

**NEW JERSEY STATE BOARD OF ACCOUNTANCY  
PUBLIC SESSION MINUTES  
NOVEMBER 15, 2012  
HUDSON ROOM - 6<sup>TH</sup> 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, CPA	Present
John F. Dailey, Jr., CPA	Present
Sara L. DeSmith, CPA	Present
Daniel J. Geltrude, CPA	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; Khaled Madin, Government Representative; Jaleila Wilson, Staff; Ralph Thomas, Executive Director, Jeff Kaszerman, NJSCPA; Mike Polito, NJSCPA and David Plaskow, Editor, NJSCPA Magazine.

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## **II Minutes of the Meeting of October 18, 2012**

On a motion made by Jorge Caballero, seconded by Harold Model, the Board voted to approve the October 18, 2012 Public Session minutes with corrections. The vote of the Board was eight voting in favor with Ainsley Reynolds abstaining.

## **III President's Remarks**

Board President Balla informed the Board that the Board meeting scheduled for December 20, 2012 will start with Executive Session commencing at 9:30 and Public Session commencing at 11:00 A.M.

## **IV Executive Director's Remarks**

Executive Director Mandeville had no report for the Board.

## **V Request for Reinstatement**

A Richard B. Davis

Mr. Davis voluntarily surrendered his CPA license on January 21, 2010. Mr. Davis was placed on probation for four years due to tax fraud.

On a motion made by John Dailey, seconded by Sara DeSmith, the Board voted to inform Mr. Davis that he must provide proof of completed 120 CPE credits for three years of date of application for Board review and determination. The vote of the Board was unanimous.

## **VI Waiver Request**

A Anthony Pricci

Jorge Caballero recused himself from this matter.

Mr. Pricci is requesting a waiver under N.J.S.A. 45:2B-53. Mr. Pricci is licensed in the State of Pennsylvania and is deficient in Education. He was licensed on March 13, 2012.

On a motion made by John Dailey, seconded by Michael Runge, the Board voted to inform Mr. Pricci that his request for reciprocity is denied based on N.J.S.A.45:2B-12(h) and 45:2B-50.1(f). Mr. Pricci does not have four years of experience under the supervision of a licensed CPA within the last ten years. Mr. Pricci is also to be advised that the individual that signed his letter of experience, Edward Lazarowitz, CFO is not a licensed CPA. If Mr. Pricci can produce proof that Mr. Lazarowitz is a licensed CPA, the Board will review this matter again. The vote of the Board was unanimous.

## **VII Committee Reports**

### **A CPA Examination Committee**

Harold Model had no report for the Board.

### **B Ethics Committee**

Daniel Geltrude informed the Board that Board President Balla will be observing the Financial Focus course November 16, 2012. Board President Balla will report back to the Board at the December 20, 2012 Board meeting. The course being provided by Financial Focus is an interactive web ethics course.

### **C CPE Committee**

Sara DeSmith had no report for the Board.

### **D RMA Committee**

John Dailey informed the Board that volunteers are need to assist in the proctoring of the RMA examination on December 7, 2012. Mr. Dailey informed the Board that he would be available on that day from 9:30 A.M. to 12 noon, Board President Balla informed the Board that he would be available from 9:30 A.M. to 12 noon, Mr. Geltrude will be available from 12 noon to 4:00 P.M. and Jorge Caballero will be available from 9:30 A.M. to 12 noon.

## Regulatory Analyst Betsy Greenblatt

Final Proposal N.J.A.C. 13:29-1A.3, 3.1, 6.2, 6.5

Regulatory Analyst Greenblatt reported to the Board that the changes and corrections requested have been made.

On a motion made by John Dailey, seconded by Jorge Caballero, the Board voted to approved the changes and corrections described by Regulatory Analyst Greenblatt. The vote of the Board unanimous.

Regulatory Analyst Greenblatt also explained the timeline process of publication to the Board. The proposed rule will be published in the New Jersey Register sometime in late 2013.

### E Peer Review Oversight Committee

DAG Palan informed the Board that the Confidential Letter submitted is still under Committee review. It will be reviewed by the entire Committee at the January 17, 2013 Committee meeting following the Board meeting.

### F Education Committee

Ainsley Reynolds questioned the Board whether or not he is allowed to contact the professors at the colleges for education purposes.

### G Reciprocity Committee

Jorge Caballero had no report for the Board.

### H Nominating Committee

Daniel Geltrude had no report for the Board.

### I Statute/Rules/Regulations Committee

John Dailey had no report for the Board but did thank everyone for all the help on the rules that were previously discussed. Mr. Dailey wanted to especially thank Regulatory Analyst Greenblatt and DAG Palan for all their hard work in such a short period of time.

## J Monitoring Profession Committee

John Dailey had no report for the Board did mention that the Board should have more participation with NASBA. The new Board members should really consider attending the NASBA meeting in June 2013 which is usually an orientation for new Board members.

## VIII Public Comments

Ralph Thomas, Executive Director, NJSCPA reported on important Society dates.

- December 7, 2012 - NJSCPA Board Meeting and Holiday Leadership Luncheon at NJSCPA headquarters in Roseland, NJ, 9am-1pm. Holiday luncheon following the end of the Board meeting. Members and staff of the State Board of Accountancy are invited to attend. Formal invitations will be forthcoming.
- December 11<sup>th</sup> - NJBIA Public Policy Forum for which the Society is a sponsor and participant on the Economic Outlook Panel.
- January 9, 2012 - Rescheduled date for NJSCPA Women's Conference at the Woodbridge Hilton, Iselin, NJ 8am-5:30pm. The Society's Women of Note honorees will be formally recognized.

### Society Activities and Engagements on the Legislative and Regulatory Front in Trenton

The Society continues to monitor activity regarding A-1545 and S-3141, which propose changes to Title 45 of the New Jersey statutes addressing license reciprocity and reinstatement of suspended licenses. We believe these bills will be acted on in the 2013 legislative session after minor opposition from realtors and funeral directors is addressed.

With respect to Appeal Bond Cap legislation, the Society continues to monitor the Assembly and Senate bills for this legislation. As previously reported, the Senate version of the bill is being held from being heard in the Senate Judiciary Committee. We're hopeful that this bill will be moved from the Judiciary Committee to another Committee when the legislature reconvenes in January 2013.

## **Additional Comments/Questions**

- Mr. Thomas noted to the Board that he also attended the NASBA Annual Meeting in Orlando, and that he thought the meeting was quite informative and the keynote speaker presentations were good.
- Mr. Thomas updated the Board on matters relating to Hurricane Sandy. He noted that while the Society offices were closed for more than a week due to no power and phone connectivity, it was able to get out communications and get its web site up remotely by the Tuesday and Wednesday respectively after Sandy hit. The Society did have to cancel 16 programs, seminars and conferences, for which more than 600 individuals were registered to attend. A number of other programs post Sandy were held. However, attendance at these programs was impacted due to the storm. Given the impact of Sandy (program cancellation and rescheduling of programs to 2013) on CPE programs run by the Society, various firms and other providers, Mr. Thomas asked the Board to either extend the deadline for or provide consideration to those members who weren't able to fulfill their 20 hour minimum CPE requirement for 2012. He pointed out to the Board that the NY State Board of Accountancy had in fact provided an extension of time to licensees who had requirement to fulfill by December 31, 2012.
- Finally, Mr. Thomas alerted the Board about filing extensions granted by the IRS and the NJ Division of Taxation with respect to tax filings, collections and estimated payments. The IRS had extended deadlines to February 1, 2013 for filings and payments. However, the NJ Division of Taxation had only officially granted extensions to November 16, 2012. It was noted to the Division would entertain hardship waiver requests for those who could not meet the November 16<sup>th</sup> extension deadline.
- Mr. Thomas informed the Board that the Society had a Peer Review oversight conducted by the AICPA's Peer Review Executive Committee on October 18<sup>th</sup> and 19<sup>th</sup>. Based upon the exit conference, the Society is hopeful of getting a clean acceptance letter with no major exceptions. Once the letter is received, reviewed and responded by the Society's Peer Review Executive Committee, a copy will be delivered to the Board for its files. Unfortunately, a representative from the Board's PROC could not attend the Society's oversight review.
- Mr. Thomas noted the Society's pilot MP Retreat at the Crystal Springs Resort was a success and well received by managing partners and senior firm staff who attended the program. Key issues discussed were succession planning and strategic planning to prepare firms for the next 10 to 15 years.
- Mr. Thomas again asked the Board to consider oversighting approval providers of the NJ Law and Ethics program. He indicated concerns raised by licensees that some providers were not following the outlines which were approved by the Board. He also noted concern regarding an advertisement for a recently

approved NJ Law and Ethics program, which in its advertisement highlighted subject matter to be emphasized such as Circular 230, which is not part of the approved course material for NJ Law and Ethics approved course.

On a motion made by Jorge Caballero, seconded by Ainsley Reynolds, the Board voted to adjourn the Public Session Board meeting at 11:00 A.M. to reconvene in Executive Session to discuss two UPL for CPE Audit matters, one Old Business matter and one PCAOB matter. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville  
Executive Director