

Partner Spotlight On... Wesley Middleton How A Tax Guy Transformed A Niche Audit Practice

When the longtime tax services director and auditor **Wesley Middleton** took the reins of 14-year-old **MaloneBailey LLP** (FY09 net revenue of \$12.4 million) in Houston late last year, he had to ask an obvious question: how does a tax guy on board for only a year and a half wind up in charge of the whole firm?

For Middleton, it wasn't a difficult question to answer since founding partner **John Malone** brought him over from Gainer Donnelly Desroches in 2008 to build up the tax department and the SEC practice. Middleton's arrival was actually a merger of his tax practice, which included his team and clients.



Wesley Middleton

"I was asked to come over here and build a tax department," Middleton says. "The culture I brought over was different. [Within a year], there was less of a concentration on the SEC audit niche. It went from 98% to 79% of the total business."

Malone emphasizes the importance of Middleton's presence to the future of the firm. "Wesley is the right person to lead the firm in this next phase of our growth from a strategic and administrative perspective," Malone tells IPA.

Building An SEC Practice

Middleton's ascension to MP in December was one part of a multi-faceted expansion plan. When the firm announced his promotion, Malone was named its SEC practice leader. In the same week, MaloneBailey merged with New York City-based **Kempisty & Co.** to further build its small to mid-market SEC practice area. "Our SEC audit practice has grown to the size where it requires a full-time, dedicated practice leader, and this has always been a passion of mine," Malone says.

As for the New York City presence, Middleton believes "adding the New York office's team and clients adds depth to our broker dealer audit expertise and Chinese audit capabilities." He also feels that the firm can bring its oil and gas expertise to the New York market.

"I am confident that I can carry out plans to continue to grow our national SEC audit practice while expanding our reach to include a broader mix of tax services and an increased emphasis on building our private company practice," Middleton says.

About a month after taking over, Middleton announced the creation of a new private company practice team headed by **Stan Raines**, a tax manager he brought over from

another firm, and **David Forrest**, a former KPMG auditor and principal of **Scott, Forrest, Adams & Co.** Raines was named tax partner and Forrest audit partner.

With these changes now in place, Middleton hopes to carry out a three-year expansion plan that includes:

- Doubling revenue from last fiscal year (currently the firm is at \$12 million).
- Developing a stronger presence in other niche markets like gas and construction.
- Growing the local markets.
- Adding larger public companies as clients.

Middleton acknowledges some challenges to this ambitious expansion plan, especially since he is filling the shoes of the founding MP. “An internal culture shift has to occur,” he says. “Right now, all the partners are on the same page.”

The firm has also had to deal with the realities of the recession and how that affects price pressure. To ensure success, the firm has a marketing plan, overseen by **Caroline Rosen**.

The Next Generation Is Key

In order to gauge the effect on the staff of the expansion and management changes, Middleton started the *Next Generation Council*. This group includes the younger staff members who meet with Middleton to discuss a myriad of issues.

“I’m 40,” Middleton says, “so I want to pay attention to what the next generation hears and does. It gives them a chance to get an audience with the MP and it encourages them.”

For any aspiring MP in a competitive market, Middleton says it doesn’t hurt to listen to your own people more. “For me, I’m doing a lot of listening,” he says. “You need to make more thoughtful decisions because they affect a lot of people.” ■ **IPA**

CPA Sues Craigslist Over Online Smear Ads



A Queens, N.Y., CPA is suing Craigslist after two ads accused him of wrongdoing.

Accountant **Leo Kehoe** says it will take \$4 million to even the balance sheet after he was anonymously smeared on Craigslist March 5, the New York Post reported. He is seeking \$1 million in damages for each of the two counts against Craigslist and each of the two counts against whoever posted the ads, court documents say.