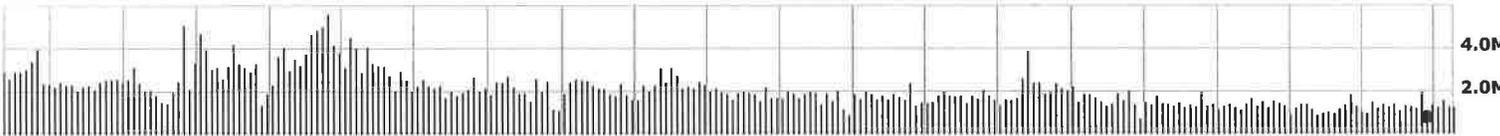
Annualized Return $\frac{(\$22,000 - \text{Fees})/7}{200,000} = 1.57\%$ (with no fees)

Week of Dec 24, 2012: ^DJI 12938.11



2008 Jul Oct 2009 Apr Jul Oct 2010 Apr Jul Oct 2011 Apr Jul Oct 2012 Apr Jul Oct 2013

Volume: 783,150



1D 5D 1M YTD 3M 6M 1Y 2Y 5Y Max FROM: Feb 4 2008 TO: Jan 28 2013 +15.00%



DJIA TRAILING
5 YRS

Example 2:

Deposit Amount: \$200,000

FDIC Coverage: \$250,000 per depositor per insured bank.

Maturity: 7 (seven years)

Instrument: Barclays Bank Delaware Certificate of Deposit Linked to a Basket of 10 Common Stocks consisting of: Starbucks Corp., Freeport - McMoran Copper, Yum Brands Inc., Eli Lilly & Co., Walgreen Co., Silver Wheaton Corp., Progressive Corp., Verizon Communications Inc., Darden Restaurants Inc., Northeast Utilities.

Product Description: A Coupon Payment per \$1,000 principal is made on each Coupon Payment Date equal to the Coupon Rate multiplied by \$1000. The Coupon Rate is determined by the Stock Return and has a Return Cap of 4.00-5.00%, a Return Floor of -15.00% with a minimum return of .50%. The Return Cap is determined on the Basket Initial Valuation Date and will not be less than 4.00%. The Stock Return with respect to each Basket Component, on any Coupon Determination Date is a percentage equal to (Final Share Price - Initial Share Price/Initial Share Price.

Coupon Payment: Principal Amount X Stock Return (Final Share Price - Initial Share Price/Initial Share Price). Stock Return not to exceed 4.00% - 5.00% and will be no less than .50%.

Hypothetical:	Coupon Determination Dates						
	1	2	3	4	5	6	7
Average Stock							
Performance(%)	-15	-.205	.05	4	4	.70	.70
Min. Cpn. %	.50	.50	.50	.50	.50	.50	.50
Cpn. Rate %	.50	.50	.50	4.0	4.0	.70	.70
Cpn. Payment(\$)	5.00	5.00	5.00	40.00	40.00	7.00	7.00

Hypothetical sum of Coupon Payments on CD is \$109.00 per \$1,000.

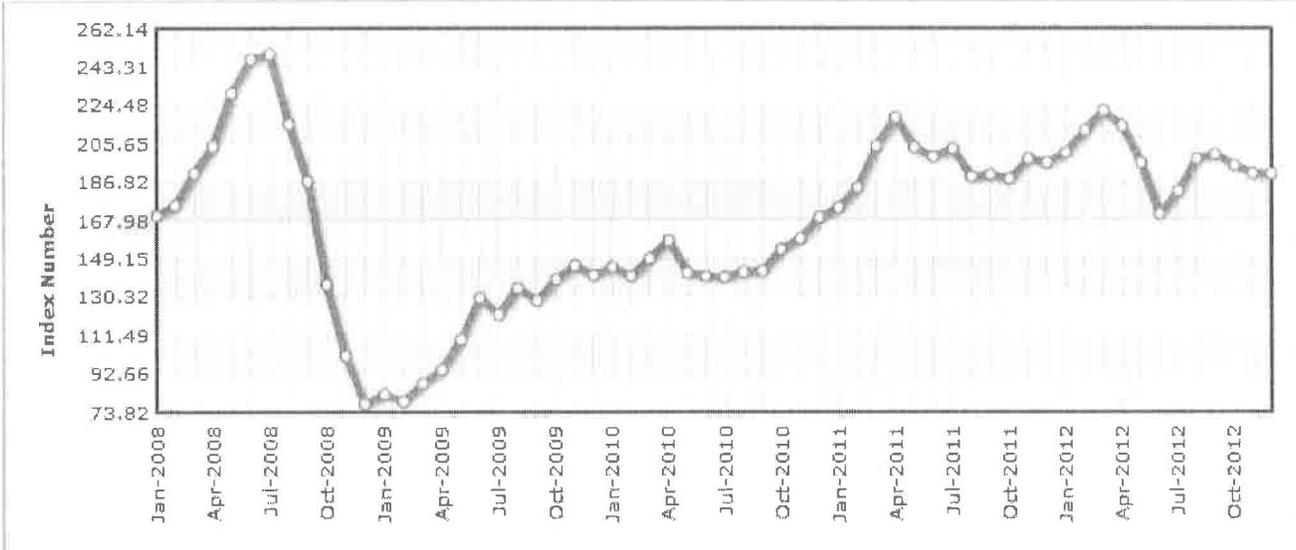
Annualized Rate of Return $\frac{(109 \times 200)}{7} = 1.56\%$

200,000

Crude Oil (petroleum), Price index Monthly Price - Index Number

Range 6m 1y 5y 10y 15y 20y 25y 30y

Jan 2008 - Dec 2012: 20.560 (12.08 %)



Description: Crude Oil (petroleum), Price index, 2005 = 100, simple average of three spot prices; Dated Brent, West Texas Intermediate, and the Dubai Fateh

Unit: Index Number

Source: International Monetary Fund

See also: Agricultural production statistics

See also: Top commodity suppliers

See also: Commodities glossary - Definitions of terms used in commodity trading

Month	Price	Change
Jan 2008	170.25	-
Feb 2008	175.34	2.99 %
Mar 2008	191.10	8.99 %
Apr 2008	204.24	6.88 %
May 2008	230.52	12.87 %
Jun 2008	247.01	7.15 %
Jul 2008	249.66	1.07 %
Aug 2008	215.30	-13.76 %
Sep 2008	187.06	-13.12 %
Oct 2008	136.34	-27.11 %
Nov 2008	101.24	-25.74 %
Dec 2008	77.71	-23.24 %
Jan 2009	82.58	6.27 %
Feb 2009	78.83	-4.54 %

Copper Futures End of Day Settlement Price

8,323.55

US Dollars per Metric Ton
 Price in U.S. Dollars and Cents per pound: 3.7755
 Contract Month: FEB 13
 As of: Friday, February 01, 2013
 Source: COMEX - CME Group

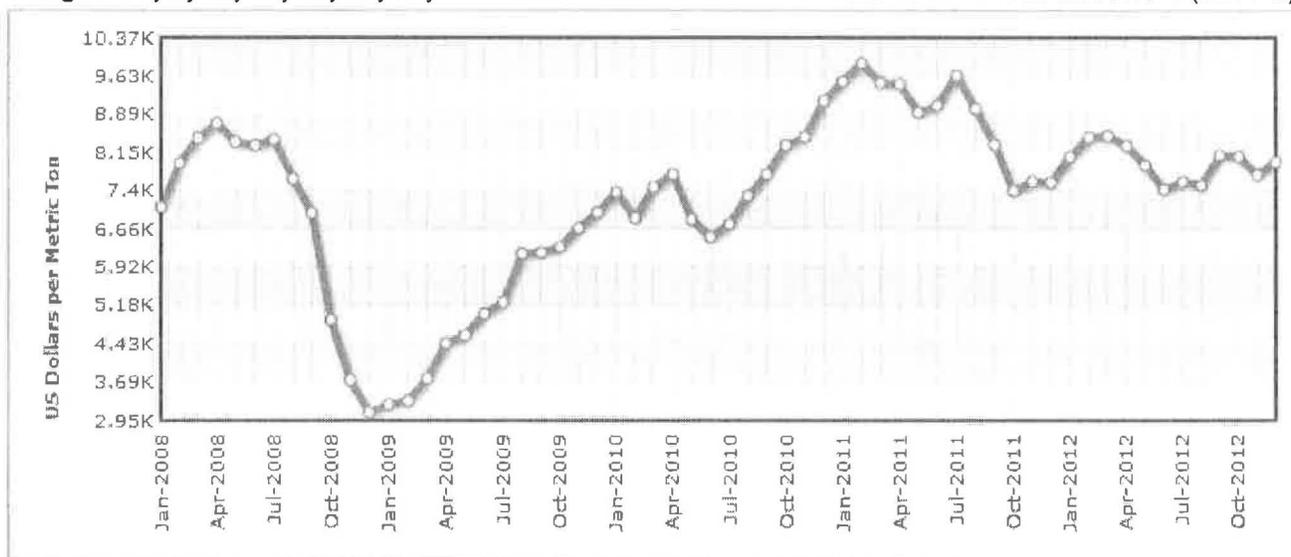
Open: 8,225.45
 High: 8,323.55
 Low: 8,225.45
 Last: -

Change: 114.64
 Estimated Volume: 175
 Prior Day Open Interest: 1083
 Contract Specifications

Copper, grade A cathode Monthly Price - US Dollars per Metric Ton

Range 6m 1y 5y 10y 15y 20y 25y 30y

Jan 2008 - Dec 2012: 887.580 (12.54 %)



Description: Copper, grade A cathode, LME spot price, CIF European ports, US Dollars per Metric Ton

Unit: US Dollars per Metric Ton

Currency:

Compare to:

Source: World Bank

See also: Mineral production statistics

See also: Top commodity suppliers

See also: Commodities glossary - Definitions of terms used in commodity trading

Month	Price	Change
Jan 2008	7,078.91	-
Feb 2008	7,941.14	12.18 %
Mar 2008	8,434.32	6.21 %

Corn Futures End of Day Settlement Price

289.76

US\$ per metric ton	Open: 291.44	Change: -1.38
Price in Cents per bushel: 736'0	High: 293.80	Estimated Volume: 160375
Contract Month: MAR 13	Low: 289.37	Prior Day Open Interest: 494862
As of: Friday, February 01, 2013	Last: 289.76	Contract Specifications
Source: CBOT - CME Group		

Maize (corn) Daily Price

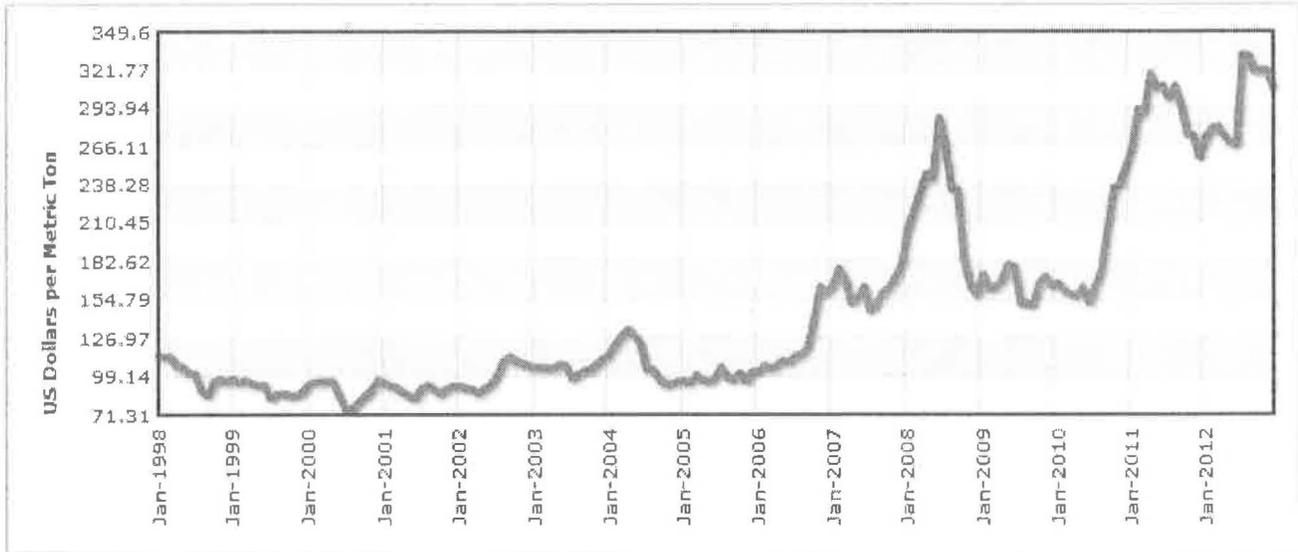
312.20

Maize (corn), U.S. No. 2 Yellow, FOB Gulf of Mexico, U.S. price, US\$ per metric ton
 Price in US\$ per bushel: 7.93
 As of: Friday, February 01, 2013
 Source: USDA Market News

Maize (corn) Monthly Price - US Dollars per Metric Ton

Range 6m 1y 5y 10y 15y 20y 25y 30y

Jan 1998 - Dec 2012: 194.350 (169.93 %)



Description: Maize (corn), U.S. No.2 Yellow, FOB Gulf of Mexico, U.S. price, US Dollars per Metric Ton

Unit: US Dollars per Metric Ton

Currency:

Compare to:

Source: World Bank

See also: [Maize \(corn\) production statistics](#)

See also: [Top commodity suppliers](#)

Gulf Coast Gasoline Futures End of Day Settlement Price

2.8438

U.S. dollars and cents per gallon	Open: -	Change:	-0.0075
Contract Month: NOV 12	High: -	Estimated Volume:	-
As of: Friday, October 12, 2012	Low: -	Prior Day Open Interest:	-
Source: NYMEX - CME Group	Last: -	Contract Specifications	

Gasoline Daily Price

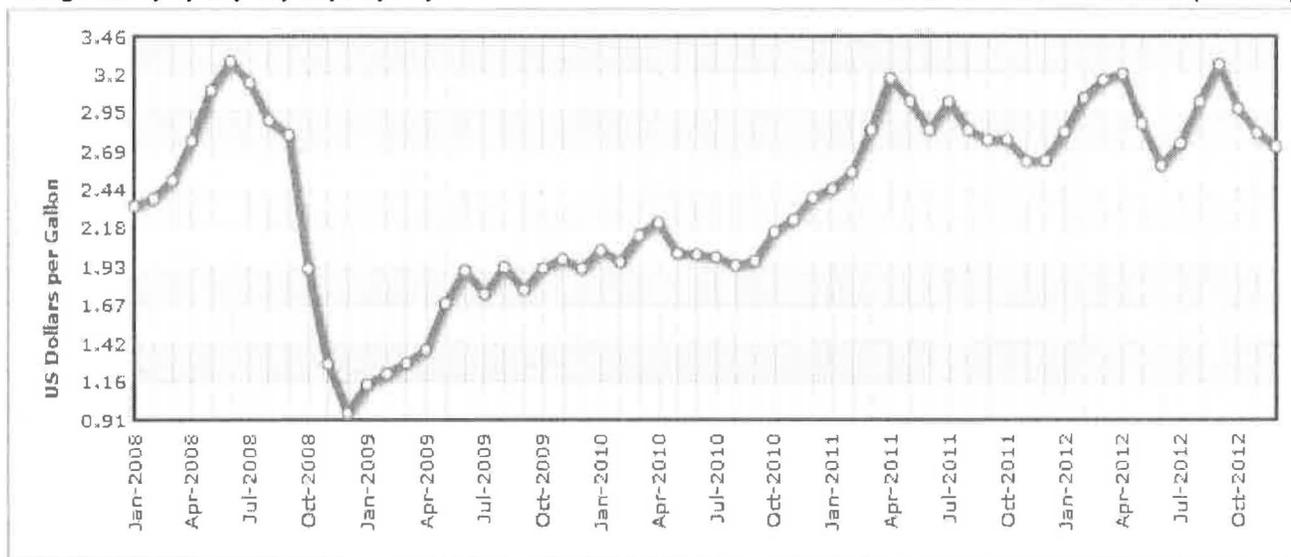
3.00

New York Harbor Conventional Gasoline Regular Spot Price FOB, US\$ per gallon
 As of: Tuesday, January 29, 2013
 Source: US Energy Information Administration

Gasoline Monthly Price - US Dollars per Gallon

Range 6m 1y 5y 10y 15y 20y 25y 30y

Jan 2008 - Dec 2012: 0.393 (16.84 %)



Description: New York Harbor Conventional Gasoline Regular Spot Price FOB

Unit: US Dollars per Gallon

Currency:

Compare to:

Source: Energy Information Administration

See also: Energy production and consumption statistics

See also: Top commodity suppliers

Soybeans Futures End of Day Settlement Price

541.69

US\$ per metric ton	Open: 540.12	Change: 2.11
Price in Cents per bushel: 1474'2	High: 546.19	Estimated Volume: 95524
Contract Month: MAR 13	Low: 537.83	Prior Day Open Interest: 220060
As of: Friday, February 01, 2013	Last: 541.59	Contract Specifications
Source: CBOT - CME Group		

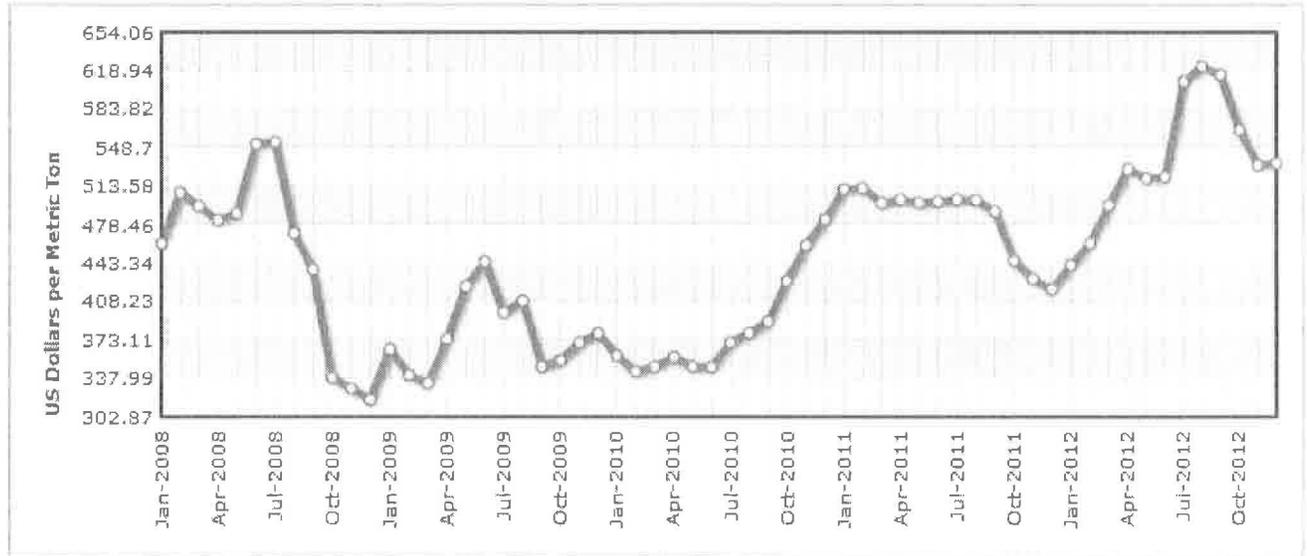
Soybeans Daily Price

568.14

Soybeans, U.S. No. 2 Yellow, FOB Gulf of Mexico, U.S. price, US\$ per metric ton
 Price in US\$ per bushel: 15.4625
 As of: Friday, February 01, 2013
 Source: USDA Market News

Soybeans Monthly Price - US Dollars per Metric Ton

Range 6m 1y 5y 10y 15y 20y 25y 30y Jan 2008 - Dec 2012: 73.070 (15.83 %)



Description: Soybeans, U.S. soybeans, Chicago Soybean futures contract (first contract forward) No. 2 yellow and par, US Dollars per Metric Ton

Unit: US Dollars per Metric Ton

Currency:

Compare to:

Source: World Bank

See also: Agricultural production statistics

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PRICE OF SILVER PER OUNCE (IN USD)



Current Silver Price



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No. 11 Sugar Futures End of Day Settlement Price

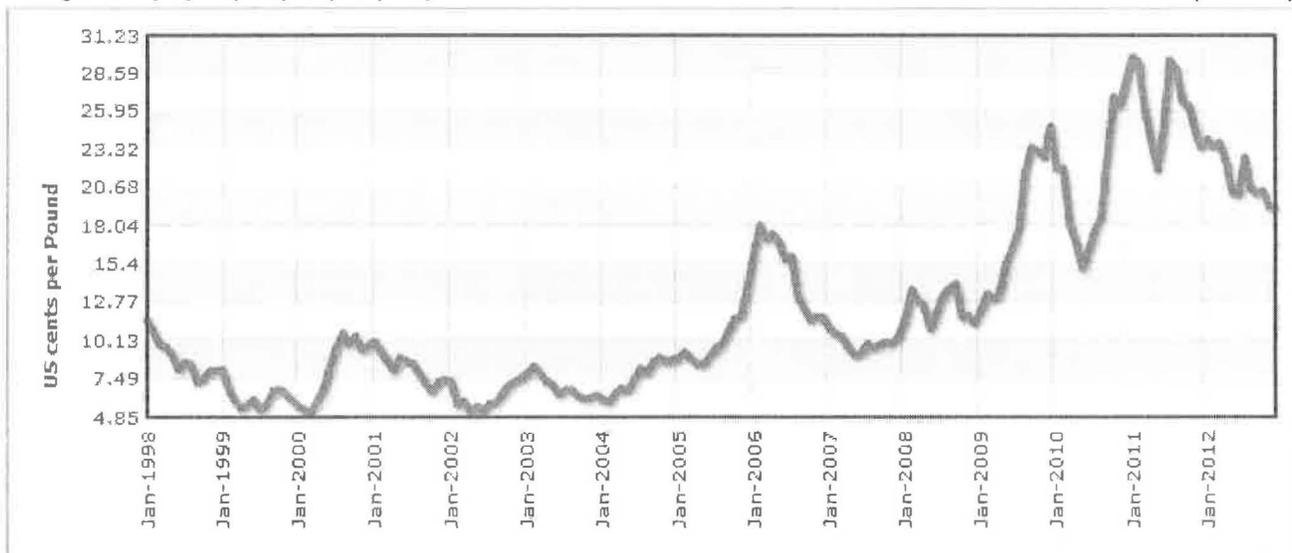
18.89

US cents per Pound	Open: 18.85	Change: 0.11
Price in U.S. Dollars per pound: 0.1889	High: 19.13	Estimated Volume: 13
Contract Month: MAR 13	Low: 18.85	Prior Day Open Interest: 45
As of: Friday, February 01, 2013	Last: 18.85A	Contract Specifications
Source: NYMEX - CME Group		

Sugar Monthly Price - US cents per Pound

Range 6m 1y 5y 10y 15y 20y 25y 30y

Jan 1998 - Dec 2012: 7.680 (66.67 %)



Description: Sugar, Free Market, Coffee Sugar and Cocoa Exchange (CSCE) contract no.11 nearest future position, US cents per Pound

Unit: US cents per Pound

Currency:

Compare to:

Source: World Bank

See also: Agricultural production statistics

See also: Top commodity suppliers

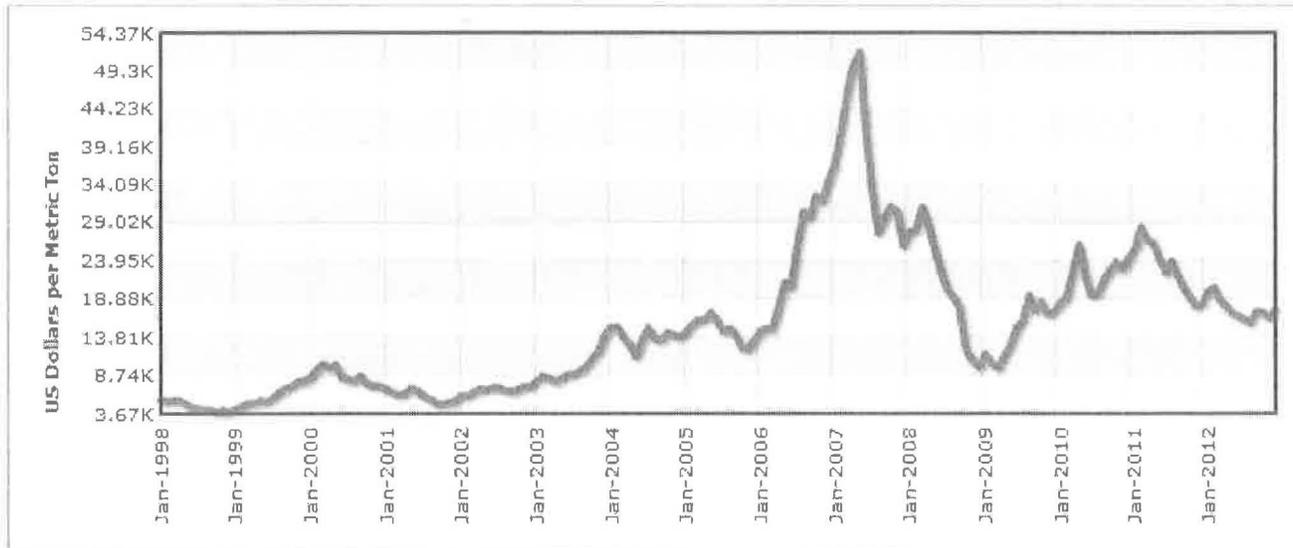
See also: Commodities glossary - Definitions of terms used in commodity trading

Month	Price	Change
Jan 1998	11.52	-
Feb 1998	10.72	-6.94 %
Mar 1998	9.84	-8.21 %

Nickel Monthly Price - US Dollars per Metric Ton

Range 6m 1y 5y 10y 15y 20y 25y 30y

Jan 1998 - Dec 2012: 11,959.500 (217.88 %)



Description: Nickel, melting grade, LME spot price, CIF European ports, US Dollars per Metric Ton

Unit: US Dollars per Metric Ton

Currency:

Compare to:

Source: World Bank

See also: Mineral production statistics

See also: Top commodity suppliers

See also: Commodities glossary - Definitions of terms used in commodity trading

Month	Price	Change
Jan 1998	5,489.00	-
Feb 1998	5,367.25	-2.22 %
Mar 1998	5,397.05	0.56 %
Apr 1998	5,391.00	-0.11 %
May 1998	5,016.84	-6.94 %
Jun 1998	4,456.90	-11.16 %
Jul 1998	4,332.62	-2.79 %
Aug 1998	4,078.00	-5.88 %
Sep 1998	4,100.91	0.56 %
Oct 1998	3,870.45	-5.62 %
Nov 1998	4,117.25	6.38 %
Dec 1998	3,865.76	-6.11 %

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

FILED SENATE
Jan 31, 2013
S.B. 32
PRINCIPAL CLERK

S

SENATE DRS85006-SBz-8A* (12/17)

Item II - A

Short Title: Periodic Review and Expiration of Rules. (Public)

Sponsors: Senator Hartsell (Primary Sponsor).

Referred to:

- 1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE PERIODIC REVIEW AND EXPIRATION OF RULES.
3 The General Assembly of North Carolina enacts:
4 **SECTION 1.** G.S. 150B-21.2(c) reads as rewritten:
5 "(c) Notice of Text. – A notice of the proposed text of a rule must include all of the
6 following:
7 (1) The text of the proposed ~~rule~~ rule, unless the rule is a readoption without
8 changes to the existing rule proposed to keep a permanent rule from
9 expiring.
10 (2) A short explanation of the reason for the proposed rule and a link to the
11 agency's Web site containing the information required by G.S. 150B-19.1(c).
12 (3) A citation to the law that gives the agency the authority to adopt the rule.
13 (4) The proposed effective date of the rule.
14 (5) The date, time, and place of any public hearing scheduled on the rule.
15 (6) Instructions on how a person may demand a public hearing on a proposed
16 rule if the notice does not schedule a public hearing on the proposed rule and
17 subsection (e) of this section requires the agency to hold a public hearing on
18 the proposed rule when requested to do so.
19 (7) The period of time during which and the person to whom written comments
20 may be submitted on the proposed rule.
21 (8) If a fiscal note has been prepared for the rule, a statement that a copy of the
22 fiscal note can be obtained from the agency.
23 (9) The procedure by which a person can object to a proposed rule and the
24 requirements for subjecting a proposed rule to the legislative review
25 process."
26 **SECTION 2.** Part 2 of Article 2A of Chapter 150B of the General Statutes is
27 amended by adding a new section to read:
28 **"§ 150B-21.3A. Expiration date of permanent rules.**
29 (a) Unless readopted pursuant to the provisions of G.S. 150B-21.2 and approved by the
30 Commission pursuant to the provisions of Part 3 of Article 2A of this Chapter, a permanent rule
31 expires on the latest of any of the following:
32 (1) December 31, 2016, for rules in Title 10A of the North Carolina
33 Administrative Code.
34 (2) December 31, 2017, for rules in Title 15A of the North Carolina
35 Administrative Code.



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- 1 (3) December 31, 2018, for rules, in Title 21 of the North Carolina
2 Administrative Code.
- 3 (4) December 31, 2019, for all remaining rules, unless and to the extent the
4 agencies that adopted the rules are exempt from the rule-making
5 requirements in this Article.
- 6 (5) Ten years after its effective date.
- 7 (6) Ten years after its readopted effective date.
- 8 (7) Ten years from the effective date of the most recent amendment to the rule.
- 9 (b) The Commission shall establish a time line for the submission of rules subject to
10 expiration after consultation with the adopting agency.
- 11 (c) The Codifier of Rules shall annually notify agencies of rules that will expire within
12 the next two years."

13 **SECTION 3.** This act is effective when it becomes law.

“It’s Alive, It’s Alive” – The Administrative Procedures Oversight Committee

Article Date: Wednesday, January 09, 2013

Early in 2011, the newly elected General Assembly killed off the Joint Legislative Administrative Procedures Oversight Committee, long known as APO. It was replaced with a new character on the legislative stage, the Joint Regulatory Reform Committee (“Joint Reg Reform”). Like all good new characters in a long-running show, Joint Reg Reform, enlivened the show and turned things topsy-turvy. But, as is often true with serials, the new character was removed from the scene. In other words: “Joint Reg Reform is dead, long live the newly resurrected and invigorated APO”.

APO met in October, November and December, and will report to the new session of the General Assembly on Jan. 9, 2013. The stated intent of the chairs is that APO’s report will include legislative recommendations. This article is intended to provide you with a glimpse of issues on which APO members have spoken, and in some instances, indicated an intent to make legislative recommendations.

At the November meeting, APO directed legislative staff to prepare two draft bills for consideration.

The bills are related to legislative efforts to ameliorate the collateral consequences of convictions, where appropriate, based in part on research about recidivism. Staff was told to draft bills which:

Share

1. Expressly state factors to be considered in the exercise of discretion by occupational licensing boards when considering the criminal records of applicants and licensees.
2. Require explicit findings when denying an application or disciplining a licensee on the basis of a criminal record.

The Rules Review Commission (RRC) was asked to come back to APO with a plan for a one time comprehensive review by RRC of all current rules of all agencies, to be followed by an ongoing cycle of review of all rules on a rotating basis. Based on comments by committee members, it may be reasonable to expect that RRC review will include whether there is statutory authority for each rule and that prior determinations by RRC will not be binding.

A number of other topics have received favorable mention by APO members as ones which should be explored further by APO. As there will obviously be new members of APO when the new General Assembly takes office, it is not possible to tell which, if any, of these topics will be addressed in the next session. Here are some of the topics favorably mentioned by one or more members of APO:

1. Review of all occupational licensing boards with an eye toward consolidation and/or elimination.
2. Addressing overlapping occupational licensing board jurisdiction.
3. Further amendments to Chapter 150B, the Administrative Procedures Act (APA), including:
 - A. Expanding coverage to entities not presently covered.
 - B. Having more appeals from final decisions of Administrative Law Judges (ALJs) go directly to the Court of Appeals rather than to Superior Court (similar to Industrial Commission appeals).
 - C. Article 3A of the APA.
 - D. Agencies which are implementing policies & interpretations without making rules per recent changes to APA.
 - E. Adequacy of public notice of proposed and current rules.
 - F. Agency rules and standards which are adopted by federal agencies or other standard setting bodies and the adequacy of NC citizens’ ability to participate in their development. OSHA and the Building Code, and public input and fiscal notes were specifically mentioned.
 - G. Enforcement mechanism if agencies find rules that need to be repealed during the “new” annual review and then don’t repeal them.
4. Ways to get APO more complaints and issues from the regulated community, including the possibility of holding hearings around the state similar to those held by Joint Reg Reform.
5. Sunset provisions for administrative agencies, boards & commissions.
6. Addressing the “harassing inspectors” and ensuring they know the limits of their authority.
7. Reducing paperwork
8. Reducing or integrating the number of entities doing health and safety related inspections and/or the number of such inspections. The examples mentioned were restaurants and barbers and cosmetologists.

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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

FILED SENATE
Jan 31, 2013
S.B. 33
PRINCIPAL CLERK
D

S

SENATE DRS35006-ROz-1* (12/03)

Short Title: Use of Criminal History Records by Lic. Bds. (Public)

Sponsors: Senator Hartsell (Primary Sponsor).

Referred to:

- 1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THAT OCCUPATIONAL LICENSING BOARDS CONSIDER
3 CERTAIN FACTORS BEFORE DENYING LICENSES TO APPLICANTS WITH
4 CRIMINAL RECORDS, AS RECOMMENDED BY THE JOINT LEGISLATIVE
5 ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE.
6 The General Assembly of North Carolina enacts:
7 **SECTION 1.** Chapter 93B of the General Statutes is amended by adding a new
8 section to read:
9 **"§ 93B-8.1. Use of criminal history records.**
10 (a) The following definitions apply in this section:
11 (1) Applicant. – A person who makes application for licensure from an
12 occupational licensing board.
13 (2) Board. – An occupational licensing board as defined in G.S. 93B-1.
14 (3) Criminal history record. – A State or federal history of conviction of a crime,
15 whether a misdemeanor or felony, that bears upon an applicant's or a
16 licensee's fitness to be licensed or disciplined.
17 (4) Licensee. – A person who has obtained a license to engage in or represent
18 himself or herself to be a member of a particular profession or occupation.
19 (b) Unless the law governing a particular occupational licensing board provides
20 otherwise, a board shall not automatically deny licensure on the basis of an applicant's criminal
21 history. If the board is authorized to deny a license to an applicant on the basis of conviction of
22 any crime or for commission of a crime involving fraud or moral turpitude, and the applicant's
23 verified criminal history record reveals one or more convictions of any crime, the board may
24 deny the license if it finds that denial is warranted after consideration of the following factors:
25 (1) The level and seriousness of the crime.
26 (2) The date of the crime.
27 (3) The age of the person at the time of the crime.
28 (4) The circumstances surrounding the commission of the crime, if known.
29 (5) The nexus between the criminal conduct and the prospective duties of the
30 applicant as a licensee.
31 (6) The prison, jail, probation, parole, rehabilitation, and employment records of
32 the applicant since the date the crime was committed.
33 (7) The subsequent commission of a crime by the applicant.



- 1 (c) The board may deny licensure to an applicant who refuses to consent to a criminal
2 history record check or use of fingerprints or other identifying information required by the State
3 or National Repositories of Criminal Histories."
4 **SECTION 2.** This act is effective when it becomes law.

Facilitating Individualized Assessments of Individuals with Criminal Records in Occupational Licensing Decisions

Article Date: Wednesday, January 09, 2013

Written By: Daniel Bowes & Bill Rowe

More than 1.6 million North Carolinians, or 1 of every 5 adults in North Carolina, have criminal records.¹ A criminal record often triggers hundreds of state and federal statutes that deny privileges either automatically or, more frequently, by delegating discretion to other decision makers.² While often unknown to individuals at arrest or conviction, the impact of these civil disabilities is far-reaching and potentially more severe than the toll of criminal punishments.³ Isolating individuals from gainful employment, affordable housing, and family supports—the pillars upon which successful reentry relies—these civil disabilities undermine community safety, waste state resources, and permanently position individuals with criminal records as second-class citizens.⁴

Share Prominent in this body of statutes are those providing for the denial of occupational licensures based on criminal records. Hundreds of occupations in North Carolina require some form of licensure. In fact, these occupations constitute approximately 30 percent of all jobs.⁵ Consequently, well over one million North Carolinians—from lawyers to embalmers, plumbers to exterminators—must satisfy statutory and administrative requirements in order to work in their chosen fields.

The vast majority of North Carolina's occupational licensing statutes give licensing boards and agencies the discretion to deny or revoke licensure based on various types of criminal convictions. These discretionary disqualifications, along with a handful of automatic bars to licensure, often prevent individualized assessments of the risk demonstrated by applicants' criminal records, resulting in unnecessary denials of licensure. Only a small number of these statutes provide guidance on how to appropriately identify and weigh the risk of an applicant's inability to satisfy the responsibilities of an occupation based on his prior criminal conduct. For the benefit of licensing boards and agencies, individuals with criminal records, and communities across North Carolina, every occupational licensing statute that provides for the denial or revocation of licensure based on a criminal record should contain guidance delineating the factors to be considered before a licensing entity may exercise its discretion.

Barriers to Licensure of Individuals with Criminal Records

North Carolina's occupational licensing regime, as experienced by applicants with criminal records, is a labyrinth of automatic bars, discretionary disqualifications, administrative exclusions, and de facto prohibitions. Of these barriers to licensure, the most strict are the handful that automatically bar licensure of applicants with certain criminal convictions. The North Carolina Department of Insurance, for example, is barred from granting a professional bail bondsman license to any applicant with a felony conviction.⁶ Statutes automatically barring licensure based on criminal convictions are few but significant and demoralizing for those affected. Automatic bars to licensure are based on uncompromising policy decisions, reasoning that an individual's prior criminal conduct—no matter the context—forever demonstrates an elevated risk of future conduct of a nature unacceptable in the practice of certain professions.

One can envision a legion of specific scenarios where such hard-and-fast rules are likely unreasonable in operation: a decades-old conviction, a conviction as a youthful offender, convincing evidence of rehabilitation, etc. Furthermore, this "once a criminal always a criminal" generalization is refuted by recent long-term research on risks of recidivism. One recent National Institute of Justice study observed that after a relatively short period of time an individual with a criminal conviction is no more likely to commit a crime than other individuals of the same age in the general population.⁷ The authors of this "redemption time" study argued that after this period of good behavior—between four and eight years for most felonies—an individual's prior criminal history becomes stale and its impact on his employment opportunities should be limited.⁸ This new research begs a review of policy decisions that increasingly appear antiquated and short-sighted.

The North Carolina General Assembly partially responded to the excessive barrier of automatic bars to licensure during the 2011 legislative session, creating certificates of relief from collateral consequences for individuals with a single misdemeanor or low-level felony conviction.⁹ A certificate of relief overrides automatic bars to licensure and, instead, delegates discretion whether or not to grant the licensure to the relevant licensing board or agency.¹⁰ This is a narrow tool of relief in a sea of barriers, but it is tremendous both for those eligible and as an indicator of the General Assembly's willingness to respond to the problem of collateral consequences.

While some licensing statutes contain automatic bars to licensure, the vast majority of licensing statutes provide independent licensing boards and agencies the discretion to deny or revoke licensure based on various types of criminal convictions. The most basic of North Carolina's occupational licensing statutes allow licensing boards and agencies to deny or revoke licensure to an applicant based on his or her felony conviction. For example, NCGS §86A delegates this discretion to the State Board of Barber Examiners, and NCGS §88B delegates the same level of discretion to the State Board of Cosmetic Art Examiners. Other licensing statutes allow denials and revocations based on convictions of "crimes of moral turpitude" or "crimes indicating unfitness."¹¹ For example, the Board of Law Examiners may disbar an attorney for "conviction...of a criminal offense showing professional unfitness," while a dietician may be denied licensure for a conviction of "any crime involving moral turpitude."¹² Commonly, boards are provided both the more clearly defined discretion to deny or revoke based on a felony conviction with the more amorphous discretion to deny or revoke based on a "misdemeanor of moral turpitude."¹³ Similarly common are licensing statutes that contain "good moral character" requirements, which are frequently the basis for examining the conduct underlying applicants' criminal records, including criminal charges that did not result in conviction.¹⁴

Use of such broad and undefined language provides much reach to licensing entities and necessarily limits challenges to the broad exercise of discretion. The task of challenging or otherwise limiting the range of criminal records upon which a licensing board can base a denial of licensure is very difficult when the operative term is as nebulous as "good moral character." The standard of "professional unfitness" not only similarly belies precise definition, but also naturally engenders a high level of deference to a decision-making body comprised of professionals of that field. Likewise, what constitutes a "crime of moral turpitude" has been the subject of debate in many appellate courts over the years.¹⁵ The

standards articulated in many of these appellate decisions do not go far beyond "I know it when I see it." Considering the huge number of North Carolinians with criminal records, the broad range of criminal records upon which licensing boards and agencies are provided the discretion to deny licensure demands attention be given to how this authority is best exercised.

Absence of Individualized Assessments

Every applicant with a criminal record should be provided an individualized assessment of his ability to responsibly practice his chosen occupation. That is obviously not to say every applicant with a criminal record deserves licensure—the very point of an individualized assessment is to accurately identify the many instances where an applicant's criminal conduct demonstrates a likely inability to responsibly discharge the duties of a profession. Considering the "redemption time" research discussed above and the cost of ham-handedly excluding individuals with criminal convictions from the workforce, conducting such individualized reviews is not only fair but sensible.¹⁶

Delegations of discretion to licensing boards and agencies potentially facilitate such individualized reviews and are therefore valuable. However, many licensing boards and agencies fail to use the discretion delegated to them to engage in individualized reviews. This failure is understandable. Delegated the responsibility to identify and weigh the risk demonstrated by an individual's criminal record but provided no further guidance on how to do so, many licensing boards and agencies are extremely wary of providing licensure to applicants with criminal records for fear of doing so incorrectly or being blamed as negligent if that now-licensed individual again engages in criminal behavior.

Consequently, some occupational licensing boards essentially abdicate the opportunity to engage in individualized assessments by propagating administrative rules automatically excluding individuals with certain types of convictions from licensure. Other boards clearly exercise de facto prohibitions on providing licensure to applicants with criminal convictions. Not only are these rules and practices unfair to applicants with criminal records, they are unnecessarily blunt, imbalanced instruments that cost North Carolina communities in both lost productivity and increased rates of recidivism.¹⁷ Statutory guidance on how to identify and weigh the risk of future criminal conduct based on a criminal record is therefore beneficial to licensing boards and agencies, individuals with criminal records, and communities across North Carolina.

Statutory Guidance Facilitating Individualized Assessments

A few licensing statutes already provide guidance on how to identify and weigh the risk associated with an applicant's criminal record. Of those licensing boards and agencies that are provided this guidance in their licensing statutes, many regulate activities in sensitive areas of public trust, including the Board of Nursing, the Locksmith Licensing Board, and the Board of Licensed Professional Counselors.¹⁸ The factors considered by these boards are nearly identical to one another and very similar to those recently advanced by the United States Equal Employment Opportunity Commission, as discussed later. For example, the North Carolina Board of Nursing may reject an application for licensure based on an applicant's "conviction of a state crime, whether a misdemeanor or felony, that bears on an applicant's fitness for licensure to practice nursing."¹⁹ However, such a conviction "shall not automatically bar licensure."²⁰ Instead, NCGS §90-171.48(c) first requires the board to review seven considerations providing context to the conviction(s), including:

- the level of seriousness of the crime
- the date of the crime
- the age of the person at the time of the conviction
- the circumstances surrounding the commission of the crime, if known
- the nexus between the criminal conduct of the person and the job duties of the job to be filled
- the person's prison, jail, probation, parole, rehabilitation, and employment records since the date the crime was committed
- the subsequent commission by the person of a crime

After a good-faith review of these considerations, the North Carolina Board of Nursing may exercise its discretion to grant or deny licensure to an applicant based on his criminal record.²¹

Not only do individualized assessments of applicants' criminal records best serve the interests of North Carolina communities, but licensing boards and agencies not conducting individualized assessments of applicants' criminal records risk violating Title VII of the Civil Rights Act of 1964.²² Title VII's prohibitions on employment discrimination of protected classes are partially extended to the otherwise unprotected class of individuals with criminal records through a disparate impact theory.²³ An employer is liable for violating Title VII when the employer's ostensibly race-neutral policy has the effect of disproportionately screening out a Title VII-protected group, unless the employer demonstrates that the policy is "job related for the position in question and consistent with business necessity."²⁴ Because minorities are many times more likely to have criminal convictions than non-minorities, any significant hiring apparatus with a criminal-conduct exclusion will almost certainly have a demonstrable disparate impact on a protected class.²⁵ In April 2012, the EEOC provided enforcement guidance on consideration of arrest and conviction records in employment decisions under Title VII. Private employers were intended as the primary audience of the EEOC's recent guidance; however, the guidance is likely applicable to state licensing boards and agencies because "Title VII preempts state and local laws to the extent they 'purport to require or permit the doing of any act which would be an unlawful employment practice' under the statute."²⁶ In its guidance, the EEOC explained that a circumstance "in which the Commission believes employers will consistently meet the 'job related and consistent with business necessity' defense" is one in which "the employer develops a targeted screen considering at least the nature of the crime, the time elapsed, and the nature of the job, and then provides an opportunity for an individualized assessment for people excluded by the screen to determine whether the policy as applied is job related and consistent with business necessity."²⁷ Accordingly, if Title VII is applicable to state licensing boards and agencies, automatic statutory bars and administrative exclusions to licensure based on criminal records are likely preempted unless "narrowly targeted to identify criminal conduct with a demonstrably tight nexus to the position in question."²⁸ Individualized assessments are not necessarily required by Title VII, but licensure denials and revocations not determined via individualized assessments are more likely to violate Title VII.²⁹

Conclusion

In order to more fully reintegrate individuals with criminal records into society while maintaining public safety and otherwise benefitting our communities, all occupational licensing statutes should require consideration of specified factors by licensing boards and agencies before those entities are allowed to exercise their discretion to deny licensures based on applicants' criminal records.

Statutorily specifying the factors to be considered provides clear guidance to a licensing board or agency on how to determine whether an applicant's prior criminal conduct demonstrates a likely inability to satisfy the duties of the occupation. Doing so not only enhances the likelihood licensing boards and agencies will engage in fair and accurate individualized assessments of risk, but it also provides valuable guidance to applicants on how to appropriately explain the context of their conduct. Licensing boards and agencies that have long been required to provide individualized assessments of applicants' criminal convictions, like the North Carolina Board of Nursing, have clearly not been precluded from maintaining the high standards demanded of their respective professions. Indeed, good sense persuades us that the use of individualized assessments, by more precisely identifying risk and not filtering out highly qualified applicants, actually aids the maintenance of these high ideals of professionalism. *

Daniel Bowes is a staff attorney at the North Carolina Justice Center.

Bill Rowe is General Counsel and Director of Advocacy at the North Carolina Justice Center.

Share End Notes

1. Survey of State Criminal History Information Systems 2008, U.S. Department of Justice Bureau of Justice Statistics, October 2009.
2. According to the UNC School of Government's Collateral Consequences Assessment Tool (C-CAT), there are nearly 1,000 state and federal statutes that potentially deny privileges to North Carolinians based on some sort of criminal record. "Collateral consequences" affect immigration, housing, child custody, foster care/adoption, occupational licensing, financial aid, public benefits, driver licenses, parental rights, workers compensation, unemployment insurance, voting, hunting licenses, and military service, among many other rights and privileges.
3. Michael Pinard and Anthony Thompson, "Offender Reentry and the Collateral Consequences of Criminal Convictions: An Introduction," *New York University Review of Law and Social Change* 30(4): 585-620.
4. *Id.*
5. Morris Kleiner and Alan Krueger, "The Prevalence and Effects of Occupational Licensing," Working Paper 14308, NBER Working Paper Series, National Bureau of Economic Research, September 2008.
6. Bail Bondsmen and Runners, NCGS §58-71-80(b).
7. Alfred Blumstein and Kiminori Nakamura, "Redemption in an Era of Widespread Criminal Background Checks," *National Institute of Justice Journal* No. 263, June 2009.
8. *Id.*
9. John Rubin and Whitney Fairbanks, "Relief from the Collateral Consequences of a Criminal Conviction," *Administrative Lawyer*, November 2011.
10. *Id.*
11. Attorneys-At-Law, NCGS §84-28; Dietitian/Nutritionist, NCGS §90-363.
12. *Id.*
13. Architect, NCGS 83A-15(a)(3)(d); Dental Hygienist, NCGS 90-229(a)(3).
14. Plumbing and Heating Contractor, NCGS §87-21(a); General Contractor, NCGS §87-10; Locksmith, NCGS §74f-18(c). Also, for an example of a denial of licensure based on charges without conviction, see *Scofield v. North Carolina Private Protective Services Board*, 09 DOJ 5064, OAH Proposal for Decision, February 2010 ("At hearing, Respondent failed to present sufficient evidence to show that Petitioner was the defendant in the "Unlawful Dealing with Child" New York charge. Even if you assume Petitioner was the defendant in that case, Respondent failed to present sufficient evidence explaining what was the nature of that charge, circumstances surrounding the charge, the disposition of that charge, and how that charge made Petitioner lack good moral character or temperate habits to possess an armed guard registration permit.").
15. Jeff Gray, "What Constitutes Moral Turpitude?" *Administrative Lawyer*, May 2008.
16. "State of Recidivism: The Revolving Door of America's Prisons," Pew Center on the States, April 2011.
17. Costs of recidivism include lost productivity, price of incarceration, lower tax base, greater family dependence on assistance programs, court and prosecution costs.
18. Nurse, NCGS §90-171.48(c); Locksmith, NCGS §74F-18(c); Professional Family Counselor, NCGS §90-345(c).
19. Nurse, NCGS §90-171.48(c).
20. *Id.*
21. *Id.*
22. "Consideration of Arrest and Conviction Records in Employment Decisions Under Title VII of the Civil Rights Act of 1964," EEOC Enforcement Guidance, Number 915.002, April 2012, accessible here: www.eeoc.gov/laws/guidance/arrest_conviction.cfm.
23. *Id.*
24. *Id.*
25. *Id.* "African Americans and Hispanics are arrested at a rate that is 2 to 3 times their proportion of the general population."
26. *Id.* "In some industries, employers are subject to federal or state laws and regulations that prohibit individuals with certain convictions from holding specific positions, or engaging in certain occupations. Title VII does not override such federal laws and regulations, but Title VII does preempt state and local laws to the extent they 'purport to require or permit the doing of any act which would be an unlawful employment practice' under the statute. 42 U.S.C. § 2000e-7."
27. *Id.* "Relevant individualized evidence includes, for example: the facts or circumstances surrounding the offense or conduct; the number of offenses for which the individual was convicted; older age at the time of conviction, or release from prison; evidence that the individual performed the same type of work, post conviction, with the same or a different employer, with no known incidents of criminal conduct; the length and consistency of employment history before and after the offense or conduct; rehabilitation efforts, e.g., education/training; employment or character references and any other information regarding fitness for the particular position; and whether the individual is bonded under a federal, state, or local bonding program."
28. *Id.*
29. *Id.* "Although Title VII does not require individualized assessment in all circumstances, the use of a screen that does not include individualized assessment is more likely to violate Title VII."

Views and opinions expressed in articles published herein are the authors' only and are not to be attributed to this newsletter, the section, or the NCBA unless expressly stated. Authors are responsible for the accuracy of all citations and quotations.

Share

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

FILED SENATE
Jan 31, 2013
S.B. 36
PRINCIPAL CLERK

S

D

SENATE DRS75007-ROz-3* (12/14)

Short Title: APA Technical/Clarifying Chges. (Public)

Sponsors: Senator Hartsell (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE CERTAIN TECHNICAL, CLARIFYING, AND CONFORMING
3 CHANGES TO THE ADMINISTRATIVE PROCEDURE ACT, AS RECOMMENDED
4 BY THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT
5 COMMITTEE.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 150B-21.2(c) reads as rewritten:

8 "(c) Notice of Text. – A notice of the proposed text of a rule must include all of the
9 following:

- 10 (1) The text of the proposed rule.
11 (2) A short explanation of the reason for the proposed ~~rule and a link to the~~
12 ~~agency's Web site containing the information required by G.S. 150B-19.1(c).~~
13 rule.
14 (2a) A link to the agency's Web site containing the information required by
15 G.S. 150B-19.1(c).
16 (3) A citation to the law that gives the agency the authority to adopt the rule.
17 (4) The proposed effective date of the rule.
18 (5) The date, time, and place of any public hearing scheduled on the rule.
19 (6) Instructions on how a person may demand a public hearing on a proposed
20 rule if the notice does not schedule a public hearing on the proposed rule and
21 subsection (e) of this section requires the agency to hold a public hearing on
22 the proposed rule when requested to do so.
23 (7) The period of time during which and the person within the agency to whom
24 written comments may be submitted on the proposed rule.
25 (8) If a fiscal note has been prepared for the rule, a statement that a copy of the
26 fiscal note can be obtained from the agency.
27 (9) ~~The procedure by which a person can object to a proposed rule and the~~
28 ~~requirements for subjecting a proposed rule to the legislative review~~
29 ~~process."~~

30 SECTION 2. G.S. 150B-21.7 reads as rewritten:

31 "§ 150B-21.7. Effect of transfer of duties or termination of agency on rules.

32 (a) When a law that authorizes an agency to adopt a rule is repealed and another law
33 gives the same or another agency substantially the same authority to adopt a rule, the rule
34 remains in effect until the agency with authority over the rule amends or repeals the rule. When
35 a law that authorizes an agency to adopt a rule is repealed and another law does not give the



1 same or another agency substantially the same authority to adopt a rule, a rule adopted under
2 the repealed law is repealed as of the date the law is repealed. The agency that adopted the rule
3 shall notify the Codifier of Rules that the rule is repealed pursuant to this subsection.

4 (b) When an executive order abolishes part or all of an agency and transfers a function
5 of that agency to another agency, a rule concerning the transferred function remains in effect
6 until the agency to which the function is transferred amends or repeals the rule. When an
7 executive order abolishes part or all of an agency and does not transfer a function of that
8 agency to another agency, a rule concerning a function abolished by the executive order is
9 repealed as of the effective date of the executive order. The agency that adopted the rule shall
10 notify the Codifier of Rules that the rule is repealed pursuant to this subsection.

11 (c) ~~The Director of Fiscal Research of the General Assembly must notify the Codifier~~
12 ~~of Rules when a rule is repealed under this section~~ When notified of a rule repealed under this
13 section, the Codifier of Rules must enter the repeal of the rule in the North Carolina
14 Administrative Code."

15 **SECTION 3.** G.S. 150B-21.20(a) reads as rewritten:

16 "(a) Authority. – After consulting with the agency that adopted the rule, the Codifier of
17 Rules may revise the form of a rule submitted for inclusion in the North Carolina
18 Administrative Code ~~within 10 business days after the rule is submitted~~ to do one or more of
19 the following:

- 20 (1) Rearrange the order of the rule in the Code or the order of the subsections,
21 subdivisions, or other subparts of the rule.
- 22 (2) Provide a catch line or heading for the rule or revise the catch line or
23 heading of the rule.
- 24 (3) Reletter or renumber the rule or the subparts of the rule in accordance with a
25 uniform system.
- 26 (4) Rearrange definitions and lists.
- 27 (5) Make other changes in arrangement or in form that do not change the
28 substance of the rule and are necessary or desirable for a clear and orderly
29 arrangement of the rule.
- 30 (6) Omit from the published rule a map, a diagram, an illustration, a chart, or
31 other graphic material, if the Codifier of Rules determines that the Office of
32 Administrative Hearings does not have the capability to publish the material
33 or that publication of the material is not practicable. When the Codifier of
34 Rules omits graphic material from the published rule, the Codifier must
35 insert a reference to the omitted material and information on how to obtain a
36 copy of the omitted material."

37 **SECTION 4.** G.S. 150B-45(a) reads as rewritten:

38 "(a) Procedure. – To obtain judicial review of a final decision under this Article, the
39 person seeking review must file a petition within 30 days after the person is served with a
40 written copy of the decision. The petition must be filed as follows:

- 41 (1) Contested tax cases. – A petition for review of a final decision in a contested
42 tax case arising under G.S. 105-241.15 must be filed in the Superior Court of
43 Wake County.
- 44 (2) Other final decisions. – A petition for review of any other final decision
45 under this Article must be filed in the Superior Court of Wake County or in
46 the superior court of the county where the ~~person~~ party who commenced the
47 contested case resides."

48 **SECTION 5.** This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

FILED SENATE
Jan 31, 2013
S.B. 37
PRINCIPAL CLERK

S

D

SENATE DRS15018-ROz-2* (12/13)

Short Title: PED Study Occ. Lic Bd. Agency. (Public)

Sponsors: Senator Hartsell (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT AUTHORIZING THE JOINT LEGISLATIVE PROGRAM EVALUATION
3 OVERSIGHT COMMITTEE TO DIRECT THE PROGRAM EVALUATION DIVISION
4 TO STUDY THE STRUCTURE, ORGANIZATION, AND OPERATION OF THE
5 VARIOUS INDEPENDENT OCCUPATIONAL LICENSING BOARDS AND TO
6 CONSIDER THE FEASIBILITY OF CREATING A SINGLE STATE AGENCY TO
7 OVERSEE THE ADMINISTRATION OF THE BOARDS, AS RECOMMENDED BY
8 THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT
9 COMMITTEE.

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.** The Joint Legislative Program Evaluation Oversight Committee shall
12 include in the 2013-2014 Work Plan for the Program Evaluation Division of the General
13 Assembly a study to evaluate the structure, organization, and operation of the various
14 independent occupational licensing boards. For purposes of this act, the term "occupational
15 licensing board" has the same meaning as defined in G.S. 93B-1. The Program Evaluation
16 Division shall include the following within this study:

- 17 (1) Consideration of the feasibility of establishing a single state agency to
18 oversee the administration of all or some of the occupational licensing
19 boards.
20 (2) Whether greater efficiency and cost-effectiveness can be realized by
21 combining the administrative functions of the boards, while allowing the
22 boards to continue performing the regulatory functions.
23 (3) Whether the total number of boards should be reduced by combining and/or
24 eliminating some boards.

25 **SECTION 2.** The Program Evaluation Division shall submit its findings and
26 recommendations from Section 1 of this act to the Joint Legislative Program Evaluation
27 Oversight Committee and the Joint Legislative Administrative Procedure Oversight Committee
28 at a date to be determined by the Joint Legislative Program Evaluation Oversight Committee.

29 **SECTION 3.** This act is effective when it becomes law.





POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

February 8, 2012

Jose Ramon Rodriguez, CPA
KPMG LLP
300 North Greene Street, Suite 400
Greensboro, NC 27401

Dear Jose,

I want to thank you for the opportunity to serve as your Middle Atlantic Regional Representative on the NASBA Board of Directors. My service as the regional director will end this year. I have learned much from my activities in NASBA and as a member of the NC State Board of CPA Examiners.

During the past two and a half years, I have visited many of our regions boards, participated and contributed to meetings of NASBA's Regional Directors meetings and NASBA's Board of Directors. I also chaired NASBA's Committee State Board Relevance & Effectiveness Committee. I currently chair NASBA's CPE Committee. If I have not yet visited your Board, I will be calling you to visit this year.

Now that my term is ending, there is the opportunity to continue to serve on the NASBA Board of Directors as an at large member. I would appreciate your nomination for a seat on the Board of Directors. I enjoy being involved in the profession and hope to continue to serve the Boards of Accountancy.

I have enclosed a brief resume of my professional activities. I would appreciate your board supporting my nomination by sending a letter to Mr. Mark Harris, Nominating Committee-Chairman with a copy to Ms. Anita Holt. Please let me know if I can answer any questions or assist your board in any way.

Sincerely,

M.W. Glover, CPA

M. W. "Bucky" Glover
Certified Public Accountant

Partner
Potter & Company, P.A.
Certified Public Accountants
114 North Church Street
Monroe, North Carolina 28112

Telephone 704-283-8189
Facsimile 704-289-3439
Toll free 800-467-8189
bglover@gotopotter.com

Professional History

- Potter & Company, P.A., Certified Public Accountants (1979 - Present)
Managing Partner 1985 - 2010
- Arthur Andersen & Company, Certified Public Accountants

**Professional
and Business Associations**

- North Carolina State Board of CPA Examiners
Board Member
- National Association of State Boards of Accountancy
Mid Atlantic Regional Board Member
- American Institute of Certified Public Accountants (AICPA)
Council member
Executive Committee – Governmental Audit Quality Center
Special Task Force – Peer Review Transparency
- North Carolina Association of Certified Public Accountants
Past President
Board of Directors
Executive Committee, Treasurer
Chairman of Special Governmental & Not for Profit Audit Quality
Committee
Chairman of Peer Review Committee for State of North Carolina
- Chowan University Board of Trustees

Recognitions

- NCACPA Raymond Rains Award for Lifetime Achievement
- Only Recipient of NCACPA Visionary Award for Development of
Young CPA Cabinet



COMMONWEALTH OF VIRGINIA
BOARD OF ACCOUNTANCY

9960 Mayland Drive, Suite 402
Henrico, Virginia 23233
TELEPHONE: (804) 367-8505
FACSIMILE: (804) 527-4409
WEBSITE: www.boa.virginia.gov
E-MAIL: boa@boa.virginia.gov
February 9, 2013

Wade A. Jewell
Executive Director

Tyrone E. Dickerson, CPA
Chairman

Andrea M. Kilmer, CPA, CFF, CGMA
Vice Chair

W. Barclay Bradshaw, CPA
Board Member

Regina P. Brayboy, MPA, MBA
Board (Public) Member

Robert J. Cochran, Ph.D., CPA
Board (Educator) Member

Marc B. Moyers, CPA
Board Member

Stephanie S. Saunders, CPA
Board Member

Mr. Jose Rodriguez, CPA, President
North Carolina Board of Examiners
PO Box 12827
Raleigh, NC27605-2827

Dear Mr. Rodriguez:

I have formally announced my candidacy for the NASBA position of Mid-Atlantic Regional Director for the year 2013-2014. I have enclosed a Vita on my background and experience with the Virginia Board of Accountancy. As we go through the process, I would appreciate your board supporting my nomination by sending a letter to Mr. Mark Harris, Nominating Committee-Chairman with a copy to Ms. Anita Holt.

Thank you for your support,
I remain.

Sincerely yours,

Tyrone E. Dickerson, CPA

Tyrone E. Dickerson, CPA

Cc: Mr. Robert Brooks



COMMONWEALTH OF VIRGINIA
BOARD OF ACCOUNTANCY

9960 Mayland Drive, Suite 402
Henrico, Virginia 23233
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Wade A. Jewell
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Board (Public) Member

Robert J. Cochran, Ph.D., CPA
Board (Educator) Member

Marc B. Moyers, CPA
Board Member

Stephanie S. Saunders, CPA
Board Member

February 4, 2013

Anita Holt
Executive Assistant to the President and CEO
150 4th Avenue North, Suite 700
Nashville, TN 37219-2417

Dear Ms. Holt,

In anticipation of the nomination process for NASBA Regional Directors, I am formally declaring my candidacy for the upcoming Middle Atlantic Regional Director Board position.

The Virginia Board of Accountancy (VBOA) unanimously supports my nomination for the position of NASBA Middle Atlantic Regional Director.

I look forward to working with you and NASBA throughout the nomination process. Please let me know if you need additional information at this time.

Sincerely,

Tyrone E. Dickerson

Tyrone E. Dickerson, CPA, Chairman
Virginia Board of Accountancy

cc: Mark Harris, Chair
NASBA Nominating Committee
Wade A. Jewell, Executive Director
Virginia Board of Accountancy

VITA

Tyrone E. Dickerson, CPA

Education

Harvard Graduate School of Business, MBA 1970

Central State University, BS Accounting 1965

Professional Experience

Dennis, Dickerson & Wilkins-Management Consultants

Mr. Dickerson was a founding member of this management-consulting firm during his second year at the Harvard Business School. The firm specialized in financial management and was awarded a contract with Lucas Tucker & Co., CPA to manage the City of New York's Human Resources Administration summer grants programs.

Lucas Tucker & Co., CPA

Upon graduation from HBS, Mr. Dickerson became a principal in the firm. His area of expertise was working with small not-for-profit organizations with assets under one million dollars. Mr. Dickerson stayed with the firm for four years.

Urban National Corporation

Mr. Dickerson joined the company as a vice-president. Urban National Corporation (UNC) is a venture capital firm that was funded by 24 of America's top corporations. The Hartford, Prudential and Gulf Oil are a few of the equity partners. UNC was initially capitalized at 10 million dollars to invest in minority owned businesses throughout the country. Mr. Dickerson worked with the following portfolio companies:

Community Foods-A Baltimore inner city supermarket store. UNC invested well over \$700,000 so the company could acquire three additional stores with inventory.

Wimes Mortgage Co. - A mortgage banker operating in Kansas City. UNC invested \$200,000 into the company to further the growth of the housing market in Kansas City.

Ramesh Technology Co.-A start-up Technology Company located in Pittsburgh, PA. UNC invested over \$500,000 in the start-up that specialized in sensors that detected movement, heat and smoke in a room or building.

Hi-Pro Foods-A Los Angeles, CA food processing company. The company specialized in the packaging of pasta products. UNC invested \$150,000 into the company to continue its growth.

Aragon Furniture Company-A high-end leather manufacturing company purchased by an HBS classmate. UNC invested over \$300,000 in the company to continue its phenomenal growth.

Mr. Dickerson developed a broad range of skills in financial analysis, accounting systems, controls and human resources during his tenure with UNC. Mr. Dickerson stayed with the firm for three years and left to pursue his love for public accounting.

Mitchell, Titus & Co. CPA

Mr. Dickerson was the fourth partner to join the firm. Mr. Bert Mitchell, founding partner was also a partner in the firm of Lucas Tucker & Co. It was at that firm that he and Mr. Dickerson developed a mutual admiration for minorities in public accounting. Mr. Mitchell has written several articles on the growth of minorities in the profession since 1968. Mr. Dickerson was in charge of the firm's not for profit sector clients. The firm experienced tremendous growth in a short period of time. I am happy to say the firm celebrated its 30th anniversary in October 2004. Mr. Mitchell is the only founding partner that is still active with the firm. The firm is listed in the top 50 firms in the country.

Tyrone E. Dickerson, CPA

Mr. Dickerson founded his firm in 1984 after a successful career in the broadcasting industry. The firm provided auditing; accounting and management consulting services to a wide range of small businesses. In the early years, the firm had a staff of 10 professionals and maintained offices on Main Street for 15 years. During those years the firm worked very closely with several majority firms on joint venture projects auditing the City of Richmond and the Richmond Redevelopment & Housing Authority. The firm was the auditor of the Metropolitan Richmond Convention & Visitors Bureau from its inception in 1984 until 1996. During our 1987 audit, we found some improprieties by the controller. Based on our audit and subsequent work, the controller was indicted and convicted of embezzlement.

Mr. Dickerson currently practices as a sole proprietor specializing in auditing small businesses and not-for-profit organizations.

Professional and Civic Activities

- American Institute of Certified Public Accountants
- Virginia Board of Accountancy- Chairman 2010-11, 2012-13
- Virginia Society of Certified Public Accountants
- New York Society of Certified Public Accountants-Former Member
- Pennsylvania Institute of Certified Public Accountants-Former Member
- Richmond Chapter- VSCPA

Professional and Civic Activities (continued)

- National Association of State Boards of Accounting
- NASBA-Committees-Enforcement Resource Committee
- National Association of Black Accountants-Richmond chapter
- Leadership Metro Richmond-Class 1989
- Richmond Rotary Club-27 years perfect attendance
- Kappa Alpha Psi Fraternity-Life member
- Virginia Union University-Board of Trustees- Chairman Audit Committee;
Finance Committee; Academic Affairs Committee
- Club 533-Financial Secretary
- First Baptist Church South Richmond
- Black History Museum-Treasurer-Former member

Personal Information

- Born-December 18, 1943
- Birthplace-Abington, PA
- Reared- Willow Grove, PA
- Graduated- Abington High School-1961
- Graduated-Central State University-Wilberforce, OH-1965
- Graduated- Harvard Business School-Cambridge, MA-1970
- Married-Denise Evans Palmer-49 years
- Two adult children-Juliet Yeates-Trotman; Kimberly Dickerson
- Residence-2911 Kenbury Road, Richmond, VA 23235-32 years
- Phone numbers-Office-804-272-1250; Mobile-804-347-9892; Home-804-272-5082
- E-mail-t5dcpa@verizon.net
-



February 5, 2013

Mark P. Harris, CPA
Chairman, Nominating Committee
NASBA
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Dear Mark,

I am writing to add my support for the nomination of Tyrone E. Dickerson, CPA for the position of NASBA Middle Atlantic Regional Director for 2013-2014. I served with Tyrone on the Virginia Board of Accountancy for a number of years. He was an outstanding colleague who took his responsibility seriously and contributed significantly during a period of rapid growth and progress at the VBOA. I believe Tyrone's knowledge, skills, and professional experience are well suited to represent the interests of the boards of accountancy in the Middle Atlantic Region. I give him my strong endorsement.

Thank you.

Sincerely,

Whit

O. Whitfield Broome, Ph.D., CPA

cc: ✓ Tyrone E. Dickerson, CPA
Wade A. Jewell, Executive Director, Virginia Board of Accountancy

580 Massie Road, Charlottesville, Virginia 22903-1738

PUBLIC HEARING AGENDA
NORTH CAROLINA STATE BOARD OF CPA EXAMINERS
FEBRUARY 25, 2013
10:00 A.M.
1101 OBERLIN ROAD
RALEIGH, NC

I. Administrative Items

A. Call to Order

II. Hearing Testimony

A. Case No. C2011223 - Shannon N. Quon, #34450

B. Case No. C2012136 - Jocelyn G. Merone, #31801

C. Case No. C2012194 - Lyle D. Phipps, #35039

III. Adjournment

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

Case: #C2011223

IN THE MATTER OF:
Shannon Noel Quon, #34450
Respondent

NOTICE OF HEARING

The North Carolina State Board of Certified Public Accountant Examiners ("Board") has received evidence which if admitted at hearing would show that:

1. Respondent Shannon Noel Quon (hereinafter "Respondent") is the holder of a certificate of qualification admitting Respondent to practice as a Certified Public Accountant in North Carolina ("Certificate"). Respondent is subject to the provisions of Chapter 93 of the General Statutes of North Carolina and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. 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 ("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.
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 requirements.
5. Respondent provided the CPE certificates of completion to the Board as requested. However, Respondent failed to provide the certificate or certificates of completion needed to document completion of an annual ethics CPE course that Respondent claimed he earned between January 1, 2009, and June 30, 2010, as was reported on his Renewal. Respondent acknowledged that he failed to take the required ethics course to meet the 2009 CPE requirements.

Notice of Hearing - 2
Shannon Noel Quon

6. If proven at a hearing pursuant to the North Carolina Administrative Procedure Act, Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a) and .0202(b)(4).

The discipline which the Board may impose on Respondent for violation of the aforementioned rules includes censure, revocation of license for a period of time, or permanent revocation. In addition, the Board may impose civil penalties of up to \$1,000.00 per infraction.

Pursuant to N.C. Gen. Stat. § 150B-38, you are entitled to a public hearing on this matter. This notice is to advise you that, unless this matter is resolved by consent, the Board will hear this matter in the Board offices at 1101 Oberlin Road in Raleigh, on February 25, 2013, at 10:00 a.m. If you are not present, a decision may be reached in your absence, and you may be deemed to have waived your right to a hearing

Pursuant to N.C. Gen. Stat. § 150B-40(d), you may not communicate regarding this matter, directly or indirectly, with any individual member of the Board.

If you have questions, or additional pertinent evidence, or proof of compliance, or if you desire to attempt to resolve this matter informally, you may contact the Board's Staff Attorney, Frank Trainor, at (919) 715-9185 or fttrainor@nccpaboard.gov, or the Board's Executive Director, Robert N. Brooks, at (919) 733-1425 or rbrooks@nccpaboard.gov.

This notice is issued the 21st day of November, 2012.



BY: Butt vs Butt
Professional Standards Committee Chairman
North Carolina State Board of
Certified Public Accountant Examiners

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

Case: #C2012136

IN THE MATTER OF:
Jocelyn Merone, #31801
Respondent

NOTICE OF HEARING

The North Carolina State Board of Certified Public Accountant Examiners ("Board") has received evidence which if admitted at hearing would show that:

1. Respondent Jocelyn Merone (hereinafter "Respondent") is the holder of a certificate of qualification admitting Respondent to practice as a Certified Public Accountant in North Carolina ("Certificate"). Respondent is subject to the provisions of Chapter 93 of the General Statutes of North Carolina and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. 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 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 her Renewal.
4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet her 2010 CPE requirements.
5. 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. Respondent contended that personal and professional circumstances precluded her from providing any certificates of completion.
6. If proven at a hearing pursuant to the North Carolina Administrative Procedure Act, Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a) and .0202(b)(4).

Notice of Hearing - 2
Jocelyn Merone

The discipline which the Board may impose on Respondent for violation of the aforementioned rules includes censure, revocation of license for a period of time, or permanent revocation. In addition, the Board may impose civil penalties of up to \$1,000.00 per infraction.

Pursuant to N.C. Gen. Stat. § 150B-38, you are entitled to a public hearing on this matter. This notice is to advise you that, unless this matter is resolved by consent, the Board will hear this matter in the Board offices at 1101 Oberlin Road in Raleigh, on February 25, 2013, at 10:00 a.m. If you are not present, a decision may be reached in your absence, and you may be deemed to have waived your right to a hearing

Pursuant to N.C. Gen. Stat. § 150B-40(d), you may not communicate regarding this matter, directly or indirectly, with any individual member of the Board.

If you have questions, or additional pertinent evidence, or proof of compliance, or if you desire to attempt to resolve this matter informally, you may contact the Board's Staff Attorney, Frank Trainor, at (919) 715-9185 or ftrainor@nccpaboard.gov, or the Board's Executive Director, Robert N. Brooks, at (919) 733-1425 or rbrooks@nccpaboard.gov.

This notice is issued the 26th day of November, 2012.



BY: Burt W. Bell
Professional Standards Committee Chairman
North Carolina State Board of
Certified Public Accountant Examiners

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

Case: #C2012194

IN THE MATTER OF:
Lyle Phipps, #35039
Respondent

NOTICE OF HEARING

The North Carolina State Board of Certified Public Accountant Examiners ("Board") has received evidence which if admitted at hearing would show that:

1. Respondent Lyle Phipps (hereinafter "Respondent") is the holder of a certificate of qualification admitting Respondent to practice as a Certified Public Accountant in North Carolina ("Certificate"). Respondent is subject to the provisions of Chapter 93 of the General Statutes of North Carolina and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent informed the Board on his 2011-2012 individual certificate renewal ("Renewal") that between January 1, 2010, and June 30, 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 2010 CPE requirements.
5. Respondent did not provide adequate proof of completion of the 2010 ethics CPE requirement.
6. If proven at a hearing pursuant to the North Carolina Administrative Procedure Act, Respondent's actions as set out above constitute violations of 21 NCAC 08N .0202(a) and .0202(b)(4).

Notice of Hearing - 2
Lyle Phipps

The discipline which the Board may impose on Respondent for violation of the aforementioned rules includes censure, revocation of license for a period of time, or permanent revocation. In addition, the Board may impose civil penalties of up to \$1,000.00 per infraction.

Pursuant to N.C. Gen. Stat. § 150B-38, you are entitled to a public hearing on this matter. This notice is to advise you that, unless this matter is resolved by consent, the Board will hear this matter in the Board offices at 1101 Oberlin Road in Raleigh, on February 25, 2013, at 10:00 a.m. If you are not present, a decision may be reached in your absence, and you may be deemed to have waived your right to a hearing

Pursuant to N.C. Gen. Stat. § 150B-40(d), you may not communicate regarding this matter, directly or indirectly, with any individual member of the Board.

If you have questions, or additional pertinent evidence, or proof of compliance, or if you desire to attempt to resolve this matter informally, you may contact the Board's Staff Attorney, Frank Trainor, at (919) 715-9185 or fttrainor@nccpaboard.gov, or the Board's Executive Director, Robert N. Brooks, at (919) 733-1425 or rbrooks@nccpaboard.gov.

This notice is issued the 26th day of November, 2012.



BY: Burt W. Bull
Professional Standards Committee Chairman
North Carolina State Board of
Certified Public Accountant Examiners