



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY
 2000 EVERGREEN STREET, SUITE 250
 SACRAMENTO, CA 95815-3832
 TELEPHONE: (916) 263-3680
 FACSIMILE: (916) 263-3675
 WEB ADDRESS: <http://www.cba.ca.gov>



DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)

MINUTES OF THE
MAY 12-13, 2010
CBA MEETING

The Hilton Pasadena
 168 South Los Robles Ave.
 Pasadena, CA 91101
 Telephone: (626) 577-1000
 Facsimile: (626) 584-3148

Alternate/Satellite Location:
 Bureau of Automotive Repair (Field Office)
 1361 South Winchester Blvd., Ste. 206
 San Jose, CA 95117
 (408) 277-1860

Roll Call and Call to Order.

President Manuel Ramirez called the meeting to order at 1:30 p.m. on Wednesday, May 12, 2010 at the Hilton Pasadena. The CBA members heard Agenda Items I – IV. The CBA members convened into executive closed session at 2:10 p.m. to deliberate Agenda Item III.A., and into closed session at 2:40 p.m. to deliberate Agenda Items III.B – G. The meeting reconvened into open session at 3:20 p.m., and the meeting adjourned at 3:26 p.m. CBA President Ramirez reconvened the meeting to order at 9:11 a.m. on Thursday, May 13, 2010, and the meeting adjourned at 12:30 p.m.

CBA Members

May 12, 2010

Manuel Ramirez, President	1:30 p.m. to 3:26 p.m.
Sally Anderson, Vice President	1:30 p.m. to 3:26 p.m.
Marshal Oldman, Secretary-Treasurer	1:30 p.m. to 3:26 p.m.
Diana Bell	1:33 p.m. to 3:26 p.m.
Rudy Bermudez	2:01 p.m. to 3:26 p.m.
Michelle Brough	1:30 p.m. to 3:26 p.m.
Angela Chi	Absent.
Donald Driftmier	1:30 p.m. to 3:26 p.m.
Herschel Elkins	1:30 p.m. to 3:26 p.m.
Louise Kirkbride	Absent.
Leslie LaManna	1:30 p.m. to 3:26 p.m.
Robert Petersen	1:30 p.m. to 3:26 p.m.
David Swartz	1:30 p.m. to 3:26 p.m.
Lenora Taylor	1:33 p.m. to 3:26 p.m.
Andrea Valdez	1:30 p.m. to 3:26 p.m.

CBA Members

May 13, 2010

Manuel Ramirez, President	9:11 a.m. to 12:30 p.m.
Sally Anderson, Vice President	9:11 a.m. to 12:30 p.m.
Marshal Oldman, Secretary-Treasurer	9:11 a.m. to 12:30 p.m.
Diana Bell	9:11 a.m. to 12:30 p.m.
Rudy Bermudez	9:11 a.m. to 12:30 p.m.
Michelle Brough	Absent.
Angela Chi	Absent.
Donald Driftmier	9:11 a.m. to 12:30 p.m.
Herschel Elkins	9:11 a.m. to 12:30 p.m.
Louise Kirkbride	10:05 a.m. to 12:30 p.m.
Leslie LaManna	9:11 a.m. to 12:30 p.m.
Robert Petersen	9:11 a.m. to 12:30 p.m.
David Swartz	9:11 a.m. to 12:30 p.m.
Lenora Taylor	9:11 a.m. to 12:30 p.m.
Andrea Valdez	9:11 a.m. to 12:30 p.m.

Staff and Legal Counsel

Patti Bowers, Executive Officer
Dan Rich, Assistant Executive Officer
Rich Andres, Information Technology Staff
Veronica Daniel, Executive Analyst
Gary Duke, Legal Counsel, Department of Consumer Affairs (DCA)
Paul Fisher, Supervising Investigative CPA
Dominic Franzella, Manager, Licensing Division
Scott Harris, Deputy Attorney General, Department of Justice
Lauren Hersh, Information and Planning Officer
Rafael Ixta, Chief, Enforcement Division
Nick Ng, Manager, Administration Division
Deanne Pearce, Chief, Licensing Division
Matthew Stanley, Legislation/Regulation Analyst

Committee Chairs and Members

Cheryl Gerhardt, Vice Chair, Enforcement Advisory Committee (EAC)
Fausto Hinojosa, Chair, Qualifications Committee (QC)
Harish Khanna, Chair, EAC

Other Participants

April Alameda, Special Aide to the Director, DCA
Debbie Balaam, Acting Chief Information Officer, DCA
Julie Cabos-Owens, Administrative Law Judge (ALJ)
Carl Olson
Pilar Onate-Quintana, KP Public Affairs, for national firms
Gary Pado, Petitioner

Joe Petito, The Accountants Coalition
Jonathan Ross, KP Public Affairs, for national firms
Brandon Rutschmann, BreEZe Project Manager, DCA
Anita Scuri, Supervising Senior Counsel, DCA
Brian Stiger, Director, DCA
Jeannie Tindel, California Society of Certified Public Accountants (CalCPA)

I. Roll Call and Call to Order.

CBA President Ramirez called the meeting to order at 1:30 p.m. on Wednesday, May 12, 2010.

II. Regulations.

A. Regulation Hearing Regarding Sections 87.9, 88.2, and 90 – Continuing Education: Exceptions and Extensions.

Mr. Duke stated this is a public hearing on proposed regulations of the CBA, DCA, to consider adopting regulations to clarify the CBA's requirements pertaining to "peer review." Mr. Duke further stated specifically, the CBA is considering amending Sections 87.9, 88.2, and 90 of the CBA's regulations.

Mr. Duke stated the CBA, pursuant to the authority vested by Sections 5010 and 5027 of the Business and Professions Code, is authorized to amend, adopt, or repeal regulations for the administration and enforcement of the Chapter 1 Division 3 of the Business and Professions Code.

Mr. Duke stated the hearing is taking place on May 12, 2010 and the time is approximately 1:32 p.m. Mr. Duke further stated the hearing is being held at the Hilton Hotel, 168 South Los Robles Ave., Pasadena, California.

Mr. Duke stated the CBA has received no written comments on the proposal. Mr. Duke stated the CBA shall be provided and shall consider all comments at this hearing. Mr. Duke stated anyone who wishes to comment in writing but does not wish to speak today is welcome to do so. Mr. Duke stated if the CBA receives written comments on the proposed regulations, they will be acknowledged and entered into the official record of the rulemaking proceedings.

Mr. Duke stated the procedures regarding witness testimony and public comments. No witness testimony or public comments were received.

Mr. Duke adjourned the hearing at 1:40 p.m.

1. Consideration of Adoption of Proposed Regulation Sections 87.9,

88.2, and 90 – Continuing Education: Exceptions and Extensions.

Mr. Franzella stated staff is requesting the CBA to take formal action in order to adopt proposed regulatory language (**see Attachment 1**) and to direct staff to complete all necessary rulemaking activities, prior to submitting the rulemaking file to the Office of Administrative Law (OAL).

It was moved by Mr. Driftmier, seconded by Mr. Swartz and unanimously carried by those present to adopt the proposed regulatory language as recommended by staff, and direct staff to complete all necessary rulemaking activities.

- B. Consideration of Readoption of the Emergency Peer Review Regulations.

Mr. Franzella provided an overview of the memorandum for this item (**see Attachment 2**).

It was moved by Mr. Swartz, seconded by Ms. Bell and unanimously carried by those present to readopt the emergency peer review regulations as recommended by staff, and direct staff to complete the necessary rulemaking paperwork, and to delegate authority to the CBA's Executive Officer to seek an additional 90-day extension from OAL if necessary.

- III. Petitions, Stipulations, and Proposed Decisions [Closed Session Government Code Section 11126(c)(3)] Petition Hearings are Public Before the CBA with a Subsequent Closed Session.

- A. Gary Pado – Petition for Reinstatement of Revoked Certificate.

Mr. Pado appeared before the CBA members to petition for reinstatement of his revoked certificate.

ALJ Julie Cabos-Owens and the CBA members heard the petition and convened into executive closed session to deliberate the matter. ALJ Cabos-Owens will prepare the decision.

- B. John Vincent Cracchiolo – Stipulated Settlement.

- C. Erin Decker - Stipulated Settlement.

- D. Richard Large – Stipulated Settlement.

- E. Ernest E. Dow – Stipulated Settlement.

- F. Choi, Dow Ian Hong & Lee Accountancy Corp: – Stipulated Surrender of

License.

G. Maynard Moreland – Stipulated Settlement.

CBA members considered agenda items III.B – G. in closed session.

IV. Public Comments.

No public comments were received.

V. Roll Call and Call to Order.

CBA President Ramirez called the meeting to order at 9:11 a.m. on Thursday, May 13, 2010.

VI. Report of the President.

A. Update on California Research Bureau (CRB) Study.

Ms. Bowers stated the CRB report has not yet been issued. Ms. Bowers stated that legislation is being proposed to modify the reporting date and allow for the report to the Legislature be six months after the CRB presents its report to the CBA. CRB could not provide a definitive date of when the report will be available due to significant staffing issues.

B. Update on Ethics Curriculum Committee (ECC) Appointments.

Ms. Bowers stated she recently received information that Senator Yee's Office will be issuing letters to the appointing authorities urging them to make their appointments to this committee.

C. Recommendation for Appointment of ECC Chair.

It was moved by Mr. Bermudez, seconded by Mr. Elkins and carried by those present to adopt the recommended appointment of Mr. Driftmier as Chair of the ECC. Mr. Petersen abstained.

D. Peer Review Oversight Committee (PROC) Appointments.

Mr. Ramirez stated that previously there was not a sufficient number of applicants for recruiting this committee. Mr. Ramirez further stated that Ms. Bowers indicated there are now eight or nine résumés in hand for review and he, along with Vice President Anderson, will review these résumés for consideration.

E. Consideration of Modification to Executive Officer's Delegation of Authority.

Mr. Duke presented a modified delegation of authority in order to provide clarifying language regarding the specific authority given by the CBA to Ms. Bowers (**see Attachment 3**).

Mr. Harris stated there may be a loophole in the way the language is currently drafted specifically the section that stated “pending the conclusion of a criminal action concerning a licensee.” Mr. Harris noted if the criminal action ends prior to the end of an administrative action, it would seem that the CBA would have to seek a separate Interim Suspension Order (ISO) after the conclusion of the criminal matter, pending the conclusion of the administrative matter. Mr. Duke stated if the matter is carried over for some time, the CBA would have ample opportunity to seek and approve an ISO.

Mr. Olson stated the title for this agenda was vague, and there was no back up materials and or proposal. Ms. Daniel stated there was an E-news notification sent to all interested parties, indicating that this information was available on the CBA Web site.

It was moved by Mr. Bermudez, seconded by Mr. Petersen and unanimously carried by those present to adopt the recommended modification to the Executive Officer’s delegation of authority and to direct staff to incorporate the additional clarifying language into the regulation.

F. Update on Peer Review Implementation.

Mr. Franzella provided an overview of the memorandum for this item (**see Attachment 4**).

Mr. Petersen stated there is a joint meeting of the AICPA Peer Review Committee and NASBA’s Peer Review Committee to consider changes that would add increased transparency. Mr. Petersen further stated that he will be attending this meeting on behalf of NASBA, and will report back to the CBA.

VII. Report of the Vice President.

A. Enforcement Advisory Committee (EAC) Appointments.

There was no report for this item.

B. Qualifications Committee (QC) Appointment.

It was moved by Ms. Anderson, seconded by Mr. Petersen and unanimously carried by those present to adopt the recommended appointment of Ms. Cassandra Moore-Hudnall to the QC.

VIII. Report of the Secretary/Treasurer.

A. Discussion of Governor's Budget.

B. FY 2009/2010 Third Quarter Financial Statement.

Mr. Oldman provided an overview of this agenda item
(see Attachment 5).

Ms. Anderson inquired regarding penalties and fines and if the CBA keeps the proceeds. Mr. Duke stated the money goes into the reserve.

Mr. Ramirez inquired regarding the status of reduction to licensing fees. Mr. Rich stated the regulatory language has been drafted and the CPC considered additional language in terms of having to reassess where the CBA stands before the fees were automatically restored after four years. Mr. Rich further stated more information will be provided under the CPC report.

IX. Report of the Executive Officer.

A. DCA Director's Report.

This item was deferred to take place after Agenda Item IX.E.

B. DCA Board Member and Advisory Committee Training Day.

Ms. Bowers stated this training is scheduled to take place on Tuesday, July 27, 2010. The DCA is hosting an enforcement training day for all board members under the DCA and is tentatively scheduled to take place at the Sacramento Public Library, the day before the July 28, 2010 CBA Meeting. Ms. Bowers stated that more information regarding this training will be provided as it becomes available from the DCA.

CBA members inquired if this is a new training and if it is mandatory. Ms. Bowers stated it is a new training, intended for all board members and it is not mandatory; however, the DCA is urging all board members to attend.

C. Update on CBA Staffing.

Ms. Bowers stated that all enforcement management positions have been filled, in addition to a staff Investigative CPA position. Ms. Bowers stated that two vacancies remain in the enforcement division, and the CBA has five vacancies in total.

Ms. Bowers introduced Mr. Nick Ng, newly appointed manager to the Administration Division. Ms. Bowers stated Mr. Ng is replacing Ms.

Theresa Siepert, who left the CBA and is now at the Office of the Inspector General.

Ms. Bell inquired if the vacancies are reason for wages and salaries being significantly less. Ms. Bowers stated this is likely due to the furloughs.

D. Educational Presentation – BreEZe Program.

This item was deferred to take place after Agenda Item IX.E.

E. Update on 2010/2012 CBA Communications and Outreach Plan.

Ms. Hersh provided an overview of the memorandum for this item **(see Attachment 6)**.

Mr. Ramirez requested press releases be issued to communicate the progress of the reduction to licensing fees to licensees.

Mr. Driftmier stated the importance of providing accurate information regarding the licensure process to potential licensing candidates.

At this time, CBA members heard Agenda Item IX.A.

Mr. Stiger provided updates regarding the DCA's Consumer Protection Enforcement Initiative and the BreEZe project.

Mr. Stiger stated that all boards will be participating in a performance measures project in an attempt to ensure that board members have a clear understanding of how well enforcement units are operating.

Mr. Stiger stated that the DCA-sponsored Senate Bill (SB) 1111 to give healing arts boards' Executive Officers more authority to investigate and prosecute cases quicker, failed to make it out of committee.

Mr. Stiger stated the healing arts boards will be initiating rulemaking for the provisions in the bill that will help them improve their enforcement programs. Mr. Stiger stated the non-healing arts boards are encouraged to review SB 1111 and implement some of those provisions as well.

Mr. Stiger provided an update regarding the DCA Enforcement Academy, which was developed to ensure investigators receive professional development and training. Mr. Stiger stated that these classes are currently taking place, and that the DCA intends to hold a few more classes by end of the fiscal year.

Mr. Stiger stated that information regarding continuing education and exploring other opportunities for continued competence will be provided at the July DCA Board Member and Advisory Committee Training Day.

At this time, CBA members heard Agenda Item IX.D.

Ms. Bowers stated there was discussion at the March 2010 CBA meeting indicating the BreEZe project was on hold; however, after a recent conversation with DCA, clarity was provided that the BreEZe system is still moving forward.

Ms Bowers introduced Ms. Debbie Balaam, Chief Information Officer of the DCA who provided an update and information relating to the BreEZe project.

Ms. Balaam and Mr. Richman provided a presentation overview of the BreEZe project **(see Attachment 7)**.

CBA members inquired regarding the per-transaction fee and current licensee files being uploaded into the BreEZe system. Ms. Bowers stated that options whether the transaction fee will be charged to the licensee or absorbed by the CBA will need to be discussed. Ms. Balaam stated that conversion of old data will be included in the system and not charged separately. Ms. Balaam stated there is also a document imaging project available to the CBA, which will be tied into this system.

F. Update on Current Projects List.

Ms. Bowers presented a handout detailing the projects currently assigned to CBA staff **(see Attachment 8)**.

G. Abandoned Records Response Letter.

Mr. Rich provided an overview of the memorandum for this item **(see Attachment 9)**.

Mr. Elkins suggested a technical amendment to clarify the relative statute.

Ms. Valdez suggested consistency within the letter regarding grammar and use of pronouns.

H. Update on Future CBA Meeting Locations.

Ms. Bowers stated the July 28, 2010 CBA meeting will take place at the Holiday Inn Express, Sacramento. Ms. Bowers stated the contract for the meeting space was negotiated at no cost to the CBA, including complimentary shuttle service to and from the airport, as well as the surrounding area, including the DCA training in downtown Sacramento. Ms. Bowers stated the only potential negative to using this location is that there is not a lot of restaurants within walking distance. Ms. Bowers

stated if desired, CBA staff could coordinate for a group dinner with transportation.

CBA members expressed overall positive comments regarding the upcoming meeting location and in CBA's efforts in cost savings regarding meeting expenses.

Ms. Kirkbride expressed thanks to Ms. Daniel for arranging a satellite location for her attendance at this meeting.

At this time, CBA members heard Agenda Item XV.B.2. – NASBA Nominations – Nominating Committee Members, Directors-at-Large, and Regional Directors.

Mr. Rich provided an overview of the memorandum for this item **(see Attachment 10)**.

It was moved by Ms. Taylor, seconded by Ms. Anderson and unanimously carried by those present to approve the proposed recommendation for Mr. Bermudez to serve as NASBA's Western Regional Director.

At this time, CBA members heard Agenda Item XV.B.3. – NASBA's 2010 Awards Nominations.

Mr. Rich provided an overview of the memorandum for this item **(see Attachment 11)**.

Ms. Anderson requested for staff to bring back more detail regarding NASBA's awards. Mr. Rich stated this information will be provided in the Executive Officer's Monthly Report.

Mr. Bermudez requested if staff can assist with preparing letters for CBA members who wish to remain on NASBA committees. Ms. Bowers stated that staff are available to assist with such requests.

X. Report of the Licensing Chief.

A. Report on Licensing Division Activity.

Ms. Pearce provided an overview of the memorandum for this item **(see Attachment 12)**.

Ms. Pearce recognized Mr. Franzella, and staff member Jenny Sheldon, for their hard work and efforts in coordinating the first meeting of the Accounting Education Committee.

Ms. Pearce recognized licensing staff and managers Kris McCutchen and

Liza Walker for their hard work and efforts in maintaining processing time frames less than 30 days for both examination and licensure applications.

Ms. Pearce stated that staff continue to do worksheet reviews and continuing education audits to ensure competency of licensees.

B. Update on DCA's Program to Accept Credit Card Payments for License Renewal.

Ms. Pearce provided an overview of the memorandum for this item **(see Attachment 13)**.

Ms. Balaam stated this project went live and there is a possibility that the CBA may be able to join this pilot by the 3rd or 4th quarter of this year.

XI. Report of the Enforcement Chief.

A. Report on Status of Enforcement Matters.

1. Enforcement Case Activity and Status Report.

Mr. Ixta provided an overview of the new Enforcement Case Activity and Status Report **(see Attachment 14)**.

CBA members inquired regarding the status of the Investigative CPA pay differential matter. Ms. Bowers stated that she has been working closely with the DCA regarding this matter and has an upcoming meeting scheduled to discuss the status. Mr. Stiger stated that he has a team assigned to this matter and expects to have a proposed package ready for submission to the Department of Personnel Administration by the end of June 2010.

Mr. Ixta stated the CBA is working on many opportunities to improve the continued recruitment of Investigative CPAs.

2. Major Case Summary

Mr. Ixta reported that there are three open matters in the major case category as of April 15, 2010.

Ms. Bowers stated that the process for utilizing Subject Matter Experts may be changing. Ms. Bowers stated that this may have an impact on the CBA's ability to timely resolve enforcement matters. Ms. Bowers stated she is working closely with the DCA regarding this matter, and will provide a status at an upcoming CBA meeting.

3. Report on Citations and Fines.

Mr. Ixta reported that as of April 15, 2010, the CBA has issued 22 fines for \$27,150. Mr. Ixta stated that “practice without a permit” generates the largest fines.

4. Reportable Events Report.

Mr. Ixta reported that from the period of July 1, 2009 to April 20, 2010, the CBA has received 243 reportable events; with 182 of those reportable events being restatements.

XII. Committee and Task Force Reports.

A. Report of the Enforcement Program Oversight Committee (EPOC).

1. Report of the May 12, 2010 EPOC Meeting.
2. Role of the EPOC.
3. Overview of the Enforcement Process.
4. Overview of Discipline Imposed in the Last Two Years.

Mr. Elkins stated the purpose of the EPOC meeting was informational and that no motions were made. Mr. Elkins stated that staff provided valuable information regarding the role and purpose of the EPOC and the investigation process. Mr. Elkins stated the items for review at future EPOC meetings will include:

- Mediation within the disciplinary process
- Whether any additional easy-to-read information should be provided to the accused with notice of an accusation
- Delegating Ms. Bowers with authority to approve stipulations, as suggested by DCA Director; if so, what would be the limitations
- Establishing an e-mail voting process to approve stipulations, unanimity required
- Costs for probation monitoring
- Probation limitation on accepting new clients
- Acceleration of peer review during probation

Mr. Elkins further stated that additional topics may be added upon request or by direction of the CBA President and discussion priorities will be set.

B. Report of the Committee on Professional Conduct (CPC).

1. Report of the May 12, 2010 CPC Meeting.

2. Consideration of Regulatory Language for Article 70 – Fees.

It was moved by Mr. Oldman, seconded by Ms. Anderson and unanimously carried by those present to adopt the CPC’s recommendation to approve the addition of the new language to the proposal.

3. Consideration of Regulatory Language for Article 98.2 – Peremptory Challenge.

Ms. LaManna stated the CPC took no action on this item and will await the outcome of Assembly Bill (AB) 2537. .

4. Consideration of Posting Accusations on the CBA’s Web Site.

Ms. LaManna stated that the CPC recommends that the CBA direct staff to pursue legislation to amend Section 5103.5 to authorize the CBA to post accusations.

It was moved by Ms. LaManna, seconded by Ms. Taylor to adopt the CPC’s recommendation that CBA direct staff to pursue legislation to amend Section 5103.5 to authorize the CBA to post accusations. Ms. LaManna later withdrew this motion.

Mr. Duke stated the legislative history of 5103.5 shows that the legislature had specifically considered affirmatively requiring the CBA to post its accusations on the Internet and through amendments, the Legislature changed its mind. Mr. Duke further stated the specificity of subsection 5103.5 (b) is so specific it doesn’t provide the CBA with much leeway to independently post its accusations under existing law.

Mr. Stiger stated he was unaware of this restriction and that it should have been identified sooner. Mr. Stiger stated the DCA’s position is that in order to achieve full transparency, accusations should be posted once filed. Mr. Stiger stated he will go back and work with the DCA legal counsel to ensure the CBA has appropriate legal authority in this matter.

Mr. Ramirez stated this item shall be deferred until further information is received from the DCA.

CBA members discussed this matter and the time constraints associated with pursuing a legislative solution.

Mr. Stiger stated the CBA could expect a legal opinion from the DCA regarding this matter within the next 30 days.

It was moved by Ms. LaManna, seconded by Mr. Petersen and

unanimously carried by those present to direct staff to coordinate with the DCA regarding the CBA's ability to post accusations. If it is determined that the CBA does not have such authority, staff will then seek a legislative solution to be provided for consideration before the CBA.

- a. Options for Addressing Concerns Regarding Posting Accusations on the CBA's Web Site.

This item was deferred to take place at a future CBA meeting.

C. Report of the Legislative Committee (LC).

1. Report of the May 12, 2010 LC Meeting.
2. AB 1215 – Public Employees: Furlough Exemptions.

It was moved by Mr. Driftmier, seconded by Ms. LaManna and carried by those present to adopt the LC's recommendation to adopt a support position on AB 1215. Ms. Anderson and Ms. Kirkbride opposed. Mr. Bermudez and Mr. Petersen were temporarily absent.

3. AB 1787 – Regulations: Narrative Description.

It was moved by Ms. Bell, seconded by Ms. Taylor and unanimously carried by those present to adopt the LC's recommendation to adopt a support position on AB 1787. Mr. Bermudez and Mr. Petersen were temporarily absent.

4. AB 2652 – Regulations: Legislative Review.

It was moved by Mr. Elkins, seconded by Ms. Valdez and unanimously carried by those present to adopt the LC's recommendation to adopt a watch position on AB 2652. Mr. Bermudez and Mr. Petersen were temporarily absent.

5. Consideration of Amendments to AB 1659.

It was moved by Ms. Taylor, seconded by Ms. Bell and unanimously carried by those present to adopt the LC's recommendation to maintain a watch position on AB 1659. Mr. Bermudez and Mr. Petersen were temporarily absent.

6. Consideration of Amendments to AB 1993.

It was moved by Ms. Anderson, seconded by Ms. Taylor and carried by those present to adopt the LC's recommendation to

maintain an oppose position on AB 1993. Mr. Elkins abstained. Mr. Bermudez and Mr. Petersen were temporarily absent.

7. Consideration of Amendments to AB 2537.

The LC recommended that the CBA maintain its neutral position on AB 2537. The CBA took no action on this item.

8. Consideration of Amendments to AB 2603.

The CBA took no action on this item as it failed in committee and is a dead bill.

9. Consideration of Amendments to SB 942.

It was moved by Mr. Elkins, seconded by Mr. Swartz and unanimously carried by those present to adopt the LC's recommendation to adopt an oppose position on SB 942. Mr. Bermudez and Mr. Petersen were temporarily absent.

10. Consideration of Amendments to SB 1111.

It was moved by Ms. Anderson, seconded by Mr. Swartz and unanimously carried by those present to adopt the LC's recommendation to adopt a neutral position on SB 1111. Mr. Bermudez and Mr. Petersen were temporarily absent.

11. Consideration of Amendments to SB 1171.

The LC recommended that the CBA maintain its watch position on SB 1171. The CBA took no action on this item.

12. Consideration of Amendments to SB 1351.

It was moved by Ms. Anderson, seconded by Mr. Swartz and carried by those present to adopt the LC's recommendation to withdraw its support and discontinue following SB 1351. Ms. Bell abstained. Mr. Bermudez and Mr. Petersen were temporarily absent.

13. Consideration of Amendments to SB 1490.

The LC recommended that the CBA maintain its watch position on SB 1490. The CBA took no action on this item.

D. Report of the Accounting Education Committee (AEC).

1. Report of the April 8, 2010 AEC Meeting.

Mr. Driftmier reported that the AEC held its first meeting on April 8, and began deliberation on the accounting study requirements. Mr. Driftmier stated a general consensus was reached that the AEC members will use present definitions regarding accounting and business-related subject matter in Section 9.2 of CBA regulations.

2. Update on AEC Timeline.

Mr. Driftmier stated that a timeline for the AEC has been provided and the next meeting will tentatively take place on June 23, 2010.

Ms. Bowers expressed thanks to Ms. Pearce, Mr. Franzella, and staff for their hard work and efforts in coordinating the AEC meeting. Mr. Driftmier concurred with Ms. Bowers' comments.

E. Report of the Enforcement Advisory Committee (EAC).

1. Report of the May 6, 2010 EAC Meeting.

Mr. Khanna expressed thanks to the enforcement staff for providing its educational presentation regarding EPOC. Mr. Khanna stated the EAC conducted six file reviews and agreed with enforcement staff on all six files. Mr. Khanna stated the next EAC meeting is scheduled for August 5, 2010 in Sacramento.

F. Report of the CPA Qualifications Committee (QC).

1. Report of the April 21, 2010 QC Meeting.

Mr. Hinojosa stated the QC had eight appearances, one personal appearance where the candidate was not approved. Mr. Hinojosa stated there were seven Section 69 appearances, four were approved, and three not approved.

Mr. Hinojosa stated the QC discussed proposed regulatory language for Sections 12 and 12.5 relating to defining supervision. Mr. Hinojosa stated the QC's recommended language will be provided for consideration by the CBA at its July 2010 meeting.

Mr. Hinojosa stated the QC had significant discussion and will be providing the CBA with recommendations regarding the matter of defining General Experience for consideration at its July 2010 meeting.

Mr. Hinojosa stated the QC decided to maintain status quo regarding the matter of required hours regarding Attest Experience.

XIII. Appeals – Personal/Written

None.

XIV. Adoption of Minutes.

- A. Draft Minutes of the March 25-26, 2010 CBA Meeting.
- B. Draft Minutes of the March 25, 2010 CPC Meeting.
- C. Draft Minutes of the March 25, 2010 LC Meeting.
- D. Minutes of the January 27, 2010 QC Meeting.

It was moved by Mr. Oldman, seconded by Ms. Anderson and carried by those present to approve agenda items XIV.A. – D. Mr. Bermudez and Mr. Elkins abstained.

XV. Other Business.

A. American Institute of Certified Public Accountants (AICPA).

- 1. Update on AICPA State Board Committee.

Mr. Driftmier stated the hot topic of discussion within the AICPA is still the changes to the Uniform CPA Examination (**see Attachment 15**).

B. National Association of State Boards of Accountancy.

- 1. Update on NASBA Committees.

- a. Accountancy Licensee Database (ALD) Task Force.

There was no report for this item.

- b. Board Relevance and Effectiveness Committee.

Mr. Oldman stated the Board Relevance & Effectiveness Committee is drafting a report and it is expected to be available in July 2010.

- c. Compliance Assurance Committee.

There was no report for this item.

- d. Education Committee.

There was no report for this item.

e. Global Strategies Committee.

There was no report for this item.

f. Uniform Accountancy Act Committee.

There was no report for this item.

2. NASBA Nominations – Nominating Committee Members, Directors-at-Large, and Regional Directors.

This Agenda Item was heard earlier in the meeting, after Agenda Item IX.E.

3. NASBA's 2010 Awards Nominations.

This Agenda Item was heard earlier in the meeting, after Agenda Item IX.E.

XVI. Closing Business.

A. CBA Member Comments.

No comments were received.

B. Comments from California Society of Certified Public Accountants (CalCPA) Representative.

No comments were received.

C. Comments from Society of California Accountants Representative.

No comments were received.

D. Public Comments.

Mr. Olson presented a written statement (**see Attachment 16**).

Mr. Ramirez thanked Mr. Olson for his report and comments. Mr. Ramirez stated that for clarification purposes, the CBA did not make any formal statements in the nature of innocuous or negligible value, and that those comments were made by former Enforcement Chief, Greg Newington. Mr. Ramirez further stated the CBA has considered Mr. Olson's request and the matter was previously concluded.

E. Agenda Items for Future CBA Meetings.

No agenda items were received.

Adjournment.

President Ramirez adjourned the meeting at 12:30 p.m. on Thursday, May 13, 2010.

Manuel Ramirez, President

Marshal Oldman, Secretary-Treasurer

Veronica Daniel, Executive Analyst, and Patti Bowers, Executive Officer, CBA, prepared the CBA meeting minutes. If you have any questions, please call (916) 561-1718.