

CHAPTER 226.

[H. B. 159.]

PUBLIC ACCOUNTING ACT.

AN ACT to be known as the "Public Accounting Act of 1949," relating to and regulating the practice of public accountancy; establishing the Board of Accountancy of the State of Washington and prescribing its powers and duties; providing penalties; and repealing chapter 72, Laws of 1903, chapter 41, Laws of 1937, and chapter 56, Laws Extraordinary Session, 1933.

Be it enacted by the Legislature of the State of Washington:

Board of Accountancy created.

Members.

SECTION 1. There is hereby created a board to be known as the Board of Accountancy of the State of Washington, hereinafter called the "Board." The Board shall consist of five members to be appointed by the Governor, and all the members of the first Board shall be appointed within thirty days after the effective date of this act.

Qualifications of three of Board members.

Terms of office.

SEC. 2. Three of the members of the Board shall be citizens of the United States and residents of the State of Washington who hold certificates as Certified Public Accountants issued under the laws of this state and who are and have been continuously during the preceding ten years in active practice in this state as Certified Public Accountants. The persons first to be appointed as such members of the Board shall hold office, one for one year, one for two years, and one for three years, from the effective date of this act, the term of each to be designated by the Governor. Thereafter, appointments of each of these three members shall be for terms of three years, but no person shall be eligible for reappointment who has served two consecutive three-year terms.

Qualifications of fourth member.

SEC. 3. The fourth member of the Board shall be a citizen of the United States residing in the State of Washington who holds a license as a Licensed Public Accountant issued under the laws of this state

but who does not hold a certificate as a Certified Public Accountant and who is and has been continuously during the preceding five years in active practice in this state as a Licensed Public Accountant: *Provided, however,* That after the Licensed Public Accountants registered under this act as hereinafter provided shall have decreased in number to ten, no person shall be eligible for appointment as such fourth member unless he possesses the qualifications hereinabove prescribed for the first three members. The person first to be appointed as such fourth member of the Board shall hold office for two years from the effective date of this act. Thereafter, appointments as such fourth member shall be for a term of two years, but no person shall be eligible for re-appointment who has served two consecutive terms.

Proviso.

Term of office.

SEC. 4. The fifth member of the Board shall be a citizen of the United States residing in the State of Washington who does not hold a certificate as a Certified Public Accountant or a license as a Licensed Public Accountant and who is and has been continuously during the preceding five years in active practice in this state as a Public Accountant. The person first to be appointed as such fifth member of the Board shall hold office for a term of three years from the effective date of this act. Thereafter, appointments as such fifth member shall be for a term of two years, but no person shall be eligible for re-appointment who has served two consecutive terms. After such initial three year term the fifth member of the Board shall likewise be a citizen of the United States residing in the State of Washington who holds a license as Licensed Public Accountant issued under the laws of this state, but who does not hold a certificate as a Certified Public Accountant, and who is and has been continuously during the preceding five years in active practice in this state as a Licensed Public Accountant: *Provided, however,* That after

Qualifications of fifth member.

Term of office.

Proviso.

the Licensed Public Accountants registered under the act shall have decreased in number to five, no person shall be eligible for appointment as such fifth member unless he possesses the qualifications hereinabove prescribed for the first three members.

Vacancy.

SEC. 5. Each member shall continue to serve until a successor shall have been appointed and shall have qualified. Vacancies in the membership of the Board occurring during a term shall be filled by appointment by the Governor for the unexpired term. The Governor may remove any member of the Board for misconduct, incompetency or neglect of duty.

Removal.

Officers of Board.

Powers.

Majority a quorum.

Board may hire personnel.

SEC. 6. The Board shall elect annually a chairman, vice-chairman and a secretary. The Board may adopt, and amend from time to time, rules and regulations for the orderly conduct of its affairs and for the administration of this act. A majority of the Board shall constitute a quorum for the transaction of business. The Board shall keep records of its proceedings which shall be open for public inspection. The Board may hire such employees as are necessary to assist it in the performance of its duties and the keeping of its records.

Salary of Board members.

Expenses.

SEC. 7. Each member of the Board shall be paid twenty-five dollars for each day or portion thereof spent in the discharge of his official duties and shall be reimbursed for his actual and necessary expenses incurred in the discharge of such duties.

Board to receive applications and shall make investigations.

SEC. 8. The Board shall receive applications for certificates of Certified Public Accountants and for licenses of Licensed Public Accountants, shall investigate the qualifications of the applicants and shall instruct the Director of Licenses to issue the appropriate certificates or licenses to those properly qualified as provided in this act.

SEC. 9. The Board shall have printed and published for public distribution, in January of each year, an annual register which shall contain the names, arranged alphabetically by classification, of all persons holding permits to practice the profession of public accounting in this state.

Board to publish register of licensees.

SEC. 10. The Board shall file an annual report of its activities with the Governor.

Annual report.

SEC. 11. The certificate of "Certified Public Accountant" shall be issued by the Director of Licenses upon the authority of the Board, to any person (a) who is a citizen of the United States or who has duly declared his or her intention of becoming a citizen, and (b) who is a resident of this state or who has a place of business or is employed in this state, and (c) who has attained the age of twenty-one years, and (d) who is of good moral character, and (e) who shall have successfully passed a written examination in theory of accounts, in accounting practice, in auditing, in commercial law as affecting public accounting, and in such other related subjects as the Examining Committee may designate, and (f) who meets the requirements of education and experience of any one of the following subdivisions:

Requirements for certificate of Certified Public Accountant.

(1) Who is a graduate of a college or university recognized by the Board, and who has completed sixty or more quarter hours or the equivalent thereof in the study of accounting, business law, economics and finance, of which at least forty-five quarter hours or the equivalent thereof shall be in the study of accounting, and who has been engaged in practice as a Public Accountant, or in the employ as a Staff Accountant of a Public Accountant, Licensed Public Accountant, or Certified Public Accountant, for at least one year; or

Education and experience requirements.

(2) Who is a graduate of a college or university recognized by the Board but who has not completed the hours of study and subjects specified in sub-

Business school accounting.

division (1) of clause (e) of this section, or who is a graduate of an established resident school of business or accounting which offers courses of study in accounting, business law, economics and finance and who is a graduate of a high school with a four-year course or who has acquired an equivalent education, and who has been engaged in practice as a Public Accountant, or in the employ as a Staff Accountant of a Public Accountant, Licensed Public Accountant, or Certified Public Accountant, for at least one year more than in the preceding subdivision.

Non-college or business school accounting.

(3) Who is a graduate of a high school with a four-year course or who has acquired an equivalent education, and who has been engaged in practice as a Public Accountant, or in the employ as a Staff Accountant of a Public Accountant, Licensed Public Accountant, or Certified Public Accountant, for at least four years.

Examining Committee.

SEC. 12. The members of the Board who hold certificates as Certified Public Accountants shall constitute the Examining Committee. This Committee shall hold written examinations of applicants for certificates as Certified Public Accountants at least semi-annually at such time and place as applications and circumstances may warrant.

Examinations.

Examination prior to experience.

SEC. 13. A candidate for a certificate who meets the educational requirements in subdivisions (1), (2), or (3) of clause (f) of section 11, if he so elects, shall be examined by the Examining Committee prior to the time such candidate has acquired the experience required under these subdivisions: *Provided, however,* That the certificate shall not be issued until the experience requirements shall have been complied with.

Proviso.

SEC. 14. The examinations shall be such as in the opinion of the Examining Committee are reasonable and proper, and the Examining Committee

shall, so far as is practicable, use the examination and the grading services of the American Institute of Accountants.

Examinations to be fair and reasonable.

SEC. 15. A candidate who fails an examination shall have the right to take succeeding examinations as many times as he may choose. A candidate who receives a passing grade in at least one subject shall have the right to be re-examined only in the remaining subjects at subsequent examinations, provided that he takes an examination at least once each year thereafter, and if such candidate receives a passing grade in the remaining subject or subjects he shall be deemed to have passed the entire examination. Any person who has passed an examination given by the Director of Licenses prior to the effective date of this act in any of the subjects mentioned in section 11 (e) above, shall not be required to pass an examination in the same or similar subject as a part of the examination provided for herein, and such person shall be given full credit for having passed that subject for the purposes of this act, provided he has taken examinations in the remaining subjects at least once each year after so passing the examination given by the Director of Licenses. The Board may for good cause shown, waive the requirement that a candidate must have taken an examination at least once a year. An application for examination or re-examination in any subject shall be accompanied by a fee of twenty-five dollars.

Candidate who fails may retake examination.

May be taken in parts.

Candidates who have passed subjects prior to this act.

Board may waive requirements.

Fees for examinations.

SEC. 16. Any candidate who, prior to the passage of this act, has applied to take an examination, or held a valid license as a Licensed Public Accountant or was regularly enrolled in any college or correspondence course in accounting, or any person whose registration under this act is accepted by the Board, will be issued a certificate as a Certified Public Accountant when he has met either the requirements of this act, or the requirements which were in effect

Prior applicants for examination.

immediately prior to the passage of this act, or the requirements which were effective at the time his first application was filed at the candidate's choice.

Conditions under which non-resident certified or licensed accountant may practice in this state.

SEC. 17. The Board shall authorize the issuance of a certificate as Certified Public Accountant to any person who is the holder of a certificate, license, permit or degree authorizing him to practice as a Certified Public Accountant in any state, territory, or possession of the United States, providing the requirements which such person had been called upon to meet in order to obtain such certificate, license, permit or degree were at least the equivalent of those for obtaining a certificate to practice as a Certified Public Accountant in this state: *And provided, further,* That such state, territory or possession makes similar provision to authorize a person who holds a valid certificate to practice in this state as a Certified Public Accountant to practice in such state, territory or possession as a Certified Public Accountant.

Reciprocity.

Certified Public Accountants status unchanged by act.

SEC. 18. Any person who at the effective date of this act holds a valid certificate to practice public accounting in this state as a Certified Public Accountant shall not be required to meet the requirements set forth herein and shall be considered to be the holder of a valid certificate to practice as a Certified Public Accountant in this state under this act, and shall be subject to all the provisions of this act.

Certified Public Accountant partnerships must register.

SEC. 19, The Director of Licenses shall register a partnership as a partnership of Certified Public Accountants if the partnership meets the following requirements: (a) At least one partner must hold a valid certificate to practice in this state as a Certified Public Accountant;

Requirements.

(b) Each partner personally engaged within this state in the practice of public accounting must hold a valid certificate to practice in this state as a Certified Public Accountant; and

(c) Each partner must hold a valid certificate, license, permit or degree authorizing him to practice as a Certified Public Accountant in a state, territory, or possession of the United States;

(d) Each resident manager in charge of an office of the partnership in this state must hold a valid certificate to practice in this state as a Certified Public Accountant; and

(e) The application for registration as a partnership of Certified Public Accountants must be approved by the Board.

Application for such registration shall be in writing, sworn to by a partner of such partnership who holds a valid certificate to practice in this state as a Certified Public Accountant. A notice of amendment shall be filed with the Board within one month after the admission to, or withdrawal of a partner from, any partnership so registered. A fee of ten dollars must accompany the original application, and a fee of five dollars must accompany each notice of amendment.

Application
for registration
of partnership.

Fee for
registration.

SEC. 20. Any person who has been registered as a public accountant under the provisions of this act, and who has been continuously engaged in the practice of public accounting as his principal occupation since such registration may, within three years after the effective date of this act, make application for a license to practice as a Licensed Public Accountant, accompanied by a fee of twenty-five dollars. If the Board determines that such person then meets all of the requirements for becoming a Licensed Public Accountant under the law in effect prior to the effective date of this act, the Director of Licenses shall issue a license to such person to practice as a Licensed Public Accountant. No person other than one qualifying under this paragraph shall be issued a license to practice as a Licensed Public Accountant after the effective date of this act, except as is provided in section 35 of this act.

Public Accountants
may apply
for license
as Licensed
Public
Accountant.

Fee for
license.

Issuance
of license.

Persons already licensed need not apply.

Any person who, at the effective date of this act, holds a valid license to practice public accounting in this state as a Licensed Public Accountant shall not be required to again qualify as provided for herein and shall be considered to be the holder of a license to practice as a Licensed Public Accountant under this act, and the holder thereof shall be subject to all the provisions of this act.

Licensed Public Accountants partnership must register.

SEC. 21. The Director of Licenses shall register a partnership as a partnership of Licensed Public Accountants if the partnership meets the following requirements: (a) At least one general partner must hold a valid certificate to practice in this state as a Certified Public Accountant or a valid license to practice in this state as a Licensed Public Accountant;

Requirements.

(b) Each partner personally engaged within this state in the practice of public accounting must hold a valid certificate to practice in this state as a Certified Public Accountant or a valid license to practice in this state as a Licensed Public Accountant;

(c) Each partner must hold a valid certificate, license, permit or degree authorizing him to practice as either a Certified Public Accountant or a Licensed Public Accountant in a state, territory, or possession of the United States;

(d) Each resident manager in charge of an office of the partnership in this state must hold a valid certificate to practice in this state as a Certified Public Accountant or a valid license to practice in this state as a Licensed Public Accountant; and

(e) The application for registration as a partnership of Licensed Public Accountants must be approved by the Board.

Application for registration of partnership.

Application for such registration shall be in writing, sworn to by a partner of such partnership who holds a valid certificate to practice in this state as a Certified Public Accountant or a valid license to prac-

tice in this state as a Licensed Public Accountant. A notice of amendment shall be filed with the Board within one month after the admission to, or withdrawal of a partner from, any partnership so registered. A fee of ten dollars must accompany the original application, and a fee of five dollars must accompany each notice of amendment.

Fee.

SEC. 22. The Board shall appoint three persons who shall constitute the Public Accountants' Registration Committee. One of these members shall be a Public Accountant in practice in this state who does not hold a license to practice as a Licensed Public Accountant or a certificate to practice as a Certified Public Accountant, one member shall be a person holding a valid license to practice as a Licensed Public Accountant and one member shall be a person holding a valid certificate to practice as a Certified Public Accountant. Each of the members must be and have been continuously during the five years preceding his appointment, in active practice as a Public Accountant in this state.

Public Accountants Registration Committee.

Qualifications of members.

The Committee may adopt, and amend from time to time, rules and regulations for the orderly conduct of its affairs and for the administration of this act. Each member of the Committee shall be paid twenty-five dollars for each day or portion thereof spent in the discharge of his official duties and shall be reimbursed for his actual and necessary expenses incurred in the discharge of such duties.

Powers of Committee.

Salary.

Expenses.

SEC. 23. Any person (a) who is a resident of this state, or who has a place of business or is employed in this state, and (b) who is of good moral character and (c) who meets the requirements of subdivision (1) or (2) or (3) of this section may apply for registration as a Public Accountant:

Qualifications of Public Accountants.

(1) Persons who held themselves out to the public as Public Accountants, and who were engaged within this state at the effective date of this act in the

practice of public accounting as their principal occupation;

(2) Staff Accountants employed by Certified Public Accountants or by Licensed Public Accountants or by Public Accountants and regularly assigned to accounting engagements at the effective date of this act; and

(3) Persons serving in the armed forces of the United States or any of the United Nations, who immediately prior to entering such service were residents of this state and held themselves out to the public as Public Accountants and who were engaged in the practice of public accounting as their principal occupation, or who were employed as Staff Accountants by Certified Public Accountants or by Licensed Public Accountants or by Public Accountants and regularly assigned to accounting engagements. In the case of any such person serving in the armed forces of the United States or any of the United Nations on the effective date of this act, the time for registration provided for herein shall be extended for a period of twelve months from the time such person is honorably discharged from such service.

Fee for registration.

The application for registration must be filed on or before sixty days after the effective date of this act, accompanied by a fee of twenty-five dollars.

Committee to determine eligibility of applicants.

SEC. 24. The Public Accountants' Registration Committee shall in each case determine whether the applicant is eligible for registration, promptly notifying the applicant of its determination by registered mail. An application which is approved by the Public Accountants' Registration Committee shall be reviewed by the Board, and if it be approved by the Board, the Director of Licenses shall register the applicant as a Public Accountant.

Review by the Board.

Such registration shall cease to be effective if the registrant fails to either apply for, or meet the re-

quirements for, a license to practice as a Licensed Public Accountant as provided in section 20.

SEC. 25. Any person whose application has not been approved by the Public Accountants' Registration Committee may appeal to the Board for a review within sixty days after notification of disapproval is mailed to him. The Board will arrange a hearing as provided in section 31 of this act, at which the applicant may produce arguments and additional evidence to substantiate his application. The decision of the Board shall be final, except for review as provided in section 31.

Appeal to Board for review.

Decision of the Board final.

SEC. 26. The Director of Licenses shall register a partnership as a partnership of Public Accountants if the partnership meets the following requirements: (a) At least one general partner must hold a valid certificate to practice in this state as a Certified Public Accountant, a valid license to practice in this state as a Licensed Public Accountant, or be a Registered Public Accountant of this state;

Public Accountants partnership must register.

Requirements.

(b) Each partner personally engaged within this state in the practice of public accounting must hold a valid certificate to practice in this state as a Certified Public Accountant or a valid license to practice in this state as a Licensed Public Accountant, or be a Registered Public Accountant of this state;

(c) Each partner must be duly authorized by a certificate, license, permit, degree or registration to practice as either a Certified Public Accountant, a Licensed Public Accountant, or a Public Accountant in a state, territory or possession of the United States;

(d) Each resident manager in charge of an office of the partnership in this state must hold a valid certificate to practice in the state as a Certified Public Accountant or a valid license to practice in this state as a Licensed Public Accountant or be a Registered Accountant of this state; and

(e) The application for registration as a partnership of Public Accountants must be approved by the Board.

Application for registration of partnership.

SEC. 27. Application for registration shall be in writing sworn to by a partner of the applicant partnership who holds a certificate to practice in this state as a Certified Public Accountant or a license to practice in this state as a Licensed Public Accountant or is a Registered Public Accountant of this state. A notice of amendment shall be filed with the Board within one month after the admission to, or withdrawal of a partner from, any partnership so registered. A fee of ten dollars shall accompany the original application and a fee of five dollars shall accompany each notice of amendment.

Fee for registration.

Annual permit to practice public accounting.

SEC. 28. The Director of Licenses shall upon application issue an annual permit to practice public accounting in this state to any person or partnership authorized to engage in such practice in this state under a valid certificate, license or registration, and to any candidate for a certificate as a Certified Public Accountant who has passed the entire examination given by the Examining Committee as provided in section 11. Such permits shall expire on the thirtieth day of June of each year, except that the first permit shall expire on June 30th, 1950. The fee for a permit to practice public accounting in this state for the initial period ending June 30th, 1950 shall be ten dollars and thereafter the annual renewal fee shall be ten dollars. In the event the holder of a permit fails to renew the same prior to the expiration thereof such failure shall not deprive a person or partnership otherwise entitled to such permit of the right to renew the same upon the payment of the fees which the applicant would have been required to pay if the permit had been renewed prior to its expiration.

Expiration date of permits.

Fee for permit.

Effect of failure to renew permit.

- SEC. 29. Upon complying with the provisions of section 31 of this act the Board may revoke or suspend any certificate issued under section 11 of this act, or any license issued under section 20 of this act, or any registration under sections 22 through 25 of this act, or may revoke, suspend or refuse to renew any annual permit issued under section 28 of this act for any one or any combination of the following causes: (a) The practice of any fraud or deceit in obtaining a certificate as a Certified Public Accountant, or a license as a Licensed Public Accountant, or in obtaining registration under this act, or in obtaining an annual permit under this act;
- (b) Dishonesty, fraud or gross negligence in the practice of public accounting;
- (c) Violation of any of the provisions of section 33 of this act;
- (d) Repeated violation of the rules of professional conduct promulgated by the Board under the authority granted by section 8 of this act, after warning by the Board that such continued violation will constitute grounds for proceedings hereunder;
- (e) Conviction of a felony under the laws of any state or of the United States;
- (f) Conviction of any crime, an essential element of which is dishonesty or fraud, under the laws of any state or of the United States;
- (g) Cancellation, revocation, suspension, or refusal of renewal of the authority to practice as a Certified Public Accountant, as a Licensed Public Accountant, or as a Public Accountant in any of the United States; or
- (h) Failure by any person not a citizen of the United States to become a citizen within six years from the date he receives a certificate as a Certified Public Accountant or a license as a Licensed Public Accountant as provided in this act.

Board may revoke or suspend any certificate, license, or registration.

Causes for revocation or suspension of annual permits.

Revocation or suspension of rights of partnerships.

SEC. 30. Upon complying with the provisions of section 31 of this act the Board may revoke or suspend the right of any partnership to practice public accounting in this state for any of the following causes: (a) The revocation or suspension of the certificate, license, or registration of any partner or the revocation, suspension or refusal of renewal of the annual permit of any partner under this act; or

Causes for revocation or suspension.

(b) The cancellation, revocation, suspension or refusal of renewal of the authority of the partnership or any partner thereof to practice public accounting in any state.

Initiation of proceedings for revocation or suspension.

SEC. 31. (a) Proceedings for the revocation or suspension of the certificate, license, or registration of any person or partnership may be initiated by the Board on its own motion or by the filing with the Board of a statement of charges sworn to by the person making the charges;

Date of hearing to be set.

(b) Unless the charge or charges be dismissed by the Board as unfounded or trivial, the Board shall set a date for hearing not later than ninety days after the proceedings are initiated. A copy of the charge or charges, together with a notice of the time and place of hearing before the Board shall be served on the accused either personally or by mailing a copy thereof by registered mail to the address of the accused last known to the Board not less than thirty days prior to the date set for the hearing;

Notice of hearing and charges.

Failure of accused to appear.

(c) If after having been so served with a notice of hearing, the accused fails to appear at said hearing, the Board may proceed to hear evidence against him and may enter such order as may be justified by the evidence, which order shall be final unless the accused petitions for a review thereof: *Provided, however,* That within thirty days from the date of any such order upon a showing of good cause for failing to appear, the Board may reopen said pro-

Hearing may be reopened for good cause.

ceedings and may permit the accused to submit evidence in his behalf;

(d) At any hearing the accused may appear in person and by counsel may produce evidence and witnesses on his own behalf, and may cross-examine such witnesses as may appear against him. The accused shall be entitled on application to the Board to the issuance of subpoenas to compel the attendance of witnesses and the production of evidence on his behalf;

Right of accused to counsel, witnesses, and subpoenas.

(e) The Board, or any member thereof, may issue subpoenas to compel the attendance of witnesses and the production of documents, and may administer oaths, take testimony, hear proofs and receive exhibits in evidence in connection with or upon hearing under this act. In case of disobedience to a subpoena the Board may invoke the aid of any Court of this state in requiring the attendance and testimony of witnesses and the production of documentary evidence;

Powers of Board at hearings.

Board may invoke aid of Courts.

(f) The Board shall not be bound by technical rules of evidence;

(g) The Director of Licenses shall revoke or suspend any certificate, license, or registration issued or permitted under this act, upon the order of the Board, adopted by a majority of the whole Board after proceedings under this section; and

Revocation or suspension by Director of Licenses.

(h) Any person adversely affected by any action of the Board may obtain a review thereof by filing a written petition for review in the Superior Court of the county in which he resides within thirty days after the entry of such order. The Court will hear the matter de novo, and may sustain, modify or set aside the Board's order in whole or in part, or may remand the matter to the Board for further action, and may, in its discretion, stay the effect of the Board's order pending its determination of the case. The Court's decision shall have the force and effect of a decree in equity.

Review to Superior Court.

Court to hear matter de novo.

Board may
reissue
permit,
license, or
certificate.

SEC. 32. The Director of Licenses, upon the authority of the Board, may reissue the certificate of any Certified Public Accountant whose certificate has been revoked, or the license of any Licensed Public Accountant whose license has been revoked, or may permit the re-registration of any person whose registration has been revoked, or may modify the suspension of any person or partnership whose permit to practice public accounting has been revoked or suspended.

Use of title
or abbrevia-
tion of
"CPA" by
persons.

SEC. 33. (a) No person shall assume or use the title or designation "Certified Public Accountant" or the abbreviation "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such person is a Certified Public Accountant, unless such person is the holder of a valid certificate to practice as a Certified Public Accountant in this state under section 11 of this act and holds a valid permit under section 28 of this act.

By partner-
ships.

(b) No partnership shall assume or use the title or designation "Certified Public Accountants" or the abbreviation "CPA's" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such partnership is composed of certified public accountants unless such partnership is registered as a partnership of Certified Public Accountants under section 19 of this act and holds a valid permit issued under section 28 of this act;

Use of title
or abbrevia-
tion of
"LPA" by
persons.

(c) No person shall assume or use the title or designation "Licensed Public Accountant" or the abbreviation "LPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such a person is a Licensed Public Accountant, unless such person is the holder of a license to practice as a Licensed Public Accountant

under section 20 of this act and holds a valid permit issued under section 28 of this act;

(d) No partnership shall assume or use the title or designation "Licensed Public Accountants" or the abbreviation "LPA's" or any other title, designation, words, letters, abbreviation, card, or device tending to indicate that such partnership is composed of Licensed Public Accountants, unless such partnership is registered as a partnership of Licensed Public Accountants under section 21 of this act and holds a valid permit issued under section 28 of this act;

By partner-
ships.

(e) No person shall assume or use the title or designation "Public Accountant" or the abbreviation "PA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such person is a Public Accountant, unless such person is the holder of a certificate to practice as a Certified Public Accountant under section 11 of this act, or is the holder of a license to practice as a Licensed Public Accountant under section 20 of this act, or is registered as a Public Accountant under section 23 of this act, and holds a valid permit issued under section 28 of this act;

Use of title
or abbrevia-
tion of "PA"
by persons.

(f) No partnership shall assume or use the title or designation "Public Accountants" or the abbreviation "PA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such partnership is composed of Public Accountants, unless such partnership is registered as a partnership of Certified Public Accountants under section 19 of this act, or as a partnership of Licensed Public Accountants under section 21 of this act, or as a partnership of Public Accountants under section 26 of this act, and holds a valid permit issued under section 28 of this act;

By partner-
ships.

(g) No person, partnership or corporation shall assume or use the title or designation "Certified Accountant," "Chartered Accountant," "Enrolled Ac-

Use of cer-
tain other
titles for-
bidden.

countant," "Licensed Accountant," "Registered Accountant," or any other title or designation likely to be confused with "Certified Public Accountant," "Licensed Public Accountant," and "Public Accountant" or the abbreviations "CA," "EA," or "LA," or similar abbreviations likely to be confused with "CPA," or "LPA," or "PA";

Signature by non-permit holder to financial statements forbidden.

(h) No person shall sign or affix his name with any wording indicating that he is an accountant or auditor, or with any wording indicating that he has expert knowledge in accounting or auditing, to any accounting or financial statement, or to any opinion on, report on or certificate to any accounting or financial statement, unless he holds a valid permit issued under section 28 of this act: *Provided, however,* That the provisions of this subsection shall not prohibit any officer, employee, partner or principal of any organization from affixing his signature to any statement or report in reference to the financial affairs of said organization with any wording designating the position, title, or office which he holds in said organization, nor shall the provisions of this subsection prohibit any act of a public official or public employee in the performance of his duties as such;

Certain persons excepted.

Public officials excepted.

Signature of a partnership name by non-permit holder to financial statements forbidden.

(i) No person shall sign or affix a partnership name, with any wording indicating that it is a partnership composed of accountants or auditors or persons having expert knowledge in accounting or auditing, to any accounting or financial statement, or to any report on or certificate to any accounting or financial statement, unless the partnership holds a valid permit issued under section 28 of this act; and

Corporate name.

(j) No person shall sign or affix a corporate name, with any wording indicating that it is a corporation performing services as accountants or auditors or composed of accountants or auditors or persons having expert knowledge in accounting or auditing to

any accounting or financial statement, or to any report on or certificate to any accounting or financial statement.

SEC. 34. Nothing contained in this act shall prohibit any person not a Certified Public Accountant or Licensed Public Accountant, or a Registered Public Accountant from serving as an employee of, or as assistant to, a Certified Public Accountant or Licensed Public Accountant or Public Accountant or partnership composed of Certified Public Accountants or Licensed Public Accountants or Public Accountants holding a valid permit to practice under section 28 of this act: *Provided*, That such employee or assistant shall not issue any accounting or financial statement over his or her name.

Employees of accountants.

Nothing in this act shall prohibit a Certified Public Accountant or a Licensed Public Accountant, or a Public Accountant registered in another state, or any accountant of a foreign country holding a certificate, degree or license which permits him to practice therein from temporarily practicing in this state on professional business incident to his regular practice.

Practice by non-resident licensed accountants.

Nothing in this act shall prohibit a candidate for a certificate as a Certified Public Accountant, who has passed the entire examination given by the Examining Committee as provided in section 11 of this act, from engaging in practice as a Public Accountant for the period of time necessary to acquire the experience required before such a certificate may be issued, provided such person holds a valid permit to practice issued under section 28 of this act.

Candidate for CPA who has passed entire exam may practice.

Nothing contained in this act shall prohibit any corporation which at the effective date of this act has been legally organized in the State of Washington or authorized to do business therein or has engaged in the practice of public bookkeeping and accounting for a period of at least three (3) years prior to such

Accounting corporations engaged in prior practice.

effective date, from continuing such practice under its corporate form and arrangement.

Vetocd.

Nothing in this act shall prohibit any person who is a graduate in the field of accounting of any college or university duly authorized by the state to grant degrees, or school approved by the Board, from engaging in public accounting work and nothing in this act shall prevent him from obtaining a license to practice as a Licensed Public Accountant, and the Director is hereby expressly authorized to issue a license to such persons to practice as a Licensed Public Accountant.

Board may apply for injunction against violations of section 33, supra.

SEC. 35. Whenever in the judgment of the Board any person has engaged, or is about to engage, in any acts or practices which constitute, or will constitute, a violation of section 33 of this act, the Board may make application to the appropriate Court for an order enjoining such acts or practices and upon a showing by the Board that such person has engaged, or is about to engage, in any such acts or practices, an injunction, restraining order, or such other order as may be appropriate may be granted by such Court.

Penalty for violations

SEC. 36. Any person who violates any provision of section 33 of this act, shall be guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not more than five hundred dollars, or to imprisonment for not more than six months, or to both such fine and imprisonment. Whenever the Board has reason to believe that any person is violating the provisions of this act it shall certify the facts to the prosecuting attorney of the county in which such person resides or may be apprehended and the prosecuting attorney shall cause appropriate proceedings to be brought against such person. Nothing herein contained shall be held to in any way affect the power of the Courts to grant injunctive or other relief as above provided.

SEC. 37. The display or uttering by a person of a card, sign, advertisement or other printed, engraved or written instrument or device, bearing a person's name in conjunction with the words "Certified Public Accountant" or any abbreviation thereof, or "Licensed Public Accountant" or any abbreviation thereof, or "Public Accountant" or any abbreviation thereof, shall be prima facie evidence in any action brought under section 35 or 36 of this act that the person whose name is so displayed caused or procured the display or uttering of such card, sign, advertisement or other printed, engraved or written instrument or device, and that such person is holding himself out to be a Certified Public Accountant or a Licensed Public Accountant or a Public Accountant holding a permit to practice under section 28 of this act. In any such action evidence of the commission of a single act prohibited by this act shall be sufficient to justify an injunction or a conviction without evidence of a general course of conduct.

Evidence to support injunctions or convictions.

SEC. 38. In the absence of an express agreement between the Certified Public Accountant, Licensed Public Accountant or Public Accountant and the client to the contrary, all statements, records, schedules, working papers, and memoranda made by a Certified Public Accountant, Licensed Public Accountant or Public Accountant incident to or in the course of professional service to clients, except reports submitted by a Certified Public Accountant, Licensed Public Accountant or Public Accountant to a client, shall be and remain the property of such Certified Public Accountant, Licensed Public Accountant or Public Accountant.

Reports and working papers, etc.

SEC. 39. All applications for examinations for certificates as provided in section 11, applications for licenses as provided in section 20, and applications for registrations as provided in sections 19, 21, 22,

Applications shall be filed with Director of Licenses.

and 26, shall be filed with the Director of Licenses, together with the fees in the required amount, and it shall be the duty of the Director of Licenses on the next business day after the receipt of any such application and fee, to transmit the application, accompanied by his duplicate receipt for the fee, to the Board.

Partial
invalidity.

SEC. 40. The provisions of this act are hereby declared to be severable and if any provision of this act shall be held to be unconstitutional it is the legislative intent that such judgment shall not affect any other section or provision thereof.

Repealing
clause.

SEC. 41. Chapter 72, Laws of 1903, chapter 41, Laws of 1937, and chapter 56, Laws Extraordinary Session, 1933, are hereby repealed.

Passed the House March 8, 1949.

Passed the Senate March 5, 1949.

Approved by the Governor March 21, 1949, with the exception of the last unnumbered item of Section 34, which is vetoed.