

**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:

Christie Cardwell  
License No. 20533

Respondent.

No. ACB-1531

CONSENT AGREEMENT  
AND AGREED ORDER

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

**Section 1: Procedural Stipulations**

- 1.1 The parties wish to enter into this Consent Agreement and Agreed Order (Consent Agreement) 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 issued by the Executive Director of the Board 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 Executive Director of the Board prevail at hearing based on the 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 Executive Director'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.

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, Christie Cardwell, the Respondent herein, held an individual Certified Public Accountant (CPA) license to practice as a CPA in the state of Washington, No. 20533, issued on October 15, 1998.
- 2.2 The Public Company Accounting Oversight Board (PCAOB) is a public agency created by Congress pursuant to H.R.3763 - Sarbanes-Oxley Act of 2002 and tasked with the responsibility to (1) oversee the audit of public companies that are subject to the securities laws; (2) establish audit report standards and rules; and (3) inspect, investigate, and enforce compliance on the part of registered public accounting firms, their associated persons, and certified public accountants. It is also an authoritative body as defined in WAC 4-30-048, and licensees must comply with its standards in accordance with WAC 4-30-048(15).
- 2.3 On December 17, 2019, the PCAOB issued an "Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions" against Christie Cardwell.

- 2.4 The PCAOB Order is incorporated herein by reference. It presents the facts and findings showing that Respondent violated PCAOB rules and standards in connection with the financial statement audits of two public companies (issuers) for fiscal year 2015.
- 2.4.1 For Issuer A, Cardwell failed to obtain sufficient appropriate audit evidence to determine whether an intangible asset was properly valued, failed to evaluate whether a method of revenue recognition complied with U.S. GAAP, failed to perform adequate procedures to determine whether revenue was recorded in the proper period and properly valued, failed to reconcile recorded revenue, and failed to evaluate whether an uncorrected misstatement was material.
- 2.4.2 For Issuer B, Cardwell identified a fraud risk related to improper revenue recognition, but failed to perform adequate procedures to test whether revenue was recorded in the correct period and properly valued. In addition, Cardwell failed to obtain sufficient appropriate audit evidence to determine whether the accounts receivable existed and were properly valued at the year end.
- 2.4.3 As part of the PCAOB Order, Respondent was barred from being an associated person of a public accounting firm for two years, fined \$10,000, and is required to complete additional CPE prior to filing a petition with the PCAOB.
- 2.5 On December 23, 2019, Respondent self-reported the PCAOB Order to the Board.
- 2.6 Respondent is no longer associated with an accounting firm.

### **Section 3: Conclusions of Law**

- 3.1 The Board has jurisdiction over the Respondent and the subject matter of this proceeding.
- 3.2 The facts set out in paragraphs 2.2 through 2.4 are evidence of negligence, fraud, or dishonesty or other act reflecting adversely on Respondent's fitness to represent herself as a CPA, which are violations of RCW 18.04.295(2) and WAC 4-30-142(6)(b).

3.3 The facts set out in paragraphs 2.2 through 2.4 are evidence of suspension or revocation of the right to practice matters relating to public accounting before any state or federal agency, which is violation of RCW 18.04.295(7) and a certified copy of the PCAOB constitutes prima facie evidence of such a violation; and is also a violation of WAC 4-30-142(6)(d).

#### **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 to the following:

4.2.1 Respondent's individual license is suspended for two years.

4.2.2 Respondent shall pay the Board a fine in the amount of one thousand dollars (\$1,000) within 90 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.

4.2.3 Respondent shall 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 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.

I, Christie Cardwell, 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 \_\_\_\_\_ day of \_\_\_\_\_, 2020.

RESPONDENT

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Christie Cardwell

The Board accepts and enters this Consent Agreement and Agreed Order.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

WASHINGTON STATE  
BOARD OF ACCOUNTANCY

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Mark Hugh, CPA  
Chair