

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
MARCH 17, 2011
SOMERSET ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:40 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 Donald Jump 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	Excused
Albertus Jenkins, Public Member	Present
J. Frank Johnson, Public Accountant	Excused
Donald Jump, CPA	Present
Paul J. Lerch, CPA	Excused
Michael S. Taxin, Public Accountant	Present
Peter Torok, Public Member	Excused
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 Albert Thomas, Executive Director NJSCPA; Mike Polito, Past President, NSCPA; Robert Marrone, President, NJSCPA and David Plaskow, Editor, NJSCPA Magazine.

II Minutes of the Meeting of February 17, 2011

On a motion made by Albertus Jenkins, seconded by Michael Taxin, the Board voted to approve the February 17, 2011 Public Session minutes as presented. The vote of the Board was unanimous.

III President's Remarks

President Jump commented on the ongoing CPE credits audits and how disheartening it is to see how many licensees have zero credits and how many licensees have chosen to surrender their licenses.

President Jump thanked the staff for the excellent work that has been done with this audit.

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

1 Anthony A. La Polla - Tabled at the February 17, 2011 Board Meeting

On a motion made by Keith Balla, seconded by Albertus Jenkins, the Board voted to uphold the original UPL and Mr. La Polla will be given the option to make 16 monthly installments to pay the fine. The vote of the Board was unanimous.

2 Marjorie L. Grand - Tabled at the February 17, 2011 Board Meeting

On a motion made by John Dailey, seconded by Keith Balla, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

3 Carol H. Saufroy

4 Rocco Totino

5 Glenn S. Megill

6 Margaret Hoydis

- 7 Marie S. O'Connor
- 8 Vincent M. Stesner
- 9 Joseph M. Zarish, Jr.
- 10 Gerard Carney
- 11 Jack H. Marin
- 12 Richard A. La Monica
- 13 Lauren G. Aljian
- 14 Denis J. Manginelli

On a motion made by Keith Balla, seconded by Robert Cagnassola, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

- 15 Aleksei O. Koutin
- 16 Fran P. Nocella
- 17 John J. Mastellone

On a motion made by Michael Taxin, seconded by Albertus Jenkins, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

- 18 Christine A. Jeffries
- 19 David A. Levy
- 20 Dennis M. Palladino

On a motion made by Keith Balla, seconded by Michael Taxin, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

- 21 David B. Freeman

On a motion made by John Dailey, seconded by Keith Balla, the Board voted to approve Mr. Freeman's request to pay his fine in six monthly installments. The vote of the Board was unanimous.

- 22 Esfir Burlak
- 23 William Gelfond
- 24 Hannah S. Gold Bargad
- 25 Daniel E. Jelinsky
- 26 Leonard J. Halpern
- 27 Louis R. Hewitt
- 28 Frank J. Pisano

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to uphold the original UPL. Mr. Pisano is to also be informed that he should attempt to contact the CPE providers for certificates. The vote of the Board was unanimous.

- 29 Anthony L. Marhan
- 30 Edward D. Gallagher
- 31 Margaret Chigi
- 32 Fred H. Weinshank
- 33 Darrell J. Lynch

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to re-issue the UPL to Mr. Lynch with the new credits calculated. His new fine is \$5,000.00 the vote of the Board was unanimous.

- 34 Dennis A. Beovich
- 35 Albert Candelmo, Jr.
- 36 Neil S. Schwartz
- 37 David S. Kroll
- 38 Raymond Zampino

39 Allan Martin

40 Leonard Simon

41 Anthony R. Rubino

On a motion made by Robert Cagnassola, seconded by John Dailey, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

42 Dominic F. Townsend

On a motion made by John Dailey, seconded by Keith Balla, the Board voted to uphold the original UPL and advise Mr. Townsend that the UPL issued is a public record. The vote of the Board was unanimous.

43 Yingtong You

44 David J. McCole

45 Salvatore Siminerio

46 John A. Bruno, Jr.

47 Donna M. Solazzo

48 William J. Pollak

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

49 Gaffar Mohamed

50 Sharon J. Hills

51 Dawn B. Clayton

On a motion made by Robert Cagnassola, seconded by Keith Balla, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

52 Joseph R. Petracca

53 Tanye Chen

54 Kari Ann Nixon

55 Michelle DiFilippo

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

56 Richard A. Sherman

57 Edward J. Berliner

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to send Mr. Berliner's matter back to the Committee for further review. The vote of the Board was unanimous.

58 George R. Henry

59 Eileen S. Puca

60 Michael K. Lam

On a motion made by Keith Balla, seconded by Michael Taxin, the Board voted to uphold the original UPL and allow Mr. Lam to pay in ten monthly installments. The vote of the Board was unanimous.

61 Sandra J. McLeod

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

62 Kenneth A. Ney

On a motion made by Keith Balla, seconded by Albertus Jenkins, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

63 Kenneth J. Paglio

On a motion made by Albertus Jenkins, seconded by Michael Taxin, the Board voted to uphold the original UPL and inform Mr. Paglio that he may contact the CPE providers to find out who he took the CPE credits with. The vote of the Board was unanimous.

- 64 Herbert Orand
- 65 James M. Violette
- 66 Kevin Y. Yoon
- 67 Thomas R. Schaefer

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to accept, unless otherwise noted (items 1, 2, 14, 17, 20, 21, 28, 33, 41, 42, 48, 51, 55, 57, 60, 61, 62, and 63), the requests of the above referenced individuals. The vote of the Board was unanimous.

REQUESTED VOLUNTARY SURRENDER

- A John Tirpak
- B Alka Amin
- C Mark Riviello
- D Peter C. Verrecchia
- E Ronald C. Signore
- F Freddy Blanco
- G Sheldon Wilen
- H Alfred J. Viscido
- I Robert L. Daly
- J Fernando M. Gonzaga
- K Dominick Anastasi
- L Gary A. Hall
- M Irwin Z. Weiss

PAID PENALTY AND REQUESTED INACTIVE-PAID STATUS

- A Michael Genovese - \$8,000.00 penalty will make 16 payments of \$500.00
- B Tracy J. Horowitz - \$8,000.00 - paid
- C Bruce L. Spielman - \$1000.00 - paid
- D William Schoonmaker - \$3,000.00 - paid
- E Robert F. Campo, Jr. - \$3,000.00 - paid
- F Joseph Quinones, Jr. - \$8,000.00 - paid
- G Robert Merlino - \$4,000.00 - paid
- H Kimberly R. Getz - \$4,000.00 - paid

PAID PENALTY AND WILL MAKE UP CREDITS

- A Raymond Caponetti - \$500.00 - 20 credits
- B Alan J. Kirshenbaum - \$6,000.00 - 95 credits
- C Thomas J. Gibney - \$3,000.00 - 58 credits
- D Barbara Lubin - \$1000.00 - 28 credits
- E Maria A. Parry - \$2,500.00 - 43 credits
- F Viatcheslav Atlivankine - \$1,000.00 - 23 credits
- G Michael Galvin - \$1,000.00 - 22 credits
- H John Harlin, Jr. - \$8,000.00 - 120 credits
- I William P. Daly - \$3,000.00 - 59 credits - payment plan 10 payments

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to approve the requests for voluntary surrender; paid penalty and inactive-paid; and paid penalty and make up credits. The vote of the Board was unanimous.

VI Committee Reports

A CPA Examination Committee

No report was given.

B Ethics Committee

Keith Balla had no report for the Board.

C CPE Committee

Keith Balla reported to the Board that a meeting was conducted after last month's Board meeting to review a variety of licensees requesting credits for teachers providing CPE credits.

D RMA Committee

Robert Cagnassola had no report for the Board.

E Peer Review Program Committee

Robert Cagnassola distributed numerous forms and documents to the Board relative to the letters will be mailed to licensees and firms in New Jersey regarding the new Peer Review Program.

On a motion made by John Dailey, seconded by Keith Balla, the Board voted to approve the Peer Review Program forms. The vote of the Board was unanimous.

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

Robert Cagnassola reported to the Board that the Committee met and wished to propose the following officers for 2011-2012:

President: Keith Balla
Vice President: John Dailey
Secretary: Daniel Geltrude
Treasurer: Steven Weinstein

Mr. Cagnassola informed the Board that the voting would take place at the April 21, 2011 Board meeting with the officers taking their places at the May Board meeting.

I Statute/Rules/Regulations Committee

John Dailey reported to the Board that the deadline for the enactment of the updated rules and regulations is April 25th. DAG Palan reported that the process is moving along in a timely fashion.

J Planning Committee

Albertus Jenkins had no report for the Board.

K Monitoring Profession Committee

John Dailey reported to the Board the following information relative to the CPE audits for the 2006-08 triennial period:

- 161 UPLs have been mailed
- 113 licensees have responded to their UPLs
- Total penalties assessed: \$708,000
- Total penalties collected: \$163,250

VII Public Comments

Ralph Thomas, Executive Director, NJSCPA reported on the following activities of the Society:

Important Society Dates

- April 28, 2011- 51st Annual NJSCPA Scholarship Ceremony
- June 1, 2011- Society will once again be one of the sponsors of the Annual CIANJ Legislative One-on-One Dinner at Nanina's in the Park, Belleville, NJ
- June 2, 2011- Society's Scholars Institute Program at Douglas College at Rutgers University, New Brunswick, NJ

- June 8-10, 2011- Society's 6th Annual New Jersey Convention and Expo will be held at the Taj Mahal in Atlantic City.
- November 9-12 - NJSCPA Professional Development Conference in San Antonio, TX featuring Ed Robinson from Robinson Performance Group and presentations from First Global.

Society Activities and Engagements on the Legislative and Regulatory Front

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

- S 672 and A 2396, Tax Preparers Licensing Act- There has been no activity regarding these bills since the last Board meeting. Nationally, the AICPA continues to lobby the IRS to delay/defer any actions regarding an exam or the establishment of CPE and education requirements.
- Things continue to remain quiet regarding mandatory audit firm rotation. We still believe senior members of the administration want audit firm rotation as a best practice for audits of state agencies and municipalities.
- The Governor signed the UEZ legislation the Society has been supporting. However, the program would appear to be at risk based upon a recent consultant's report that recommended the program be discontinued.
- On the National scene, the Senate and House both passed bills to repeal the 1099 legislation previously enacted. However, the bills had different provisions which must be resolved in a joint Senate and House conference committee. The Senate also passed Tax Strategy Patent legislation which would repeal and preclude the patenting of tax strategies.
- Society leadership attended the Governor's budget address in Trenton. We were happy that the Governor's message did not include any increases in either business or personal income taxes. We're continuing to monitor things in Trenton with the budget discussions and debates.
- The Society is still holding its resolution to FAF which supports the Blue Ribbon Panel's recommendations regarding the use of GAAP with exceptions for small non-publically traded companies and establishment of a separate board opposite FASB to address small business financial reporting. We're holding the resolution

until FAF establishes a task force to review the BRP's recommendations and solicits comments from the public.

Additional Comments/Questions

- We continue to receive calls from licensees who have received Uniform Penalty letters. A number of the calls relate to amount of time a licensee has to make up his or her CPE short fall. Apparently, the availability of live training programs is sparse during busy season as CPE providers are not running a lot of programs. Would the Board be amenable to grant licensees additional time to make up their CPE short fall?
- Messrs Marrone and Thomas expressed their and the Society's disappointment with the preliminary results of the Board's compliance audit of NJ Law and Ethics and licensees' compliance with the 120 CPE hour for the prior triennial reporting period. They indicated that the Society would very much like to work collaboratively with the Board to communicate with licensees CPE changes and renewal requirements for the upcoming triennial reporting period ending December 31, 2011.

On a motion made by Michael Taxin, seconded by Albertus Jenkins, the Board voted to adjourn the Public Session at 10:45 A.M. to enter into Executive Session to discuss the results of the Investigative Inquiry, one matter of Old Business, two PCAOB reports and two Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director