

NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JUNE 20, 2006
MONMOUTH ROOM - 7TH 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. John Tully, President of the Board, called the meeting to order at 9:38 A.M. The following roll call was taken:

Keith Balla, CPA Present
Robert Cagnassola, CPA Late Arrival - 1:05 P.M.
John Dailey, Jr., CPA Present
Andrew DuBoff, CPA Present
Bennie Hadnott, CPA Late Arrival - 9:55 A.M.
Albertus Jenkins, Public Member Absent
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; Jaliela Wilson, Board Staff; Mike Polito, CPA, Past President, NJSCPA; David Plaskow, Editor, NJSCPA Magazine; Ralph Thomas, Executive Director, NJSCPA and James Bourke, CPA, President, NJSCPA.

I Minutes of the Meeting of May 18, 2006

On a motion made by Margaret Shoe, seconded by Keith Balla, the Board voted to approve the May 18, 2006 Public Session minutes with corrections. The vote of the Board was nine voting in favor with Robert Sommer abstaining.

III President's Remarks

President Tully informed the Board and the public that the July 20, 2006 Public Session meeting will approximately start at 11:30 A.M. and the Executive Session will start at 9:30 A.M.

IV Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

V Request for Appeal - UPL

A Peter Maldjian

On a motion made by Andrew DuBoff, seconded by Keith Balla, the Board voted to uphold the original decision of the Board and Mr. Maldjian must comply with the original language of the UPL issued. The vote of the Board was unanimous.

Bennie Hadnott arrived at 9:55 A.M.

VI New Business

A SEC Accountant Fines Largely Go Unpaid

The newspaper article was discussed.

On a motion made by Andrew DuBoff, seconded by Robert Sommer, the Board voted that a letter should be sent to NASBA stating that the Board does respond to SEC referrals. The vote of the Board was unanimous.

B PCAOB

The article provided was accepted as informational. PCAOB wanted to inform the Board of what they are doing regarding the firms that were inspected and that they will be dealt with on a case by case basis.

C Department of Community Affairs

This matter was moved to Executive Session for advice of counsel.

VII Legislature

A Senate No. 1833

The Board is in favor of Senate No. 1833, but the "public accountant" section should be eliminated since public accountants are no longer granted initial licenses in the State of New Jersey.

On a motion made by Andrew DuBoff, seconded by Donald Jump, the Board voted to support Senate No. 1833 but believes that "public accountants" should be removed from this Bill to eliminate any confusion since public accountants are no longer granted initial license in New Jersey. The vote of the Board was unanimous.

VIII Committee Reports

A CPA Examination Committee

Aubrey Kosson informed the Board that he is in the process of compiling examination statistics for the next meeting.

B Ethics Committee

Donald Jump informed the Board that there was an Ethics Committee meeting following the May 18, 2006 Board meeting and a telephone conference meeting on June 19, 2005. The Committee recommended the approval of the Ethics Courses submitted by Dr. Carroll and by Drucker Math and Whitman. Margaret Loscalzo's course has not been reviewed since it was submitted in the form of an outline only. The course submitted by the Center for Professional Education is still under review.

On a motion made by Donald Jump, seconded by Keith Balla, the Board voted to approve two courses; one by Dr. Carroll and one by Drucker Math and Whitman. The Board would like to receive copies of the letters being sent to the providers that acknowledge approval of the courses. The vote of the Board was nine voting in favor with John Dailey abstaining.

C CPE Committee

Robert Sommer had no report for the Board but informed them that he attended the NASBA Committee meeting on CPE in Nashville, TN on May 24, 2006. Mr. Sommer also informed the Board that the CPE Committee is working on some standards and they will be discussed at the National meeting in October of

2006.

D RMA Committee

Robert Cagnassola had no report for the Board.

E QE Committee

Dale Nelson informed the Board that 14 reviewers came in for the Quality Enhancement Program on June 13 and he is expecting 20 reviewers on June 28. Mr. Nelson informed the Board that the reviewers have been told the Quality Enhancement Program may not continue after July 31, 2006.

F Education Committee

Bennie Hadnott informed the Board that he would be attending the NASBA Eastern Regional meeting and will have a full report for the Board at the July Board meeting.

G Reciprocity Committee

Keith Balla had no report for the Board.

H Nominating Committee

Andrew DuBoff had no report for the Board.

I Statute/Rules/Regulations Committee

Andrew DuBoff informed the Board that he is the Chair of NASBA's UAA Committee. This November there will be an exposure draft done and there may be a meeting set up before the exposure draft goes out. He also indicated that the Committee will address the temporary licensing issues soon.

J Planning Committee

Margaret Shoe had no report for the Board.

K Monitoring Profession Committee

John Dailey had no report for the Board.

IX Public Comments

Ralph Thomas, Executive Director, NJSCPA informed the Board that there is a Scholar Institute Program on June 22 and 23. There will be 80 students which will be held at the College of New Jersey.

Mr. Thomas invited the Board members to attend. Mr. Thomas also informed the Board that there will be a networking event on Thursday June 22, 2006. There will also be a ceremony for the participants of this event.

Mr. Thomas informed the Board that the technical changes will be made to Senate No. 1833 to remove "public accountants". He indicated that Senate Bill 1833 will probably be voted on in the first new senate session.

The AICPA had a council meeting late May regarding peer review transparencies, and they are trying to get support of members.

Mr. Thomas indicated that there were 10 NJ Law and Ethics courses completed in 2006. The first webcast is

scheduled for August.

Career Night will be some time in September.

Mr. Thomas informed the Board that he has a meeting following the Board meeting at 12:30 with Consumer Affairs Director, Kim Ricketts regarding the licensing renewal process.

James Bourke, President, NJSPCA informed the Board that the cost of the CPA exam is too expensive and that it is expected to get more expensive starting January 1, 2007. There was a 44% pass rate since candidates are now taking one part at a time and not all together as it has been in the past.

Mr. Bourke also informed the Board that there are still rooms available for the Society's Annual meeting in Puerto Rico on November 8-11, 2006 if anyone is interested in attending.

On a motion made by Donald Jump, seconded by Peter Torok, the Board voted to adjourn the Public Session Board meeting at 10:35 A.M. to reconvene in Executive Session to discuss the results of the two Investigative Inquiries held on June 13, 2006, one Request for Waiver to Appear before the Investigative Inquiry Committee, five Requests for Waivers, one Firm Request for Reinstatement, three Matters of Old Business, two Matters of New Business and five Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director