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

MINUTES OF THE
November 20, 2014
MOBILITY STAKEHOLDER GROUP (MSG) MEETING

Hilton Pasadena
168 South Los Robles Avenue
Pasadena, CA 91101
(626) 577-1000

CALL TO ORDER

Katrina Salazar, Chair, called the meeting of the MSG to order at 9:00 a.m. Ms. Salazar requested that the roll be called.

Members

Katrina Salazar, Chair	Present
Hal Schultz, Vice-Chair	Present
Jose Campos	Present
Ed Howard	Present
Rafael Ixta	Absent
Joe Petito	Present
Stuart Waldman	Present

CBA Members Observing
Mark Silverman
Kay Ko
Herschel Elkins
Michael Savoy
Alicia Berhow
Sarah (Sally) Anderson
Manuel Ramirez

CBA Staff and Legal Counsel
Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer

Rich Andres, Information Technology Staff
Corey Riordan, Board Relations Analyst
Paul Fisher, Supervising Investigative CPA
Dorothy Osgood, Supervising Investigative CPA
Dominic Franzella, Chief, Licensing Division
Vincent Johnston, Enforcement Manager
Kristy Schieldge, Senior Staff Counsel, Department of Consumer Affairs, Legal Affairs
Matthew Stanley, Manager, Exam and Practice Privilege Units

Other Participants
Jason Fox, California Society of CPAs (CalCPA)
Bob Lee, Chair, Peer Review Oversight Committee
Mo Eckley, Chair, Qualifications Committee
Pilar Oñate-Quintana, KP Public Affairs
Jon Ross, KP Public Affairs

I. Approve Minutes of the July 23, 2014 and July 24, 2014 Meetings

It was moved by Mr. Campos, seconded by Mr. Howard, and carried unanimously to approve the minutes of the July 23, 2014 meeting.

It was moved by Mr. Campos, seconded by Mr. Howard, and carried unanimously to approve the minutes of the July 24, 2014 Joint meeting.

II. The MSG Decision Matrix – A Summary of Previous Decisions Made by the MSG (Written Report Only).

Mr. Stanley provided a written report summarizing the previous decisions made by the MSG.

Mr. Howard requested additional information regarding the technical problems the National Association of State Boards of Accountancy (NASBA) is currently experiencing with fully implementing the Accountancy Licensee Database (ALD) system with the New York Board of Accountancy.

Ms. Bowers clarified the technical issues may be due to the incompatibility of New York's computer systems with the ALD, and not its willingness to collaborate with NASBA. She further stated the CBA can reach out to NASBA for a more specific timeframe on when it can be reasonably expected the ALD will be fully implemented across all state boards of accountancy.

III. Practice Privilege – Information and Statistics for Licensing and Enforcement Division and Website Usage (Written Report Only).

Mr. Stanley provided a written report summarizing information and statistics from the Licensing and Enforcement Divisions and website usage regarding practice privilege reporting, license look-up, and out-of-state accounting firm registrations.

Mr. Petito commented he would like to see more education provided to California state agencies informing them about the California practice privilege law.

IV. Discussion Regarding Defining Stakeholders and Summary of Stakeholder Objectives Pursuant to Business and Professions Code (BPC) Section 5096.21(e)

Mr. Stanley presented two definitions of "stakeholder," the first being a more broad definition, and the second being more specific. Staff recommended the MSG adopt a definition of "stakeholder" in order to better define whose objectives the provisions of the practice privilege law are designed to satisfy.

It was moved by Mr. Howard, seconded by Mr. Waldman, and carried unanimously to adopt the more broad definition of "stakeholder," as used in the CBA's 2013-2015 Strategic Plan: "Stakeholders include consumers, licensees, applicants, and professional organizations and groups that have a direct or indirect stake in the CBA because they can affect or be affected by the CBA's actions, objectives, and policies."

V. Discussion Regarding the Consumer Protection Provisions of BPC Sections 5096 and 5096.1

Mr. Stanley outlined the consumer protection provisions of BPC sections 5096 and 5096.1. He stated the provisions appear to be consistent with the CBA's duty to protect the public.

He stated staff will continue to monitor practice privilege statistics as a means of determining whether these provisions are leading to consumer harm. He also indicated that an analysis of the remaining provisions will be brought before the MSG at the March 2015 meeting.

Staff recommended the MSG determine whether the outlined provisions are consistent with the CBA's duty to protect the public.

Mr. Campos stated the consumer protection provisions are a good framework for the practice privilege program.

Ms. Salazar indicated the initial information provided is a good start to a multi-year process of ensuring the MSG is doing all it can to protect consumers.

Mr. Petito stated California's practice privilege law is fairly unique in that only New York and California have a pre-notification requirement, and suggested contacting

the state of New York to understand their pre-notification requirements and determine their experiences.

VI. Discussion Regarding the Mobility Stakeholder Group Annual Report

Mr. Stanley stated staff will prepare the Annual Report of the MSG to be reviewed and approved at the March 2015 meeting. He suggested various topics to be addressed in the Annual Report of the MSG. Those topics were:

- Message from the Chair
- Background of Mobility
- MSG Responsibilities
- MSG Members
- Legislative and Regulatory Changes to Mobility
- Statistics for the Mobility program
- Meetings and Activities
- Future Considerations for 2015

Mr. Howard requested that information on NASBA activities be included in the Annual Report.

It was moved by Mr. Petito, seconded by Mr. Campos, and carried unanimously to approve the list of items with inclusion of NASBA activities in the Annual Report of the MSG.

VII. Discussion Regarding Proposed Agenda Items for the Next MSG Meeting

Mr. Stanley presented planned topics for inclusion in the agenda for the next meeting of the MSG, and he inquired whether the MSG would like to include any other topics.

It was requested there be a standing agenda item for updates on NASBA activities and CPAVerify.

VIII. Public Comments

No Public Comments were received.

There being no further business, the meeting was adjourned at 9:48 a.m.