

NEW JERSEY STATE BOARD OF ACCOUNTANCY

Public Session Minutes June 19, 2003

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 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. and the following roll call was taken:

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

Also present at the meeting were Elaine DeMars, Acting Executive Director; Marianne Greenwald, Deputy Attorney General; Dale Nelson, CPA, Director of Accountancy; Ralph Thomas, CPA, Executive Director, NJSCPA; John F. Dailey Jr., CPA, President, NJSCPA; Richard Van Volkenburgh, PA, NJAPA; Mike Polito, CPA, Immediate Past President, NJSCPA; Jim Evans, CPA, President-Elect, NJSCPA. Summer interns present were: Sekinat Adewunmi, Lansana Amara, George Booktar, Rabia Chaudry, Thiago Lins, Muhammed Nasser, and Deborah Oladosu.

I. Minutes of the Meeting of May 15, 2003

The Board reviewed the minutes of the meeting of May 15, 2003, and on a motion by Andrew DuBoff, seconded by Robert Sommer, the Board voted to accept the minutes as presented. The vote of the Board was unanimous.

II. President's Remarks

A report was given on the medical condition of Board member Alfonso Pisano. Mr. Pisano underwent heart valve replacement surgery a few weeks ago and is now home recuperating. Mr. Pisano will not be present at Board meetings for the next 4 to 6 weeks.

Dale Nelson, Director of Accountancy, took this opportunity to introduce the interns who are currently

working for the Board this summer.

Mr. Lipman commented that seven Board members and the Acting Executive Director attended the NASBA Eastern Regional meeting which was held June 4-6, 2003 in Louisville, Kentucky. Mr. DuBoff was one of the speakers at the meeting, and he commented that the meeting concentrated on Sarbanes/Oxley. This was the first NASBA meeting that the Acting Executive Director attended, and she felt that the meeting was very well organized, professionally planned, and at times challenging. Ms. Burns felt that the meeting was good, but that a consensus on the focus group, "Scope of Services" was not reached. Mr. Hadnott, a first-time attendee, felt that the meeting was interesting and very well organized. Mr. Kosson expressed similar sentiments. Mr. Lipman commented on how hard NASBA worked to make this meeting successful. Mr. Cagnassola felt that the meeting sessions were right on schedule but that at least half of the people attending were gone by Friday. There were sessions dedicated to the transition to the computer-based test. Most of the meeting was about Sarbanes/Oxley. Mr. Lipman reported that the results of the sessions will be available on NASBA's website. He also said that NASBA is working diligently on the issues and that this Board is working to meet the national requirements and schedules.

Mr. Lipman visited the Prometric site in Edison, New Jersey. He advised that if Board members want to conduct a Prometric site visit, the Acting Executive Director must fill out an application and, in turn, Prometric will fax back a letter to the Board members for the specific site and day. There are six sites with a total of 122 seats. Security is very tight. The faxed confirmation letter and two forms of identification are required to enter the testing and proctoring sites. Mr. Lipman commented that, overall, he was not impressed with the Prometric site in Edison. The facility is open from 9 A.M. to 6 P.M., seven days a week. Mr. Lipman said that he did not know if the seating capacity is adequate to provide for all test appointment requests. Mr. Lipman also noted that the Edison site had no provisions for physically disabled test candidates. Mr. DuBoff commented that if there are problems, additional seating and sites could be made available, but it will take place over time, not immediately. Mr. Lipman provided the NASBA site-visit material to the Acting Executive Director to be used to schedule Board member visits.

Ms. Shoe asked if the examination fee is universal. Mr. DuBoff answered that based on the administrative cost for each state, the total cost may be different.

The CPA Examination Services report for the May 2003 examination has been received. Included in the report are the following statistics: Initial applications received: 303; re-exam applications: 1071; total candidates scheduled: in-state : 1355, out-of-state: 12; total NJ candidates tested: in-state: 1139, out-of-state: 9; candidates from other jurisdictions tested in New Jersey: 12. There were no problems reported with the exam. The report also acknowledged the proctoring services of the Board members.

NASBA has asked the Board to make nominations for the NASBA Distinguished Service Award and for the William H. Van Rensselaer Public Service Award. No nominations were made.

Mr. Lipman is working on the Board committee list and advised that if anyone wants to be assigned to a particular committee or change a current committee assignment, to please let him know so that the changes can be implemented.

III. Executive Director's Remarks

The Acting Executive Director advised the Board that DAG Greenwald will not be available for the July 17, 2003 Board meeting. After further discussion, the Board decided that the meeting date will be July 31, 2003. The Board also took this opportunity to cancel the August Board meeting.

On a motion made by Robert Cagnassola, seconded by Margaret Shoe, the Board voted to change the July 17, 2003 Board meeting to July 31, 2003, and to cancel the August 21, 2003 Board meeting. The Acting Executive Director is to notify the appropriate people, including Alfonso Pisano. The vote of the Board was unanimous.

Mr. Cagnassola advised the Board that he would not be able to attend the July 8, 2003 Investigative Inquiry. Mr. Lipman offered to serve in his place. Mr. Cagnassola will be at the September 9th Investigative Inquiry.

Ms. DeMars advised the Board that the October 16th Board meeting will be held at Rutgers University (Rutgers Business School) in Newark . The November Board meeting and Certificate Ceremony will take place at the PNC Arts Center on Tuesday, November 18.

On a motion made by Margaret Shoe, seconded by Robert Sommer, the Board voted to approve the location change for the meeting of October 16th to be held at Rutgers University Newark, and the November meeting date changed to the 18th, and to authorize that the Certificate Ceremony be held at the PNC Arts Center in Holmdel, New Jersey. The vote of the Board was unanimous.

The Board was advised that Marianne Sheehan, Regulatory Analyst, is prepared to discuss the status and questions she has regarding the "Computer-Based Test" regulations. The President directed the discussion to be conducted with the Rules and Regulations committee following the end of the Board meeting.

A report was provided on the results of the Board's 2002-2005 license renewal activity. As of June 5, a total of 24,059 licenses were renewed. Details were provided for each license category.

The Board was provided with a copy of a newspaper report and the New Jersey Appellate Court decision stating that the Consumer Fraud Act applies to professional licensees. The Board was advised to include the law's requirements in the review of all consumer complaints.

Ms. DeMars reminded the Board of the process and advance approval that must be obtained for all Board travel, including meetings, conventions and training. She also advised the Board that all travel reimbursements for Fiscal Year 2003 must be submitted before June 30, 2003.

IV. Requests for Refund or Transfer of Examination Fees

The Board reviewed the requests for refund and/or transfer of fees and suggested that Ms. DeMars contact NASBA's Executive Vice President, Lorraine Sachs, and discuss whether or not these requests should be honored since the candidates had already registered to take the examination. The Board feels that this might cause CPAES to increase fees. The contract should be reviewed to ascertain whether or not the request for refunds or transfers can be granted.

There appears to be two sets of circumstances that have caused candidates to request refunds or transfers. Each request should be reviewed to determine how much time the candidates gave before requesting refunds or transfers.

On a motion made by Robert Cagnassola, seconded by Robert Sommer, the Board voted that Ms. DeMars should contact Lorraine Sachs and discuss whether or not these should be granted. The vote of the Board was unanimous.

V. Requests for Waivers

a. Joseph A. Mauriello

The Board reviewed Mr. Mauriello's request for a waiver of the 40 CPE credits. The Board on discussion decided to give Mr. Mauriello 90 more days to obtain the additional credits.

On a motion made by Andrew DuBoff, seconded by Robert Cagnassola, the Board voted to deny Mr. Mauriello a waiver of the 40 CPE credits, but, instead, to give him 90 more days to obtain the required credits. The vote of the Board was unanimous.

b. Edwin Abramson

The Board reviewed Mr. Abramson's request for a waiver of CPE credits due to a recent physical impairment. Mr. Abramson renewed as an active licensee, but answered "No" to completion of CPE requirements.

On a motion made by Margaret Shoe, seconded by Robert Cagnassola, the Board voted to grant a waiver for the 62 credits for the past renewal period, contingent upon the following: Mr. Abramson must make a commitment to stay current with the CPE requirements and provide the Board with an annual report of credits earned. He must meet one-third of the total triennial CPE requirements each year. A letter of agreement must be issued and signed by Mr. Abramson.

The motion carried with nine members voting in favor. Mr. DuBoff abstained.

VI Requests for Waivers for Licensure

A. Jodi A. Cirignano

The Board reviewed a letter from Ms. Cirignano requesting that the Board waive eleven (11) credits in accounting and three (3) credits in business. She earned a master's degree from Fairleigh Dickinson University in Business Administration and qualifies under the 150-credit regulation. Ms. Cirignano has already passed the November CPA Exam. Dale Nelson is to contact the school and evaluate the degree earned and whether it meets the Board's requirements.

On a motion made by Robert Cagnassola, seconded by Elizabeth Burns, the Board voted that, upon a determination that Ms. Cirignano's coursework satisfies the requirements, the Board is to waive the credits and allow Ms. Cirignano to be licensed. If not, the request for waiver is to be denied. The vote of the Board was unanimous.

B. Carlos Ferreira

The Board reviewed a request from Mr. Ferreira that the Board waive one (1) credit in business elective in order to meet the requirements to sit for the exam.

On a motion made by Margaret Shoe, seconded by Bennie Hadnott, the Board voted to waive the one credit in business elective and allow Mr. Ferreira to take the exam. The vote of the Board was unanimous.

VII Requests for Waivers To Endorse License

C. Gershon S. Ashenberg

The Board reviewed a letter from Mr. Ashenberg requesting the Board to grant a waiver of three semester hours in finance to endorse his New York license.

On a motion made by Bennie Hadnott, seconded by Gail Ryan, the Board voted to waive the three semester hours in finance and approve Mr. Ashenberg's application to endorse into the State of New Jersey. The vote of the Board was unanimous.

D. George S. Charne

The Board reviewed a letter from Mr. Charne requesting a waiver of three credits in business electives to endorse his New York license.

On a motion made by Ms. Shoe and seconded Gail Ryan, the Board voted to waive the three credits in

business electives and allow Mr. Charne to endorse into the of State New Jersey. The vote of the Board was eight voting in favor with Mr. Hadnott and Mr. Kosson opposing.

E. Michele Lynn George

The Board reviewed a letter from Ms. George requesting a waiver of three credits in business law to endorse her Virginia license.

On a motion made by Robert Sommer, seconded by Andrew DuBoff, the Board voted to waive the three credits and approve the application made by Ms. George to endorse her license into New Jersey. The vote of the Board was unanimous.

F. Brian Michael Kunec

The Board reviewed a letter from Mr. Kunec requesting a waiver of two credits in business law to endorse his Pennsylvania license.

On a motion made by Robert Cagnassola, seconded by Robert Sommer, the Board voted to waive the two credits in business law based on his experience and approve Mr. Kunec's application to endorse his license into New Jersey, effective September 1, 2003. The vote of the Board was unanimous.

G. Dionne Christine Johnson

The Board reviewed a letter from Ms. Johnson requesting a waiver of 18 semester hours in general college credits to meet the 150-hour requirement to reciprocate her New York license.

On a motion made by Margaret Shoe, seconded by Bennie Hadnott, the Board voted to deny the request and advise Ms. Johnson that she must have four years of experience as a CPA in New York or she must meet the 150- hour requirement in order to endorse her license into New Jersey. The vote of the Board was unanimous.

H. Ping Li

The Board reviewed a letter from Ms. Li requesting a waiver of her bachelor's degree requirement. Ms. Li has a bachelor's degree in medicine from China.

On discussion, the Board questioned Ms. Li's application to New Jersey as her state of initial licensure. It appears that the initial application should be made in Hawaii or New York before making application to reciprocate her license into New Jersey.

Ms. Shoe made a motion to let her endorse into New Jersey based on her grades. There being no second to the vote, the vote failed.

On a motion made by Margaret Shoe, seconded by Bennie Hadnott, the Board voted to allow Ms. Li a transfer of grades but not issue a license until she can provide proof to the Board that she has met the required work experience. The vote of the Board was nine voting in favor with Mr. Cagnassola abstaining.

The previous motion was rescinded on a motion made by Mr. DuBoff and seconded by Mr. Cagnassola.

On a motion made by Robert Cagnassola, seconded by Andrew DuBoff, the Board voted to refer Ms. Li's request back to CPAES to ascertain the accreditation status of the school and for a review of the 150-hour regulation. The Board directed that a letter be sent to Ms. Li requesting her to provide the Board with her reasons for not seeking either Hawaii or New York licensure. The vote of the Board was unanimous.

I. Rajesh Sah

The Board reviewed a letter from Mr. Sah requesting a waiver of the bachelor's degree requirement.

Mr. Sah earned a degree in Computer Science from India. He also earned an MBA majoring in finance, from Hawaii Pacific University.

On a motion made by Robert Cagnassola, seconded by Robert Sommer the Board voted to refer this matter back to CPAES to find out if the school Mr. Sah attended is accredited. The vote of the Board was unanimous.

J. Charlene F. Laniewski

The Board reviewed a letter from Ms. Laniewski requesting a waiver of three credit hours in finance to endorse her Pennsylvania license.

On a motion made by Robert Sommer, seconded by Bennie Hadnott, the Board voted to waive the three credit hours in finance and approve Ms. Laniewski 's application for endorsement. The vote of the Board was unanimous.

K. Yousaf Ahmed

The Board reviewed a letter from Mr. Ahmed requesting a waiver of his bachelor's degree in order to sit for the licensure examination in New Jersey.

On a motion made by Robert Cagnassola, seconded by Andrew DuBoff, the Board voted to deny Mr. Ahmed's request at this time. The vote of the Board was unanimous.

VIII Requests for Reinstatement of Lapsed License

a. Kathleen McAdams

The Board reviewed a letter from Ms. McAdams requesting reinstatement of her lapsed license. Ms. McAdams' license expired in 1997.

On a motion made by Margaret Shoe, seconded by John Tully, the Board voted to advise Ms. McAdams to obtain the 120 CPE credits and then come back to the Board. Ms. McAdams is also to be advised of the procedure for reinstatement, including CPE, back fees, and the requirement for an affidavit of employment. Included in the letter must be a reference to, and copy of, the rules and regulations so that she is reminded of the name and address change regulation. The vote of the Board was unanimous.

b. Richard T. Michalowski

The Board reviewed a letter from Mr. Michalowski requesting a waiver of continuing education requirements for the current renewal period due to a medical condition. On January 23, 2003 the Board had voted that Mr. Michalowski submit a letter from his treating physician. Mr. Michalowski has submitted a letter from his physician, and was presented to the Board for consideration.

On a motion made by John Tully, seconded by Andrew DuBoff, the Board voted to table this matter until the July Board meeting. Mr. Michalowski is to supply the Board with additional information. The vote of the Board was unanimous.

IX Firm Registration Inquiry

a. Kenneth Parker

The Board reviewed a letter from Mr. Parker requesting that the Board clarify whether or not a firm

previously located in Lawrenceville, NJ, now located in Yardley, Pennsylvania is required to hold a New Jersey firm license.

On discussion, the Board advises that if Mr. Parker's firm is performing attest functions in the State of New Jersey, then the firm must be registered for practice with the New Jersey Board.

On a motion made by Andrew DuBoff, seconded by Bennie Hadnott, the Board voted that the Acting Executive Director write to Mr. Parker and find out what type of work they are performing in New Jersey. The vote of the Board was unanimous.

The previous motion and vote was withdrawn.

On discussion, the Board felt that based on the correspondence, Mr. Parker's firm is providing attest services in the State of New Jersey and they are therefore required to be registered. The vote of the Board was nine in favor with Mr. DuBoff abstaining.

John Tully suggested that the "NJ Address" section on the firm registration form be removed and it should just read "Address".

X. Committee Reports

a. CPA Examination Committee - Gail Ryan, Chairman

Ms. Ryan had no report for the Board.

b. Ethics Committee - Gail Ryan, Chairman

Ms. Ryan commented that there is a new sponsor application to be reviewed and she will consult with the DAG.

c. CPE Committee - Robert Sommer, Chairman

Mr. Sommer had no report for the Board.

d. RMA Committee - Robert Cagnassola, Chairman

Mr. Cagnassola had no report for the Board.

e. QE Committee - Robert Cagnassola, Chairman

Dale Nelson informed the Board that there will be training courses for QE reviewers on June 25 and 26, 2003. There will be a QE Standing Committee meeting on July 16. At a QE Standing Committee meeting on June 5, the members required a practitioner to pursue a firm with which he/she can obtain a preissuance review.

f. Education Committee - Aubrey Kosson, Chairman

Mr. Kosson had no report for the Board.

g. Reciprocity Committee - Margaret Shoe, Chairman

Ms. Shoe requested that she be provided with copies of any handouts given at the June 3-6, 2003 NASBA conference in relation to reciprocity. Mr. Cagnassola advised that the reciprocity issue was not specifically discussed during the NASBA meeting.

h. Nominating Committee - Robert Sommer, Chairman

Mr. Sommer had no report for the Board.

i. Rules/Regulations Committee - Andy DuBoff, Chairman

Mr. DuBoff informed the Board that there will be an Ad Hoc Committee meeting later this afternoon to discuss the CBT regulation. A report will be given at the July 31, 2003 Board meeting.

j. Professional Liaison Committee - Andy DuBoff, Chairman

Mr. DuBoff informed the Board that NASBA Chair, Mike Conaway lost a special Texas election for a seat in the House of Representatives. Mr. DuBoff also commented that Mr. Conaway launched a very respectable campaign and lost the bid by a very small margin.

k. Planning Committee - Robert Sommer, Chairman

Mr. Sommer had no report for the Board.

XI. Public Comment

Ralph Thomas advised the Board that the NJSCPA is continuing the work on the law and ethics course and would like to consult with Board member Ryan regarding a distance learning program. He spoke about the Scholars Institute program which will be held July 31 - August 1, 2003.

XII Adjournment

On a motion made by Andrew DuBoff, seconded by Robert Sommer, the Board voted to adjourn the Public Session Board meeting at 12:40 PM and open in Executive Session to review consumer complaints and previously discussed matters. The vote of the Board was unanimous.

Respectfully submitted,

Elaine L. DeMars
Acting Executive Director