

**NEW JERSEY STATE BOARD OF ACCOUNTANCY  
PUBLIC SESSION MINUTES  
APRIL 21, 2011  
SOMERSET ROOM - 6<sup>TH</sup> FLOOR**

**I Call to Order and Roll Call - 9:45 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 Vice-President Keith Balla called the meeting to order at 9:45 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	Excused
J. Frank Johnson, Public Accountant	Excused
Donald Jump, CPA	Excused
Paul J. Lerch, CPA	Present
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; Robert Marrone, President, NJSCPA; Jeff Kaszerman, NJSCPA and David Plaskow, Editor, NJSCPA Magazine.

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**II Minutes of the Meeting of March 17, 2011**

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

**III President's Remarks**

Vice-president Balla had no report for the Board.

**IV Executive Director's Remarks**

Executive Director Mandeville had no report for the Board.

**V Request for Reciprocity**

A Harvey R. Glick

Harvey R. Glick is requesting an endorsement waiver from the State of New York. Upon review of Mr. Glick's file, it was discovered that Mr. Glick's license is suspended in New York and revoked in Texas.

On a motion made by Robert Cagnassola, seconded by Paul Lerch, the Board voted to deny Mr. Glick's request for reciprocity in the State of New Jersey. The vote of the Board was unanimous.

**VI Uniform Penalty Letter in Lieu of Formal Complaint for CPE Audit**

**A Requested Voluntary Surrender**

1 Dawn B. Clayton

2 Stanley Ferman

3 Ken J. Mazzie

4 Marvin D. Alloy

5 Bharat C. Shah

- 6 Arnold Balsam
- 7 William J. Pollak

On a motion made by John Dailey, seconded by Daniel Geltrude, the Board voted to approve the above seven individuals that requested to voluntarily surrender their CPA licenses. The vote of the Board was unanimous.

**B Paid Penalty and Will Make up Credits**

- 1 Anthony A. LaPolla - \$3,500.00 - paid
- 2 Frank J. Pisano - \$5,000.00 penalty will make 10 payments of \$500.00
- 3 Dominic Townsend - \$3,500.00 penalty will make 10 payments of \$350.00
- 4 Darrell J. Lynch - \$5,000.00 penalty will make 10 payments of \$500.00
- 5 Edward J. Berliner - \$4000.00 - paid
- 6 Chona A. DeGuzman - \$3,000.00 - paid
- 7 Carl Cassaza - \$8,000.00 - paid
- 8 James F. Johnson, Jr. - \$6,000.00 penalty will make 16 payments of \$375.00
- 9 Ira B. Krassen - \$500.00 - paid
- 10 Richard P. Yuschak - \$3,500.00 penalty will make 10 payments of \$350.00
- 11 John Mastellone - \$3,500.00 paid
- 12 Anthony Rubino - \$3,000.00 - paid
- 13 Michael K. Lam - \$2,500.00 - paid
- 14 David J. McCole - \$1,000.00 - paid
- 15 Dennis M. Palladino - \$1,500.00 - paid

- 16 Christina Hall - \$3,000.00 - paid
- 17 Sandra J. McLeod - \$1,500.00 - paid
- 18 Peter Walsh - \$3,500.00 penalty will make 16 payments of \$218.75

On a motion made by John Dailey, seconded by Daniel Geltrude, the Board voted to approve the above 18 individuals that have paid the UPL and will be making up the credits.

**C Paid Penalty and Requested Inactive-paid Status**

- 1 Maureen E. Vecere - \$3,000.00 (requesting reduction in penalty)

On a motion made by John Dailey, seconded by Daniel Geltrude, the Board voted to uphold Ms. Vecere's original UPL. The vote of the Board was unanimous.

**D Requested Board to Consider Explanation**

- 1 Thomas J. Papa

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

- 2 Joseph D. Renner

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

- 3 Spiros Tsaketas

On a motion made by Paul Lerch, seconded by Daniel Geltrude, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

- 4 Daeil Ahn

On a motion made by Paul Lerch, seconded by Daniel Geltrude, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

7     Jeffrey M. Cohen

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

8     Jeffrey W. Dacosta

On a motion made by Paul Lerch, seconded by Daniel Geltrude, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

9     Anthony K. Fiore

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

10    Patrick A. Gingerelli

On a motion made by Paul Lerch, seconded by Daniel Geltrude, the Board voted to uphold the original UPL. The vote of the Board was unanimous.

11    Jia Zhou

On a motion made by John Dailey, seconded by Paul Lerch, the Board voted to send this matter back to the Committee for further review. The vote of the Board was unanimous.

12    Joanne Farrington

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.

13    William Young Kim

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

14    Stephen J. McNally

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.

15     Robert P. Heller

This matter was moved to Executive Session for advice of legal counsel. This matter will be moved back to Public Session for final disposition.

16     Diane Obusek

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

## **VII     Miscellaneous**

A     Irene K Douma, CPA

Correspondence was received from Irene K. Douma wherein she is requesting clarification of N.J.A.C. 13:29-6.5(c)1.iv. Dr. Douma questioned whether a full-time professor can get credit for teaching seminars outside the college and why adjunct professors get credit for teaching university and college courses when full-time professors do not.

The Board directed that Executive Director Mandeville send Dr. Douma a copy of the N.J.A.C. 13:29-65.(c)1.iv for her review. In addition, the CPE Committee and DAG Palan will draft a response to be mailed to Ms. Douma.

### **Peter Jones - Request for CPE Waiver**

Correspondence was received from Peter Jones wherein he is requesting a waiver of 47 CPE credits for renewal period ending 12/31/11. Mr. Jones was in active duty in Iraq.

On a motion made by Robert Cagnassola, seconded by John Dailey, the Board voted to waive the 47 CPE credits Mr. Jones is lacking for renewal period ending 12/31/11. The vote of the Board was unanimous.

## **VIII    Committee Reports**

A     CPA Examination Committee

No report was submitted.

B Ethics Committee

Keith Balla reported to the Board that a live NJ Ethics course was submitted by Financial Focus, Inc., Shawn Adamo. The Committee recommended that Mr. Adamo amend this program to include information on the Peer Review Program.

On a motion made by Robert Cagnassola, seconded by Michael Taxin, the Board voted to approve the live NJ Ethics course provided by Financial Focus, Inc. but inform them that the Peer Review Program must be added to the course. The vote of the Board was five voting in favor with John Dailey abstaining.

Another vendor, IPD submitted an outline for a live NJ Law and Ethics for review and approval. In the opinion of the Committee, the outline submitted is deficient and was returned to IPD for amendment. The Committee also requested IPD provide materials for the entire course and not just an outline.

C CPE Committee

Keith Balla had no report for the Board.

D RMA Committee

Robert Cagnassola had no report for the Board.

E Peer Review Program Committee

Robert Cagnassola reported to the Board that the Peer Review Program regulations are now on the Board's website. Mr. Cagnassola thanked Executive Director Mandeville and staff for a great job on getting the information out to all the New Jersey firms.

Mr. Cagnassola also informed the Board that the Society will also place the information on their website along with a FAQ document.

F Education Committee

No report was submitted.

G Reciprocity Committee

Paul Lerch had no report for the Board.

## H Nominating Committee

Robert Cagnassola reported the following slate of officers recommended by the Nominating Committee for the fiscal year May 1, 2011 to April 30, 2012 is as follows:

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

There were no other nominations from the floor.

Robert Cagnassola then moved that Vice President Balla cast one ballot for the slate on behalf of the entire Board.

Mr. Cagnassola congratulated all the new offices and thanked all the officers from the previous year for serving.

## I Statute/Rules/Regulations Committee

John Dailey reported to the Board that the revised regulations as approved under the sunset provision will take effect on Monday, April 25, 2011.

DAG Palan informed the Board that a new legislation has passed to review the Board's regulations under the sunset provision every seven years instead of every five years. This legislation was enacted April 6, 2011.

## J Planning Committee

No report was submitted.

## K Monitoring Profession Committee

John Dailey reported to the Board that the next Committee meeting will be held on Monday, April 25, 2011 to continue the audit of CPE credits for the 2006-08 triennial period. Mr. Dailey further reported that, to date, 161 UPLs have been sent that included fines in the amount of \$698,500. Of those 161 licensees, 49 have opted to voluntarily surrender their licenses. Two COD have been processed. Total fines collected to date are \$200,943.

## **IX Public Comments**

Robert S. Marrone, President, NJSCPA thanked the Board for its work relative to the new Peer Review Program. He then reviewed the following upcoming dates:

### **Important Society Dates**

- April 28th, 2011- 51<sup>st</sup> Annual NJSCPA Scholarship Ceremony will be held where 87 high school seniors and college juniors and above will be awarded \$365,000
- June 1st, 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 2nd, 2011- Society's Scholars Institute Program at Douglas College at Rutgers University, New Brunswick, NJ
- June 8th-10th, 2011- Society's 6<sup>th</sup> Annual New Jersey Convention and Expo will be held at the Taj Mahal in Atlantic City.
- November 9th-12th - NJSCPA Professional Development Conference in San Antonio, TX featuring Ed Robinson from Robinson Performance Group and presentations from First Global.
- December 9th, 2011- Society's Holiday Board Luncheon

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

### **Society Activities and Engagements on the Legislative and Regulatory Front**

The Society is monitoring the following legislation and regulatory activities in Trenton and Washington, DC:

- In Trenton, the legislature and administration are focused on issues surrounding the budget and pension reform for state government workers. Consequently, Mandatory Audit Firm Rotation, the Tax Preparers Licensing Act S 672 and A 2396, and Appeal Bond Cap legislation S 2116 and A 2473 are in a holding pattern.
- On the National scene, President Obama signed into law HR 4, the bill to repeal the Form 1099 provisions the CPA profession had opposed. Additionally, the House Judiciary Committee reported out a comprehensive patent reform bill, which includes the profession's tax strategy patents provision precluding the patenting of such strategies. The Senate has already passed a bill that includes the aforementioned tax

strategy provision. The profession continues to lobby and monitor IRS activities on the regulation of unlicensed tax preparers.

- Since the March State Board meeting, Society leadership has met with senior members of the administration including the State Treasurer and Appointments Counsel's Office.
- The Society continues to hold its resolution to the Financial Accounting Foundation (FAF) which supports the Blue Ribbon Panel's (BRP) 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. FAF has formed a working group to address the accounting standard setting for nonpublic entities and review the recommendations of the BRP. It appears the working group will take six to eight months to complete its review, and include nonprofit entities in the scope of its work effort.

#### **Additional Comments/Questions**

- During the regional meetings of AICPA Council, AICPA announced a proposed joint venture with the Chartered Institute of Management Accountants (CIMA) to create an international management accounting designation. The proposed joint venture would position the AICPA to control the space in the Americas with respect to credentialing CPAs with this international designation, which has yet to be named.

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to adjourn the Public Session Board meeting at 11:05 A.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry Committee, one matter of New Business, one UPL in Lieu of Formal Complaint for the CPE Audit, one Request for Waiver, one request for Reinstatement, three PCAOB matters and eight Consumer Complaints. The vote of the Board was unanimous.

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to re-open Public Session to report the resignation of J. Frank Johnson as a member of the Board at 11:40 A.M. The vote of the Board was unanimous.

Executive Director Mandeville informed the Board that he recently received a letter of resignation from J. Frank Johnson. The letter stated that Mr. Johnson informed that was resigning for personal reasons and thanked Mr. Mandeville for the opportunity to have served.

On a motion made by made by Michael Taxin, seconded by Robert Cagnassola, the Board voted to re-enter Executive Session at 11:41 A.M. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville  
Executive Director