

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
FEBRUARY 16, 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	Present
John F. Dailey, Jr., CPA	Present
Daniel J. Geltrude, CPA	Present
Albertus Jenkins, Public Member	Present
Donald Jump, CPA	Present
Paul J. Lerch, CPA	Present
Michael S. Taxin, Public Accountant	Present
Steven Weinstein, CPA	Excused

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; Jeff Kaszerman, NJSCPA; Kenneth Heaslip, CPA, Professor, Bloomfield College; Jack Fingerhut, President, SmartPros and David Plaskow, Editor, NJSCPA Magazine.

II Minutes of the Meeting of January 19, 2012

On a motion made by Daniel Geltrude, seconded by John Dailey, the Board voted to approve the January 19, 2012 Public Session minutes with corrections. The vote of the Board was unanimous.

III President's Remarks

Board President Balla had no report.

IV Executive Director's Remarks

Executive Director Mandeville had no report.

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

A REQUESTED VOLUNTARY SURRENDER

1. Christian Chukwuemeka Obikwelu
2. Brian Hines
3. Denise Sonta
4. Elliott A. Weinberg

On a motion made by John Dailey, seconded by Robert Cagnassola, 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. Joseph Colatruglio - \$8,000 - paid
2. Santina M. Barclay - \$3,500 - payment plan 10 payments
3. Wendy Peters - \$8,000 - payment plan

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to approve the paid penalties and request to place licenses in inactive-paid status. The vote of the Board was unanimous.

C PAID PENALTY AND WILL MAKE UP CREDITS

1. Anthony J. Cavallo - \$6,000 - payment plan 16 payments

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to refer Mr. Cavallo's matter to the Committee for further review. The vote of the Board was unanimous.

2. Noah Rosenfarb - \$1,000 - paid

Don't have any notes.

3. John Coolong - \$5,000 - payment plan

DAG Palan informed the Board that she received correspondence from Mr. Coolong. He is currently holds an active license and was fined \$5,000.00. He was to make ten payments of \$500.00. Mr. Coolong informs that he does not sign documents as a CPA.

On a motion made by Paul Lerch, seconded by John Dailey, the Board voted to approve the UPL and allow Mr. Coolong to make payments and place his CPA licenses in inactive status. The vote of the Board was unanimous.

D REQUESTED BOARD TO CONSIDER EXPLANATION

1. John Henderson

John Dailey abstained from this matter.

On a motion made by Robert Cagnassola, seconded by Donald Jump, the Board voted to fine Mr. Henderson \$3,000.00 and inform him that he must make up 27 miscellaneous credits, 24 in Accounting and Auditing. The vote of the Board was unanimous.

2. John P. Curran

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to uphold the UPL issued. The vote of the Board was unanimous.

3. Melvyn Benison

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to reduce the UPL fine issued to \$2,500.00 and inform Mr. Benison that he must make up 37 miscellaneous credits, 4 technical subjects and 4 in NJ Law & Ethics. The vote of the Board was unanimous.

4. Michael Falzone

This matter was previously reviewed at the January 19, 2012 Board meeting and the Board voted to request from 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.

VI NASBA Matters

A Focus Questions

The Board answered the Focus Questions and they will be forwarded to NASBA.

VII Miscellaneous

A Gary W. Higgins, President - Registered Municipal Accountants Association of NJ

Correspondence was received from Mr. Higgins wherein he request that the Board consider holding a second RMA exam on the first half of the calendar year.

The Board wishes to inform Mr. Higgins that having a second RMA exam in the year would be very burdensome. The rules also state that one RMA exam is given once a year in December. The Board also wished to inform

Mr. Higgins that this may be something to be looked at in the future.

B Dennis Riley, CPA - CuttingEdgeCPA.com, LLC

This matter was moved to Executive Session for legal advice.

C Rick Zahn - CPE Audit

The Board requested that Mr. Zahn provide the CPE credits for Board review and determination.

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to reduce the fine to \$1000.00 and inform Mr. Zahan that he must complete 23 CPE credits in miscellaneous courses. The vote of the Board was unanimous.

D SmartPros

Correspondence was received from Mr. Jack Fingerhut responds to a letter he received from the Board regarding didactic CPE crouse.

The Board directed that Mr. Fingerhut review the Board rule N.J.A.C. 13:29-6.2a(1).

The Chair directed that this matter be moved to Executive Session for further review.

VIII Committee Reports

A CPA Examination Committee

No report was given.

B Ethics Committee

Daniel Geltrude informed the Board that the Committee had four packets to review. Mr. Geltrude also informed the Board that the Society requested approval of a webinar. All the matters reviewed were responded to and it was suggested that substantive changes be made to the courses. Until the changes have been made the Board is only approving the Society's NJ Law & Ethics webinar course. The vote of the Board was eight voting in favor with John Dailey recused. The vote of the Board was unanimous.

C CPE Committee

No report was given.

D RMA Committee

Robert Cagnassola informed the Board that all letters have been mailed and received. 14 candidates sat for the exam and two passed. There was one candidate that requested to review their exam and they were reviewing it in another room on the same day as the Board meeting.

E Peer Review Program Committee

Robert Cagnassola informed the Board that the Committee is moving along. Mr. Cagnassola informed the Board that three individuals requested exemptions from Peer Review and they individuals were denied and letters were sent to them.

F Education Committee

Albertus Jenkins had no report for the Board.

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

John Dailey had no report for the Board.

J Planning Committee

Albertus Jenkins had no report for the Board.

K Monitoring Profession Committee

John Dailey had no report for the Board.

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to enter into Executive Session at 11:05 A.M. The vote of the Board was unanimous.

On a motion made by Robert Cagnassola, seconded by John Dailey, the Board voted to re-enter into Public Session at 11:40 A.M. The vote of the Board was unanimous.

IX Public Comments

The Board informed Jack Fingerhut, President, SmartPros that the Board had previously sent correspondence to his organization that their course did not meet the New Jersey rules with a 25 minutes video instructions. The Board is upholding its decision at this time. If a CPE audit for renewal period 2009-2011 is conducted any licensees that is selected for a random audit that may, may have taken the SmartPros course will be reviewed individuals by the Committee and the Board on a case by case basis.

Board President Balla thanked Mr. Fingerhut for his questions and concerns.

Kenneth Heaslip commented on didactic courses. He felt that the Board should clarify what didactic means. The Board suggested to Mr. Heaslip that he write to the Board for review.

Ralph Thomas, Executive Director, NJSCPA reported on important Society dates.

- February 23rd and 24th- NJSCPA Major Firm Managing Partner Meetings in Voorhees, NJ, Edison, NJ and Roseland, NJ
- April 19, 2012- NJSCPA Annual Scholarship Awards Ceremony at the Renaissance Woodbridge, NJ
- April 24th- NJBIA meet the Decision Makers Breakfast with the State Treasurer at which the Society is a sponsor.
- May 16th-18th - AICPA 125 Anniversary Celebration at AICPA Spring Council Meeting
- May 29th- CIANJ Annual Legislative One-on-One Dinner at which the Society is a sponsor
- 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

Society Executive Director Ralph Albert Thomas thanked the Board for its approval of the Society's New Jersey Law and Ethics web-cast program (Ethics). He also informed

the Board that the Society would be scheduling an Ethics webcast and face-to-face session for delivery in March to accommodate newly licensed CPAs.

Ralph Thomas also informed Board members that the Society had responded to Mr. Mandeville's January 9th letter requesting excel spreadsheets detailing licensees who took the Society's Ethics Program during the triennial reporting period ending December 31, 2011. An excel spreadsheet of licensees who took the 2009-2011 Ethics program post December 31, 2011 was also provided.

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 that in addition to actively monitoring Appeal Bond Cap and License reciprocity legislation, the Society also will be focused on the Governor's FY 2013 State budget proposal.

Additional Comments/Questions

- Ralph shared with the Board the need for clarity as to when a licensee should register as a firm. He noted the Society had been receiving calls from members regarding firm registration requirements.
- Ralph expressed concerns about the Board's decision that CPE programs using videotaped or audio taped instruction do not qualify as a didactic course. The regulation as stated suggests any use of videotaped or audio taped instruction would render a CPE program as not qualifying as a didactic program. He asked the Board to consider providing additional clarification as to the percentage use of videotaped and audio taped instruction.

On a motion made by Albertus Jenkins, seconded by Paul Lerch, the Board voted to adjourn Public Session at 12:00 P.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry, UPLs in Lieu of Formal Complaint for CPE Audit, two matters of Old Business, one Request for Reinstatement, five matters of New Business, one Request for Extension to Comply with CPE Requirements, the PCAOB Reports and one Consumer Complaint. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville

Executive Director