

NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
JUNE 23, 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 9:40 A.M. The following roll call was taken:

Keith Balla, CPA Present
Robert Cagnassola, CPA Excused
John Dailey, Jr. Excused
Andrew DuBoff, CPA Present
Bennie Hadnott, CPA Present
Albertus Jenkins, Public Member Present
Donald Jump, CPA Present
Aubrey Kosson, CPA Present
Margaret Shoe, Public Accountant Excused
Robert Sommer, Public Accountant Present
Peter Torok, Public Member Excused
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; Jaleila Wilson, Board Staff; Jonathan Eisenmenger, Board Staff; Richard Van Volkenburgh, PA, NJAPA and Jeff Kaszerman, Government Relations Manager, NJSCPA

I Minutes of the Meeting of May 19, 2005

On a motion made by Robert Sommer, seconded by John Tully, the Board voted to accept the May 19, 2005 Public Session minutes with corrections. The vote of the Board was unanimous.

II President's Remarks

President DuBoff informed the Board that there were only eight Board members present at the Board meeting and for a motion to pass there have to be seven members voting in favor. If there were to be conflicts with a vote, due to limited Board member attendance, the matter will then be moved to another Board meeting. President DuBoff also informed the Board that John Tully needed to leave by 12:15 PM leaving only seven Board members to vote on matters.

President DuBoff informed the Board that he attended the NASBA 2005 Eastern Regional held in Baltimore, MD on June 8-10, 2005. Mr. Jump, Mr. Hadnott and Mr. Dailey also attended. Mr. Cagnassola was attending the Western Regional meeting held in Alaska on June 22-24, 2005.

President DuBoff informed the Board that the major discussion at the Regional meeting was about Computer Based Testing (CBT). NASBA informed those at the meeting that they are aware that there are problems.

President DuBoff informed the Board that the California and Texas State Boards have sent letters to NASBA regarding their experiences with CBT. As a result of these letters, there will be a meeting on September 14, 2005 in Washington, D.C. to address these issues. NASBA will pay for the Executive Director and one Board member of each Board to attend this meeting.

President DuBoff also informed the Board that there will be a kick-off meeting for NASBA's "Center for the Public Trust" on September 15, 2005. Because of these NASBA meetings, the September Board meeting must be moved to September 22, 2005.

President DuBoff reported to the Board that the CPE tracking system that was developed for Deloitte and Touche by NASBA was demonstrated at the Regional meeting. Mr. Jump informed the Board that he viewed the demonstration of the CPE tracking system and felt that it was ideally set up for Board use tracking CPE. Set up cost is approximately \$2,000.

President DuBoff informed the Board that there was a problem reported in the Wall Street Journal regarding KPMG and their involvement in tax shelters.

III Executive Director's Remarks

Executive Director Mandeville had no report for the Board.

IV Request for Waiver to Endorse License

A Frank J. Frabizzio

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

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

B Luis F. Calderon

Luis Calderon is requesting a waiver to reciprocate his Puerto Rico license. Mr. Calderon is lacking three semester hours in Finance.

On a motion made by Robert Sommer, seconded by Keith Balla, the Board voted to grant Mr. Calderon's request for reciprocity, based on N.J.S.A. 45:2B-53(b). The vote of the Board was seven voting favor with Andrew DuBoff abstaining.

C John F. Bauer

John Bauer is requesting a waiver to reciprocate his California license. Mr. Bauer is lacking .7 semester hours in Finance, .7 semester hours in Business Law and .7 semester hours in Economics.

On a motion made by Bennie Hadnott, seconded by Donald Jump, the Board voted to send Mr. Bauer a letter asking him when he relocated to New Jersey, how long has he been practicing in this State, and proof of CPEs. When the information has been received, this matter will be discussed at a future Board meeting. The vote of the Board was unanimous.

On a motion made by Keith Balla, seconded by Robert Sommer, the Board voted to have the Board office administratively check CPEs for applicants by reciprocity before the applications come before the Board. The vote of the Board was unanimous.

V Request for Transfer of Grades

A Katie L. Ewing

Katie Ewing is requesting a waiver to transfer her grades from the State of Colorado. Ms. Ewing is lacking

three semester hours in Finance.

On a motion made by Bennie Hadnott, seconded by Donald Jump, the Board voted to deny Ms. Ewing's request to transfer her grades from the State of Colorado. A letter will be sent to Ms. Ewing advising her to obtain the credits she is lacking or obtain licensure in the State of Colorado and then apply for reciprocity. The vote of the Board was unanimous.

VI Kimberly S. Ricketts, Acting Director, Division of Consumer Affairs

President DuBoff directed that the correspondence from Ms. Ricketts be received as informational.

VII NASBA Matters

A Focus Questions

On a motion made by Keith Balla, seconded by Albertus Jenkins, the Board voted to authorize President DuBoff and Executive Director Mandeville to finalize the Focus Question answers and submit them to NASBA. The vote of the Board was unanimous.

B William B. Morgan, Ph.D., Felician College

President DuBoff directed that the correspondence from Mr. Morgan be received as informational.

VIII AICPA Matters

A Edward C. Horton

President DuBoff directed that this matter be moved to Executive Session on advice of legal counsel.

B Bruce M. Butchen

President DuBoff directed that this matter be moved to Executive Session on advice of legal counsel.

IX Committee Reports

A CPA Examination Committee

Aubrey Kosson submitted a report on the CPA examination statistics. A printed handout was provided to the Board for review. Mr. Kosson also informed the Board that he had an additional report to be given in Executive Session.

B Ethics Committee

John Tully informed the Board that the committee held a meeting on May 24, 2005 with several of the providers of the Ethics Course. The Committee recommended that the Law and Ethics Course be New Jersey specific, include the current statutes and regulations, and contain a pre- and post-test.

Mr. Tully also proposed a regulatory change to N.J.A.C. 13:29-6.6(c) requiring that "a review of Ethics Courses will be conducted prior to each triennial period." On a motion by Jack Tully, seconded by Robert Sommer, the Board voted to draft this change for proposal. The vote of the Board was unanimous.

1 Gloucester County Bar Association

President DuBoff directed that this matter be referred to the Committee for review.

2 Gearty CPE

President DuBoff directed that this matter be referred to the Committee for review.

C CPE Committee

Robert Sommer informed the Board that the Rules and Regulations and CPE Committees are working together to approve recommendations from NASBA.

D RMA Committee

No report was given.

E QE Committee

Dale Nelson informed the Board that a meeting was conducted at the end of May and there will another meeting on June 29, 2005.

F Education Committee

Bennie Hadnott had no report for the Board.

G Reciprocity Committee

Keith Balla informed the Board that a Reciprocity Committee conference call was conducted on June 13, 2005. Mr. Balla will draft a letter to be sent to all the State Boards of Accountancy requesting their current requirements for sitting for the Uniform CPA Exam and gaining licensure.

H Nominating Committee

No report was given.

I Statute/Rules/Regulations Committee

Donald Jump had no report for the Board.

J Planning Committee

No report was given

K Monitoring Profession Committee

Report to be given in Executive Session.

X Public Comments

No report was given.

On a motion made by John Tully, seconded by Donald Jump, the Board voted to adjourn the Public Session Board meeting at 11:00 AM to reconvene in Executive Session to discuss the results of the Investigative Inquiry conducted on June 14, 2005, 24 Evaluations of Reinstatement Application for an Active License, four Old Business matters, one New Business matter, one NASBA matter, one AICPA matter, 1 Firms in the Peer Review Program matter, the Monitoring Profession Committee matter, one Amended Senate Bill (S2408) and four Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville

Executive Director