

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JUNE 21, 2012
HUDSON ROOM - 6TH FLOOR**

I Call to Order and Roll Call - 9:30 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 Keith Balla called the meeting to order at 9:40 a.m. The following roll call was taken:

Keith Balla, CPA	Present
Jorge A. Caballero	Excused
John F. Dailey, Jr., CPA	Present
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	Present
Albertus Jenkins, Public Member	Present
Hal Model, CPA	Present
Ainsley A. Reynolds, CPA	Present
Michael H. Runge, CPA	Present

Also present at the meeting were William Mandeville, Executive Director, Tobey Palan, Deputy Attorney General, Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Ralph Thomas, NJSCPA, Executive Director; Mike Polito, NJSCPA, Past President; James J. Carroll, CPA, Accounting Educators; Andrew DuBoff, former Board member, NJSBA and David Plaskow, Editor, NJSCPA Magazine.

II Minutes of the Meeting of May 17, 2012

On a motion made by Albertus Jenkins, seconded by Sara DeSmith, the Board voted to approve the May 17, 2012 Public Session minutes as presented. The vote of the Board was unanimous.

III President's Remarks

Board President Balla had no report for the Board.

IV Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

V New Business

A Gregory Shaw

Correspondence was received from Gregory Shaw wherein he has a question regarding titles used by CPAs employed by the State of New Jersey working throughout the country auditing companies who do business in New Jersey and owe New Jersey state taxes.

DAG Palan informed the Board that Mr. Shaw is looking for assistance and that she would communicate to him that the Board does not offer legal advice.

B Kenneth Heaslip

Correspondence was received from Kenneth Heaslip wherein he questions whether or not a firm registration renewal question was worded correctly.

The Chair directed that a letter be sent to Mr. Heaslip informing him that this matter will be suggested at the next renewal time period.

C Brian Fitzpatrick

Correspondence was received from Brian Fitzpatrick wherein he questions didactic instruction.

The Chair directed that a letter be sent to Mr. Fitzpatrick informing him that his question is at the top of the list of the Rules and Regulations Committee agenda and it will be addressed.

DAG Palan informed the Board that Regulatory Analyst Sheehan is still serving as Acting Chief of Staff. The Board will be getting another Regulatory Analyst.

The Board made the following comment regarding didactic instruction:

Videotape and/or audiotape may be used as a tool during didactic presentations. However, in order to qualify as a didactic program the majority of the subject matter being taught must be presented by a live instructor.

The following licensees answered "no" to renewal questions 3 (will you have completed 120 CPE credits by 12/31/11) and 4 (will you have NJ Law & Ethics by 12/31/11). These licensees requested active licenses.

VI Uniform Penalty Letter in Lieu of Formal Complaint for Failure to Complete CPE

- 1 Oscar S. Anota - \$8,000
- 2 Abraham Badian - \$8,000
- 3 Mark C. Baker - \$1,500
- 4 Mark Barrett - \$8,000
- 5 Cerene Belli - \$8,000
- 6 Anthony A. Berloco - \$1,500
- 7 Katherine Susan Berry - \$8,000
- 8 Ian Blumen - \$8,000
- 9 Theodore A. Blummenberg, III - \$8,000
- 10 Angela Boland - \$8,000
- 11 Timothy P. Braddock - \$8,000

- 12 Jonathan Chen - \$8,000
- 13 Hyung Ki Chun - \$8,000
- 14 Brendan P. Cox - \$8,000
- 15 Richard J. Crimi - \$3,500
- 16 Paul V. Daly - \$3,500
- 17 Leon Fink - \$8,000
- 18 William K. Furst - \$8,000
- 19 Salvatore A. Gambino, Jr. - \$7,000
- 20 Scott J. Gehsmann - \$8,000
- 21 Daniel Gonzalez - \$8,000
- 22 Kalpana Gopalakrishnan - \$8,000
- 23 Leon A. Guzman - \$8,000
- 24 Christine Hazboun - \$8,000
- 25 Annrose Isaac - \$8,000
- 26 Robert C. Kelliher - \$8,000
- 27 Karl M. Malaszczyk - \$3,000
- 28 Thomas W. McDonnell - \$8,000
- 29 Brian J. McGrady - \$4,000
- 30 Sayed A. Monsif - \$1,500
- 31 Andrea M. Murowski - \$8,000
- 32 William C. Peters, Jr. - \$8,000

- 33 Milton S. Prime - \$8,000
- 34 Frank S. Purdy - \$8,000
- 35 Eileen Red - \$1,000
- 36 Sandra Reid - \$8,000
- 37 Matthew Rogers - \$3,500
- 38 Debra Lynn Shaver - \$1,500
- 39 AnnMarie M. Somson - \$8,000
- 40 Alexander J. Speal, Jr. - \$8,000
- 41 Garrick J. Stoldt - \$8,000
- 42 Michael J. Sukey - \$1,000
- 43 Robert L. Swartz - \$8,000
- 44 Arleen L. Tran - \$8,000
- 45 Ira S. Viener - \$8,000
- 46 Abraham I. Weinberger - \$8,000

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to send out the Uniform Penalty Letters for not completing the CPE requirements in the amounts presented. Sara DeSmith recused herself from voting in the matter of Scott J. Gehsmann. The vote of the Board unanimous was unanimous.

Daniel Geltrude suggested that the Committees should establish what their Committees duties are and possibly share the information with other Board members.

VI Committee Reports

A CPA Examination Committee - Harold Model, Chair

No report was given.

B Ethics Committee

Daniel Geltrude informed the Board that the Ethics Committee will be receiving a webcast package for review from Financial Focus.

C CPE Committee - Sara DeSmith, Chair

No report was given.

D RMA Committee

John Dailey had no report for the Board.

E Peer Review Oversight Committee

John Dailey had no report for the Board.

F Education Committee

Albertus Jenkins had no report for the Board.

G Reciprocity Committee - Ainsley Reynolds, Chair

No report was given.

H Nominating Committee

Albertus Jenkins had no report for the Board.

I Statute/Rules/Regulations Committee

John Dailey has no report for the Board.

J Planning Committee

Albertus Jenkins had no report for the Board.

K Monitoring Profession Committee

John Dailey had no report for the Board.

VII Public Comments

Ralph Thomas, Executive Director, NJSCPA reported to the Board important Society dates.

October 3, 2012- NJSCPA Career Night at the Pines Manor Edison, NJ, 5pm-8:30pm

October 17 & 18, 2012- NJSCPA Major Firm Managing Partner Retreat at Crystal Springs Resort

November 7-11, 2012- NJSCPA Professional Development Conference, Captiva, FL

December 7, 2012 - NJSCPA Board Meeting and Holiday Luncheon at NJSCPA headquarters in Roseland, NJ, 9:00am-12:30pm. Holiday luncheon immediately following the end of the Board meeting.

Society Executive Director Ralph Albert Thomas expressed his regrets for missing the May Board meeting due to his attending the AICPA's Spring Council meeting and 125th Anniversary Celebration in Washington, DC. Ralph welcomed the new Board members and indicated the Society looked forward to working with them. He also noted the Society had sent letters to those members who rolled off of the Board thanking them for their service on the State Board of Accountancy.

Ralph shared with the Board that the AICPA Spring Council meeting was well attended and the agenda included keynote presentations from James Doty, PCAOB Chair, Douglas Shulman, IRS Commissioner, Troy Paredes, SEC Commissioner and Leslie Seidman, Chairperson, FASB, to name a few. Senior representatives from the International Accounting Standards Board and the International Auditing and Assurance Boards were also in attendance, and presented at the meeting. Key topics discussed were: the future of the audit and financial reporting from a standard setting and regulatory perspective, IRS initiatives and the state of the US economy.

Society Activities and Engagements on the Legislative and Regulatory Front

Ralph noted that he had testified on behalf of the Society before the Assembly Regulatory Oversight and Gaming Committee regarding A-1545, which proposes

changes to Title 45 of the New Jersey statutes that address license reciprocity and reinstatement of suspended licenses. The Society's testimony was supportive of the bill, but offered a couple amendments to clarify certain wording and language in the proposed bill. The Society's testimony and recommendations were well received by the Committee and the bill's sponsor.

Updates on the Society's efforts to monitor the following legislative and regulatory activities in Trenton and Washington, DC were provided:

New Jersey State Budget- Governor Christie continues to stand firm that no new taxes (including a proposed "millionaires" tax surcharge) would be included in the FY 2013 Budget.

Mobile Workforce H.R. 1864, which passed the House, would eliminate the need for employees to file non-resident tax returns when they cross borders and work 30 days or less in another state, was passed on to the Senate for introduction and consideration.

S-2116, the companion to A-1545, was reintroduced in the Senate by State Senator Oroho.

Appeal Bond Cap Legislation, which the Society supports, will not be introduced in the Senate until the fall legislative session.

Additional Comments/Questions

On behalf of the Society, Ralph suggested the Board consider having its sub-contractor, NASBA, institute a pre-evaluation process for first time applicants for the Uniform CPA Exam. Several other states have instituted such a pre-evaluation process, which identifies academic deficiencies in a candidate's education prior to the submission of a first-time application. The pre-evaluation allows candidates to correct any academic deficiencies prior to submitting their applications to sit for the exam. At the request of the Board President, Ralph provided him a document outlining Massachusetts' Pre- Evaluation Process. Ralph noted that the Society continues to receive calls from candidates to sit for the exam that they aren't being informed of the waiver regarding educational requirements.

The Board was informed that both the AICPA's Professional Ethics Executive Committee (PEEC) and the Society's Professional Conduct Committee (PCC) would be taking some form of disciplinary action against their respective members who consented to UPLs and received/were assessed monetary fines.

Andrew DuBoff, former Board members, NJSBA provided the Board with an update on some recent NASBA activities. He reported on the May joint meeting

of the NASBA and AICPA Uniform Accountancy Act ("UAA") committees held in Washington, DC. They continue to deal with the issue of foreign audit firms appearing to be providing services in several states without being properly licensed therein, and sometimes being associated with questionable SEC registrants. The difficulty of the issue is compounded by the fact that the current UAA (and state) statutes / rules do not provide for the licensing of foreign audit firms. The search for a solution continues, including a strong effort to convince the SEC to play a key role in resolving the matter.

He also mentioned that the joint UAA meeting debated the issue of whether it might be appropriate to alter the UAA to provide for some exception for inactive / retired licensees to omit that reference after their CPA title in situations in which they are simply associated with not-for-profit / charitable entities, and do not perform any accountancy functions. After some debate, it was decided that no action should be taken.

Finally, Mr. DuBoff reported that the PCAOB is conducting a thorough review of the possibility of requiring mandatory rotation of public company audit firms. Hearings have been held, and will continue, and a decision is at least a few months away. Both NASBA and AICPA have issued strong positions against the proposal. Among the major concerns is the possibility that such a requirement, which could be costly to clients, could also lead states to call for mandatory rotation of audit firms for all private and government audits as well.

James J. Carroll, CPA, Accounting Educators, asked the Board a question regarding the submission of Peer Review forms. Dr. Carroll is aware that the form must be submitted annually but wanted to know if there is an actual date it should be submitted. Mr. Dailey informed Dr. Carroll that the form should be filed within 30 days of compliance and that the forms are available online.

Mike Polito, former Board member, NJSCPA informed the Board that he is against self-study. He feels that the Board should only allow 30 hours or less of self-study.

Peter Demian

Peter Demian submitted an email wherein has completed 111 credits for renewal period ended 12/31/11. Mr. Demian was given an extension to complete the CPE credits until June 30, 2012.

On a motion made by John Dailey, seconded by Hal Model, the Board voted to inform Mr. Demian that the credits completed have been accepted. The vote of

the Board was unanimous.

On a motion made by John Dailey, seconded by Daniel Geltrude, the Board voted to adjourn the Public Session Board meeting at 11:10 A.M. to reconvene in Executive Session to discuss the results of the Investigative Inquiry conducted, one Old Business matter, four New Business matters, one UPL, one Request for Reinstatement, PCAOB reports and four Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director