



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

MINUTES OF THE
May 28-29, 2015
CBA MEETING

Hilton Los Angeles Airport
 5711 West Century Boulevard
 Los Angeles, CA 90045
 Telephone: (310) 410-4000

Roll Call and Call to Order.

CBA President Jose Campos called the meeting to order at 1:31 p.m. on Thursday, May 28, 2015 at the Hilton Los Angeles Airport. The CBA convened into closed session at 4:18 p.m. until 5:05 p.m. The meeting reconvened into closed session on Friday, May 29, 2015 at 9:00 a.m. President Campos adjourned the meeting at 10:26 a.m.

CBA Members

May 28, 2015

| | |
|--------------------------------------|------------------------|
| Jose Campos, CPA, President | 1:31 p.m. to 5:05 p.m. |
| Katrina Salazar, CPA, Vice-President | 1:31 p.m. to 5:05 p.m. |
| Alicia Berhow, Secretary/Treasurer | 1:31 p.m. to 5:05 p.m. |
| Sarah (Sally) Anderson, CPA | 1:31 p.m. to 5:05 p.m. |
| Herschel Elkins, Esq. | 1:31 p.m. to 5:05 p.m. |
| Laurence (Larry) Kaplan | 1:31 p.m. to 5:05 p.m. |
| Louise Kirkbride | Absent |
| Kay Ko | 1:31 p.m. to 5:05 p.m. |
| Leslie LaManna, CPA | 1:31 p.m. to 5:05 p.m. |
| Xochitl León | 1:31 p.m. to 5:05 p.m. |
| Jian Ou-Yang, CPA | 1:31 p.m. to 5:05 p.m. |
| Michael Savoy, CPA | 1:31 p.m. to 5:05 p.m. |
| Mark Silverman, Esq. | 1:31 p.m. to 5:05 p.m. |
| Kathleen Wright, CPA | 1:33 p.m. to 5:05 p.m. |

CBA Members

May 29, 2015

| | |
|--------------------------------------|-------------------------|
| Jose Campos, CPA, President | 9:00 a.m. to 10:26 a.m. |
| Katrina Salazar, CPA, Vice-President | 9:00 a.m. to 10:26 a.m. |
| Alicia Berhow, Secretary/Treasurer | 9:00 a.m. to 10:26 a.m. |
| Sarah (Sally) Anderson, CPA | 9:00 a.m. to 10:26 a.m. |
| Herschel Elkins, Esq. | 9:00 a.m. to 10:26 a.m. |
| Laurence (Larry) Kaplan | 9:00 a.m. to 10:26 a.m. |
| Louise Kirkbride | Absent |
| Kay Ko | 9:00 a.m. to 10:26 a.m. |
| Leslie LaManna, CPA | 9:00 a.m. to 10:26 a.m. |
| Xochitl León | 9:00 a.m. to 10:26 a.m. |
| Jian Ou-Yang, CPA | 9:00 a.m. to 10:26 a.m. |
| Michael Savoy, CPA | 9:00 a.m. to 10:26 a.m. |
| Mark Silverman, Esq. | 9:00 a.m. to 10:26 a.m. |
| Kathleen Wright, CPA | 9:00 a.m. to 10:26 a.m. |

Staff and Legal Counsel

Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer
Rich Andres, Information Technology Staff
Pat Billingsley, Regulations Analyst
Dominic Franzella, Chief, Enforcement Division
Kathryn Kay, Legislation Analyst
Dorothy Osgood, Enforcement Supervising ICPA
Corey Riordan, Board Relations Analyst
Gina Sanchez, Chief, Licensing Division
Kristy Schieldge, Legal Counsel, Department of Consumer Affairs (DCA)
Carl Sonne, Deputy Attorney General, Department of Justice (DOJ)
Matthew Stanley, Examination and Practice Privilege Manager

Committee Chairs and Members

Robert Lee, Chair, CPA, Peer Review Oversight Committee
Jeffrey De Lyser, CPA, Chair, Enforcement Advisory Committee
Robert Ruehl, CPA, Chair, Qualifications Committee

Other Participants

Ken Bishop, President and Chief Executive Officer, National Association of State Boards of Accountancy
Loretta Doon, Chief Executive Officer, California Society of Certified Public Accountants (CalCPA)
Jason Fox, CalCPA
Joseph Petito, The Accountants Coalition

Jon Ross, KP Public Affairs

I. Regulations.

A. Regulation Hearing Regarding Title 16, California Code of Regulations (CCR) Section 70 – Fees.

Mr. Billingsley read the following statement regarding the regulation hearing into the record.

“Good Afternoon. This is a public hearing on proposed regulations of the California Board of Accountancy, Department of Consumer Affairs, to consider amending regulations restoring the certified public accountant biennial renewal and initial permit fees to \$200.

On behalf of the Board and its staff, I'd like to welcome you. My name is Pat Billingsley and I serve as the Board's Regulatory Analyst. I will preside over this hearing on behalf of the Board and the Department.

The California Board of Accountancy is contemplating this action pursuant to the authority vested by Sections 5010, and 5134 of the Business and Professions Code, authorizing the Board to amend, adopt, or repeal regulations for the administration and enforcement of Chapter 1 of Division 3 of the Business and Professions Code. For the record, the date today is May 28, 2015 and the time is approximately 1:32 p.m. Our hearing is being held at the Hilton Los Angeles Airport, 5711 West Century Boulevard, in Los Angeles, CA.

The notice for the hearing on these proposed regulations was published by the Office of Administrative Law. Interested parties on our mailing list have been notified of today's hearing. The language of the proposed regulations has been mailed to those who requested it and has been available on the board's Web site and upon request by other members of the public. Copies of the proposed regulations are available.

If the Board has received written comments on the proposal, those comments will be entered into the official record of the proceedings. The Board shall be provided and shall consider all written comments received up to 5:00 p.m., May 25, 2015. Those persons interested in testifying today should identify themselves and the section or subsection of the proposed regulations that they wish to address. Individuals will be called to testify in the order determined by recognition from the hearing officer.

If you have a comment about the proposed regulation or any part or specific subsection of the proposal, please step up to the microphone and give your name, spelling your last name and tell us what organization you represent, if any. Speak loudly enough for your comments to be heard

and recorded.

Remember, it's not necessary to repeat the testimony of previous commentators. It is sufficient if you simply say that you agree with what a previous speaker has stated. Written testimony can be summarized but should not be read. When you are testifying, please identify the particular regulation proposal you are addressing. Please comment only on provisions of the article under discussion.

If you have a question about a proposed regulation, please re-phrase your question as a comment. For example, instead of asking what a particular subdivision means, you should state that the language is unclear and why. This will give the Board an opportunity to address your comments directly when the Board makes its final determination of its response to your comments.

Please keep in mind that this is a public forum to receive comments on the proposed regulations from interested parties. It is not intended to be a forum for debate or defense of the regulations. After all witnesses have testified, the testimony phase of the hearing will be closed.”

No public comments were received.

Mr. Billingsley adjourned the regulation hearing at 1:44 p.m.

B. Discussion and Possible Action to Amend Title 16, CCR Section 70 – Fees.

Mr. Billingsley stated that at its March 2015 meeting, the CBA approved the proposed regulations to increase the biennial renewal and initial permit fees and directed staff to move forward with the rulemaking process.

It was moved by Ms. LaManna and seconded by Mr. Elkins to direct staff to take all steps necessary to complete the rulemaking process, including the filing of the final rulemaking package with the Office of Administrative Law, authorize the Executive Officer to make any non-substantive changes to the proposed regulations, and adopt the proposed regulations as originally noticed.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

II. Report of the President.

A. Introduction of New CBA Member, Jian Ou-Yang, CPA.

Mr. Ou-Yang introduced himself to the CBA.

B. Update Regarding Sunset Review Activities.

Mr. Campos provided an update on the sunset review activities. He stated that Vice-President Salazar and Patti Bowers, Executive Officer, testified before the Senate and Assembly Policy Committees and the CBA submitted written responses to the six issues raised by the committees. He noted that the CBA's sunset bill, Senate Bill 467, is moving through the legislative process and if passed the CBA sunset date will be extended to January 2020.

C. Presentation Regarding Bagley-Keene Open Meeting Act Specific to Attendance at Conferences or Similar Gatherings Open to the Public.

Ms. Schieldge provided a presentation of the Bagley-Keene Open Meeting Act regarding attendance at conferences or gatherings open to the public.

D. Discussion Regarding CBA Committee Liaison Roles.

Mr. Campos provided an overview of the CBA committee liaison roles. He stated that the liaisons are responsible for keeping the CBA apprised of committee deliberations and ensuring committees are aware of recent policy discussions and assignments.

E. Discussion Regarding the Mentoring of New Members.

Ms. Pearce provided an overview of the mentoring of new members.

It was moved by Ms. Berhow and seconded by Ms. LaManna to approve the proposed language regarding the mentoring of new CBA members and to direct staff to include the language in the CBA Guidelines and Procedures Manual.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

- F. Delegation of Adjournment of the CBA Meetings to the CBA President and Adjournment of the Committee Meetings to the Respective Committee Chairs.

Ms. Riordan provided an overview of the agenda item.

It was moved by Mr. Savoy and seconded by Mr. Elkins to delegate the authority to adjourn the CBA meetings to the CBA President and the committee meetings to the respective chairs, and direct staff to make any necessary updates to the CBA Guidelines and Procedures Manual and CBA Committee Resource Guide.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

- G. Mandatory Training for Board Members within the Department of Consumer Affairs.

Ms. Riordan provided an overview of the mandatory training requirements for CBA members.

- H. Discussion and Approval of the CBA's Preliminary Determinations Report Required Pursuant to Business and Professions Code Section 5096.21.

Mr. Stanley provided an overview of the agenda item. He stated that staff have included several changes, as directed by the CBA, including the method by which the CBA would gather additional information

from other states, how the information will be evaluated, and including a new section regarding NASBA's Guiding Principles of Enforcement.

It was moved by Ms. Salazar and seconded by Mr. Silverman to approve the Preliminary Determinations Report and delegate authority to the CBA President to approve the final language to be inserted on page 9 presenting the Legislature with the outcome of CBA agenda item X.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

- I. Announcement of New Committee and Liaison Appointments (Written Report Only).

There were no comments on this item.

- J. DCA Director's Report.

There was no report on this item.

III. Report of the Vice President.

- A. Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee (EAC).

There was no report on this item.

- B. Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee (QC).

It was moved by Ms. Salazar and seconded by Ms. Berhow to reappoint Erin Sacco Pineda, CPA, to the QC for a two-year term, effective June 1, 2015 until May 31, 2017.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

- C. Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee.

There was no report on this item.

IV. Report of the Secretary/Treasurer.

- A. Fiscal Year 2014–15 Mid-Year Financial Statement and Governor’s Budget.

Ms. Berhow provided an overview of this agenda item. She stated that the CBA collected approximately \$4.2 million in total receipts through the third quarter of the fiscal year (FY) 2014–15. Total revenues decreased approximately 48 percent from the same period last year due to the fee reductions. Ms. Berhow stated that total expenditures through the third quarter increased by approximately 16 percent over the same period last fiscal year.

V. Report of the Executive Officer (EO).

- A. Update on the Relocation of the CBA’s Office.

Ms. Bowers stated that the lease has been signed and the anticipated move-in date is September of this year.

- B. Update on Staffing.

Ms. Bowers stated that the CBA would be recruiting for an Information Officer, as the position would be vacant at the end of the month.

- C. Update on the CBA 2013-2015 Communications and Outreach Plan (Written Report Only).

There were no comments on this item.

VI. Report on the Enforcement Advisory Committee, Qualifications Committee, and the Peer Review Oversight Committee.

A. Enforcement Advisory Committee (EAC).

1. Report of the April 30, 2015 EAC Meeting.

Mr. De Lyser thanked Ms. Berhow for attending the EAC meeting. He stated that the EAC provided an orientation for the new member, Thomas Gilbert and held four investigative hearings.

B. Qualifications Committee (QC).

1. Report of the April 22, 2015 QC Meeting.

Mr. Ruehl thanked Ms. Ko and Ms. Wright for attending the recent QC meetings. He stated that the QC held an orientation for the new committee members and Ms. Wright, the new liaison. In addition to the orientation, the QC reviewed six section 69 reviews and five were recommended for approval by the QC.

C. Peer Review Oversight Committee (PROC).

1. Report on the May 1, 2015 PROC Meeting.

Mr. Lee reported on various oversight events that the PROC members participated in.

VII. Report of the Enforcement Chief.

A. Report on Enforcement Division Activity.

Mr. Franzella provided an overview of this agenda item. Mr. Franzella noted that the CBA received over 400 additional complaints since the last reporting period. He stated that 21 investigations have been pending for a period over 24 months; however, since the reporting date, nine of the cases were closed or referred to the Attorney General's Office. Lastly, Mr. Franzella stated that the CBA has been participating in the Franchise Tax Board Offset Program to collect past fines. He noted that the outstanding fines are approximately \$380,000 and since January 2015, the CBA has collected approximately \$30,000 in fine payments.

VIII. Report of the Licensing Chief.

A. Licensing Activity Report.

Ms. Sanchez stated that the examination and initial licensing units are processing applications within the 30-day timeframe. Ms. Sanchez stated that the process for providing reviews of educational documents for examination candidates to determine whether they meet the new

education requirements has been changed. She stated the new process provides candidates with the tools necessary to evaluate their education, including, a self-assessment checklist to identify if their education meets the licensing requirements.

Ms. Sanchez stated that President Campos and staff participated in outreach events, including “So You Want to Be a CPA?” and the California Society of Certified CPA’s (CalCPA) Accounting Educators Committee, and thanked CalCPA for the invitation to participate in the events.

IX. Committee Reports.

A. Committee on Professional Conduct (CPC).

1. Report of the May 28, 2015 CPC Meeting.
2. Discussion Regarding Possible Changes to California Code of Regulations (CCR) Section 9.1 – Foreign Credentials Evaluation Services Approval Criteria.

Ms. LaManna reported that the CPC considered a policy change that would improve the CBA’s oversight of foreign credentials evaluation services that review, evaluate, and provide the CBA with U.S. equivalency of education completed outside of the U.S. Ms. LaManna noted that during the meeting, the CPC discussed the various concepts in the agenda item.

The CPC recommended that the CBA approve the proposed concepts and direct staff to prepare a regulatory proposal for consideration at the next meeting.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: Mr. Kaplan.

Absent: None.

The motion passed.

3. Discussion and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations (CCR) Section 42 – Peer Review Exclusions.

Ms. LaManna reported that the CPC discussed changes to amend CBA Regulations section 42 regarding peer review exclusions in response to the American Institute of Certified Public Accountants (AICPA) issuing Statement on Standards for Accounting And Review Services (SSARS) 21.

The CPC recommended that the CBA initiate the rulemaking process to amend CBA Regulations section 42 to include preparation engagements in the peer review exclusions and direct staff to work with legal counsel to finalize regulatory language.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

B. Legislative Committee (LC).

1. Report of the May 28, 2015 LC Meeting.
2. Update on Legislation on Which the CBA Has Taken a Position and Discussion Regarding Possible Action (AB 85, SB 8, SB 467, and SB 799).

Mr. Silverman reported that the LC discussed the CBA's position on four bills. He noted that Assembly Bill (AB) 85, Senate Bill (SB) 8, and SB 799 had no change in status. He noted that the CBA's sunset review bill, SB 467, was amended to include the CBA's legislative proposal related to permanent practice restrictions and other non-CBA items related to the Department of Consumer Affairs and the Attorney General's Office. He also noted that AB 1386 was amended and was no longer relevant to the CBA.

The LC recommended that the CBA take the following actions:

- **Discontinue following AB 1386**
- **Revise its Support position on SB 467 to be specific to the extension of the CBA's sunset date, permanent practice restrictions, and the statistical reporting requirements**

related to cases referred to the AG's Office.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

3. Consideration of Positions on Newly Introduced Legislation.

a. AB 1060 – Professions and vocations: licensure.

Mr. Silverman reported that the LC discussed AB 1060 which further clarifies how boards send rehabilitation criteria information to individuals that have a suspended, revoked, or denied license.

The LC recommended that the CBA take a Neutral position on AB 1060.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

b. AB 750 – Business and professions: retired category: licenses.

Mr. Silverman reported that the LC discussed AB 750 which would authorize all DCA boards and bureaus to establish a retired license status through the regulatory process. Mr. Silverman noted that one of the provisions of the bill that states “the holder of a retired license shall not be required to renew that license” would be problematic to the CBA, as it requires that a license that is placed in retired status be renewed every two years. Lastly, he noted that the author's office is aware of the CBA's process and

has advised staff that they are working with Legislative Counsel on drafting an amendment to exempt the CBA and other boards with retired status.

The LC recommended that the CBA take a Neutral position on AB 750 and direct staff to work with the author's office regarding an amendment that will exempt the CBA from the bill.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

- c. AB 507 – Department of Consumer Affairs: BreEZe: annual report.

Mr. Silverman reported that the LC discussed AB 507 which would require DCA to submit an annual report to the Legislature regarding phase three implementation of BreEZe. He stated that the reporting requirement would include a timeline and plan for BreEZe implementation, estimated, costs, and a description of operational efficiencies that will be achieved.

The LC recommended that the CBA take a Support position on AB 507.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

4. Additional Legislation Impacting the CBA Identified by Staff After the Posting of the Meeting Notice.

No bills were discussed under this agenda item.

5. Discussion and Possible Action to Recommend a Legislative Proposal to Amend Business and Professions Code Section 5055 Relating to the Title of Certified Public Accountant.

Mr. Silverman reported that the LC discussed amending Business and Professions Code section 5055 with clarifying language. He noted that, as presently written, section 5055 was unclear how the section applies to practice privilege holders.

The LC recommended that the CBA adopt a legislative proposal incorporating reference to Article 5.1 in section 5055 and direct staff to submit the proposal to the Legislature for inclusion in the omnibus bill.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

C. Enforcement Program Oversight Committee (EPOC).

1. Report of the May 28, 2015 EPOC Meeting.
2. Discussion Regarding Compelling Physical or Mental Health Evaluations of Licensees or Applicants.

Ms. Ko reported that the EPOC discussed compelling physical or mental health evaluations of licensees or applicants. She noted that the members previously discussed the topic in September 2014 and had directed staff to complete additional research. Ms. Ko stated that the EPOC discussed when this type of evaluation would be applicable and legal counsel clarified that such evaluations would only occur when there is evidence that a mental illness has an effect on competency.

The EPOC recommended that staff contact DCA and other boards to gauge interest in developing a more general statute covering all licensing bodies.

Yes: Ms. Anderson, Ms. Berhow, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Mr. Savoy, and Mr. Silverman.

No: Mr. Campos, Ms. Salazar, and Ms. Wright.

Abstain: None.

Absent: None.

The motion passed.

The EPOC recommended directing staff to begin developing a legislative proposal with language similar to Business and Professions code (BPC) section 820.

Yes: Ms. Anderson, Ms. Berhow, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Mr. Savoy, and Mr. Silverman.

No: Mr. Campos, Ms. Salazar, and Ms. Wright.

Abstain: None.

Absent: None.

The motion passed.

D. Mobility Stakeholder Group (MSG).

1. Report of the May 28, 2015 MSG Meeting.
2. The MSG Decision Matrix and Stakeholder Objectives (Written Report Only).

There were no comments on this agenda item.

3. Analysis and Guidance From the MSG Regarding NASBA's Guiding Principles of Enforcement.

Ms. Salazar reported that the MSG reviewed the NASBA's Guiding Principles of Enforcement. She stated that NASBA had

communicated that the portion of the guidelines regarding staffing ratios would be changed to remove specific ratios. Ms. Salazar stated that with the change, the MSG's opinion is that the NASBA's Guiding Principles of Enforcement meet or exceed the enforcement practices of the CBA.

4. Discussion About the Timeline for Activities Regarding Determinations to be Made Pursuant to Business and Professions Code Section 5096.21.

Ms. Salazar reported that the MSG discussed the timeline regarding determinations to be made pursuant to BPC section 5096.21. She stated that the MSG did not take action and the timeline would become a standing MSG agenda item to allow the MSG an opportunity to discuss its contents as needed.

Mr. Campos recommended that staff do not send communication to other states until additional information is gathered and allow the Executive Officer to determine when the communication should be sent.

5. Discussion Regarding NASBA's Activities and CPAVerify.

Ms. Salazar reported that the NASBA will be holding its Western Regional Meeting in California on June 17-19, 2015. She stated that currently five states are not participating in the Accountancy Licensee Database (ALD) and CPAVerify, however, NASBA has indicated that Michigan will join ALD within a month.

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

Ms. Salazar reported that if the letters are sent to other states requesting additional information to assist the CBA in making its state-by-state determination, staff will bring any initial responses and the MSG will be discussing the procedural issues for how the states will be reviewed to determine substantial equivalency.

- X. Public Hearing and Possible Finding as to Whether NASBA's Guiding Principles of Enforcement Meet or Exceed the CBA's Enforcement Practices Made Pursuant to Business and Professions Code Section 5096.21(c)(2).

It was moved by Ms. Salazar and seconded by Ms. Anderson that the CBA accepts the NASBA's Guiding Principles of Enforcement as meeting the CBA's enforcement practices and authorize the CBA President or Executive Officer to approve any non-substantive

changes.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Mr. Jian Ou-Yang, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Wright.

No: None.

Abstain: None.

Absent: None.

The motion passed.

XI. Acceptance of Minutes.

A. Draft Minutes of the March 19-20, 2015 CBA Meeting.

B. Minutes of the March 19, 2015 MSG Meeting.

C. Minutes of the March 19, 2015 CPC Meeting.

D. Minutes of the March 19, 2015 LC Meeting.

E. Minutes of the March 19, 2015 EPOC Meeting.

F. Minutes of the January 29, 2015 EAC Meeting.

G. Minutes of the January 30, 2015 PROC Meeting.

H. Minutes of the January 21, 2015 Meeting.

It was moved by Mr. Kaplan and seconded by Ms. LaManna to approve agenda items XI.A. – XI.H., including the non-substantive changes to XI.A. which were provided by Mr. Campos.

Yes: Ms. Anderson, Ms. Berhow, Mr. Campos, Mr. Elkins, Mr. Kaplan, Ms. Ko, Ms. LaManna, Ms. León, Ms. Salazar, Mr. Savoy, and Mr. Silverman.

No: None.

Abstain: Mr. Ou-Yang and Ms. Wright.

Absent: None.

The motion passed.

XII. Other Business.

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

There was no report for this item.

B. National Association of State Boards of Accountancy (NASBA).

1. Report on Strategic Planning Task Force.

Ms. Bowers reported that Mr. Savoy's request to attend the Strategic Planning Task Force meeting, being held in Dallas, Texas, in June was approved.

XIII. Closing Business.

A. Public Comments.*

There were no comments.

B. Agenda Items for Future CBA Meetings.

There were no suggested agenda items for future CBA meetings.

C. Press Release Focus.

Ms. Pearce proposed a press release topic regarding the CBA's findings on NASBA's Guiding Principles of Enforcement.

Mr. Campos congratulated Ms. Berhow on her reappointment to the CBA.

XIV. Closed Session.

A. Pursuant to Government Code Section 11126(c)(3), the CBA Convened Into Closed Session to Deliberate on Disciplinary Matters (Stipulated Settlements, Default Decisions, and Proposed Decisions).

B. Pursuant to Government Code Section 11126(e), the CBA Convened Into Closed Session to Receive Advice from Legal Counsel on Litigation (David Greenberg v. California Board of Accountancy, Orange County Superior Court, Case No. 30-2014-00751855-CU-BT-CJC; David Greenberg v. California Board of Accountancy, Los Angeles County Superior Court, Case No. BS155045; and David Greenberg v. Erin Sunseri, et al., U.S. District Court, Southern District of Florida, Case No. 15-CV-80624.).

President Campos adjourned the meeting at 10:26 a.m. on Friday, May 29, 2015.

_____ Jose A. Campos, CPA, President

_____ Alicia Berhow, Secretary-Treasurer

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