

**NEW JERSEY STATE BOARD OF ACCOUNTANCY
PUBLIC SESSION MINUTES
OCTOBER 20, 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 9:40 a.m. The following roll call was taken:

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

Also present at the meeting were William Mandeville, Executive Director; Tobey Palan, Deputy Attorney General; Melba Rodriguez, Secretarial Assistant; Marie Lisa, Staff; Ralph Thomas, Executive Director, NJSCPA; Mike Polito, Past President, NJSCPA; Jeff Kaszerman, NJSCPA; Burton Zocks, NJAPA; Andrew DuBoff, CPA, Former Board member, John Tully, CPA, Former Board member Irene Douma, Professor, Montclair State University, James Brackens, AICPA; Ken Islip; John Demetrius, CPA and David Plaskow, Editor, NJSCPA Magazine.

II Minutes of the Meeting of September 15, 2011

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to approve the September 15, 2011 Public Session minutes as presented. The vote of the Board was unanimous.

III President's Remarks

Board President Balla informed the Board that there were some individuals present from the AICPA to discuss the Peer Review Program.

Board President Balla also informed the Board that a meeting was held with the NJ Law & Ethics providers on October 18, 2011. Many providers were in attendance and it was a very productive meeting. Issues that have encountered were discussed regarding record keeping.

IV Executive Director's Remarks

Executive Director Mandeville informed the Board that the My License renewal letter were mailed out on October 19th.

V Request for Reciprocity

A Mallory Morales

Correspondence was received from Mallory Morales wherein she is requesting a waiver of 30 semester hours in general education towards the 150 education requirements. Ms. Morales is requesting reciprocity from the State of New York wherein she became licensed on 04/26/10.

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to approve Ms. Morales for licensure. The vote of the Board was unanimous.

B Heather Troupos

Correspondence was received from Heather Troupos wherein she is requesting a waiver of 23 semester hours in general education to meet the 150 education requirements. Ms. Troupos is requesting reciprocity from the State of New York.

This matter has been removed from the agenda since Ms. Troupos is currently licensed.

VI New Business

A Harold Dischino

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

VII James W. Brackens, Jr., CPA - AICPA - 10:30 A.M.

Guest speaker James W. Brackens, Jr., CPA will be offering a presentation to the Board about Peer Review Program.

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

A REQUESTED VOLUNTARY SURRENDER

1. Marie Di Tommaso
2. Cecelia C. Perumal
3. Zvi Yankovich
4. Steven F. Wrede
5. Donald K. Porges
6. Eric A. Kreuter
7. James V. DiVizio
8. Julio Correa-Berger
9. John F. Laezza
10. Lisa N. Stamets
11. Gordon Eng

12. John n. Givissi
13. Robert L. Klingenburg
14. Kathleen A. Fallon
15. Charles L. Ilvento
16. Nerou neil Cheng

On a motion made by Michael Taxin, seconded by Donald Jump, the Board voted to approve the Requests for Voluntary Surrender. The vote of the Board was unanimous.

B PAID PENALTY AND REQUESTED INACTIVE-PAID STATUS

1. Simon K. Wen - \$6,000 - payment plan - 10 payments
2. Thomas L. Burns - \$8,000 - payment plan - 16 payments
3. Sheetal R. Nagpal - \$3,500 - paid
4. George P. Biglin - \$7,000 - payment plan - 10 payments
5. Cynthia A. Cox - \$5,000 - payment plan - 10 payments
6. Marie Sette-Hughes - \$3,000 - payment plan - 10 payments

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to approve the Paid Penalties and Requests for Inactive-Paid Status. The vote of the Board was unanimous.

C PAID PENALTY AND WILL MAKE UP CREDITS

1. Andrea P. Freund - \$1,000 - paid
2. Rebecca Miu-Chi Mok - \$3,500 - paid
3. Alan J. Macisaac - \$1,500 - paid

4. Lawrence M. Entis - \$1,500 - paid
5. Anthony M. Rivelli - \$4,000 - paid
6. Alex P. Weekes - \$1,000 - paid
7. Sung I. Rhee - \$8,000 - payment plan - 16 payments
8. Jeanmarie M. Buck - \$1,000 - paid
9. Joseph J. Fusco - \$4,000 - payment plan - 16 payments
10. Edward W. Adams - \$1,500 - paid
11. Thomas J. Appicelli - \$8,000 - payment plan - 16 payments
12. Patrick D. Reilly - \$5,000 - paid
13. Karen D. Veary - \$3,000 - payment plan - 10 payments
14. William P. Notley - \$4,000 - payment plan - 16 payments
15. Ripal R. Patel - \$1,000 - paid
16. Gabriel LePera - \$2,500 - paid
17. Kenneth Porkka - \$6,000 - payment plan - 16 payments
18. Alex S. Noh - \$4,000 - payment plan - 16 payments
19. Alice Marie Hollings - \$5,000 - paid
20. Shobna Daga - \$1,000 - paid
21. George J. Smith - \$1,500 - paid
22. Joseph V. Zolofra - \$6,000 - payment plan - 16 payments
23. Elliot M. Maza - \$1,000 - paid
24. Kimberly A. Zisa - \$1,000 - paid
25. Leonora Galleros - \$2,500 - payment plan - 10 payments

26. Monsura Lawal - \$1,000 - paid
27. Anastasios Souflis - \$500.00 - paid
28. Matthew D. Dapolito - \$1,000 - paid
29. Leonard Friedman - \$1,500 - paid
30. Joanne G. Diggs - \$1,500 - paid

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to approve the Paid Penalties and will Make Up the Credits. The vote of the Board was unanimous.

ADDENDUM

PAY PENALTY AND REQUESTED INACTIVE-PAID STATUS

1. Christopher M. Wolak - \$4,000 - payment plan - 10 payments
2. Robert J. Coluzzi
3. Robert W. Mihalyi
4. Joseph M. Abbott
5. Angela Bio

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to approve the Paid Penalties and will Make Up the Credits. The vote of the Board was unanimous.

REQUESTED VOLUNTARY SURRENDER

1. Steven G. Crivello
2. Jules Nettis
3. Donald S. Langweil

4. Francis M. Hertler
5. David K. Kelley
6. Thomas M. Mulkeen
7. Lora Schwacke
8. Anthony L. Farino
9. John J. Reville
10. Jeff A. Schnepfer

On a motion made by Donald Jump, seconded by Daniel Geltrude, the Board voted to approve the Voluntary Surrenders. The vote of the Board was unanimous.

PAY PENALTY AND MAKE UP CREDITS

1. Lizzette Caabrea - \$1,000 - paid
2. Barbara A. Litwinka - \$500.00 - paid
3. Robert S. Overstreet - \$1,000 - paid
4. James C. Thomas - \$8,000 - payment plan 16 payments
5. Donna M. Chahalish - \$4,000 - paid
6. Diane Obusek - \$1,000 - paid
7. Michael Woll - \$4,000 - payment plan - 16 payments
8. Sean Duffy - \$4,000 - payment plan - 16 payments
9. Richard S. Disick - \$2,500 - paid
10. Josephat O. Okeke - \$1,000 - paid
11. Kenneth Michael Ashe - \$2,500 - payment plan - 10 payments

12. Robert J. Lampkin - \$3,500 - paid
13. Paul G. Taman - \$3,500 - paid
14. Myung-Yul Sung - \$6,000 - payment plan - 16 payments
15. John D. Mezzasalma - \$4,000 - paid
16. Richard C. Grimmer - \$500.00 - paid
17. Yonette S. McCloggan - \$1,000 - paid
18. Kenneth Giambagno - \$8,000 - paid
19. Kevin Johnson - \$1,000 - paid
20. Robert J. Kirby - \$1,500 - paid

On a motion made by Robert Cagnassola, seconded by Albertus Jenkins, the Board voted to approve the requests for Inactive Status. The vote of the Board was unanimous.

D REQUESTED BOARD TO CONSIDER EXPLANATION

1. Peter A. Indiveri

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

2. Thomas J. Chiarella

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

3. Desiree B. Carpenter

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

4. Shannon D. Williams

The Chair directed that this matter be tabled until the November Board meeting.

5. Michael Jordan

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to reduce the fine to \$1,500.00 and inform Mr. Jordan that he must obtain 28 credits in miscellaneous courses and four in NJ Law & Ethics. The vote of the Board was unanimous.

6. Margarette C. Burroughs

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to rescind the UPL issued and inform Ms. Burroughs that she must complete the four NJ Law & Ethics credits. The vote of the Board was unanimous.

7. David A. Altana

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

8. Lori A. West

On a motion made by John Dailey, seconded by Albertus Jenkins, the Board voted to rescind the UPL issued and inform Ms. West that she must complete the four NJ Law & Ethics credits. The vote of the Board was unanimous.

9. Harold Hendricks

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

10. Frank Marino

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

11. Michael R. Monteleone

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

12. Michael C. Rainbolt

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to rescind the UPL issued and inform Mr. Rainbolt that he must complete 16 credits in Accounting and Auditing and four credits in NJ Law & Ethics. The vote of the Board was unanimous.

13. Philip B. Goldfarb

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

14. Fred H. Miller

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

15. Jose Ugarte

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

16. Robert J. Gold

John Dailey recused himself from this matter.

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

17. Simon Filip

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to rescind the UPL issued. The vote of the Board was unanimous.

18. Charles J. Carlevarini

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

19. Charles E. Pohero

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to rescind the UPL issued and inform Mr. Pohero that he must complete four NJ Law & Ethics credits. The vote of the Board was unanimous.

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

A Shailen Amin

Mr. Amin is requesting reconsideration of the Board's final determination of upholding his UPL. John Dailey to report to the Board.

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to rescind the UPL issued and request that Mr. Amin place his CPA license in inactive status. When Mr. Amin is ready to reactivate his license, he must present provide proof of 120 CPE credits. The vote of the Board was unanimous.

B Noah B. Rosenfarb

John Dailey to report to the Board.

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to reduce the fine issued to Mr. Rosenfarb to \$1,000.00 and inform him that he must take 21 miscellaneous CPE credits.

C Songlin Yi

John Dailey to report to the Board.

On a motion made by John Dailey, seconded by Robert Cagnassola, the Board voted to rescind the UPL issued and inform Ms. Yi that she must take four NJ Law & Ethics credits. The vote of the Board was unanimous.

D Ronald J. Blake

On a motion made by John Dailey, seconded by Michael Taxin, the Board voted to reduce the fine to \$3,500.00 and inform Mr. Blake that he must take the four NJ Law & Ethics credits, 16 in technical subjects and 46 in miscellaneous subjects. The vote of the Board was unanimous.

X Committee Reports

A CPA Examination Committee

Mr. Cagnassola informed the Board of his exam site visit and provided a report to be forwarded to NASBA and Mr. Weinstein.

B Ethics Committee

Daniel Geltrude had no report for the Board.

C CPE Committee

No report was given.

D RMA Committee

Robert Cagnassola informed the Board that the next RMA exam is scheduled for December 2, 2011. Mr. Cagnassola informed the Board that at least three volunteers are necessary to assist with the proctoring of the exam. Mr. Jump informed the Board that he would check his calendar and may be available.

E Peer Review Program Committee

Robert Cagnassola informed the Board that a meeting will be scheduled soon. A couple of new members have been added to the Peer Review Program Committee.

Mr. Cagnassola informed the Board that Vice President of the AICPA, James Brackens would be present at the Board meeting to provide a presentation regarding Peer Review.

F Education Committee

Albertus Jenkins had no report.

G Reciprocity Committee

Paul Lerch had no report.

H Nominating Committee

Donald Jump had no report.

I Statute/Rules/Regulations Committee

John Dailey informed the Board that he would provide a report in Executive Session.

J Planning Committee

Albertus Jenkins had no report.

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>October totals:</u>		<u>Year to date totals:</u>
Penalties assessed	\$	\$3,670,000
UPL's sent out		
Paid	\$78,732	
Voluntary Surrender	29	288
Responded	94	685

James W. Brackens, Jr., CPA - AICPA - 10:30 A.M.

James W. Brackens and Henry Krostich provided the Board and the Public with a presentation regarding Peer Review.

Mr. Brackens informed the Board that presently he is educating Board members and the public about Peer Review. The Peer Review program is a joint initiative of AICPA and NASBA.

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to enter into Executive Session at 12:20 P.M. for legal discussion of N.J.A.C. 13:29-18.3. The Board will reconvene in Public Session in one hour. The vote of the Board was unanimous.

On a motion made by Donald Jump, seconded by Daniel Geltrude, the Board voted to waive specific curriculum under N.J.A.C. 13:29-A3.B1 requiring qualification to take the CPA exam under 120 until such time that the Board is able to determine a cutoff date or change the regulation. The vote of the Board was nine voting in favor with Michael Taxin opposing.

XI Public Comments

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

- 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
- January 17, 2012- NJSCPA Town Hall Meeting at the Woodbridge Hilton, Iselin, NJ with Bill Carlino, Editor, *Accounting Today* as the featured speaker
- April 19, 2012- NJSCPA Annual Scholarship Awards Ceremony at the Renaissance Woodbridge, NJ
- 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

We are monitoring the following legislative and regulatory activities in Trenton and Washington, DC:

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 President signed Tax Strategy Patents legislation.

Since the September State Board meeting, the Society has continued to be busy assisting members with questions and concerns regarding tax relief post Hurricane Irene.

The Society will ask its members to sign on to the petition developed by AICPA which asks the FAF to reconsider its decision not to establish a separate board to set separate standards for small business.

Additional Comments/Questions

A brief update was provided to members of the Board regarding the AICPA Council meeting recently held in Phoenix, AZ. The Society noted that FAF had issued its proposal and reaction to the recommendations from the Blue Ribbon Panel (BRP). Its proposal rejected the recommendation by the BRP to establish a separate board opposite FASB that would make recommendations for different reporting standards for non public traded companies. Instead FAF proposed a Council that would be heavily over sighted by FASB and FAF, wherein FAF would have veto power over any recommendations from the Council. Next steps by AICPA and State Societies are to reach out to members and ask them to in effect sign a petition which will be forwarded to FAF. A toolkit has been developed by AICPA to facilitate members signing on to the petition. Additionally, State Societies and the Major Firms will be asked to write letters to the FAF urging them to reconsider the BRP recommendation for a separate Board. Additionally, the Society noted that Jim Bourke, a former Society President, was elected to the AICPA Board of Directors; and Council accepted the 2025 Vision Report, which outlined some of the future opportunities and challenges the CPA profession will face over the next 15 years.

On behalf of the Society, Ralph commended the Board for its swift action and the resolution to address the confusion regarding the educational requirements for 120hour candidates to sit for the CPA exam. He also recommended and challenged the Board to review the regulations in Section 13:29-1a.3 (b) 1. & 2. as the educational requirements to sit for the CPA exam for 120 hour candidates are more stringent than the requirements for 150 hour candidates due to the 6 hour requirement for courses in economics, business law and finance. Additionally, New Jersey's educational requirements appear to more stringent than the requirements for the states that border New Jersey. Consequently, New Jersey is not competitive with its border states, and the majority of New Jersey colleges and universities do not have curriculums that produce/graduate accounting majors that meet the requirements to sit for the CPA exam in New Jersey. The Society is willing to work with the Board on the front before statues and regulations are promulgated to provide input and suggestions. By doing so, confusion and misinterpretation of the statues and regulations could be minimized.

Irene Douma, Professor, Department of Accounting, Law and Taxation at Montclair State University, thanked the Board for passing the waiver that would enable the current graduates and future graduates to sit for the CPA exam with a baccalaureate degree. At the present time, in Ms. Douma's there is no college or university that would meet all of the educational requirements that were specified in the May 16, 2011 regulation adoption.

Ms. Douma also stated that communication is a very important attribute in business and accountants need to communicate effectively. She asked the Board to communicate effectively with its constituents and stakeholders before regulations are changed or adopted in order to understand the impact of a proposed change on students, graduates and educational institutions.

None of the proposed changes in educational requirements to sit for the CPA exam were posted on the New Jersey State Board of Accountancy web site. Ms. Douma informed the Board that she looked under **Alerts** and **Proposals and Adoptions** pages and nothing was posted until October. Universities and colleges need time to be able to adjust their programs. Ms. Douma asked the Board inform the educators what is necessary to achieve the goals in a more effective way.

Ken Heslip, informed the Board that he would like to offer his help and moving information forward. Mr. Heslip informed the Board that he has been teaching CPE review and Ethics courses for 28 years. Mr. Heslip informed the Board that to allow candidates to sit for the exam earlier after a BA degree has been attained is a good thing.

On a motion made by John Dailey, seconded by Donald Jump, the Board voted to adjourn the Public Session meeting at 1:10 P.M. to enter into Executive Session to discuss ten UPL-Request for Consideration, three Old Business matters, four Request for CPE Waiver, one Request for Reinstatement, one Request for Reciprocity, one PCAOB report, one miscellaneous matter and three Consumer Complaints. The vote of the Board was unanimous.

Respectfully submitted,

William Mandeville
Executive Director