

**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-1476

CONSENT AGREEMENT

Jun Zhang
License No. 29895

Respondent.

The Washington State Board of Accountancy (Board) and Jun Zhang (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 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 that 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.
- 1.3 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.

- 1.4 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 individual Certified Public Accountant (CPA) license to practice public accounting (License No. 29895, issued on October 20, 2011) in Washington State.
- 2.2 Respondent held a firm license for Canuswa Accounting & Tax Services Inc (Firm License No. 5680, issued on October 24, 2011) in Washington State. On April 12, 2017, Respondent dissolved the firm.
- 2.3 On March 20, 2017, the Public Company Accounting Oversight Board (PCAOB) entered an "Order Instituting Disciplinary Proceedings, Making Findings, and Imposing

Sanctions” against Respondent, PCAOB Release No. 105-2017-006 in which the PCAOB found that Respondent “failed to obtain sufficient appropriate audit evidence and failed to exercise due care and professional skepticism in connection with their audit of [the client’s] 2012 financial statements. The Firm also violated Section 10A(a)(2) of the Exchange Act by failing to perform procedures to identify related party transactions, and [Respondent] violated PCAOB Rule 3502, *Responsibility Not to Knowingly or Recklessly Contribute to Violations*, because he took actions that he knew, or was reckless in not knowing, would directly and substantially contribute to the Firm’s violation.”

- 2.4 On March 20, 2017, the Public Accounting Oversight Board (“PCAOB”) issued an Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions, PCAOB Release No. 105-2017-006 (“Order”). The Order censured Respondent and Respondent’s firm, instituted a civil money penalty of \$20,000, revoked the firm’s registration, and barred Respondent from being an associated person of a registered public accounting firm for three years.

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 above constitutes cause for Board discipline under RCW 18.04.295 and WAC 4-30-142. RCW 18.04.295(2) states that the Board shall have the power to impose discipline for dishonesty, fraud, or negligence while representing oneself as a licensee. WAC 4-30-142(6)(b) states that a PCAOB order finding that the licensee committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the person’s fitness to represent himself as a licensee shall be prima facie evidence that the licensee has engaged in such act.

Section 4: Agreed Order

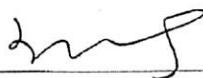
- 4.1 Respondent consents to the entry of this Agreement and has waived any right to a hearing.
- 4.2 Pursuant to RCW 18.04.295, the Board has the power to impose discipline. Based on the preceding Stipulated Facts and Conclusions of Law, the Board and Respondent agree that:
 - 4.2.1 Respondent's individual license is suspended for three years.
 - 4.2.2 The suspension of Respondent's individual license shall be stayed. If it is determined, after due notice and opportunity for hearing, that during the stayed suspension period Respondent violates or fails to comply with the terms of this Consent Agreement, Chapter 18 RCW, or Title 4 WAC, the Board may vacate the stay and impose the original suspension.
 - 4.2.3 The suspension and stay of Respondent's individual license shall be automatically lifted three years after the effective date of this Consent Agreement so long as Respondent during those three years does not violate or fail to comply with any of its terms or with Chapter 18 RCW and Title 4 WAC.
 - 4.2.4 Respondent shall pay the Board a fine in the amount of one thousand dollars (\$1,000) within 90 days of the effective date of this Agreement.
 - 4.2.5 Respondent shall pay the Board the amount of five hundred dollars (\$500) to reimburse the Board's investigative and legal costs within 90 days of the effective date of this Agreement.
 - 4.2.6 Respondent shall complete a Continuing Professional Education (CPE) course in Board approved ethics and regulations with specific application to the practice of public accounting in Washington State. The course must be completed within 90 days of the service of this agreement, and a certificate of completion submitted to

the Board within 30 days of course completion. This course may qualify for the CPE in ethics and regulation required for renewal by WAC 4-30-134(6).

I, Jun Zhang, 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 7th day of September, 2017.

RESPONDENT



Jun Zhang

The Board accepts and enters this Consent Agreement.

DATED this 14th day of September, 2017.

WASHINGTON STATE
BOARD OF ACCOUNTANCY



Thomas G. Neill, CPA
Chair