

EXHIBIT 2

TSBPA-Contracted Ethics Instructors Criteria

- (a)** Effective January 1, 2005, the board may contract with any instructor wishing to offer an ethics course approved by the board pursuant to section 523.131 of this title (relating to Board Approval of Ethics Course Content after January 1, 2005) who can demonstrate that:
- (1) the instructor is a certified public accountant licensed in Texas and has completed the board's ethics training program within the last three years or as required by the board;
 - (2) the instructor has never been disciplined for a violation of the board's Rules of Professional Conduct; and
 - (3) the instructor is qualified to teach ethical reasoning because he has:
 - (A)** experience in the study and teaching of ethical reasoning; and
 - (B)** formal training in organizational or ethical behavior instruction.
- (b)** An instructor demonstrates that he is qualified to teach ethical reasoning upon proof that he has:
- (1) at the time of application or by June 30, 2005, whichever is later, obtained education in ethics substantially equivalent to a minimum of 6 hours of credit from an accredited University, College or Community College, of which at least three hours must be in organizational ethics;
 - (2) teaching experience that is substantially equivalent to two or more full time semesters teaching experience at an accredited University, College or Community College;
 - (3) spent at least ten years performing accountancy related activities as a licensed CPA;
 - (4) no record of discipline for violation of the rules of professional conduct of the American Institute of Certified Public Accountants, the Texas Society of Certified Public Accountants or other national or state accountancy organization recognized by the board; and
 - (5) goals and interests consistent with the board's purpose of protecting the public interest pursuant to the provisions of the Public Accountancy Act.
- (c)** The board may refuse to contract, refuse to renew a contract or cancel the contract of any instructor who has engaged in conduct rendering that instructor unsuitable for teaching ethics.
- (d)** Interpretive comments: To have goals and interests consistent with the board's purpose of protecting the public interest pursuant to the provisions of the Public Accountancy Act an instructor must refrain from using the instruction of an ethics course as a marketing tool for other products and services offered by the instructor. An instructor must be free from conflicts of interest with the board in both fact and appearance. Representation of a respondent or a complainant in a disciplinary proceeding pending before the board creates the appearance of a conflict of interest.