PROCEEDINGS BEFORE THE WASHINGTON STATE BOARD OF ACCOUNTANCY

In the matter of the Certified Public Accountant (CPA) Certificate and/or License(s) to Practice Public Accounting as a CPA and CPA Firm of: Samuel Arthur Barnes, CPA, Individually and as Owner of Samuel Barnes and Associates, Respondent.	NO. ACB-1340 STIPULATION AND AGREED ORDER

The Washington State Board of Accountancy (Board) and Samuel Arthur Barnes (Respondent) stipulate and agree as follows:

Section 1: Procedural Stipulations

1.1 The Respondent is fully aware of the Respondent's right to an administrative hearing to contest the Statement of Charges issued by the Washington State Board of Accountancy in this matter. The Respondent voluntarily waives the right to a hearing and all other rights which may be accorded to the Respondent by the Administrative Procedure Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.

1.2 The Respondent understands that, should the State prevail at hearing based on a statement of charges, the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's certified public accountant certificate or any individual or firm license to practice public accounting as a certified public accountant 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 The Respondent wishes to expedite the resolution of this matter by means of this Stipulation and Agreed Order and does not desire to proceed to a formal hearing based on the issuance of a statement of charges.

1.4 The Respondent understands that this Stipulation and Agreed Order is not binding unless it is approved by the Board.

1.5 Should this Stipulation and Agreed Order be rejected by the Board, 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.

1.6 The parties further stipulate to the following Stipulated Facts, Conclusions of Law and Agreed Order:

Section 2: Stipulated Facts

2.1 At all times material hereto, Samuel Arthur Barnes, the Respondent herein, held a Certified Public Accountant (CPA) certificate and individual license (No. 19751) to practice as a CPA in the state of Washington. The Respondent was the sole owner of the CPA firm, Barnes and Associates, PLLC, a limited liability company, located in Bellevue, Washington. The CPA firm, Barnes and Associates, PLLC held a valid license (No. 4868) to practice public accounting in the state of Washington from October 19, 2005, through April 26, 2011. The Respondent is the sole owner of the CPA firm, Samuel Barnes and Associates, a sole proprietorship, located in Ephrata, Washington. The CPA firm Samuel Barnes and Associates has held a valid license (No. 4065) to practice as a CPA firm in the state of Washington since June 14, 1999.

2.2 On June 29, 2010, the Board accepted and entered Stipulation and Agreed Order (ACB-1157) determining that the Respondent engaged in conduct that violated WAC 4-25-610, WAC 4-25-620, WAC 4-25-631, WAC 4-25-650, and WAC 4-25-910

that was grounds for discipline under RCW 18.04.295(2) and (4). The Respondent agreed to the entry of the Agreed Order. The Board suspended the Respondent's CPA certificate, individual license to practice public accounting, and CPA firm licenses for five years. The five years were stayed provided the Respondent committed no further violations within the five-year period and complied with the terms of the Agreed Order that included refraining from further violations of the accountancy act and statutes and administrative rules and regulations issued pursuant to such laws.

2.3 On April 24, 2012, the Respondent entered into a Consent Order with the Washington Department of Financial Institutions (DFI), Order No. S-11-0671-11-CO01.

2.4 The Respondent, without admitting or denying DFI's Findings of Fact or Conclusions of Law, except as to DFI's jurisdiction, consented to the entry of a DFI Consent Order. To date, the Respondent has fully complied with the DFI order, including the full repayment obligations therein required.

2.5 On July 2, 2012, a Statement of Charges was duly served on Respondent alleging violations of chapter 18.04 RCW.

Based on the foregoing Stipulated Facts, the Board makes the following:

Section 3: Conclusions of Law

3.1 The Washington State Board of Accountancy has jurisdiction over the subject matter herein.

3.2 Respondent's act of being the subject of and party to the DFI consensual order for violating provisions of RCW 21.20, the Securities Act of Washington, constitutes prima facie evidence that the CPA and/or CPA firm engaged in dishonest, fraudulent, or negligent acts reflecting adversely on the CPA and the CPA firm's fitness to represent himself and its self as licensees pursuant to WAC 4-30-142(6) and constitutes grounds

for discipline under RCW 18.04.295 and RCW 18.04.305.

Section 4: Agreed Order

Based on the Stipulated Facts and Conclusions of Law, Respondent agrees to entry of the following Order:

4.1 Respondent Samuel Arthur Barnes' CPA certificate, individual license to practice public accounting as a CPA, and CPA firm license to practice public accounting in the state of Washington are hereby REVOKED for a minimum of 10 years from the date this Stipulation and Agreed Order is accepted and entered by the Board.

4.2 The Respondent must surrender his CPA certificate, individual license, and CPA firm license to the Board within 30 days of the Board's acceptance and entry of this Stipulation and Agreed Order.

4.3 The Board will not consider the Respondent qualified in any respect as a new applicant for licensure for 10 years from the date the Stipulation and Agreed Order is accepted and entered by the Board and then only if the Respondent at that time:

4.3.1 Meets all the then current requirements of eligibility as an original applicant for a Washington State CPA license including but not limited to the then existing education, examination, experience, and good character requirements.

4.3.2 Submits acceptable documentation to demonstrate that the Respondent has completed continuing professional education (CPE) prior to the time an application for licensure is received by the Board equivalent to the then existing requirements for reinstatement of a license.

4.3.4 Pays a $30,000 fine to the Board before the Respondent makes application for requalification.

4.3.4 Reimburses the Board $2,000 for investigative and legal costs incurred by the Board before the Respondent makes application for requalification.

4.3.5 Satisfies any other requirement imposed by the Board as a condition for licensure.

4.3.6 Has not otherwise violated any provisions of chapters 18.04 RCW and/or Title 4 WAC during the revocation period.

4.4 The Respondent shall not use the designation "CPA" or "certified public accountant" or hold out as a "CPA" or "certified public accountant" unless and until the Board accepts the Respondent's requalification as a licensee. Any and all costs involved in complying with this order shall be borne by the Respondent.

4.5 The Respondent shall not sign, affix, or associate his name or trade name to any report prescribed by professional standards or designated as an "audit," "review," or "compilation," unless and until the Board accepts the Respondent's requalification as a licensee under chapter 18.04 RCW and Title 4 WAC and the Respondent obtains a firm license under RCW 18.04.195 and registers all of his firm offices registered under RCW 18.04.205.

4.6 The Respondent shall not hold an ownership interest in a licensed CPA firm in Washington State unless and until the Board accepts the Respondent's requalification as a licensee under chapter 18.04 RCW.

4.7 The Board will not publish the order or its terms in local news media in Washington State.

4.8 Any and all costs involved in complying with this order shall be borne by the Respondent.

4.9 Nothing in this Order precludes the Board from exercising its authority and responsibilities under chapter 18.04 RCW or Title 4 WAC. Any violations of such chapters not herein addressed or this Order constitute independent grounds as provided

for by law for Board action against the Respondent.

4.10 This agreed order constitutes a complete and final resolution of all pending matters before the board upon acceptance by the board.

I, **SAMUEL ARTHUR BARNES,** certify that I have read this Stipulation and Agreed Order in its entirety; 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 Stipulation and Agreed Order, I understand that I will receive a signed copy.

DATED this 1st day of Sept, 2012.

Samuel Arthur Barnes
Respondent

Section 5: Order

The Board accepts and enters this Stipulation and Agreed Order.

DATED this 14th day of October, 2012.

WASHINGTON STATE
BOARD OF ACCOUNTANCY

Donald F. Aubrey, CPA
Chair