Statement of Disclosure of Commissions, Referral, and Contingent Fees

WAC 4-30-044(5) requires all Certified Public Accountants (CPAs), CPA-Inactive certificateholders, CPA firms, and CPA firm owners who accept commission, referral and contingent fee arrangements to:
• Disclose the arrangement in writing and in advance of client acceptance;
• Disclose the method of calculating the fee or amount of fee;
• Specify the CPA's, CPA-Inactive certificateholder's, CPA firm's and/or CPA firm owner's role as the client's advisor, and
• Obtain the client's consent to the fee arrangement in writing.

The following form may be used to comply with the disclosure requirements of WAC 4-30-044(5). A licensee may use a form that contains additional information provided the form includes the minimum disclosure requirements.

****

Certified Public Accountants (CPAs), CPA-Inactive certificateholders, CPA firms, and CPA firm owners are required by law to disclose to clients certain fees and commissions they directly or indirectly are to receive related to goods and services provided to those clients.

The purpose of this disclosure statement is to acknowledge that the disclosure has been made, the client has consented thereto and a copy of this statement has been provided to each of the signatories thereof.

I hereby acknowledge that on this _____ day of _____, 201__.

_____has disclosed that he/she/the firm will
CPA/CPA-Inactive certificateholder/CPA Firm/CPA Firm Owner

receive a commission, contingent fee, or referral fee of:

_____
Commission/Contingent/Referral Fee Percentage, Method of Calculating Fee, or Amount

from: _____
Third Party Paying the Commission/Contingent/Referral Fee to the CPA/Firm

in relation to goods or services he/she/the firm has agreed to provide or recommend and hereby consent to the arrangement.

_____
Client (please print)

_____   _____
Client (signature)   Date

_____
CPA/CPA-Inactive certificateholder/CPA Firm/CPA Firm Owner (please print)

_____   _____
CPA/CPA-Inactive certificateholders/CPA Firm/CPA Firm Owner (signature)   Date

DISCLOSURE FORM - STATEMENT OF UNDERSTANDING

Washington rule, WAC 4-30-044(5), requires all Certified Public Accountants (CPAs), CPA-Inactive certificateholders, CPA firms, and CPA firm owners who accept commission, referral and contingent fee arrangements to:

- Disclose the arrangement in writing and in advance of client acceptance;
- Disclose the method of calculating the fee or amount of fee;
- Specify the CPA's, CPA-Inactive certificateholder's, CPA firm's, or CPA firm owner's role as the client's advisor, and
- Obtain the client's consent to the fee arrangement in writing.

As required by the above rule, clients are provided the following information regarding products, services or proposed services offered by _____ (CPA, CPA-Inactive certificateholder, CPA firm, or CPA firm owner).

The advice you receive may include recommendations to purchase products or services for which the CPA, CPA-Inactive certificateholder, CPA firm, or CPA firm owner receives additional compensation in the form of commissions, referral or contingent fees. This creates a monetary incentive for the CPA, CPA-Inactive certificateholder, CPA firm, or CPA firm owner that could bias his/her/their recommendations toward products or services having high commission, referral or contingent fees and to recommend more of such products or services than may be suitable for you. This monetary incentive to make biased recommendations while charging a fee for such recommendations constitutes a substantial conflict of interest.

Nevertheless, CPAs, CPA-Inactive certificateholders CPA firms, and CPA firm owners undertake to provide objective and unbiased recommendations for their customers. Any actual bias in the investment advice would constitute a breach of the undertaking to render objective advice for which the fee is paid.

1. While it may not be possible to ascertain an exact fee for these services until such time as more specific client data has been reviewed, the method or amount of the proposed fee is: $_____

2. Stated below is the percentage of clients during the CPA's, the CPA-Inactive certificateholder's, the CPA firm's, or the CPA firm owner's last fiscal year that paid a fee for receiving services/advice that recommended the client purchase products or services offered through the person or firm* rendering the advice, and resulted in additional compensation to such person for firm for the sale of the recommended products or Services.
   _____%   *Including any affiliate or associate of such person or firm.

3. If _____ (CPA) or _____ (CPA-Inactive certificateholder) or _____ (CPA firm) or _____ (CPA firm owner) has any ownership or interest in any company offering the recommended products or services, that ownership or interest is described below:
   _____
   _____
   _____

I have read and understand the foregoing and consent to the described fee arrangement this _____day of _____, 201____.

_____
Client/Prospective Client (please print)

_____   _____
Client/Prospective Client (signature)   Date

_____
CPA/CPA-Inactive certificateholder/CPA Firm/CPA Firm Owner (please print)

_____   _____
CPA/CPA-Inactive certificateholder/CPA Firm/CPA Firm Owner (signature)   Date

DISCLOSURE FORM - STATEMENT OF UNDERSTANDING
SUBSEQUENT TRANSACTIONS INCLUDED

Washington rule, WAC 4-30-044(5), requires all Certified Public Accountants (CPAs), CPA-Inactive certificateholders, CPA firms, and CPA firm owners who accept commission, referral and contingent fee arrangements to:

- Disclose the arrangement in writing and in advance of client acceptance;
- Disclose the method of calculating the fee or amount of fee;
- Specify the CPA's, CPA-Inactive certificateholder's, CPA firm's, or CPA firm owner's role as the client's advisor, and
- Obtain the client's consent to the fee arrangement in writing.

As required by the above rule, clients are provided the following information regarding products, services or proposed services offered by _____ (CPA, CPA-Inactive certificateholder, CPA firm, or CPA firm owner).

The advice you receive may include recommendations to purchase products or services for which the CPA, CPA-Inactive certificateholder, CPA firm, or CPA firm owner receives additional compensation in the form of commissions, referral or contingent fees. This creates a monetary incentive for the CPA, CPA-Inactive certificateholder, CPA firm, or CPA firm owner that could bias his/her/their recommendations toward products or services having high commission, referral or contingent fees and to recommend more of such products or services than may be suitable for you. This monetary incentive to make biased recommendations while charging a fee for such recommendations constitutes a substantial conflict of interest.

Nevertheless, CPAs, CPA-Inactive certificateholders, CPA firms, and CPA firm owners undertake to provide objective and unbiased recommendations for their customers. Any actual bias in the investment advice would constitute a breach of the undertaking to render objective advice for which the fee is paid.

1. While it may not be possible to ascertain an exact fee for these services until such time as more specific client data has been reviewed, the method or amount of the proposed fee is: $_____.

2. Stated below is the percentage of clients during the CPA's, the CPA-Inactive certificateholder's, the CPA firm's, or the CPA firm owner's last fiscal year that paid a fee for receiving services/advice that recommended the client purchase products or services offered through the person or firm* rendering the advice, and resulted in additional compensation to such person for firm for the sale of the recommended products or Services.
   _____%   *Including any affiliate or associate of such person or firm.

3. If _____ (CPA) or _____ CPA-Inactive certificateholder or _____(CPA firm)or _____ (CPA firm owner) has any ownership or interest in any company offering the recommended products or services, that ownership or interest is described below:
   _____

   _____

4. **It is anticipated that the parties will engage in similar transactions in the future and that consent to this fee arrangement shall be construed as consent to the same arrangement in such future transactions, unless and until revoked by the undersigned.**

I have read and understand the foregoing and consent to the described fee arrangement this _____ day of
_____, 201____.

_____
Client/Prospective Client (please print)

_____   _____
Client/Prospective Client (signature)   Date

_____
CPA/CPA-Inactive certificateholder/CPA Firm/CPA Firm Owner (please print)

_____   _____
CPA/CPA-Inactive certificateholder/CPA Firm/CPA Firm Owner (signature)   Date