

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
SEPTEMBER 15, 2011
SOMERSET 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 9:45 a.m. The following roll call was taken:

Keith Balla, CPA	Present
Robert Cagnassola, CPA	Present
John F. Dailey, Jr., CPA	Present - Late 10:15 A.M.
Daniel J. Geltrude, CPA	Present
Albertus Jenkins, Public Member	Present
Donald Jump, CPA	Present
Paul J. Lerch, CPA	Present
Michael S. Taxin, Public Accountant	Excused
Steven Weinstein, CPA	Present

Also present at the meeting were William Mandeville, Executive Director; Tobey Palan, Deputy Attorney General; Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Mike Polito, Past President, NJSCPA; Jeff Kaszerman, NJSCPA; Burton Zocks, NJAPA and David Plaskow, Editor, NJSCPA Magazine.

II Minutes of the Meeting of August 18, 2011

On a motion made by Albertus Jenkins, seconded by Steven Weinstein, the Board voted to approve the August 18, 2011 Public Session minutes with corrections. The vote of the Board was nine voting in favor with Paul Lerch abstaining.

III President's Remarks

Board President Balla had no report.

IV Executive Director's Remarks

Executive Director Mandeville had no report.

V Request for Reciprocity

A Harvey R. Glick

This matter was previously reviewed at the April 21, 2011 Board meeting. Mr. Glick requested an endorsement waiver from the State of New York. The Board denied Mr. Glick's request for endorsement.

Mr. Glick has submitted a letter wherein he asks the Board whether or not he will be able to obtain reciprocity in the State of New Jersey at a later date.

On a motion made by Donald Jump, seconded by Albertus Jenkins, the Board voted to inform Mr. Glick that he may apply for endorsement after April 2012, when his suspension is due to expire. The vote of the Board was unanimous.

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

A REQUESTED VOLUNTARY SURRENDER

1. Phyllis K. Edwards
2. Kevin M. McVeigh

3. Carmen P. Grimaldi
4. Irza Hoogsteden
5. John b. Newcomb
6. Maureen H. De Mussi
7. Stephen j. Ferroni
8. Joyce L. Pressler
9. Howard Bernard
10. Nicholas R. Barron
11. James M. Browne
12. Joseph P. Vitale

On a motion made by Donald Jump, seconded by Albertus Jenkins, the Board voted to approve the requests for voluntary surrenders. The vote of the Board was unanimous.

B PAID PENALTY AND WILL MAKE UP CREDITS

1. Ping Li - \$3,000 - payment plan 10 payments
2. Charles Kealy - \$3,500 - payment plan 10 payments
3. Mark S. Ratish - \$5,000 - paid
4. Christopher Nardone - \$3,500 - payment plan 10 payments
5. Martin Ayrovainen - \$2,500 - paid
6. Brian Domerstad - \$3,500 - paid
7. Michael Serrapica - \$3,500 - paid
8. Joseph J. Izzo - \$1,500 - paid

9. Lorelei A. Devine - \$3,000 - paid
10. Joseph L. Lamb - \$500 - paid
11. Patricia O'Donnell - \$4,000 - paid
12. Frank I. Fiamingo - \$100 - paid
13. Thomas J. Mooney - \$2,500 - paid
14. Richard Beldner - \$5,000 - payment plan 10 payments
15. Dennis Curnyn - \$2,500 - payment plan 10 payments
16. Donald R. Strizki - \$1,500 - paid
17. Cynthia L. Ewing - \$1,000 - paid
18. Jayesh Desai - \$500 - paid
19. Eileen R. Trombetta - \$8,000 - paid
20. Earl H. Coppock - \$500 - paid
21. Felicia A. Fornarotto - \$8,000 - payment plan 10 payments
22. Robert J. Dubrowski - \$8,000 - paid

On a motion made by Robert Cagnassola, seconded by Daniel Geltrude, the Board voted to approve paid penalties and the make up of the credits. The vote of the Board was unanimous.

C PAID PENALTY AND REQUESTED INACTIVE-PAID STATUS

1. George C. Fu - \$2,500 - paid
2. Christopher Grandich - \$2,500 - payment plan 10 payments
3. Christopher Morgan - \$3,000 - payment plan 10 payments
4. Rita M. Danylchuk - \$1,500 - paid

5. Neal E. Brandt - \$6,000 - paid
6. Louis J. Formica - \$4,000 - paid
7. John K. Hofacker - \$4,000 - payment plan 16 payments
8. Nicholas J. Smith - \$4,000 - paid
9. Frank Robertson - \$1,500 - paid

On a motion made by Donald Jump, seconded by Albertus Jenkins, the Board voted to approve the paid penalties and the requests to place licenses in inactive-paid status. The vote of the Board was unanimous.

D REQUESTED BOARD TO CONSIDER EXPLANATION

1. Jose De Jesus

On a motion made by Donald Jump, seconded by Steven Weinstein, the Board voted to inform Mr. De Jesus that he must supply the Board with employment status for the last three years, copies of his tax returns and Federal 1040 for the last three years and any other financial information that shows financial hardship that prevented him from completing the CPE requirements. The vote of the Board was unanimous.

2. Evangelia Van Patten

Ms. Van Patten informed the Board that she was not licensed until 1995 and had never been placed on inactive status.

On a motion made by Donald Jump, seconded by Robert Cagnassola, the Board voted to inform Ms. Van Patten that she must supply the Board with employment status for the last three years, copies of her tax returns and Federal 1040 for the last three years and any other financial information that shows financial hardship that prevented her from completing the CPE requirements. The vote of the Board was unanimous.

3. Songlin Yi

Ms. Yi submitted an article for Committee review. This matter was sent back to Committee review and will be reported back upon completion.

4. Vicky Taylor

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to rescind the UPL and advise Ms. Taylor that she must complete the NJ Law & Ethics course. The vote of the Board was unanimous.

5. Anthony J. Dimun

The Chair directed to inform Mr. Dimun to submit the CPE credits he has so that the Board can review them. If Mr. Dimun does not submit the CPE credits, the Board will uphold his UPL.

6. Diane Obusek

On a motion made by Donald Jump, seconded by Steven Weinstein, the Board voted to uphold the UPL. The vote of the Board was unanimous.

7. Colleen Carey-Kosman

The Chair directed that this matter be moved to Executive Session.

8. Santina M. Barclay

On a motion made by Donald Jump, seconded by Paul Lerch, the Board voted to inform Ms. Barclay that she must supply the Board with employment status for the last three years, copies of her tax returns and Federal 1040 for the last three years and any other financial information that shows financial hardship that prevented her from completing the CPE requirements. The vote of the Board was unanimous.

9. Anastasios Souflis

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to reduce the UPL to \$500.00 and inform Mr. Souflis that he must make up 13 miscellaneous credits.

10. Noah B. Rosenfarb

Keith Balla recused himself from this matter.

It was directed that this matter be sent to Committee for review.

11. Shailen P. Amin

On a motion made by Donald Jump, seconded by Steven Weinstein, the Board voted to uphold the UPL. The vote of the Board was unanimous.

12. Richard Sliva

On a motion made by John Dailey, seconded by Daniel Geltrude, the Board voted to inform Mr. Sliva that he must supply the Board with employment status for the last three years, copies of his tax returns and Federal 1040 for the last three years and any other financial information that shows financial hardship that prevented him from completing the CPE requirements. The vote of the Board was unanimous.

13. Louis A. Raniero

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to rescind the UPL and inform Mr. Raniero that he must complete the NJ Law & Ethics course. The vote of the Board was unanimous.

14. Jeffrey J. Mango

On a motion made by Steven Weinstein, seconded by Donald Jump, the Board voted to uphold the UPL. The vote of the Board was unanimous.

VII UPL in Lieu of Formal Complaint for CPE Audit - Additional Information Submitted

A Magdalena Vance

This matter was reviewed at the July 2011 Board meeting and the Board voted to grant Ms. Vance 30 days to submit her CPE credits.

On a motion made by Paul Lerch, seconded by Donald Jump, the Board to allow Ms. Vance thirty days to submit her CPE documentation. The vote of the Board was unanimous.

Requested Voluntary Surrender

1. Kenneth A. Turchin
2. Robert L. Horn
3. Ambika Sharma
4. Scott D. Pullen
5. Rose A. Lambert
6. James Vandenberg
7. Jerome P. Kent
8. Ruth A. Allen
9. Danilo N. DeGuzman
10. Eric W. Fiddler
11. Thomas D. Cronin
12. W. Richard Zerfing

On a motion made by Donald Jump, seconded by John Dailey, the Board voted to approve the requests for voluntary surrender. The vote of the Board was unanimous.

Paid Penalty and Will Make up Credits

1. Thomas O. Kleiner
2. Richard M. Ponsart
3. Frank J. Wanzor
4. Anthony F. Ardito
5. Janice H. Sorablla

6. John Johnson
7. Paul D. Van Haren
8. Bernard J. O'Connor
9. Larry Soldinger
10. Patrick DiPaolo
11. James Quadrel
12. Frank J. Samarro
13. Willaim J. McFadden
14. Scott W. Smith
15. Milton Hirshfield
16. Salvator D'Uva
17. Sammy H. Saleh
18. Anilkumar P. Bhatt

On a motion made by Robert Cagnassola, seconded by Steven Weinstein, the Board voted to approve the penalties paid and will make up the credits. The vote of the Board was unanimous.

Paid Penalty and Requested Inactive-paid Status

1. Dennis W. Kotch - \$6,000 - paid
2. Timothy P. O'Hare - \$8,000 - payment plan 16 payments
3. John J. Mercer

On a motion made by Albertus Jenkins, seconded by Daniel Geltrude, the Board voted to approve the penalties paid and requests for inactive-paid status. The vote of the Board was unanimous.

VIII Committee Reports

A CPA Examination Committee

Steven Weinstein had no report for the Board.

B Ethics Committee

Daniel Geltrude reported to the Board that no response has been received from Rigos Professional Education Program.

C CPE Committee

Steven Weinstein reported to the Board that a meeting will take place after the Board meeting has ended to discuss issues that have been brought up at the August Board meeting.

D RMA Committee

Robert Cagnassola had no report for the Board.

E Peer Review Program Committee

Robert Cagnassola reported to the Board that Board President Balla added two additional people to the Peer Review Program Committee. They are John Demetrius and Lawrence Gray. Mr. Cagnassola informed the Board that a meeting will be scheduled soon.

F Education Committee

Albertus Jenkins had no report for the Board.

G Reciprocity Committee

Paul Lerch had no report for the Board.

H Nominating Committee

Donald Jump had no report for the Board.

I Statute/Rules/Regulations Committee

John Dailey reported to the Board that some concerns were forwarded to Regulatory Analyst Sheehan and a response has not been received. Mr. Dailey informed the Board that there are two minor issues that need clarification.

J Planning Committee

Albertus Jenkins had no report for the Board.

K Monitoring Profession Committee

John Dailey reported to the Board the following information relative to the CPE audits for the 2006-08 triennial renewal period:

<u>September totals:</u>		<u>Year to date totals:</u>
Penalties assessed	\$139,000	\$3,670,000
UPL's sent out	41	741
Paid	\$101,986	
Voluntary Surrender	17	259
Responded	63	591

IX Public Comments

Important Society Dates

- October 6, 2011 - Annual Career Night at the Pines Manor in Edison, NJ
- November 9-13, 2011 - NJSCPA Professional Development Conference in San Antonio, TX featuring Ed Robinson from Robinson Performance Group and presentations from First Global.
- December 9, 2011 - Society's Holiday Board Luncheon.
- June 6-8, 2012 - NJSCPA Convention and Expo at the Taj Mahal, Atlantic City, NJ.

Society Activities and Engagements on the Legislative and Regulatory Front

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

- As reported last month legislative and regulatory activity in Trenton continues to be minimal due to the fact that the legislature has recessed for the summer and lawmakers are preparing for the upcoming November elections where all 120 seats in the legislature are up.
- On the national scene, the Congressional Conference Committee took action on Tax Strategy Patents legislation despite attempts to amend the bill that the profession was not supportive of. AICPA and State Society weighed in and asked the Committee not to accept the amendment and move the House version of the bill. The Committee did accept the House version and the bill awaits the President signature. Once signed, the bill would prevent future tax strategy patents from being granted. The profession has been working on this issue for more than two years.
- Since the August State Board meeting, the Society has been quite busy assisting members with their questions and concerns regarding tax relief post Hurricane Irene.
- The Society will gear up its efforts again to encourage its members, their clients and community bankers to support the Blue Ribbon Panel's recommendations to the Financial Accounting Foundation (FAF). We believe FAF will be coming forth shortly with an exposure draft and comment period on the Panel's recommendations.

Additional Comments/Questions

- This past Tuesday, September 13, 2011 the New Jersey Supreme Court held a hearing on a lower court decision against a NJ CPA firm that involved accountants' liability/Privity and standard of care (adherence to Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS). The New Jersey Society of CPAs petitioned and filed an amicus brief with the Supreme Court on this case. We hope that the lower court decision on this case will be reversed and the issues concerning the Society, privity and standard of care will be upheld.

On a motion made by Donald Jump, seconded by John Dailey, the Board voted to adjourn the Public Session meeting at 10:45 A.M. to enter into Executive Session to discuss the results of the Investigative Inquiry conducted, 12 UPL requests for

consideration, one CPE waiver, two Old Business matters, one miscellaneous matter and four Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director