NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JANUARY 22, 2004
SOMERSET ROOM

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. Herbert Lipman, President of the Board, called the meeting to order at 9:40 A.M. The following roll call was taken:

Keith Balla, CPA	Excused
Elizabeth Burns, CPA	Present
Robert Cagnassola, CPA	Present
Andrew DuBoff, CPA	Present
Bennie Hadnott, CPA	Present
Albertus Jenkins, Public Member	Present
Aubrey Kosson, CPA	Present
Herbert Lipman, CPA	Present
Alfonso Pisano, Esq., Public Member	Present
Margaret Shoe, Public Accountant	Present
Robert Sommer, Public Accountant	Present
John Tully, CPA, Government Member	Present

Also present at the meeting were William Mandeville, Executive Director; Marianne Greenwald, Deputy Attorney General; Dale Nelson, CPA, Director of Accountancy; Melba Perez, Assistant to the Executive Director; Ralph Thomas, Executive Director, NJSCPA; Mike Polito, CPA, Past President, NJSCPA; James Evans, CPA, President, NJSCPA

I Minutes of the Meeting of December 18, 2003

On a motion made by Andrew DuBoff, seconded by Aubrey Kosson, the Board voted to table the approval of the December 18, 2003 Public Session Minutes until the February 2004 Board meeting. The vote of the Board was unanimous.

II President's Remarks

Mr. Lipman informed the Board that the November 2003 CPA examination grades will be released on February 2, 2004.

Mr. Lipman reported on the Candidate Bulletin he received. It was very informational. If candidates are interested in obtaining it, they can log on to the website and download the information.

The National Candidate Database is scheduled to be active as of March 1, 2004.

Mr. Lipman reported to the Board that he read a very interesting article in the CPA Journal regarding Ethics.

Mr. Lipman and Mr. DuBoff attended the NASBA Regional meeting January 12, 2004 that took place in Hartford, Connecticut. Four states were present. New York, Connecticut, and Maine, as well as New Jersey, sent representatives. It was held at the Secretary of State's Office. Substantial equivalency was the purpose of the meeting. The differences and experiences among the states were discussed. Ethic courses were discussed. NASBA would like to offer a universal ethics course. Mr. Lipman asked Mr. DuBoff if he had anything to add and Mr. DuBoff felt that everything was covered.

Correspondence was received from Megan Lehman, President of the Accounting Society at Montclair State University. Ms. Lehman would like someone from the New Jersey State Board of Accountancy to speak at its annual Symposium on April 22, 2004. Dale Nelson indicated that he will be attending as the speaker.

Mr. DuBoff and Mr. Cagnassola informed the Board that they have a conflict with the April 22, 2004 Board meeting. The Board therefore agreed to change the date of the meeting to April 20, 2004.

On a motion made by Elizabeth Burns, seconded by Robert Sommer, the Board voted to change the April 22, 2004 Board meeting date to April 20, 2004. The vote of the Board was 10 in favor with Mr. Pisano opposing. The motion carried.

III Executive Director's Remarks

Executive Director Mandeville requested that the Board provide him with administrative authority to approve requests for administrative reinstatement of suspended licenses.

The Board informed Mr. Mandeville that as long as the applicant has complied with all requirements for reinstatement, there would be no problem. Mr. Nelson indicated that he would verify that the CPE has been completed before the request is processed.

On a motion made by Robert Sommer, seconded by Margaret Shoe, the Board voted to grant Mr. Mandeville the authority to reinstate lapsed licensees as long as the licensee has complied with all the requirements. The vote of the Board was unanimous.

The nine requests for reinstatement were moved to the Executive Session portion of the meeting for advice of counsel.

Mr. DuBoff inquired as to how CPE records are reviewed to ascertain that the licensees have complied. Mr. Nelson indicated that he reviews the information before processing.

Mr. DuBoff questioned why some of the NJSCPA CPE certificates have only Mr. Hardenberg's name, but are not signed and asked whether or not Mr. Hardenberg is actively signing the forms. Ralph Thomas, from the New Jersey Society reported to the Board that Mr. Hardenberg does normally sign each form himself.

Mr. Mandeville reported that he is working with Mr. Tully on the website. Mr. Mandeville reported that all newsletters were removed from the website since they were outdated. All meeting dates for the calendar year 2004 have been added, and as soon as Print Production completes its review of the Board minutes, they will also be added to the website. Mr. Mandeville also reported that links can be added to the Board's website as long as the information has been submitted and approved.

Information was distributed regarding the CBT examination. The information was received from an individual in Tennessee.

On a motion made by Alfonso Pisano, seconded by Robert Sommer, the Board accepted the letter as informational.

IV Request for Waiver to Endorse License

A. Esfir Burlak

Esfir Burlak is requesting a waiver to reciprocate her New York license. Ms. Burlak attended college in Russia and is not able to obtain a transcript since the college is now completely dissolved. Ms. Burlak is requesting a waiver of her transcript from Russia.

On a motion made by Alfonso Pisano, seconded by Andrew DuBoff, the Board voted that this matter be moved to Executive Session. The vote of the Board was unanimous.

B. Vincent DeMichele

Vincent DeMichele is requesting a waiver for transfer of grades. Mr. DeMichele is lacking three semester hours in Business Law.

On review of the information, the Board noticed that Mr. DeMichele is not licensed in Colorado but did take all parts of the exam the first time.

On a motion made by Andrew DuBoff, seconded by Alfonso Pisano, the Board voted to waive the three semester hours in Business Law and approve Mr. DeMichele's request for transfer of grades. The vote of the Board was unanimous.

C. Jonathan W. Gochoco

Jonathan Gochoco is requesting a waiver to reciprocate his California license. Mr. Gochoco is lacking .7 semester hours in Business Law and 2.7 semester hours in Finance.

On a motion made by Margaret Shoe, seconded by Bennie Hadnott, the Board voted to waive the .7 semester hours in Business Law and 2.7 semester hours in Finance and approve Mr. Gochoco for reciprocity. The vote of the Board was 10 voting in favor with Mr. DuBoff abstaining. The motion carried.

D. Peter A. Manickas

Peter Manickas is requesting a waiver to reciprocate his New York license. Mr. Manickas is lacking three semester hours in Finance.

On a motion made by Alfonso Pisano, seconded by Margaret Shoe, the Board voted to waive the three semester hours in Finance and approve Mr. Manickas for reciprocity. The vote of the Board was unanimous.

E. Albert B. Mellone, III

Albert Mellone is requesting a waiver to reciprocate his Pennsylvania license. Mr. Mellone is lacking two semester hours in Business Law and three semester hours in Finance.

Upon review of the information received, it was noted that Mr. Mellone sat for all parts of the exam in accordance with Board rules.

On a motion made by Robert Sommer, seconded by Bennie Hadnott, the Board voted to waive the two semester hours in Business Law and the three semester hours in Finance and approve Mr. Mellone for reciprocity. The vote of the Board was 10 in favor with Mr. DuBoff abstaining. The motion carried.

F. Kathi E. Ogoreue

Kathi Ogoreue is requesting a waiver to reciprocate her Pennsylvania license. Ms. Ogoreue is lacking three semester hours in Business Electives.

Upon review of the information received, it was noted that Ms. Ogoreue sat for all parts in 1994.

On a motion made by John Tully, seconded by Bennie Hadnott, the Board voted waive the three semester hours in Business Electives and approve Ms. Ogoreue for reciprocity. The Board has also suggested that this matter be moved to Executive Session for further discussion. The vote of the Board was unanimous.

G. Jagdish B. Patel

Jagdish Patel is requesting a waiver of two semester hours in Finance to transfer his grades for CPA licensure.

Upon review of the information received, it was noted that Mr. Patel has been practicing accountancy for the last 25 years, but does not have a Massachusetts license.

On a motion made by Andrew DuBoff, seconded by Alfonso Pisano, the Board voted to waive the two semester hours and approve Mr. Patel's transfer of grades. The vote of the Board was unanimous.

V Rules and Regulations Rule - N.J.A.C. 13:29-1.6 - 11:00 A.M.

Regulatory Analyst Maryann Sheehan was present to discuss with the Board the proposed amendment to N.J.A.C. 13:29-1.6.

Ms. Sheehan reported that the proposed rule appeared in the New Jersey Public Register on August 18, 2003 for the public comment period which ended October 3, 2003. Only one comment was received, which was from the New Jersey State Society.

On a motion made by Margaret Shoe, seconded by Alfonso Pisano, the Board voted to approve the amendment to the new rule N.J.A.C. 13:29-1.6. The vote of the Board was unanimous.

Ms. Sheehan also reported that an amendment regarding cheating was also added. A person caught cheating would be barred from taking the examination for a three year period.

VI Committee Reports

A. CPA Examination Committee

Mr. Kosson requested to postpone discussion on the examination results until he has reviewed the information. The Board reminded Mr. Kosson that the results will be released on February 2, 2004.

On a motion made by Andrew DuBoff, seconded by Robert Cagnassola, the Board voted to accept the grades from the November 2003 examination. The vote of the Board was 10 voting in favor with Mr. Kosson abstaining. The motion carried.

B. Ethics Committee

Ms. Burns reported to the Board that Marge Loscalzo will be submitting a 6 hour ethics program. As soon as it has been reviewed it will be placed on the agenda.

C. CPE Committee

Mr. Sommer had no report.

D. RMA Committee

Mr. Cagnassola reported that the RMA examination grades are ready. Mr. Cagnassola requested that this matter be moved to Executive Session and report back to the Public Session.

E. QE Committee

Mr. Cagnassola reported that the December 20, 2003 meeting was cancelled. The next meeting is scheduled for February 5, 2004. Rules have been in review for the audit program.

F. Education Committee

Mr. Kosson reported that he attended the New Jersey CPA Society Educators Committee meeting on December 10, 2003, at which Daniel Hobson, of the AICPA, presented information concerning changes in the computerized CPA exam, concerns about the testing of material regarding Sarbane/Oxley, and budgeting time.

G. Reciprocity Committee

Ms. Shoe reported that a Reciprocity Committee meeting needs to be scheduled. She will be contacting the other members of the Committee to schedule a meeting date.

H. Nominating Committee

Mr. Sommer reported to the new Board members that if anyone has any nominations they would like to make, they are welcomed to submit the information to him to be placed on the next agenda.

I. Rules/Regulations Committee

Mr. DuBoff had no report.

J. Professional Liaison Committee

Mr. DuBoff reported that he had just returned from the NASBA Administration and Finance Committee and Board of Director's Meetings.

Mr. DuBoff also reported that seven names had been submitted by NASBA to serve the AICPA's new private sector Audit Standards Board. Out of those seven, five have been picked: Burns from Oregon, Lorenz from Texas, Baldwin from North Carolina, Goad from Arkansas and Rubin from California.

Mr. DuBoff reported that NASBA's UAA Committee has proposed the following rules for comment/exposure:

1 Peer Review
2 Record Retention
3 Self Reporting of Disciplinary Actions
4 Practice Privileges

This is still a joint project between the AICPA and NASBA. NASBA has the authority to make the final decision on the rules.

Mr. Weatherwax will be the NASBA chairman next year.

The US Accountancy Database which Mr. Costello spoke to the Board about at the November 2004 meeting held in Holmdel, NJ will be discussed at the February meeting.

K. Planning Committee

Mr. Sommer had no report.

VII Public Comments

Ralph Thomas, Executive Director of the New Jersey State Society, spoke about the Educators Committee meeting which was held on December 10, 2003. The AICPA review Board is having an open file peer review of FCC firms. That is an issue the Society is looking into. On March 1st the Peer Review reports will be approved.

There is a Bridge Review program being developed. Mark Harris, of the Louisiana Board of Accountancy, is the first person that has been appointed to the review Board and is a practicing CPA.

Mr. Thomas informed the Board that the NJSCPA offices in Roseland are under renovations and that meetings are being held elsewhere.

The New Jersey Supreme Court has agreed to hear an appeal of the Privity Statute in the case of Ernst & Young vs. E. Dickinson. The Superior Court and Appellate Court have ruled in favor of Ernst & Young.

Mike Polito reported on the interactive ethics course being provided. Mr. Polito also spoke about the telecast providers.

Mr. Polito invited the Board members to take the live ethics course which will be offered in Wayne, New Jersey. The course will be starting in June if you reside outside the New Jersey area. Mr. Polito also advised that it will be twice the cost of taking a regular course.

VIII Adjournment

On a motion made by Andrew DuBoff, seconded by Bennie Hadnott, the Board voted to adjourn the Public Session Board meeting at 11:40 A.M. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director