

NEW JERSEY STATE BOARD OF ACCOUNTANCY  
PUBLIC SESSION MINUTES  
APRIL 21, 2005  
HUDSON ROOM - 6TH FLOOR

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. Andrew DuBoff, President of the Board, called the meeting to order at 9:35 A.M. The following roll call was taken:

Keith Balla, CPA Present  
Robert Cagnassola, CPA Present  
John Dailey, Jr. Present  
Andrew DuBoff, CPA Present  
Bennie Hadnott, CPA Present  
Albertus Jenkins, Public Member Excused  
Donald Jump, CPA Present  
Aubrey Kosson, CPA Present  
Margaret Shoe, Public Accountant Present  
Robert Sommer, Public Accountant Present  
Peter Torok, Public Member 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; Marie Lisa, Board Staff; Jonathan Eisenmenger, Board Staff; Jaleila Wilson, Board Staff, Mike Polito, CPA, Past President, NJSCPA; Ralph Thomas, Executive Director, NJSCPA; John LaPilusa, President, NJSCPA; Irene Douma, Professor, Montclair State University.

### **I Minutes of the Meeting of March 17, 2005**

On a motion made by Robert Cagnassola, seconded by Robert Sommer, the Board voted to approve the minutes with corrections. The vote of the Board was eight voting in favor with John Dailey, Donald Jump and Peter Torok abstaining.

### **II President's Remarks**

President DuBoff welcomed the new Board members to the New Jersey Board of Accountancy. President DuBoff informed the Board that John Dailey replaced Herbert Lipman and Peter Torok replaced Alfonso Pisano. President DuBoff requested that the two new Board members introduce themselves to the Board and tell the Board about themselves.

Mr. Dailey informed the Board that he works for Bowman and Company and that he has been practicing for over 30 years. He began working in early 1970. Mr. Dailey informed the Board that he looks forward to working with them.

Mr. Torok informed the Board that he owns a restaurant in Essex County and that he looks forward to working with the Board.

President DuBoff reported to the Board that there have been a couple of problems in the news. There was a meeting held in Washington wherein it was questioned what the PCAOB is doing. Their audits have become very costly for smaller firms that audit public companies. Firms that perform more than 100 public company audits will be inspected every year.

President DuBoff informed the Board that the NASBA Eastern Regional meeting will be held from June 8-10, 2005 in Baltimore, Maryland. President DuBoff also informed the Board that the quarterly meeting of the NASBA Board will be taking place at Hilton Head on April 29, 2005. There is no agenda for this meeting yet.

President DuBoff informed the two new Board members that the Board has Investigative Inquiries every month for matters that may need further fact finding based on Executive Session discussions. John Dailey has been scheduled to serve on the June 14, 2005 Investigative Inquiry and Peter Torok has been scheduled to serve on the October 6, 2005 Investigative Inquiry. The Nominating Committee will be chaired by Robert Cagnassola. John Tully has been added to serve on the Nominating Committee. President DuBoff informed the Board that at the May Board meeting there will be new copies of the Board member information and assignments distributed.

President DuBoff informed the two new Board members that NASBA stands for National Association of State Board of Accountancy and it consists of each of the 50 States and D.C., Guam, Puerto Rico and the Virgin Islands. NASBA is based out of Nashville, TN with a small office in New York City. NASBA does not speak for the Boards but it suggests guidelines. President DuBoff informed that he serves as Director-at-Large of NASBA and that every region has a Regional Director. CPAES is a part of NASBA and they totally administer the exam for certain states; they also review applications and provide information to the candidates taking the exam.

### **III Executive Director's Remarks**

Executive Director Mandeville informed the Board that if anyone is interested in attending the June 8-10, 2005 Regional Meeting in Baltimore, MD they are to speak with Melba Perez in order for Ethics Forms to be processed.

Executive Director Mandeville reported to the Board that the Rules and Regulations posted on the Board's website are quite old and new copies have been passed out. A new booklet will be prepared after the re-adoption of the regulations has been published in the New Jersey Register in the fall of 2005.

### **IV Request for Waiver to Endorse License**

A Lynda Hullstrung

Lynda Hullstrung is requesting a waiver to reciprocate her New York license. Ms. Hullstrung is lacking two semester hours in Liberal Arts.

On a motion made by Robert Sommer, seconded by John Tully, the Board voted to grant Ms. Hullstrung's request for reciprocity, based on N.J.S.A. 45:2B-53(b). The vote of the Board was unanimous.

B Mark A. Thomas

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

On a motion made by Bennie Hadnott, seconded by Keith Balla, the Board voted to grant Mr. Thomas' request for reciprocity, based on N.J.S.A. 45:2B-53(b). The vote of the Board was unanimous.

C James G. Lambe, Jr.

James Lambe is requesting a waiver to reciprocate his Virginia license. Mr. Lambe is lacking three semester hours in Finance.

On a motion made by Margaret Shoe, seconded by Donald Jump, the Board voted to grant Mr. Lambe's

request for reciprocity, based on N.J.S.A. 45:2B-53(b). The vote of the Board was 10 voting in favor with Andrew DuBoff abstaining.

D Stephen M. Delaney

Stephen Delaney is requesting a waiver to reciprocate his Pennsylvania license. Mr. Delaney is lacking three semester hours in Finance.

On a motion made by John Tully, seconded by Robert Sommer, the Board voted to grant Mr. Delaney's request for reciprocity, based on N.J.S.A. 45:2B-53(b). The vote of the Board was unanimous.

E Ronald W. Maples

Ronald Maples is requesting a waiver to reciprocate his Oklahoma license. Mr. Maples is lacking three semester hours in Finance, two semester hours in Business Law and two semester hours in Economics.

On a motion made by Donald Jump, seconded by Robert Cagnassola, the Board voted to grant Mr. Maples' request for reciprocity, based on N.J.S.A. 45:2B-53(b). The vote of the Board was 10 voting in favor with Andrew DuBoff abstaining.

### **V Licensure Waiver Request**

A Rocco Auletta

Rocco Auletta is requesting consideration for licensure without working under the supervision of a CPA.

On a motion made by Robert Cagnassola, seconded by John Tully, the Board voted defer action on Mr. Auletta's application until after requesting more information. Mr. Auletta is to be informed that he must clarify to the Board what he has been doing at the firms he listed. A letter should also be sent to the firms Mr. Auletta indicated to obtain a list of his duties. The vote of the Board was nine voting in favor with Donald Jump and Aubrey Kosson opposing.

### **VI Waiver Request**

A Douglas J. Gill

Douglas Gill is requesting a waiver of one semester hour in order to meet the 150 hour requirements.

The Board is requesting that Mr. Gill provide transcripts that show the date when he graduated and when he obtained the 150 hours in order to review this matter further.

### **VII New Business**

A Approval of CPE Audit Letter

On a motion made by Robert Sommer, seconded by Donald Jump, the Board voted to approve the CPE Audit Letter that will be posted on the Board's website. The CPE Audit letter should also be sent to Niles Breslau of the NJ Assoc. of Public Accountants, the NJ Society of CPAs, NASBA and the Ethics Course providers. The vote of the Board was unanimous.

B CPA Examination Review Board

The correspondence received was accepted as informational.

C Texas State Board of Public Accountancy

The correspondence received was accepted as informational.

D NJSCPA Correspondence from Ralph Thomas

The Board reviewed the correspondence received from Mr. Thomas and noted it.

## **VIII Committee Reports**

A CPA Examination Committee

Aubrey Kosson informed the Board that he is in the process of compiling the data from the November 2003 exam. Mr. Kosson will have the information available for the May 2005 meeting.

B Ethics Committee

John Tully had no report for the Board.

C CPE Committee

Robert Sommer informed the Board that there will be a full Committee meeting on April 28, 2005.

D RMA Committee

Robert Cagnassola informed the Board that there was one individual that requested to review her RMA examination result.

E QE Committee

Dale Nelson informed the Board that there will be a full Committee meeting on May 24, 2005.

F Education Committee

Bennie Hadnott informed the Board that there are proposed UAA rule changes and he would discuss them after the NASBA Regional meeting.

G Reciprocity Committee

No report was given.

H Nominating Committee

On a motion made by Robert Cagnassola, seconded by Robert Sommer, the Board voted to elect the following Board members as Board officers for the year May 1, 2005 - April 30, 2006. The vote of the Board was unanimous.

President Andrew DuBoff  
Vice President John Tully  
Secretary Keith Balla  
Treasurer Albertus Jenkins

President DuBoff thanked the Board and was honored and appreciates the opportunity to serve another year as Board President.

I Statute/Rules/Regulations Committee

Robert Sommer had no report for the Board.

## J Planning Committee

Margaret Shoe had no report for the Board.

## K Monitoring Profession Committee

No report was given.

## **IX Public Comments**

Irene Douma, Professor at Montclair State University had questions regarding the CPE Audit and the Ethics Course. A number of individuals have received letters regarding information that is needed for the audit, but there is never a resolution telling the candidate that they are clear and the audit has been completed successfully. Ms. Douma requested that a letter should be sent out to the candidates informing them that the audit has been completed. She also asked several questions about how the Board operated and how she could get more information about the Board to use in her Ethics course. It was recommended that she submit a written request for information (OPRA), and check the website periodically to see if there have been additions or updates.

Ralph Thomas, Executive Director, NJSCPA, followed up his letter with an additional comment that the renewal form should be adjusted so that there is less confusion for licensees, and fewer mistakes made that result in hearings and fines. It was recommended that he write a letter to the Division administration. Mr. Thomas also asked for clarification on the responsibility of peer reviewers to verify that licensees have a valid license.

Mike Polito, commented on requirements regarding Sarbanes Oxley and the major firms. Mr. Polito expressed that the requirements are a little overkill and that the burden on small firms will be seen when they get out of doing public audits because of the extra requirements.

On a motion made by Robert Cagnassola, seconded by John Tully, the Board voted to adjourn the Public Session meeting at 11:40 A.M. to reconvene in Executive Session to discuss two Investigative Inquiry matters, one Rules and Regulations matter, one request for firm reinstatement, one request for inactive status, two request for CPE waiver, five old business matters, four new business matters, one NASBA matter and five Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville  
Executive Director