



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

MINUTES OF THE
September 17, 2015
MOBILITY STAKEHOLDER GROUP (MSG) MEETING

Wyndham Irvine-Orange County Airport
 17941 Von Karman Avenue
 Irvine, CA 92614
 Telephone: (949) 863-1999

CALL TO ORDER

Katrina Salazar, Chair, called the meeting of the MSG to order at 10:00 a.m. on Thursday, September 17, 2015 at the Wyndham Irvine-Orange County Airport. Ms. Salazar requested that the roll be called.

MSG Members

Katrina Salazar, CPA, Chair	Present
Joe Petito, Vice Chair	Present
Donald Driftmier, CPA	Present
Dominic Franzella	Present
Ed Howard	Absent
Michael Savoy, CPA	Present
Stuart Waldman	Absent

CBA Members Observing

Sarah (Sally) Anderson, CPA
 Alicia Berhow
 Jose Campos, CPA, President
 Laurence (Larry) Kaplan
 Herschel Elkins, Esq.
 Leslie LaManna, CPA
 Xochitl León
 Jian Ou-Yang, CPA
 Deidre Robinson
 Mark Silverman, Esq.
 Kathleen Wright, Esq., CPA

Staff and Legal Counsel

Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer
Rich Andres, Information Technology Staff
Pat Billingsley, Regulatory Analyst
Corey Faiello-Riordan, Board Relations Analyst
Dorothy Osgood, Enforcement Supervising ICPA
Gina Sanchez, Chief, Licensing Division
Kristy Schieldge, Legal Counsel, Department of Consumer Affairs (DCA)
Carl Sonne, Deputy Attorney General, Department of Justice
Matthew Stanley, Information and Planning Officer

Committee Chairs and Members

Robert Lee, Chair, CPA, Peer Review Oversight Committee
Robert Ruehl, CPA, Chair, Qualifications Committee

Other Participants

Pilar Oñate-Quintana
Jon Ross, KP Public Affairs

- I. Approve Minutes of the July 23, 2015 MSG Meeting

It was moved by Mr. Driftmier; seconded by Mr. Petito and carried unanimously to approve the minutes of the July 23, 2015 MSG Meeting.

Yes: Mr. Driftmier, Mr. Franzella, Mr. Petito, Ms. Salazar, and Mr. Savoy

No: None

Abstain: None

The motion passed.

- II. The Mobility Stakeholder Group Decision Matrix and Stakeholder Objectives.

Ms. Salazar indicated this item is a written report only.

- III. Timeline for Activities Regarding Determination to be Made Pursuant to Business and Professions Code Section 5096.21.

Ms. Salazar indicated this item was a written report only.

- IV. Discussion Regarding the Minimum Amount of Information to be Posted on the Internet in Order to be Deemed Substantially Equivalent.

Mr. Stanley provided the MSG an overview regarding the amount of information that must be posted on the Internet in order for a state to satisfy Business and Professions Code (BPC) section 5096.21(c)(4), which requires disciplinary history of a state's

licensees to be publicly available through the Internet in a manner that allows the CBA to link consumers to a website.

He reported that the Legislature has established what the minimum amount of information must include in the law itself.

BPC section 5096.21(c)(4) requires the information to be, at a minimum, equal to the information that was previously available to consumers through the prior practice privilege form. The form required a licensee to indicate if disciplinary history exists and if yes, self-report the explanatory details through an attachment. Regardless of the details provided by a licensee, which vary greatly from person to person, staff would conduct its own investigation. If action was warranted, the CBA would revoke the practice privilege and post a flag on its website to indicate disciplinary history. Therefore, a disciplinary flag posted in the Internet is the level of information required by the Legislature.

Mr. Stanley provided an overview of how the CBA, CPAVerify, and other states make this type information available on their websites. Mr. Stanley reported that staff performed preliminary research to determine which states flag disciplinary history for their licensees.

No action was needed on this item as it was informational only. NASBA will use this information as it works with states in determining which states have already posted, or can post, the disciplinary history flag on the Internet.

V. Discussion Regarding Options Including a Possible Legislative Proposal for Expediting a Rulemaking Pursuant to Business and Professions Code Section 5096.21(a).

The MSG discussed the options for expediting the rulemaking process undertaken pursuant to BPC section 5096.21(a) and explored methods to reduce the normal 12-18 month rulemaking time to add and remove states from the no notice, no fee practice privilege program in order to better protect consumers.

The first option considered was to pursue each rulemaking as an emergency regulation, which, if approved by the Office of Administrative Law (OAL), can be in-place within a few weeks. The normal rulemaking process is still required to make the emergency regulation permanent. The CBA would need to provide in its rulemaking substantial evidence to demonstrate the existence of an emergency.

The second option was to amend BPC section 5096.21(a) as proposed to provide for a legislatively declared emergency, by which the rulemaking timelines outlined in the first option would apply, but the CBA would not need to demonstrate by substantial evidence the existence of an emergency to OAL; an emergency would be presumed.

The rulemaking would only apply to removing states from the no notice, no fee practice privilege program in order to protect the public.

The MSG discussed that it appears it was the intent of stakeholders that the full timeframe for a rulemaking would allow a state time to correct its deficiencies. However, it was also pointed out that the proposal is permissive, and the CBA would have the option to pursue an emergency rulemaking if it were necessary.

It was moved by Mr. Driftmier; seconded by Mr. Savoy to recommend that the CBA adopt the proposed amendment and direct staff to proceed with the Legislative process.

Yes: Mr. Driftmier, Mr. Franzella, Mr. Petito, Ms. Salazar, and Mr. Savoy

No: None

Abstain: None

The motion passed.

VI. Discussion Regarding the National Association of State Boards of Accountancy's Activities and CPAVerify.

Mr. Stanley reported that NASBA will hold its 108th Annual Meeting October 25-28 in Dana Point, CA. Some of the major topics listed on the agenda include a review of the exposure draft for the New Uniform CPA Examination, peer review, and discussion panels to address meeting enforcement standards and recognizing changes in Education.

He further stated that there are still five states – Delaware, Hawaii, Michigan, Utah and Wisconsin – that are not yet participating in the US Accountancy Licensee Database (ALD) and CPAVerify.

No action was taken on this item.

VII. Discussion Regarding Proposed Agenda Items for the Next Mobility Stakeholder Group Meeting.

Mr. Stanley indicated that there would be a very light agenda for the MSG at its November 2015 meeting.

It was moved by Ms. Salazar; seconded by Mr. Savoy that the MSG recommends the CBA direct the MSG to next convene in January 2016.

Yes: Mr. Driftmier, Mr. Franzella, Mr. Petito, Ms. Salazar, and Mr. Savoy

No: None

Abstain: None

The motion passed.

There being no further business, the meeting adjourned at 10:26 a.m.