

**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:

No. ACB-1430

CONSENT AGREEMENT

Daniel Sooyoung Kim
License No. 23338

Individually and as Owner of

Daniel S Kim, CPA
Firm License No. 5957

Respondent.

The Washington State Board of Accountancy (Board) and Daniel Sooyoung Kim
(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 Agreed Order:

Section 2: Stipulated Facts

- 2.1 Respondent holds a valid Certified Public Accountant (CPA) license to practice public accounting (License No. 23338, issued on December 13, 2001) in Washington State.

- 2.2 Respondent holds a valid CPA firm license (Firm License No. 5957, issued on December 24, 2013) in Washington State. Respondent previously held a firm license for Daniel S. Kim CPA PLLC (Firm License No. 4972, issued July 13, 2006), which was dissolved on June 30, 2012.
- 2.3 Between late 2006 and early 2007, a restaurant company Centron International and the Wang family (collectively "Complainants") engaged Respondent to prepare the corporate 1120S income tax returns, and individual income tax returns. Respondent was also engaged to maintain the company's accounting record.
- 2.4 Sometime between late 2009 and early 2010, Respondent sold his accounting practice to Dohyun Cho, CPA, without providing notification to Complainants. This transfer resulted in delayed efforts by Complainants to retrieve records.
- 2.5 On June 20, 2011, an IRS Revenue Agent ("RA") concluded an audit of Complainants. The RA noted that a total of \$859,220.53 was deposited directly into individual nonbusiness bank accounts, and that rent expenditures had been overstated. The RA believed a significant amount of the bank deposits represented unreported income, which was unreported to Respondent as tax preparer.
- 2.6 RA believed that the expenditures for cost of goods sold for tax years 2006, 2007, and 2008 was overstated.
- 2.7 Respondent failed to prepare bank reconciliations for the company's business accounts.
- 2.8 Respondent prepared the Form 1120S returns for the company, which significantly understated the actual earnings. However, the reported earnings were consistent with revenue information provided from the company to Respondent.
- 2.9 Respondent reported tip income as employee wage expenditures, but failed to include tip income received by the company.

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 2.9 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.
- 3.3 The conduct described in Stipulated Facts 2.1 through 2.9 constitute cause for Board discipline under RCW 18.04.295, for violations of WAC 4-30-048. WAC 4-30-048 requires compliance with rules, regulations, and professional standards, and for the licensee to maintain due professional care.
- 3.4 The conduct described in Stipulated Facts 2.1 through 2.3 constitute cause for Board discipline under RCW 18.04.295, for violations of WAC 4-30-050 and WAC 4-30-051. These rules set out requirements concerning transfer and disclosure of client confidential information.

Section 4: Agreed Order

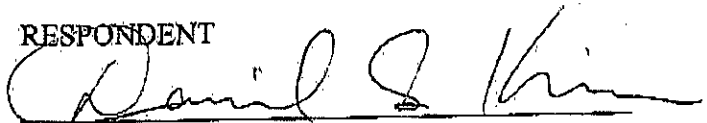
- 4.1 Respondent consents to the entry of this Agreement and has waived any right to a hearing.
- 4.2 Pursuant to RCW 18.04.295 and RCW 18.04.305, the Board has the power to impose discipline. Based on the preceding Stipulated Facts and Conclusions of Law, the Board and Respondent agree that:
- 4.2.1 Respondent's individual and firm licenses are suspended for three years.
- 4.2.2 The suspension of Respondent's individual and firm license is stayed.

- 4.2.3 If it is determined, after due notice and opportunity for hearing, that during the stayed suspension Respondent violates or fails to comply with the terms of this Agreement, Chapter 18 RCW, or Title 4 WAC, the Board may vacate the stay and impose the original suspension.
- 4.2.4 Pay the Board a fine in the amount of two thousand five hundred dollars (\$2,500) within 180 days of the service of this Agreement. Such fine shall be made payable to the Washington State Board of Accountancy and remitted to the Washington State Board of Accountancy at PO Box 9131, Olympia, WA, 98507-9131.
- 4.2.5 Pay the Board the amount of one thousand dollars (\$1,000) to reimburse the Board's investigative and legal costs within 180 days of the service of this Agreement. Such reimbursement shall be made payable to the Washington State Board of Accountancy and remitted to the Washington State Board of Accountancy at PO Box 9131, Olympia, WA 98507-9131.
- 4.2.6 Complete four (4) hours of continuing professional education (CPE) covering IRS Circular 230 within 90 days of the service of this Agreement. The certificate(s) of completion must be submitted to the Board within seven (7) days of the completion date of the course.
- 4.2.7 Complete sixteen (16) hours of CPE relating to accounting for industry concentrations specific to Respondent's business income tax clients. The course(s) must be approved by the Board's Executive Director. The certificate(s) of completion must be submitted to the Board within seven (7) days of the completion date of the course.

I, Daniel Sooyoung Kim, 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 10TH day of AUG, 2015.

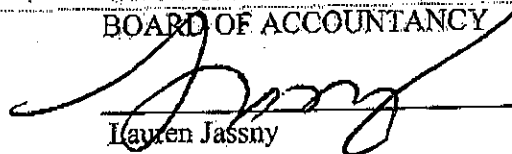
RESPONDENT


Daniel Sooyoung Kim

The Board accepts and enters this Consent Agreement.

DATED this 17th day of August, 2015.

WASHINGTON STATE
BOARD OF ACCOUNTANCY


Lauren Jassny
Vice Chair