



**DEPARTMENT OF CONSUMER AFFAIRS**  
 CALIFORNIA BOARD OF ACCOUNTANCY  
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**DEPARTMENT OF CONSUMER AFFAIRS**  
**CALIFORNIA BOARD OF ACCOUNTANCY (CBA)**

**MINUTES OF THE**  
**SEPTEMBER 1, 2011**  
**SPECIAL TELECONFERENCE MEETING OF THE CBA**  
 (Government Code Section 11125.4(a)(2))

**Teleconference Locations:**

RJI Ramirez Jimenez International CPAs* 1900 Main St., Ste. 375 Irvine, CA 92614	Gumbiner Savett Inc. 1723 Cloverfield Blvd. Santa Monica, CA 90404
Law Offices of Lenora Taylor 109 Jackson St., Ste. 240 Hayward, CA 94544	LaManna & LaManna CPAs 16870 West Bernardo Dr., Ste. 400 San Diego, CA 92127
Bureau of Automotive Repair 1361 South Winchester Blvd., Ste. 206 San Jose, CA 95117	Leung Accountancy Corp. 2135 Huntington Dr., Ste., 108 San Marino, CA 91108
3130-C Inland Empire Blvd. Ontario, CA 91764	575 Park Ave. New York, NY 10065

\*Live Webcast took place from this location.

Roll Call and Call to Order.

President Sally Anderson called the teleconference meeting to order at 3:00 p.m. on Thursday, September 1, 2011.

**CBA Members**

**September 1, 2011**

Sarah (Sally) Anderson, CPA, President	3:00 p.m. to 3:47 p.m.
Marshal Oldman, Vice President	Absent.
Leslie LaManna, CPA Secretary-Treasurer	3:00 p.m. to 3:47 p.m.
Diana Bell	3:05 p.m. to 3:47 p.m.
Alicia Berhow	3:00 p.m. to 3:47 p.m.
Michelle Brough	3:00 p.m. to 3:47 p.m.
Donald Driftmier, CPA	3:00 p.m. to 3:47 p.m.
Herschel Elkins	3:00 p.m. to 3:47 p.m.
Laurence Kaplan	Absent.
Louise Kirkbride	3:00 p.m. to 3:47 p.m.

K.T. Leung, CPA	3:00 p.m. to 3:47 p.m.
Manuel Ramirez, CPA	3:00 p.m. to 3:47 p.m.
Michael Savoy, CPA	3:00 p.m. to 3:47 p.m.
David Swartz, CPA	3:00 p.m. to 3:47 p.m.
Lenora Taylor	3:00 p.m. to 3:47 p.m.

Staff and Legal Counsel

Patti Bowers, Executive Officer  
 Rich Andres, Information Technology Staff  
 Matthew Stanley, Legislation/Regulation Analyst  
 Kristy Shellans, Legal Counsel, Department of Consumer Affairs (DCA)

Other Participants

Samuel Lemmon, University of Southern California

- I. Determination of Need for Special Meeting (**Sally Anderson**).

**It was moved by Mr. Driftmier, seconded by Ms. Taylor and carried by those present to adopt the finding of need for the special teleconference meeting of the CBA (see Attachment 1). Ms. Bell abstained.**

- II. Discussion and Action to Adopt a Position on Assembly Bill (AB) 1424 – Franchise Tax Board: Delinquent Tax Debt (**Matthew Stanley, CBA Staff**).

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

Mr. Stanley stated that the current version of AB 1424 requires licensing entities to match Social Security Numbers of its licensees against the Franchise Tax Board (FTB) or State Board of Equalization (BOE) list of top delinquent taxpayers. If a licensing agency finds a match to one of its licensees, it must mail a notice within 30 days notifying the licensee of the intent to suspend the license. No sooner than 90 days, but no later than 120 days after that notice is mailed, the agency must suspend the license. If a board/bureau under the DCA fails to take action within 120 days of mailing the original notice, the DCA is required to do so.

Ms. Anderson inquired whether any other boards/bureaus within DCA support the bill. Mr. Stanley stated none are in support at this time.

Mr. Ramirez expressed concern to Ms. Bowers regarding AB 1424 not being addressed at the July CBA meeting. Mr. Ramirez further stated that he appreciates Ms. Bowers for addressing his concerns and making efforts to ensure the CBA has adequate time to address legislative matters in the future. Ms. Anderson stated that the September CBA meeting will include an educational presentation on legislation tracking.

Mr. Ramirez stated that regarding AB 1424, this is not the first time that the FTB has attempted to become involved with the restriction of licenses. Mr. Ramirez stated that the CBA and the California Society of Certified Public Accountants have already opined that such authority should not be given to the FTB. Mr. Ramirez further stated that he has a problem with the FTB trying to take a right that resides strictly with the CBA.

Mr. Ramirez inquired whether legal counsel has an opinion regarding this matter. Ms. Shellans stated there is already a program in place that is similar to this proposal, and it is her opinion that with passage of this bill, the FTB is seeking assistance from the CBA with respect to the collection of taxes.

Mr. Ramirez inquired regarding how the CBA has handled matters historically with individuals on the FTB's list. Ms. Bowers stated that to her knowledge, the CBA has had one person on the list. Ms. Bowers further stated that an investigation was pursued and the matter was resolved without discipline. Mr. Ramirez stated that given this information, the CBA should not support the bill.

Ms. Brough stated that she finds the bill offensive and problematic, and that it places a huge burden on the CBA. Ms. Brough stated she opposes the bill.

Ms. Berhow suggested that the CBA consider offering amendments to the bill and that she opposes the bill as-is.

Ms. LaManna inquired regarding why the Contractors State License Board (CSLB) was excluded from the bill. Mr. Stanley stated there is already a process in place for CSLB. Ms. LaManna stated she concurs with Mr. Ramirez' comments and opposes the bill.

Ms. Bell stated that we are required by law to pay taxes and it is an important aspect in terms of consumer protection. Ms. Bell inquired if DCA could handle the matter and not add workload to the CBA. Mr. Stanley stated that the CBA would be legally required to comply. Mr. Stanley further stated the CBA would have to violate the law in order for DCA to step in and handle.

Ms. Taylor stated she is in opposition of the CBA being required to take on this added responsibility.

Mr. Driftmier stated the CBA should not be involved in the tax collection process, and that he opposes the bill.

Mr. Elkins stated he does not believe the CBA can stop the bill. Mr. Elkins suggested that the CBA take a Neutral position.

Michael Savoy stated mistakes are made and it is not the CBA's responsibility to police whether the FTB has made an accurate assessment. Mr. Savoy indicated that he opposes the bill.

Ms. Kirkbride stated that the bill is an overreach by the State, and that she opposes the bill.

Mr. Leung stated it is CBA's responsibility to protect consumers, not to collect taxes, as such, he opposes the bill.

Mr. Swartz stated the CBA does not have financial requirements for licensure and therefore should not be suspending licenses due to financial requirements associated with the FTB. Mr. Swartz noted his opposition to the bill.

**It was moved by Mr. Ramirez, seconded by Ms. Brough and carried by those present to adopt an Oppose position on AB 1424. Ms. Bell and Mr. Elkins opposed the motion.**

III. Public Comments.

No comments were received.

Adjournment.

President Anderson adjourned the meeting at 3:47 p.m.

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Sally Anderson, President

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Leslie LaManna, Secretary-Treasurer

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