

**DEPARTMENT OF CONSUMER AFFAIRS**

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

**MINUTES OF THE
 May 28, 2015
 MOBILITY STAKEHOLDER GROUP (MSG) MEETING**

Hilton Los Angeles Airport
 5711 West Century Boulevard
 Los Angeles, CA 90045
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CALL TO ORDER

Katrina Salazar, Chair, called the meeting of the MSG to order at 10:54 a.m.
 Ms. Salazar requested that the roll be called.

Members

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

CBA Members Observing

Sally Anderson, CPA
 Alicia Berhow
 Jose Campos, CPA, President
 Herschel Elkins, Esq.
 Larry Kaplan
 Kay Ko
 Leslie LaManna, CPA
 Xochitl Léon
 Jian Ou-Yang, CPA

Mark Silverman, Esq.
Kathleen Wright, Esq., CPA

CBA Staff and Legal Counsel

Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer
Rich Andres, Information Technology Staff
Pat Billingsley, Regulations Analyst
Kate Kay, Legislative Analyst
Corey Riordan, Board Relations Analyst
Gina Sanchez, Licensing Chief
Kristy Schieldge, Senior Staff Counsel, Department of Consumer Affairs, Legal Affairs
Matthew Stanley, Manager, Examination and Practice Privilege Units
Dorothy Osgood, Supervising Investigative Certified Public Accountant
Carl Sonne, Deputy Attorney General, Department of Justice

Other Participants

Ken Bishop, President and Chief Executive Officer, National Association of State Boards of Accountancy (NASBA)
Maria Caldwell, Chief Legal Officer and Director of Compliance Services, NASBA
Stacey Grooms, Regulatory Affairs Manager, NASBA
Bruce Allen, California Society of Certified Public Accountants (CalCPA)
Robert Lee, CPA, Chair, Peer Review Oversight Committee
Jason Fox, CalCPA
Jeffrey De Lyser, CPA, Chair, Enforcement Advisory Committee
Pilar Oñate-Quintana, KP Public Affairs
Jonathan Ross, KP Public Affairs
Loretta Doon, Chief Executive Officer, CalCPA

I. Approval of Minutes of the March 19, 2015 MSG Meeting.

It was moved by Mr. Franzella and seconded by Mr. Petito to approve the minutes of the March 19, 2015 MSG Meeting.

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

No: None.

Abstain: None.

Absent: None.

The motion passed.

II. Introduction of New MSG Members, Don Driftmier and Michael Savoy.

Ms. Salazar introduced the newest members of the MSG, Mr. Don Driftmier and Mr. Michael Savoy. Mr. Driftmier was unable to attend this meeting.

III. The MSG Decision Matrix and Stakeholder Objectives (Written Report Only).

Mr. Stanley provided a written report highlighting decisions made by the MSG, as well as the stakeholder objectives identified to date.

IV. Analysis and Guidance from the MSG Regarding NASBA's Guiding Principles of Enforcement.

The MSG considered the guidance it would provide the CBA on whether NASBA's Guiding Principles of Enforcement (Enforcement Guidelines) meet or exceed the CBA's enforcement practices.

It was communicated by NASBA that the portion regarding staffing ratios would be changed to remove specific numbers and ratios while maintaining the more generally worded portions.

With that change, the MSG opined that the NASBA Enforcement Guidelines meet or exceed the CBA's enforcement practices.

It was moved by Ms. Salazar and seconded by Mr. Petito that with the proposed edits, the MSG is of the opinion that the NASBA Enforcement Guidelines meet or exceed the CBA's enforcement practices pursuant to Business and Professions Code section 5096.21.

Yes: Mr. Waldman, Mr. Savoy, Mr. Petito, and Ms. Salazar.

No: None.

Abstain: Mr. Franzella.

Absent: None.

The motion passed.

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

Mr. Stanley presented the timeline for activities regarding the determinations to be made pursuant to Business and Professions Code section 5096.21. Mr. Stanley reported that the CBA is required to determine whether allowing the licensees of

another state to practice in California under the current mobility provisions violates its duty to protect the public, and that these determinations need to be made on and after January 1, 2016.

At its March 19, 2015 meeting, the CBA approved a timeline for undertaking this project along with other practice privilege-related activities. Staff added information regarding the NASBA Enforcement Guidelines and how states may be deemed to be substantially equivalent to those Enforcement Guidelines into the timeline and will continue to update as needed. This will become a standing agenda item to allow the MSG an opportunity to discuss its contents as needed.

VI. Discussion Regarding NASBA's Activities and CPAVerify.

At the joint meeting of the CBA and MSG, held immediately prior to this MSG meeting, NASBA presented its Enforcement Guidelines. Mr. Stanley reported NASBA will hold its Western Regional Meeting in California June 17-19. He stated several topics of importance to the CBA will be discussed, including peer review and changes to the Uniform CPA Exam.

Mr. Stanley also reported there are still five states not yet participating in the Accountancy Licensee Database (ALD) and CPAVerify, which are Delaware, Hawaii, Michigan, Utah, and Wisconsin. Ms. Caldwell indicated that NASBA expects Michigan to join the ALD within the next month.

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

Mr. Stanley reported that a letter will be sent to states seeking the additional information outlined in March which will assist the CBA in making its state-by-state determinations. He stated that staff will bring any initial responses received to the July MSG meeting.

The MSG added a topic to discuss the procedural issues for how the states will be reviewed to determine substantial equivalency to the NASBA Enforcement Guidelines.

VIII. Public Comments.

There were no public comments.

There being no further business, the meeting was adjourned at 11:16 a.m.