

**PROCEEDINGS BEFORE THE
WASHINGTON STATE BOARD OF ACCOUNTANCY**

In the Matter of the Certified Public
Accountant (CPA) Certificate and/or
Licenses to Practice Public Accounting of:

Brad Patton
License No. 14640

Individually and as Owner of:

Patton & Associates, LLC
License No. 5582

Respondent.

No. ACB-1434

CONSENT AGREEMENT

The Washington State Board of Accountancy (Board) and Brad Patton (Respondent),
stipulate and agree as follows:

Section 1: Procedural Stipulations

- 1.1 Respondent understands that the Board may issue a statement of charges in this matter and proceed to a hearing before the Board upon the merits of said charges. The Board has not done so in order to facilitate resolution of this matter in accordance with the legislative intent endorsed in RCW 34.05.060 and the provisions of WAC 4-30-140.
- 1.2 Respondent understands that should the Board prevail at hearing based on a statement of charges that the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's CPA certificate or any individual or firm licenses to practice public accounting as a CPA or CPA firm in Washington and may impose a fine plus the Board's investigative and legal costs in bringing charges or impose conditions precedent to renewal of the certificate or license, or impose full restitution to injured parties.

- 1.3 Respondent has the right to defend against a statement of charges by demanding a hearing and presenting evidence on the Respondent's behalf. Respondent voluntarily waives the right to a hearing and all other rights which may be accorded the Respondent by the Administrative Procedures Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.
- 1.4 Respondent wishes to expedite the resolution of this matter by means of this Consent Agreement and does not desire to proceed to a formal hearing based on the issuance of a statement of charges.
- 1.5 Respondent understands that the terms of this Consent Agreement are not binding unless approved by the Board and fully executed.
- 1.6 Should this Consent Agreement be rejected by the Board and the Board proceeds to issue a statement of charges, the Respondent waives any objection to the participation of any members of the Board at a hearing on this matter, other than the consulting Board member in this proceeding.

The parties further stipulate to the following Stipulated Facts, Conclusions of Law, and Agreement:

Section 2: Stipulated Facts

- 2.1 Respondent holds a valid Certified Public Accountant (CPA) license to practice public accounting (License No. 14640, issued on November 12, 1991) in Washington State.
- 2.2 Respondent is the managing owner of Patton & Associates, LLC (Respondent Firm). Respondent Firm is a licensed CPA firm in Washington State (License No. 5582, issued on May 4, 2011).

- 2.3 Respondent was engaged by Brian Miller (Complainant) and his company, Premier Cellar Agency (Premier). The services included, but were not limited to, preparing excise and business and occupations (B&O) tax returns, and maintaining an electronic accounting file. The engagement with Premier was initiated on or around July 2011, and was terminated in September 2014 by the Respondent.
- 2.4 The excise and B&O tax return for Premier included misreported revenue for the period of October to December 2012, which was submitted to the Washington State Department of Revenue. The misreported revenue was the result of an incorrectly applied nonrevenue payment.
- 2.5 Respondent's staff inappropriately included an account within the accounting file's chart of accounts for a separate business entity. This account was created following what appears to have been a poorly defined transfer/combination of business interests involving Premier's owner and a former business partner turned employee.
- 2.6 The electronic accounting file for Premier also included a significant number of unclassified transactions which were the result of Respondent's staff inability to obtain clarification from Premier's management during the course of the engagement. By continuing to sustain the accounting file without clarification from the client, incomplete accounting information was allowed to persist beyond a reasonable time frame.

Section 3: Conclusions of Law

- 3.1 The Board has jurisdiction over the Respondent and the subject matter of this proceeding.
- 3.2 The conduct described in Stipulated Facts 2.1 through 2.6 constitute cause for Board discipline under RCW 18.04.295, for violations of WAC 4-30-046. WAC 4-30-046 prohibits CPAs and CPA firms from undertaking to perform any professional service

unless the CPA and CPA firm can reasonably expect to complete the service with professional competence.

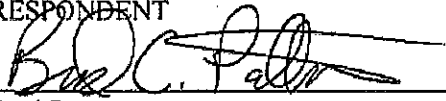
Section 4: Agreement

- 4.1 Respondent consents to the entry of this Agreement and has waived any right to a hearing.
- 4.2 Respondent consents to this Agreement insofar as it is a settlement and expedient resolution of the issue at hand, without acknowledging wrongdoing on the part of himself and/or his firm.
- 4.3 Pursuant to RCW 18.04.295, the Board has the power to impose discipline. Based on the preceding Stipulated Facts and Conclusions of Law, the Board and Respondent agree that Respondent shall:
 - 4.3.1 Pay the Board a fine in the amount of one thousand five hundred dollars (\$1,500) within 90 days of the service of the acceptance date of this Agreement.
 - 4.3.2 Pay the Board the amount of one thousand dollars (\$1,000) to reimburse the Board's investigative and legal costs within 90 days of the acceptance date of this Agreement.
 - 4.3.3 Complete four (4) hours of continuing professional education (CPE) in Board approved ethics and regulations with specific application to the practice of public accounting in Washington State. The CPE course must be completed within 90 days of the acceptance of this Agreement. A certificate of completion must be submitted to the Board within 30 days of the completion date of the course.

I, Brad Patton, certify that I have read this Consent Agreement in its entirety, and that I fully understand and agree to all of it and that it may be presented to the Board without my appearance. If the Board accepts the Consent Agreement, I understand that I will receive a signed copy.

DATED this 22 day of September, 2015.

RESPONDENT

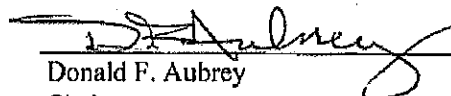


Brad Patton

The Board accepts and enters this Consent Agreement.

DATED this 29th day of September, 2015.

WASHINGTON STATE
BOARD OF ACCOUNTANCY



Donald F. Aubrey
Chair