

**BEFORE THE ACCOUNTANCY EXAMINING BOARD
OF THE STATE OF IOWA**

IN THE MATTER OF:

James A. Watson, CPA
Certificate # R4130
132 Charles Park Drive
Council Bluffs, IA 51503

Respondent

Case No. 07-18



**COMBINED STATEMENT OF
CHARGES AND CONSENT ORDER
IN DISCIPLINARY CASE**

A. Statement of Charges

1. The Iowa Accountancy Examining Board ("Board") has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 542 (2007).

2. Respondent, James A. Watson, was issued Iowa CPA certificate number R4130 on the 5th day of May, 1997. Respondent's certificate lapsed on the 30th day of June, 2005. Respondent reinstated the certificate on the 16th day of May, 2007. During the period of lapse, Respondent held out to the public or otherwise performed public accounting services for which a CPA certificate is required. The certificate is currently active and will next expire June 30, 2009.

3. The Board charges Respondent, James A. Watson, with practicing public accountancy on a lapsed certificate in violation of Iowa Code sections 272C.10(3), and 542.10(1)(c), (d), (i) and (j); and 193A Iowa Administrative Code 5.5(2). Respondent allowed his certificate to lapse through inadvertence and error. Respondent was current on his continuing education, and was able to immediately reinstate and satisfy all conditions for reinstatement of his certificate when he discovered the lapse. There were no circumstances that would have prevented the renewal of Respondent's certificate and there is accordingly no information suggesting that Respondent acted in a deceptive manner. Respondent assures the Board he will not allow his certificate to lapse in the future while engaging in the practice of public accounting as a certified public accountant.

4. The Board accepts Respondent's assurance. The Board and Respondent have agreed to fully resolve these charges through the following Consent Order, rather than proceed to contested case hearing.

B. Settlement Agreement and Consent Order

5. Respondent has a right to a hearing on the charges, but waives the right to hearing and all attendant rights, including the right to seek judicial review, by freely and voluntarily

entering into this Order. This Consent Order constitutes discipline against the Respondent, and is the final agency order in the contested case, pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.4.

6. Respondent agrees the State's counsel may present this Order to the Board and may have ex parte communications with the Board while presenting it.

7. This Order shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any future disciplinary action to be imposed in the event of any future violations.

8. This Combined Statement of Charges and Consent Order is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (2007).

9. Failure to comply with the provisions of this Order shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (2007). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

10. This Order is subject to approval of the Board:

(a) If the Board fails to approve this Order, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter.

(b) If the Board approves this Order, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED:

A. Reprimand. Respondent is reprimanded for practicing public accountancy on a lapsed certificate.

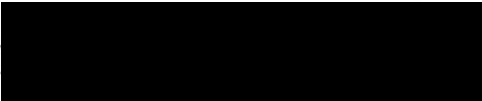
B. Civil Penalty. Respondent shall pay a civil penalty of \$500 within 30 days of both parties signing this order.

C. Client Notification. Respondent, James A. Watson, shall notify the clients for whom he provided services using the "CPA" designation from the time his certificate lapsed in Iowa until the date his certificate was reinstated. Respondent shall send a copy of his proposed notification letter to the Board office for pre-approval prior to mailing. Respondent shall provide copies of the letters to the Board office within 30 days of both parties signing this order. He may submit a single copy of a form letter with the names of clients to whom he sent the letter.

AGREED AND ACCEPTED:

The Respondent

The Iowa Accountancy

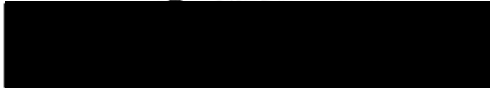


James A. Watson, CPA

6/25/06

Date

Examining Board



By: Telford A. Lodden, CPA, Chair

6-28-07

Date