NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JANUARY 19, 2012
HUDSON ROOM - 6TH FLOOR

I Call to Order and Roll Call - 9:30 A.M.

A meeting of the New Jersey State Board of Accountancy was convened in accordance with the provisions of the Open Public Meetings Act. Pursuant to those provisions, the proper notifications were made to the Office of the Secretary of State, the Camden Courier-Post, the Trenton Times, the Asbury Park Press, the Record, and the Star-Ledger. Board President Keith Balla called the meeting to order at 9:40 a.m. The following roll call was taken:

Keith Balla, CPA	Present
Robert Cagnassola, CPA	Excused
John F. Dailey, Jr., CPA	Present
Daniel J. Geltrude, CPA	Present
Albertus Jenkins, Public Member	Excused
Donald Jump, CPA	Present
Paul J. Lerch, CPA	Present
Michael S. Taxin, Public Accountant	Present
Steven Weinstein, CPA	Present

Also present at the meeting were William Mandeville, Executive Director; Tobey Palan, Deputy Attorney General; Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Ralph Thomas, Executive Director, NJSCPA; Mike Polito, Past President, NJSCPA; James J. Carroll, CPA, Accounting Educators; Kenneth Dembrowski; and David Plaskow, Editor, NJSCPA Magazine.

II Minutes of the Meeting of December 15, 2011

On a motion made by Michael Taxin, seconded by Daniel Geltrude, the Board voted to approve the December 15, 2011 Public Session minutes with corrections. The vote of the Board was unanimous.

III President's Remarks

Board President Balla had no report for the Board.

IV Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

V Uniform Penalty Letter in Lieu of Formal Complaint for CPE Audit

A REQUESTED VOLUNTARY SURRENDER

1. Fred H. Miller
2. Dennis Veltre
3. Meiying L. Ju

On a motion made by Michael Taxin, seconded by Paul Lerch, the Board voted to approve the requests for voluntary surrender. The vote of the Board was unanimous.

B PAID PENALTY AND REQUESTED INACTIVE-PAID STATUS

1. Patricia Kelly - $1,000 -paid
2. Hongwei Lui - $1,000 - paid
3. Oleg Vinitskiy - $8,000 - paid

On a motion made by John Dailey, seconded by Paul Lerch, the Board voted to approve the paid penalties and requests for inactive-paid status. The vote of the Board was unanimous.

C PAID PENALTY AND WILL MAKE UP CREDITS

1. Susan Fiore - $1,000 - paid

2. Brian Nappi - $1,500 - paid

3. Paul T. Moles - $2,500 - payment plan 10 payments

4. Sri Haran - $1,500 - paid

On a motion made by John Dailey, seconded by Steven Weinstein, the Board voted to approve the paid penalties and to make up credits. The vote of the Board was unanimous.

Addendum

Pay Penalty and Will Make Up Credits

1. Wayne A. Salas - $4,000 - payment plan 10 payments

2. Peter A. Indiveri - $4,000 - payment plan 10 payments

3. Michele Salami - $4,000 - payment plan 10 payments

4. Chen-Wha Cheng - $3,500 - paid

On a motion made by Steve Weinstein, seconded by Donald Jump, the Board voted to approve the paid penalties and the make up of the credits. The vote of the Board was unanimous.

D REQUESTED BOARD TO CONSIDER EXPLANATION

1. Michael A. Falzone

On a motion made by Paul Lerch, seconded by John Dailey, the Board voted to request from Mr. Falzone copies of the course materials and copies of the certificates that he received. The Board is requesting that Mr. Falzone submit a detailed description of each course he took. The Board would also like to know if the course providers are registered with the Board or with NASBA. Once the information has been received, this matter will be placed on an agenda. The vote of the Board was unanimous.

VI Miscellaneous

A James J. Carroll, CPA - Accounting Educators

Dr. Carroll submitted correspondence to the Board regarding clarity suggestions for some of the Board's regulations.

B NASBA / AICPA / Prometric

The Chair directed that the information received from NASBA/AICPA/Prometric be accepted as informational.

Rick Zahn - CPE Audit

Correspondence was received from Rick Zahn wherein he submitted CPE credits for Board review.

DAG Palan informed the Board that she spoke to Mr. Zahn and informed him that he had ten days to submit his CPE credits to the Board. This matter is tabled until the February 16, 2012 Board meeting.

VII Committee Reports

A CPA Examination Committee

Steven Weinstein informed the Board that he contacted the AICPA to look at additional testing centers.

B Ethics Committee

Daniel Geltrude reported to the Board that five course have been submitted and the Committee would be meeting later in the day to review them.

John Dailey recused himself from the following motion.

On a motion made by Daniel Geltrude, seconded by Donald Jump, the Board voted to approve the four hour Law and Ethics course submitted by the New Jersey State Society. The vote of the Board was unanimous.

Mr. Geltrude reported that a report will be made regarding Financial Focus, Accounting Educators, Center for Professional Education, Inc. and Becker Gearty at the February 16, 2012 meeting.

C CPE Committee

Steven Weinstein reported to the Board that a letter was received from Smart Pros regarding their video course. Mr. Weinstein felt that this course should be approved as a didactic course since there is a qualified instructor. It was suggested that one session should been attended before approving this course.

The Chair directed that this matter be forwarded to Executive Session for legal discussion.

D RMA Committee

Executive Director Mandeville reported that the grading of the RMA is still in the process. Once it has been graded, the Board office should be allowed to release the grades to the candidates.

On a motion made by John Dailey, seconded by Donald Jump, the Board voted that once the RMA exam has been graded, the results be mailed out to the candidates. The vote of the Board was unanimous.

E Peer Review Program Committee

It was reported that two meeting have been held to discuss Peer Review. Three people have requested exemptions.

Peter M. Guilfoyle requested an exemption. Mr. Guilfoyle informed the Board that he only performed one compilation report approximately last year.

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to send Mr. Guilfoyle a letter requesting that he provide the date of the compilation performed. When the information has been received, the Committee will review this matter again. The vote of the Board was unanimous.

Christopher Kaleda requested an exemption. Mr. Kaleda informed the Board that he performed a compilation on 06/10/10 but does not anticipate performing anymore.

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to inform Mr. Kaleda that he must have a Peer Review done by 06/30/12. The vote of the Board was unanimous.

Dominick Mattera requested an exemption. Mr. Mattera informed the Board that he compiled statements of revenue for a company in 2010.

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to inform Mr. Mattera that he is subject to Peer review and has thirty to days to enroll. The vote of the Board was unanimous.

F Education Committee

No report was given

G Reciprocity Committee

Paul Lerch had no report for the Board.

H Nominating Committee

Donald Jump had no report for the Board.

I Statute/Rules/Regulations Committee

A 13:29-1A.3 Applications for examination; education and experience requirements

Regulatory Analyst presented the Board with a draft of the Board's regulations reviewed at the November 2011 Board meeting. Changes were made to the regulations and the draft being presented contain those changes.

On a motion made by John Dailey, seconded by Steven Weinstein, the Board voted to approve the changes made to N.J.A.C. 13:29-1A.3. The vote of the Board was unanimous.

On a second motion made by John Dailey, seconded by Donald Jump, the Board voted to approve the change of language in N.J.A.C. 13:29-6.2. The vote of the Board was unanimous.

Mr. Dailey also thanked Dr. Carroll for brining this matter to its attention and thanked Regulatory Analyst Sheehan for all her hard work.

J Planning Committee

No report was given.

K Monitoring Profession Committee

John Dailey reported to the Board the results of the CPE audit conducted for licensing period 01/01/06 to 12/31/08. The audit was conducted from September 2010 to December 2011.

Total UPL's issued:	831
Total Assessed Fines:	$4,552,500.00
Total Amount Rescinded (58):	$372,500.00
Voluntary Surrender (277):	$1,772,500.00
Total # UPL's Finalized:	496
Total Finalized Amount Fined:	$2,407,500.00

VIII Public Comments

Kenneth Debrowski informed the Board that he received the Board's letter inviting him to attend one of the regularly scheduled Board meetings. Mr. Debrowki wanted the Board to explain to him how the Board established the fines that were issued during the CPE audit that was conducted. DAG Palan explained to Mr. Debrowski that all the information received from the audit was thoroughly reviewed and discussed and the fines were issued accordingly.

Dr. James Carroll thanked the Board for reviewing the comments submitted and looks forward to his course being approved.

Ralph Thomas, Executive Director, NJSCPA, informed the Board of important Society dates:

- February 23rd and 24th- NJSCPA Major Firm Managing Partner Meetings in Voorhees, NJ, Iselin, NJ and Roseland, NJ
- April 19, 2012- NJSCPA Annual Scholarship Awards Ceremony at the Renaissance Woodbridge, NJ
- May 31-June 1- NJSCPA Scholars Institute at Cook College Rutgers University New Brunswick, NJ
- June 6-8, 2012 - NJSCPA Convention and Expo at the Taj Mahal Atlantic City, NJ
- November 7th-11th- NJSCPA Professional Development Conference Captiva, FL

On behalf of the Society's leadership and staff, Society Executive Director Ralph Albert Thomas wished Board members and staff all the best for a Happy and Healthy New Year.

Society Activities and Engagements on the Legislative and Regulatory Front

We are monitoring the following legislative and regulatory activities in Trenton and Washington, DC:

- Ralph informed Board members, staff and guests present about the Society's major legislative initiatives for the upcoming legislative session in Trenton. Those initiatives are moving the Senate and Assembly Appeal Bond Caps bills through committee in both houses and position the bills for a floor vote in both houses, and getting A 4384 and S 3141 moved through both chambers. These two bills would streamline the reciprocity process for all licensing boards and eliminate the mandatory requirement to retake an exam if a licensee lets his or her license lapse for 5 years or more.

Additional Comments/Questions

- Ralph thanked the Board for its swift action to address issues regarding the educational requirements for 120 hour candidates to sit for the CPA exam, and for the Board's approval of the Society's revised New Jersey Law and Ethics course. He once again, asked the Board to consider oversighting providers of New Jersey Law and Ethics courses by having Board members randomly audit courses. Ralph felt an over sight process would help ensure consistency and that courses be delivered in accordance with the standards set by the Board.

  Board member Weinstein commented on Mr. Debrowski's questions. He informed Mr. Debrowski that all UPL's and fines were reviewed and addressed thoroughly on a case by case basis. Mr. Debrowski felt that the fines were insolent and would like to know how the Board developed the fines imposed.

  Mike Polito requested to respond to Mr. Debrowski. Mr. Polito informed Mr. Debroswki that he took offense to his questioning of the Board and felt that the fines imposed should have been much higher.

  Board President thanked everyone for their comments.

On a motion made by Daniel Geltrude, seconded by John Dailey, the Board voted to adjourn the Public Session agenda at 11:25 A.M. to reconvene in Executive Session to discuss six Request for Consideration regarding the audit, one matter of Old Business, one matter of New Business, one Request for Waiver, three PCAOB reports and three Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director