

NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
SEPTEMBER 23, 2004
SOMERSET ROOM

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 9:45 A.M. The following roll call was taken:

Keith Balla, CPA Present
Robert Cagnassola, CPA Present
Andrew DuBoff, CPA Present
Bennie Hadnott, CPA Present
Albertus Jenkins, Public Member Present
Donald Jump, CPA Present
Aubrey Kosson, CPA Present
Herbert Lipman, CPA Present
Alfonso Pisano, Esq., Public Member Present
Margaret Shoe, Public Accountant Present
Robert Sommer, Public Accountant 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; Jaleila Wilson, Board Staff; Marie Lisa, Board Staff, Ralph Thomas, Executive Director, NJSCPA; Mike Polito, CPA, Past President, NJSCPA; John LaPilusa, President, NJSCPA, Jim Bourke, Secretary, NJSCPA.

I Minutes of the Meeting of July 22, 2004

On a motion made by Robert Sommer, seconded by Bennie Hadnott, the Board voted to approve the minutes with corrections. The vote of the Board was unanimous.

II President's Remarks

President DuBoff introduced Donald Jump, CPA as the newest Board member appointed to the Board. Mr. Jump informed the Board that he has been in the profession for many years and that his primary area of expertise is auditing. Mr. DuBoff and the rest of the Board welcomed Mr. Jump as the newest Board member.

President DuBoff made a change in the Monitoring Profession Committee. Mr. Pisano will be the fourth member of the Monitoring Profession Committee and Mr. Lipman will Chair the Committee. Mr. Tully will be Chair of the Ethics Committee.

President DuBoff spoke about an article that appeared in the Wall Street Journal regarding young individuals showing interest in becoming CPAs.

President DuBoff informed the Board that the PCAOB has recently released to the public certain parts of their inspection reports on the four largest firms.

President DuBoff reported to the Board that a voting delegate has to be chosen for the up coming NASBA

Annual Meeting on October 17-20, 2004.

On a motion made by Robert Sommer, seconded by Robert Cagnassola, the Board voted to inform NASBA that Andrew DuBoff, CPA will be the voting delegate for the upcoming NASBA Annual Meeting. The vote of the Board was unanimous.

III Executive Director's Remarks

Executive Director Mandeville introduced to the Board Marie Lisa. Ms. Lisa will be handling the Consumer Complaints, the Investigative Inquiries and assisting Melba Perez with the preparation of the Board agendas. The Board welcomed Marie Lisa.

Executive Director Mandeville presented a calendar with proposed meeting dates for the year 2005. The Board members are to review the dates and advise the Executive Director of schedule conflicts. The dates will be approved at the October Board meeting.

IV Request for Waiver to Endorse License

A Matthew Benjamin

Matthew Benjamin is requesting a waiver to reciprocate his New York license. Mr. Benjamin is lacking 3 semester hours in Finance.

On a motion made by Margaret Shoe, seconded by Herbert Lipman, the Board voted to waive Mr. Benjamin's three semester hours in Finance and approve his request for reciprocity based on the 4/10 rule. The vote of Board was unanimous.

B Peter Ton

Peter Ton is requesting a waiver to reciprocate his Pennsylvania license. Mr. Ton is lacking .7 semester hours in Economics.

On a motion made Robert Sommer, seconded by Margaret Shoe, the Board voted to deny Mr. Ton's request for reciprocity. The Board suggests that Mr. Ton apply for licensure in Pennsylvania. Once he is licensed in Pennsylvania, the Board will reconsider him for reciprocity. The vote of the Board was 11 voting in favor with Bennie Hadnott opposing.

C John M. Edwardson

John Edwardson is requesting a waiver to reciprocate his Minnesota license. Mr. Edwardson is lacking 4 semester hours in Liberal Arts and 3.4 semester hours in Business Law.

On a motion made by Margaret Shoe, seconded by Herbert Lipman, the Board voted to approve Mr. Edwardson's request for reciprocity based on the 4/10 rule. The vote of the Board was unanimous.

D Salvatore J. Morrone

Salvatore Morrone is requesting a waiver to reciprocate his New York license. Mr. Morrone is lacking 3 semester hours in Finance.

On a motion made by Margaret Shoe, seconded by Alfonso Pisano, the Board voted to waive Mr. Morrone's three semester hours in Finance and approve his request for reciprocity based on the 4/10 rule. The vote of the Board was unanimous.

E Brian W. Jobe

Brian Jobe is requesting a waiver to reciprocate his New York license. Mr. Jobe is lacking 9 semester hours in Liberal Arts.

On a motion made by Margaret Shoe, seconded by Robert Cagnassola, the Board voted to deny Mr. Jobe's request for reciprocity based on the fact that he has only been licensed since January 2002. Mr. Jobe is to be informed that he can apply for reciprocity in January 2006 based on the 4/10 rule. In addition Mr. Jobe is also to furnish a copy of his University of Pennsylvania grade transcript. The vote of the Board was unanimous.

F Marie D. Mirra

Marie Mirra is requesting a waiver to reciprocate her New York license. Ms. Mirra is lacking 6 semester hours in Liberal Arts and 4 semester hours in Finance.

On a motion made by Margaret Shoe, seconded by Alfonso Pisano, the Board voted to waive Ms. Mirra's six semester hours in Liberal Arts and four semester hours in Finance and approve her request for reciprocity based on the 4/10 rule. The vote of the Board was unanimous.

G David E. Greed

David Greed is requesting a waiver to reciprocate his Pennsylvania license. Mr. Greed is lacking 3 semester hours in Liberal Arts and 3 semester hours in Business Law.

On a motion made by Margaret Shoe, seconded by Robert Sommer, the Board voted to waive Mr. Greed's three semester hours in Liberal Arts and three semester hours in Business Law and approve his request for reciprocity based on the 4/10 rule. The vote of the Board was unanimous.

V Request for Transfer of Grades

A Donna Gidjunis

Donna Gidjunis is requesting a waiver to transfer her grades to obtain licensure in the State of New Jersey. Ms. Gidjunis is requesting that the Board waive 2.7 semester hours in Finance.

On a motion made by Robert Cagnassola, seconded by John Tully, the Board voted to deny Ms. Gidjunis' request for transfer of grades. Ms. Gidjunis is to be scheduled to appear before the Investigative Inquiry Committee regarding her credentials. The vote of the Board was unanimous.

VI Rules and Regulations - 11:00 A.M.

Chuck Manning, Regulatory Analyst will be working with the Board for the next couple of months.

Mr. Manning presented to the Board the corrected version of the Rules and Regulations. Mr. Manning went over the changes with the Board.

On a motion made by Robert Cagnassola, seconded by Keith Balla, the Board voted to approve the revised Rules and Regulations. The vote of the Board was unanimous.

Chuck Manning will be meeting with the Board on October 12, 2004 at 11:00 AM

VII NASBA Matters

A 2004 CPA Examination Review Board Management Letter

Diane M. Rubin, Chair, Examinations Committee has submitted for Board review, a report on the 2004 CPA Examination Review Board management letter.

The report received was accepted as informational.

B CBT Research

Joseph Cote, Director of Operations, NASBA has submitted for Board review a request for permission to conduct CBT Research.

On a motion made by Bennie Hadnott, seconded by Albertus Jenkins, the Board voted to sign the written consent with full disclosure, including the need to find out what information they will be using regarding the study they would be performing and to request safeguards for the information that will be in use. The vote of the Board was unanimous.

C Daniel Newman, NASBA

Daniel Newman, NJ Coordinator, NASBA is questioning whether or not New Jersey would extend the number of windows in which a CPA exam candidate can carry conditional credits, because of a temporary delay in the release of grades.

Daniel Newman is to be informed that we have no present plans to do so. The Board would like to obtain additional information from the other States as to how they are handling this matter. Mr. DuBoff will be reporting back to the Board at the November 2004 Board meeting regarding this matter.

D PCAOB Inspection Reports

David Costello, NASBA has submitted for Board review, information from Noel Allen, legal counsel of NASBA. Included in the information packet are supporting excerpts from the Sarbanes-Oxley Act and the PCAOB agreement. The latter would provide for the sharing of certain of the PCAOB's inspection report results with state boards.

On a motion made by Robert Sommer, seconded by Herbert Lipman, the Board voted to have Executive Director Mandeville to sign the PCAOB agreement on behalf of the Board.

E NASBA Annual Meeting October 17-20, 2004

Bunnie Cherry, NASBA Meetings Coordinator has submitted correspondence regarding the Designated Voting Representative for the New Jersey Board of Accountancy (see President's remarks above for disposition of this matter).

F Ellis Dunkum, Bylaws Committee Chair

Correspondence was received from Ellis Dunkum, Bylaws Committee Chair, NASBA regarding explanation of proposed changes to the NASBA Bylaws.

On a motion made by Robert Sommer, seconded by Herbert Lipman, the Board voted unanimously to authorize Mr. DuBoff to vote in favor of the changes at the NASBA Annual Meeting.

G Focus Questions

On a motion made by Herbert Lipman, seconded by Robert Sommer, the Board voted for Mr. DuBoff and Mr. Mandeville to work together to answer the Focus questions. The vote of the Board was unanimous.

VIII AICPA Matters

Correspondence was received from S. Scott Voynich, CPA, Chairman of the Board and Barry C. Melancon, CPA, President and CEO regarding important information about the AICPA's and CPCAF Peer Review.

IX Committee Reports

A CPA Examination Committee

Aubrey Kosson reported to the Board that 601 candidates took the CBT examination. Mr. Kosson will report back to the Board at the October 12, 2004 Board meeting.

B Ethics Committee

John Tully had no report for the Board.

Dale Nelson informed the Board that he made a presentation to the State Auditors. There were about 60 attendees. The attendees were really interested in the Ethics Course. Mr. Nelson feels that the Board will be receiving a number of new firm registration applications.

C CPE Committee

Robert Sommer had no report for the Board.

D RMA Committee

A Dorothy S. Gallagher

Mr. Cagnassola informed the Board that Ms. Gallagher's RMA examination was reviewed and he recommends no changes.

On a motion made by John Tully, seconded by Robert Cagnassola, the Board voted to send Ms. Gallagher a letter informing her that her RMA exam was reviewed in total and that no changes would be made. The vote of the Board was unanimous.

B Examination and Licensure; Registered Municipal Accountants

The information received, was accepted as informational.

E QE Committee

Dale Nelson informed the Board that he is following up with the peer reviews. He also informed the Board that he would be reporting to the Board about the 120 credits for colleges and business majors.

F Education Committee

Bennie Hadnott had no report for the Board.

G Reciprocity Committee

Herbert Lipman had no report for the Board.

H Nominating Committee

Herbert Lipman had no report for the Board.

I Statute/Rules/Regulations Committee

Alfonso Pisano, Chairperson

Attached is an adopted new amendment to the Applications for Original Examination; Education and

Experience Requirements rules which appeared in the New Jersey Register on July 19, 2004.

This matter was accepted as informational.

J Professional Liaison Committee

Andy DuBoff had no report for the Board.

K Planning Committee

Margaret Shoe had no report for the Board.

L Monitoring Profession Committee

Herbert Lipman informed the Board that he will be making a report in Executive Session.

X Miscellaneous

A Robert J. Matelski

A letter from Robert Matelski was received wherein he is requesting an extension of time from the June 30, 2005 deadline for having passed all four parts of the CPA examination. Mr. Matelski took the CPA exam in May 2003 and November 2003, but did not pass any parts.

On a motion made by Margaret Shoe, seconded by Robert Sommer, the Board voted to inform Mr. Matelski that he does not need an extension, as he can continue to take the exam. The vote of the Board was unanimous.

B Christopher P. Nelms

A letter from Christopher Nelms was received wherein he requests a formal waiver to use the CPA designation in New Jersey. Mr. Nelms holds licenses in Texas and New York. Mr. Nelms is moving to New Jersey to live and work. He will be working in the financial management capacity of Goldman, Sachs & Company in its New Jersey facility.

On a motion made by Margaret Shoe, seconded by Herbert Lipman, the Board voted to inform Mr. Nelms that he must fill out an application for Board review. Mr. Nelms may qualify under the 4/10 rule and should apply for reciprocity. The vote of the Board was unanimous.

XI Public Comments

Ralph Thomas, Executive Director of the NJSCPA welcomed Mr. Jump as the new Board member of the Board. Mr. Thomas informed the Board that Jim Bourke is part of the Executive Committee of the Society.

Mr. Thomas informed the Board that the scholarship program was a successful one. Career Night will be on September 30, 2004 at the Pines Manor in Edison, NJ. There will be exhibits to help the young attendees.

Mr. Thomas informed the Board that the mid-year conference will on November 12, 2004.

Mr. Thomas informed the Board that on October 18-20, 2004, the Peer Review Board from the AICPA will be arriving to review everything the Society does.

Mike Polito informed the Board that there has been some progress with the webcast and everything is going very well.

On a motion made by Robert Cagnassola, seconded by Alfonso Pisano, the Board voted to adjourn the

Public Session meeting at 12:10 P.M. to reconvene in Executive Session to discuss various matters. The vote of the Board unanimous.

Respectfully submitted,

William Mandeville
Executive Director